

*Government of Guam Retirement  
Fund*

*MEMBERS' and BENEFITS  
COMMITTEE*

*JULY, 2011 - REPORT*

Committee Summary  
August, 2010 to July 2011

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
<b>MEMBERS' &amp; BENEFITS DIVISION STAFF</b>	13	13	13	13	13	13	13	13	13	13	13	13
<b>No. of Active Members</b>												
Defined Benefits	3,497	3,540	3,512	3,502	3,493	3,500	3,448	3,451	3,457	3,430	3,421	3,358
Defined Contributions	6,644	7,366	7,461	7,461	7,500	6,759	7,523	7,891	7,649	7,650	7,668	6,977
<b>No. of Retirees</b>												
Defined Benefits	6,895	6,902	6,911	6,939	6,929	6,920	6,928	6,930	6,934	6,927	6,924	6,898
Defined Contributions	296	296	303	309	311	330	336	345	351	355	362	364
<b>No. of Cases Pending</b>	<b>34</b>	<b>25</b>	<b>45</b>	<b>61</b>	<b>22</b>	<b>52</b>	<b>73</b>	<b>61</b>	<b>33</b>	<b>27</b>	<b>42</b>	<b>41</b>
8119., 8120	0	1	1	2	1	3	11	4	3	1	1	1
a Age Retirement												
b Age Retirement (ERIP)	0	0	0	0	0	0	0	0	0	0	0	0
c Optional Retirement	3	1	0	0	0	1	3	2	2	0	0	0
d Service Retirement	9	1	2	5	1	14	26	14	6	2	5	8
e Service Retirement (ERIP)	0	0	0	0	0	2	0	0	0	0	0	0
f Medical Disability Applicants	0	0	1	2	0	2	0	2	2	0	0	0
g Medical Disability - Appeals	0	0	0	0	0	0	0	0	0	0	0	0
h Deferred Age (w/o Survivor Benefits)	0	0	0	1	1	1	8	3	1	0	2	0
i Deferred Age (w/ Survivor Benefits)	0	0	0	0	0	1	0	0	0	0	0	0
8130 Par 3	5	6	10	9	8	5	8	13	5	8	13	12
j Survivor Annuity Benefits	0	1	0	4	0	3	1	1	0	3	3	2
k Minor Children Survivor Benefits	0	1	0	1	0	0	0	0	0	0	0	1
l Disabled Adult Survivor Benefits	17	14	31	37	11	20	16	22	14	13	18	17
m New Retirees												
<b>No. of Cases Acted On</b>	<b>34</b>	<b>25</b>	<b>44</b>	<b>61</b>	<b>22</b>	<b>52</b>	<b>73</b>	<b>61</b>	<b>33</b>	<b>27</b>	<b>42</b>	<b>41</b>
8119., 8120	0	1	1	2	1	3	11	4	3	1	1	1
a Age Retirement												
b Age Retirement (ERIP)	0	0	0	0	0	0	0	0	0	0	0	0
c Optional Retirement	3	1	0	0	0	1	3	2	2	0	0	0
d Service Retirement	9	1	2	5	1	14	26	14	6	2	5	8
e Service Retirement (ERIP)	0	0	0	0	0	2	0	0	0	0	0	0
f Medical Disability Applicants	0	0	0	2	0	2	0	2	2	0	0	0
g Medical Disability - Appeals	0	0	0	0	0	0	0	0	0	0	0	0
h Deferred Age (w/o Survivor Benefits)	0	0	0	1	1	1	8	3	1	0	2	0
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8130 Par 3	5	6	10	9	8	5	8	13	5	8	13	12
j Survivor Annuity Benefits	0	1	0	4	0	3	1	1	0	3	3	2
k Minor Children Survivor Benefits	0	1	0	1	0	0	0	0	0	0	0	1
l Disabled Adult Survivor Benefits	17	14	31	37	11	20	16	22	14	13	18	17
m New Retirees												
<b>No. of Committee Meetings Held</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>No. of Resolutions Submitted</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Communications Received</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Communications Acted On</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>



George A. Santos  
Members' & Benefits Committee, Chairman

Katherine T.E. Taitano  
Members' & Benefits Committee, Vice-Chairperson

Antolina S. Leon Guerrero  
Trustee

July 29, 2011

**MEMORANDUM**

**TO:** Chairman, Board of Trustees  
Government of Guam Retirement Fund

**FROM:** Chairperson, Members' & Benefits Committee,  
Government of Guam Retirement Fund

**SUBJECT:** July, 2011- Report

Please find attached the Members' and Benefits Committee's July, 2011 Report. This report accurately highlights the significant activities and action items reviewed and administered to during the July period.

Should you require further information concerning this report, feel free to contact me at your earliest convenience.

**GEORGE A. SANTOS**

**I. TOTAL MEMBERS SERVED:**

A. No. of Active Members

1.	Defined Benefits	3,358	
2.	Defined Contributions	<u>6,977</u>	

10,335

B. No. of Retirees

1.	Defined Benefits	6,898	
2.	Defined Contributions	<u>364</u>	

7,262  
17,597

**II. TOTAL STAFFING:**

A. Benefit Services Department

1.	Budget 2011	11	
	Actual		7

B. Members' Services Division

1.	Budget 2011	9	
	Actual		6

III. TOTAL CASES PENDING

A.	Section 8119 Applicants Pre 10/01/81	20/25/60	
	Section 8120 Applicants Post 10/01/81	25/30/60	
	Section 8120.1 Applicants Post 08/22/84	25/30/65	
1.	Age Retirement	A. Optional	0
		B. Regular	1
		C. ERIP	0
			1
2.	Service Retirement	A. Regular	8
		B. ERIP	0
			8
B.	Section 8123 Applicants Medical Disability		0
C.	Section 8126 Applicants Medical Disability Appeals		0
D.	Section 8130 Applicants Deferred Age w/o Survivor Benefits		0
	Section 8130 Applicants Deferred Age w/Survivor Benefits		0
E.	Section 8134 Applicants (a) Surviving Spouse		12
	(a).3 Minor Children		2
	(a) 4c Disabled Adult Survivor		1
F.	New Retirees (Nos. 2079-2095)		17
	<b>TOTAL CASES REVIEWED</b>		<b>41</b>

#### IV. REVIEW AND FINDINGS

Based on our review and findings during our meeting of July 15, 2011, the following applications are recommended for **APPROVAL** to the Board of Trustees:

##### A. SECTION 8119, 8120, 8120.1

##### 1. Age Retirement (§8120.1 after 08/22/84)

a. Name:	John M. Phillips
Date of Birth:	
Department:	University of Guam
Length of Service:	26 Years 05 Months 15 Days
Service Factor:	26.458
Average Annual Salary:	\$76,808.14
Annual Annuity:	\$46,964.40
Percentage Earned:	61.145081
Effective Date:	August 02, 2009

##### 2. Service Retirement Applicants (§8119. prior to 10/01/81)

a. Name:	Leandro O. Ayuyu
Date of Birth:	
Department:	DISID (Dept of Integrated Svcs for Indiv w/Disabilities)
Length of Service:	27 Years 06 Months 15 Days
Service Factor:	27.541
Average Annual Salary:	\$38,838.19
Annual Annuity:	\$24,799.20
Percentage Earned:	63.852615
Effective Date:	March 01, 2005

- b. Name: John B. Borden, Jr.  
Date of Birth:  
Department: Department of Education  
Length of Service: 36 Years 00 Months 00 Days  
Service Factor: 36.000  
Average Annual Salary: \$58,375.99  
Annual Annuity: \$49,619.52  
Percentage Earned: 84.999877  
Effective Date: August 07, 2010
- c. Name: John P. Camacho  
Date of Birth:  
Department: Department of Revenue & Taxation  
Length of Service: 36 Years 00 Months 00 Days  
Service Factor: 36.000  
Average Annual Salary: \$102,646.50  
Annual Annuity: \$ 87,249.60  
Percentage Earned: 85.000073  
Effective Date: January 01, 2011
- d. Name: Artemio B. Ilagan  
Date of Birth:  
Department: Department of Revenue & Taxation  
Length of Service: 36 Years 00 Months 00 Days  
Service Factor: 36.000  
Average Annual Salary: \$103,649.01  
Annual Annuity: \$ 88,101.60  
Percentage Earned: 84.999943  
Effective Date: January 01, 2011
- e. Name: Mary S. Laygo  
Date of Birth:  
Department: Department of Education  
Length of Service: 26 Years 09 Months 15 Days  
Service Factor: 26.791  
Average Annual Salary: \$41,149.27  
Annual Annuity: \$25,503.36  
Percentage Earned: 61.977672  
Effective Date: June 07, 2007

- f. Name: Aida M. Miranda  
Date of Birth:  
Department: Department of Education  
Length of Service: 35 Years 00 Months 00 Days  
Service Factor: 35.000  
Average Annual Salary: \$44,609.41  
Annual Annuity: \$36,802.80  
Percentage Earned: 82.500082  
Effective Date: October 21, 2005
- g. Name: Tina M.C. Pangelinan  
Date of Birth:  
Department: Guam Power Authority  
Length of Service: 32 Years 09 Months 15 Days  
Service Factor: 32.791  
Average Annual Salary: \$52,467.88  
Annual Annuity: \$40,388.40  
Percentage Earned: 76.977381  
Effective Date: April 23, 2011
- h. Name: Joseph LG Rios, Jr.  
Date of Birth:  
Department: Department of Revenue & Taxation  
Length of Service: 36 Years 00 Months 00 Days  
Service Factor: 36.000  
Average Annual Salary: \$ 90,612.50  
Annual Annuity: \$ 77,020.56  
Percentage Earned: 84.999928  
Effective Date: January 01, 2011



**B SURVIVOR ANNUITY BENEFIT APPLICATIONS**

1. (a) Surviving Spouse Annuity (a) (§8119. Prior to 10/10/81)

- a. Name: Teresita A.L. Aguon  
Date of Death: May 20, 2011  
Annuity due Decease: \$22,432.08  
Surviving Spouse: Johnny C. Aguon  
Survivor's Annuity: \$11,216.16  
Percentage Earned: 50%  
Effective Date: May 20, 2011
- b. Name: Jose A. Aquiningoc  
Date of Death: June 20, 2011  
Annuity due Decease: \$16,425.12  
Surviving Spouse: Naomi S. Aquiningoc  
Survivor's Annuity: \$ 8,212.56  
Percentage Earned: 50%  
Effective Date: June 20, 2011
- c. Name: Joseph M. Artero  
Date of Death: May 20, 2011  
Annuity due Decease: \$35,721.12  
Surviving Spouse: Annie C. Artero  
Survivor's Annuity: \$17,860.56  
Percentage Earned: 50%  
Effective Date: May 20, 2011
- d. Name: Joseph SA Camacho  
Date of Death: June 09, 2011  
Annuity due Decease: \$43,004.16  
Surviving Spouse: Emiley M. Camacho  
Survivor's Annuity: \$21,502.08  
Percentage Earned: 50%  
Effective Date: June 09, 2011

- e. Name: George L. Charfauros  
Date of Death: April 30, 2011  
Annuity due Decease: \$19,922.88  
Surviving Spouse: Leonisa S. Charfauros  
Survivor's Annuity: \$ 9,961.44  
Percentage Earned: 50%  
Effective Date: April 30, 2011
- f. Name: Carline F. Cruz  
Date of Death: September 14, 2010  
Annuity due Decease: \$ 8,544.24  
Surviving Spouse: Paul B. Cruz  
Survivor's Annuity: \$ 4,272.24  
Percentage Earned: 50%  
Effective Date: September 14, 2010
- g. Name: Ignacio Q. Cruz  
Date of Death: June 24, 2011  
Annuity due Decease: \$18,621.60  
Surviving Spouse: Rosa N. Cruz  
Survivor's Annuity: \$ 9,310.80  
Percentage Earned: 50%  
Effective Date: June 24, 2011
- h. Name: Sylvia S. Cruz  
Date of Death: June 12, 2011  
Annuity due Decease: \$16,946.40  
Surviving Spouse: Harry T. Cruz  
Survivor's Annuity: \$ 8,473.20  
Percentage Earned: 50%  
Effective Date: June 12, 2011
- 
- i. Name: Kenneth SN Lujan  
Date of Death: May 30, 2011  
Annuity due Decease: \$30,137.76  
Surviving Spouse: Bernadette D. Lujan  
Survivor's Annuity: \$15,068.88  
Percentage Earned: 50%  
Effective Date: May 30, 2011
-

j. Name: Francisco SN Reyes  
Date of Death: May 15, 2011  
Annuity due Decease: \$57,164.88  
Surviving Spouse: June C. Reyes  
Survivor's Annuity: \$28,582.56  
Percentage Earned: 50%  
Effective Date: May 15, 2011

k. Name: Rufo G. Tajalle  
Date of Death: May 25, 2011  
Annuity due Decease: \$27,337.20  
Surviving Spouse: Jovita B. Tajalle  
Survivor's Annuity: \$13,668.72  
Percentage Earned: 50%  
Effective Date: May 25, 2011

l. Name: Juan A. Torres  
Date of Death: May 31, 2011  
Annuity due Decease: \$29,233.20  
Surviving Spouse: Maria P. Torres  
Survivor's Annuity: \$14,616.72  
Percentage Earned: 50%  
Effective Date: May 31, 2011

2. Minor Children Survivor Benefit Stipend applicants

1. Chad A. Ada
2. Ha'ane C. Ada

**C. SUPPLEMENTAL LISTING OF NEW RETIREES AND FINALIZED RETIREMENT ANNUITIES.**

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2079	Name	Leonisa S. Charfauros
	Surviving Spouse of	George L. Charfauros
	Agency	Department of Education
	Effective Date	April 30, 2011

2080	Name	Amor A. Pakingan
	Date of Birth	
	Agency	PEALS Board (DPW)
	Effective Date	May 07, 2011
2081	Name	June C. Reyes
	Surviving Spouse of	Francisco SN Reyes
	Agency	Port Authority of Guam
	Effective Date	May 15, 2011
2082	Name	Johnny C. Aguon
	Surviving Spouse of	Teresita AL Aguon
	Agency	Department of Education
	Effective Date	May 20, 2011
2083	Name	Annie C. Artero
	Surviving Spouse of	Joseph M. Artero
	Agency	Public Defenders Corp
	Effective Date	May 20, 2011
2084	Name	John S. Arceo
	Date of Birth	
	Agency	Guam Fire Department
	Effective Date	May 21, 2011
2085	Name	Mary D. Benavente
	Date of Birth	
	Agency	Judiciary of Guam
	Effective Date	May 21, 2011
2086	Name	Francisco J. Mendiola
	Date of Birth	
	Agency	Department of Education
	Effective Date	May 21, 2011
2087	Name	Isidro C. Muna
	Date of Birth	
	Agency	Department of Public Works
	Effective Date	May 21, 2011

2088	Name Surviving Spouse of Agency Effective Date	Jovita B. Tajalle Rufo G. Tajalle Department of Public Works May 25, 2011
2089	Name Surviving Spouse of Agency Effective Date	Bernadette D. Lujan Kenneth SN Lujan Public Health & Social Services May 30, 2011
2090	Name Surviving Spouse of Agency Effective Date	Maria P. Torres Juan A. Torres University of Guam May 31, 2011
2091	Name Date of Birth Agency Effective Date	Edward VF Cruz  Department of Public Works June 04, 2011
2092	Name Surviving Spouse of Agency Effective Date	Emiley M. Camacho Joseph SA Camacho Guam Water Works Authority June 09, 2011
2093	Name Surviving Spouse of Agency Effective Date	Harry T. Cruz Sylvia S. Cruz Department of Education June 12, 2011
2094	Name Surviving Spouse of Agency Effective Date	Naomi S. Aquiningoc Jose A. Aquiningoc Governor's Office June 20, 2011
2095	Name Surviving Spouse of Agency Effective Date	Rosa N. Cruz Ignacio Q. Cruz Department of Parks & Recreation June 24, 2011

## V. REVIEW AND FINDINGS

Based on our review and findings during our meeting of July 15, 2011, the following application is recommended for **APPROVAL** to the Board of Trustees:

### A. Disabled Adult Survivor Benefit Stipend applicant

***Application for Disabled Adult Survivor Benefits, 4GCA Chapter 8, Subsection 8134 \*1289***

Disabled Adult	Sarah Mae Martinez Fama
Date of Birth	
Age	Thirty-One (31) Years Old

Name of Deceased Retiree	Edilberto V. Fama
Employing Department	Department of Public Works
Years of service	17 Years 04 Months 15 Days
Position Title	School Bus Driver
Marital Status	Married
Date of Birth	
Date of Death	March 29, 2011
Date of Application	June 24, 2011

***Sarah Mae M. Fama is*** applying for Disabled Adult survivor benefits on her own behalf. Ms. Fama is the biological child of deceased retiree Edilberto V. Fama who passed away on March 29, 2011.

In support of her application, Ms. Fama has provided copies her Birth Certificate, two (2) Report of Medical Examination of Minor Child disability forms as well as a copy of her father's death certificate.

## VI. REVIEW AND FINDINGS

Based on our review and findings during our meeting of July 15, 2011, the following application is recommended for **APPROVAL** to the Board of Trustees:

A. Correspondence # 10-02

REF: Joseph M. Mesa – xxx-xx-7039

**Request:** Mr. Mesa has submitted a letter dated June 19, 2011, requesting an extension of the payment arrangements pursuant his promissory note for retirement service credit.

<b>Service History:</b>	<b>Agency</b>	<b>Status</b>
Feb 03, 1974 to Dec 05, 1978	GMHA	Refunded/PN# 3793
Dec 27, 1982 to Feb 10, 1983	GMHA	Member
Jun 01, 2004 to Present	Dept. Corrections	Member

### **Discussion:**

The member executed a Retirement Fund promissory note # 3793 on June 29, 2004, to claim redeposit service credit for government of Guam employment from Feb. 1974 through Dec. 1978. The term of the note was to be effective July 24, 2004 with a completion date of July 02, 2011.

During a scheduled meeting with a benefit specialist this March for a service and annuity benefit analysis, it was identified that the arranged payment plan commencement date of July 24, 2004 did not occur until March 01, 2008. The delay has resulted in almost four years of missed payroll deductions which prompted Mr. Mesa's request for an extension of the promissory note completion date, citing financial hardship in the event the Fund asks for full payment of the note balance.

The following provisions are referenced from the guidebook *Regulations Concerning Claims To Obtain Service Credits, Chapter IV- Installment Payment Agreements*;

- ❖ **§4.3 Bilateral Amendment of Note.** An existing promissory note may be amended upon written request of a member and approval by a duly authorized representative of the Fund or vice versa. Form GGRF 9489(a), "Promissory Note Addendum Request", has been developed for this purpose.

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Such amendments must be fully in conformance to existing rules and/or laws, as may be amended, and will be effective only when properly received and approved by the Fund.

- ❖ **§4.4 Periodic Reviews.** During the term of any payment arrangement inclusive of promissory notes, the Fund is authorized to review each member's account to ensure adherence to the agreed payroll deduction plan. Where a member's account is found not to be in agreement with the authorized plan, the Fund shall have the right to demand payment within 30 days from the date of written notification to bring the account to its proper balance. Failure by the member to comply with a written demand for payment under the terms and conditions of the promissory note shall be deemed as a breach of such note and may result in forfeiture of the service claim.

**Excerpt from the Retirement Fund promissory note Terms and Conditions statements;**

- ❖ 1. The member shall be solely responsible to make all necessary arrangements with his/her employing agency/department to implement the above bi-weekly payroll deductions and to ensure the timely remittal of such deductions to the Retirement Fund;
- ❖ 3. The member shall be deemed to be in default of this agreement and shall forfeit his/her right to the credit being sought herewith if, prior to making the final payment:
  - A. *He/She terminates or disrupts his/her payroll deductions for any reason other than administrative error;*

**Staff Recommendation:**

The following are options for consideration which are within statute authority:

1. With recognition that the request was filed prior to the promissory note completion date, grant the extension pursuant to **§4.3 Bilateral Amendment of Note**, and extend the payment plan term equal to the period of missed payments with a recalculation of the promissory note interest amount due at the new completion date.

Existing Promissory Note

Principal: \$7,788.79  
Interest: \$2,809.07  
Total: \$10,597.86 @7/02/2011

Amendment to Promissory Note

Principal: \$7,788.79  
Interest: \$4,896.26  
Total: \$12,685.05 @7/25/2015

2. Apply the conditions of **§4.4 Periodic Reviews**, and require a demand payment balance in the amount for **\$5,531.85** to suffice the promissory note obligations.