

*Government of Guam Retirement
Fund*

*MEMBERS' AND BENEFITS
COMMITTEE*

*JUNE, 2006
END OF MONTH REPORT*



George A. Santos
Members' & Benefits Committee, Chairman

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

Gerard A. Cruz
Trustee

July 14, 2006

MEMORANDUM

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

FROM: Chairman, Members' and Benefits Committee
Government of Guam Retirement Fund

SUBJECT: June, 2006 - End of Month Report

Please find attached the Members' and Benefits Committee's June, 2006 - End of Month Report. This report accurately highlights the significant activities and action items reviewed and administered to during the June 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 | 4,330 |
| | 2. | Defined Contributions | <u>5,947</u> |
| | | | 10,277 |
| B. | No. of Retirees | | |
| | 1. | Defined Benefits | 6,829 |
| | 2. | Defined Contributions | <u>150</u> |
| | | | <u>6,979</u> |
| | | | 17,256 |
| II. | TOTAL STAFFING: | | |
| A. | Benefit Services Department | | |
| | 1. | Budget 2006 | 10 |
| | | Actual | 10 |
| B. | Members' Services Division | | |
| | 1. | Budget 2006 | 10 |
| | | 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. Regular | 3 | |
| | | B. ERIP | 0 | |
| | | C. Optional | 2 | 5 |
| 2. | Service Retirement | A. Regular | 8 | |
| | | B. ERIP | 1 | 9 |
| B. | Section 8123 Applicants | Medical Disability | | 10 |
| C. | Section 8126 Applicants | Medical Disability Appeals | | 6 |
| D. | Section 8130 Applicants | Deferred Age | | 0 |
| E. | Section 8134 Applicants | (a) Surviving Spouse | | 9 |
| | | (a).3 Minor Children | | 0 |
| | | (a)4C Disabled Adult Survivor | | 0 |
| F. | New Retirees | (Nos. 844-863) | | <u>15</u> |
| | | TOTAL CASES REVIEWED | | 54 |

IV. REVIEW AND FINDINGS

Based on our review and findings during our meeting of June 17, 2006, and subsequent meetings thereafter, the following applications are recommended for **APPROVAL** to the Board of Trustees:

A. SECTION 8119, 8120, 8120.1

1. Optional Retirement Applicant (Regular)

a. Name: Teresita P. Gibson
Date of Birth:
Department: Department of Revenue & Taxation
Length of Service: 23 Years 01 Month 00 Days
Service Factor: 23.083
Average Annual Salary: \$48,428.38
Annual Annuity: \$25,206.24
Percentage Earned: 52.0484889
Effective Date: April 29, 2006

Optional Retirement Applicant (§8120 after 10/1/81)

a. Name: Guillermo A. Torres
Date of Birth:
Department: Guam Water Works Authority
Length of Service: 25 Years 10 Months 00 Days
Service Factor: 25.833
Average Annual Salary: \$60,864.98
Annual Annuity: \$24,116.16
Percentage Earned: 39.6223904
Effective Date: February 05, 2005

2. Age Retirement Applicant (Regular):

a. Name: Judith S. Flores
Date of Birth:
Department: University of Guam
Length of Service: 16 Years 01 Month 00 Days
Service Factor: 16.083
Average Annual Salary: \$40,492.92
Annual Annuity: \$14,256.48
Percentage Earned: 35.2073399
Effective Date: January 16, 2006

Age Retirement Applicant (§ 8120 after 10/1/81)

a. Name: John F. McNeil
Date of Birth:
Department: Public Defenders
Length of Service: 22 Years 11 Months 00 Days
Service Factor: 22.916
Average Annual Salary: \$52,750.00
Annual Annuity: \$27,582.96
Percentage Earned: 52.2899715
Effective Date: April 01, 2006

Age Retirement Applicant (Early Retirement Incentive Program)

a. Name: Ignacio S. Babauta
Date of Birth:
Department: Department of Public Works
Length of Service: 15 Years 02 Months 15 Days
Service Factor: 15.208
Average Annual Salary: \$ 20,221.72
Annual Annuity: \$ 6,677.28
Percentage Earned: 33.0203365
Effective Date: January 01, 2000

3. Service Retirement Applicants (Regular)

a. Name: Maime C. Balajadia
Date of Birth:
Department: Mental Health & Substance Abuse
Length of Service: 35 Years 08 Months 15 Days
Service Factor: 35.708
Average Annual Salary: \$71,231.96
Annual Annuity: \$60,027.12
Percentage Earned: 84.2699260
Effective Date: January 01 2004

b. Name: Maria B. Deleon Guerrero
Date of Birth:
Department: Guam Memorial Hospital Authority
Length of Service: 25 Years 06 Months 00 Days
Service Factor: 25.500
Average Annual Salary: \$25,818.23
Annual Annuity: \$15,168.24
Percentage Earned: 58.7501157
Effective Date: May 31, 2002

- c. Name: Vincent T. Leon Guerrero
Date of Birth:
Department: Guam Public School System
Length of Service: 32 Years 06 Months 00 Days
Service Factor: 32.500
Average Annual Salary: \$81,926.16
Annual Annuity: \$62,468.64
Percentage Earned: 76.2499304
Effective Date: October 01, 2005
- d. Name: Jamema G. Maravilla
Date of Birth:
Department: Guam Energy Office
Length of Service: 34 Years 05 Months 15 Days
Service Factor: 34.458
Average Annual Salary: \$54,837.33
Annual Annuity: \$44,497.68
Percentage Earned: 81.1448697
Effective Date: October 01, 2002
- e. Name: Bernice C. Pearson
Date of Birth:
Department: Guam Community College
Length of Service: 28 Years 07 Months 15 Days
Service Factor: 28.625
Average Annual Salary: \$75,320.70
Annual Annuity: \$50,135.28
Percentage Earned: 66.5624190
Effective Date: December 13, 2003
- f. Name: Raymond A. Perez
Date of Birth:
Department: Guam Fire Department
Length of Service: 31 Years 00 Months 00 Days
Service Factor: 31.000
Average Annual Salary: \$74,875.62
Annual Annuity: \$54,284.88
Percentage Earned: 72.5000741
Effective Date: October 01, 2004

g. Name: Vicente S. Quinata
Date of Birth:
Department: Guam Water Works Authority
Length of Service: 25 Years 02 Months 00 Days
Service Factor: 25.166
Average Annual Salary: \$67,012.02
Annual Annuity: \$38,809.92
Percentage Earned: 57.9148636
Effective Date: March 18, 2003

h. Name: Jeanette R. Yamashita
Date of Birth:
Department: Guam Public School System
Length of Service: 36 Years 00 Months 00 Days
Service Factor: 36.000
Average Annual Salary: \$84,079.79
Annual Annuity: \$71,467.92
Percentage Earned: 85.0001171
Effective Date: October 01, 2004

Service Retirement Applicant (Early Retirement Incentive Program)

a. Name: Jose F. Guerrero
Date of Birth:
Department: Guam Telephone Authority
Length of Service: 36 Years 00 Months 00 Days
Service Factor: 36.000
Average Annual Salary: \$81,142.91
Annual Annuity: \$68,971.44
Percentage Earned: 84.9999587
Effective Date: January 08, 2000

B. SECTION 8130 - Age Retirement WITHOUT Survivor Annuity Benefits

a. Name: Robert E. Reid
Date of Birth:
Department: University of Guam
Length of Service: 09 Years 11 Months 15 Days
Service Factor: 9.958
Average Annual Salary: \$69,153.53
Annual Annuity: \$13,772.64
Percentage Earned: 19.9160332
Effective Date: January 06, 2006

b. Name: Ross B. Schlosbon
Date of Birth:
Department: Guam Public School System
Length of Service: 13 Years 11 Months 00 Days
Service Factor: 13.916
Average Annual Salary: \$51,346.40
Annual Annuity: \$15,296.16
Percentage Earned: 29.7901313
Effective Date: March 29, 2006

C. SECTION 8134 - SURVIVING SPOUSE ANNUITY APPLICANTS

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

a. Name: Franklin R. Babauta
Date of Death: May 05, 2006
Annuity due Decease: \$26,497.44
Surviving Spouse: Elaine C. Babauta
Survivor's Annuity: \$13,248.72
Percentage Earned: 50%
Effective Date: May 05, 2006

b. Name: Eugenio A. Benavente
Date of Death: April 28, 2006
Annuity due Decease: \$20,838.48
Surviving Spouse: Angustia T. Benavente
Survivor's Annuity: \$10,419.36
Percentage Earned: 50%
Effective Date: April 28, 2006

c. Name: Alfred C. Borja
Date of Death: May 04, 2006
Annuity due Decease: \$23,287.92
Surviving Spouse: Anita R. Borja
Survivor's Annuity: \$11,644.08
Percentage Earned: 50%
Effective Date: May 04, 2006

d. Name: Antonio F. Campos
Date of Death: April 03, 2006
Annuity due Decease: \$ 6,635.76
Surviving Spouse: Gertrudes R. Campos
Survivor's Annuity: \$ 3,318.00
Percentage Earned: 50%
Effective Date: April 03, 2006

- e. Name: Fred P. Diego
Date of Death: May 24, 2006
Annuity due Decease: \$27,242.40
Surviving Spouse: Macrina S. Diego
Survivor's Annuity: \$13,621.20
Percentage Earned: 50%
Effective Date: May 24, 2006
- f. Name: Garnett M. Lawson
Date of Death: May 01, 2006
Annuity due Decease: \$35,139.12
Surviving Spouse: Carmelita S. Lawson
Survivor's Annuity: \$17,569.68
Percentage Earned: 50%
Effective Date: May 01, 2006
- g. Name: Manuel T. Munoz
Date of Death: April 10, 2006
Annuity due Decease: \$28,948.32
Surviving Spouse: Teresita E. Munoz
Survivor's Annuity: \$14,474.16
Percentage Earned: 50%
Effective Date: April 10, 2006
- h. Name: Arleen J. Sergeant
Date of Death: February 04, 2006
Annuity due Decease: \$11,879.52
Surviving Spouse: Harold A. Sergeant
Survivor's Annuity: \$ 5,939.76
Percentage Earned: 50%
Effective Date: February 04, 2006
- i. Name: Juan T. Tapar
Date of Death: September 11, 2002
Annuity due Decease: \$30,076.08
Surviving Spouse: Lilia E. Tapar
Survivor's Annuity: \$15,038.16
Percentage Earned: 50%
Effective Date: February 11, 2002

D. Supplemental Listing of New Retirees and Finalized Retirement Annuities

- 864 Name Ignacio S. Babauta
Date of Birth
Department Department of Public Works
Effective Date January 01, 2000

| | | |
|-----|---------------------|---|
| 865 | Name | Anita R. Meno |
| | Date of Birth | |
| | Department | Guam Public School System |
| | Effective Date | September 28, 2002 |
| 866 | Name | David J. Lubofsky |
| | Date of Birth | |
| | Department | Guam Public School System |
| | Effective Date | May 19, 2004 |
| 867 | Name | Robert E. Reid |
| | Date of Birth | |
| | Department | University of Guam |
| | Effective Date | January 06, 2006 |
| 868 | Name | Harold A. Sergeant |
| | Surviving Spouse of | Arleen J. Sergeant |
| | Department | University of Guam |
| | Effective Date | February 04, 2006 |
| 869 | Name | Ross B. Schlosbon |
| | Date of Birth | |
| | Department | Guam Public School System |
| | Effective Date | March 29, 2006 |
| 870 | Name | Gertrudes R. Campos |
| | Surviving Spouse of | Antonio F. Campos |
| | Department | Department of Labor |
| | Effective Date | April 03, 2006 |
| 871 | Name | Teresita E. Munoz |
| | Surviving Spouse of | Manuel T. Munoz |
| | Department | Department of Parks & Recreation |
| | Effective Date | April 10, 2006 |
| 872 | Name | Angustia T. Benavente |
| | Surviving Spouse of | Eugenio A. Benavente |
| | Department | Dept of Public Health & Social Services |
| | Effective Date | April 28, 2006 |
| 873 | Name | Teresita P. Gibson |
| | Date of Birth | |
| | Department | Department of Revenue & Taxation |
| | Effective Date | April 29, 2006 |

| | | |
|-----|---|--|
| 874 | Name Surviving Spouse of Department Effective Date | Carmelita S. Lawson Garnett M. Lawson Guam Police Department May 01, 2006 |
| 875 | Name Surviving Spouse of Department Effective Date | Anita R. Borja Alfred C. Borja Guam Public School System May 04, 2006 |
| 876 | Name Surviving Spouse of Department Effective Date | Elaine C. Babauta Franklin R. Babauta Guam Police Department May 06, 2006 |
| 877 | Name Surviving Spouse of Department Effective Date | Frankie K. Cruz Abelina P. Cruz Guam Public School System May 09, 2006 |
| 878 | Name Surviving Spouse of Department Effective Date | Marcina S. Diego Fred P. Diego Guam Police Department May 24, 2006 |

V. REVIEW AND FINDINGS

Based on our review and findings during our meeting of June 14th, 2006 and subsequent meetings thereafter, the following applications are recommended for **DISAPPROVAL** to the board of Trustees:

A. SECTION 8123 (Medical Disability Applicants)

| | | |
|----|--|--|
| 1. | Name: Date of Birth: Department: Length of Service: Date of Application: | Mario C. Balansay Guam Power Authority 23 Years 10 Months 15 Days January 20, 2006 |
| 2. | Name: Date of Birth: Department: Length of Service: Date of Application: | George P. Unchangco Guam Power Authority 19 Years 07 Months 00 Days February 28, 2006 |

B. SECTION 8126 (Medical Disability Applicants - Appeals)

1. Name Elnora B. Sicad
Date of Birth:
Department: Agency for Human Resource Development
Length of Service: 17 Years 05 Months 15 Days
Date of Application: June 16, 2005

DISCUSSION:

The Elnora B. Sicad case begins with her application for medical disability on June 16, 2005. Her application was denied by the Board on October 14, 2005.

Ms. Sicad filed an appeal for her medical disability on December 12, 2005 and was interviewed by the Members' and Benefit's Committee on June 21, 2006.

After reviewing the records, the findings of our three (3) medical examiners, and interview with the applicant, and the summary and conclusions of our medical consultant we find Ms. Sicad ineligible for medical retirement at this time

2. Name: Richard T. Saville
Date of Birth:
Department: Department of Corrections
Length of Service: 13 Years 04 Months 00 Days
Date of Application: July 14, 2005

DISCUSSION:

The Richard T. Saville case began with his application for medical disability on July 14, 2005. His application was denied by the board on November 20, 2005.

Mr. Saville filed an appeal for his medical disability on January 05, 2006. We were not able to interview Mr. Saville as he currently resides in Ashville, Virginia to be close to major medical facilities.

After reviewing the records, the findings of our medical examiners and the summary and conclusions of our medical consultant, we find Mr. Saville ineligible for medical disability retirement at this time.

VI. REVIEW AND FINDINGS (Correspondences)

1. COR 05-14 Frank B. Bamba - Inactive Member

REQUEST:

Reconsideration of Education Credit claims pursuant to promissory note executed February 10, 1989.

SERVICE HISTORY:

01/06/71 - 11/09/84 Department of Public Safety

DISCUSSION:

The provisions of Public Law 19-19 §8113.1 allowed retirees and vested inactive members of the Fund the opportunity to apply for education credits. Mr. Bamba submits his application for credit consideration on September 21, 1988 and executes promissory note arrangements on February 10, 1989.

A single payment is recorded on official receipt # 07896 dated March 01, 1989. No additional payments are posted into service credit account.

The terms and conditions of the promissory note contain language for default of such credit payment agreement. However, with reference to **Regulations Concerning Claims to Obtain Service Credits, CHAPTER IV §4.4**, Mr. Bamba was not notified of a post audit review of his account balance.

FINDINGS:

Mr. Bamba has been deemed by the Retirement Fund to be in default of his promissory note for educational credit pursuant to PL 18-46. However, due notice relative to due process was not administered to this individual during the maturity date of this note.

Hence, we recommend *conditional approval of this request subject to a 30-day demand payment notice*. This notification will allow individual to make good on his promise or forfeit his rights to any future education credit claims.

VI. REVIEW AND FINDINGS (Correspondence)

1. COR 05-13 RE: Manuel Q. Cruz - Guam Housing Corp.

REQUEST:

Reconsideration of Education Credit claims pursuant to promissory note executed on June 19, 1987.

SERVICE HISTORY:

| | | |
|-------------|----------|---|
| 01/30/72 to | 01/04/75 | DOE/Governor's Office |
| 10/11/94 to | 01/02/83 | Lt. Governor's Office/AHRD |
| 03/16/87 to | 01/02/95 | Legislature/GCC/UOG (<i>all part time employment periods</i>) |
| 01/20/03 to | Present | Bureau of Statistics/Planning/GHURA/GHC |

DISCUSSION:

Mr. Manuel Q. Cruz executed promissory note for education credit pursuant to PL 18-46 on June 19, 1987 with a completion date of July 15, 1992. Two payments were received on July 20, 1987 and August 31, 1987. No additional payments are recorded.

Retirement records indicate Mr. Cruz leaves Government of Guam service on January 02, 1995 and returns to employment status on January 20, 2003.

The terms and conditions of the promissory note contain language for default of such credit payment agreement. However, with reference to *Regulations Concerning Claims to obtain Service Credits, Chapter IV§ 4.4*, Mr. Cruz was not notified of a post audit review of his account balance.

FINDINGS:

Mr. Cruz has been deemed by the Retirement Fund to be in default of his promissory note for education credit pursuant to PL 18-46. However, due notice relative to due process was not administered to this individual during the maturity date of this note.

Hence, we recommend **conditional approval of this request subject to a 30-day demand payment notice**. This notification will allow individual to make good on his promise or forfeit his rights to any future education credit claims.

2. COR 05-15 Juan L. Afleje - Guam International Airport Authority

REQUEST:

Petition for military service credits for retirement purposes.

SERVICE HISTORY:

| | | | | |
|----------|----|----------|-------------|-----------------------------------|
| 05/01/78 | to | 02/25/83 | G I A A | Withdrew retirement contributions |
| 03/14/83 | to | 04/15/83 | Legislature | Withdrew retirement contributions |
| 03/23/87 | to | present | G I A A | Member |

DISCUSSION:

Mr. Afleje has submitted a request for consideration of his military service enlistment period towards retirement credit.

Pursuant to **PL 19-19** and §8108(b), upon the effective date of this act on **August 22, 1988**, all employees of the Government of Guam who wish to obtain military service credits must apply on or before **February 18, 1989**. Failure to submit application by the established deadline will be deemed to constitute grounds for waiver of such credit being sought.

An audit of a data master file of military credit applications received by the Fund does not identify or include receipt of such application on behalf of Mr. Afleje.

FINDINGS:

Mr. Afleje is ineligible for military service credit pursuant to §8108(b) of PL 19-19 therefore, we recommend **DISAPPROVAL** of this request.

VII. REVIEW AND FINDINGS - Benigno B. Camacho - Default on ERIP Promissory Note.

REQUEST:

Revoke additional years of credit granted to Mr. Benigno Camacho pursuant to PL 25-72, PL 25-74, and PL 25-90.

DISCUSSION:

Mr. Camacho has defaulted on his Early Retirement Incentive Program promissory note. Attempts to enforce the promissory note agreement were not successful. Below is a timeline of actions taken:

- January 11, 2006 Notice of default was sent to Mr. Camacho via certified mail.
- January 17, 2006 Mr. Camacho visited the Fund to ask for a renegotiation of his note terms. He received a copy of the January 11, 2006 letter at that time.
- February 13, 2006 Mr. Camacho's wife contacted the Fund. She stated that they were attempting to secure a loan to pay off the note.
- February 14, 2006 Final notice was issued via certified mail. Mr. Camacho was given until February 24, 2006 to remit full payment, or otherwise face revocation of the additional five years of credited services. He was informed that the terms of his note could not be renegotiated.
- February 25, 2006 Received return receipt for February 14th correspondence, indicating Mr. Camacho received the letter one day after the deadline.
- March 01, 2006 A third notice was issued granting Mr. Camacho a ten day extension. This correspondence was not claimed and returned to the Fund.
- March 14, 2006 January 11th correspondence was unclaimed and returned to the Fund.
- April 14, 2006 Mrs. Camacho contacted the Fund. She requested to pay off the note in 30 days. She was advised to write a letter to the Board to allow for renegotiation of the note. No letter has been received at this time.

No funds have been remitted to satisfy the promissory note agreement.

FINDINGS:

Mr. Camacho has been deemed by the Retirement Fund to be in default of his promissory note for ERIP annuity benefits pursuant to PL 25-72, PL 25-74, and PL 25-90.

Therefore, we recommend *revocation of his entitlements under this statute and he forfeits his rights to any future claims in this regard.*

VIII. Defined Contribution - Standard Insurance FY 2007 - Renewal of Premiums/Benefits

REQUEST:

Renewal of Insurance Premiums and Benefits for Fiscal Year 2007

DISCUSSION:

The Defined Contribution (DC) Survivor and Long-Term Disability Premiums with Standard Insurance are up for renewal beginning October 1, 2006. The current FY2006 and proposed FY2007 premiums and benefits are as follows:

| <u>Description</u> | <u>Current FY2006</u> | <u>Proposed FY2007</u> |
|-------------------------------|---------------------------|----------------------------|
| Monthly Premiums: | | |
| Survivor Death | \$ 7.00 | \$ 8.94 |
| Long-Term Disability | \$ 12.84 | \$ 24.68 |
| <u>Total Monthly Premiums</u> | <u>\$ 19.84</u> | <u>\$ 33.62</u> |
| Benefits: | | |
| Survivor Death | \$40,000 | \$40,000 |
| Long-Term Disability (LTD) | 66.67% | 66.67% |

Standard waives the LTD premium for members on disability. However, the Government continues to pay premiums for survivor death benefits.

If a DC Member dies, the survivor receives a one-time benefit of \$40,000.

There are currently less than 20 DC members who are on long-term disability, with an average age of between 30 and 40 years old.

According to Standard, the renewal rates are driven by Guam's claims experience and they unfortunately, cannot negotiate lower premiums without plan changes.

FINDINGS:

In accordance with Public Law 27-106, monthly premiums cannot exceed \$24.22 per month. Since Standard's FY2007 proposed monthly premium of \$33.62 exceeds the maximum of \$24.22, we reviewed various options in order to continue to provide both Survivor and LTD benefits to the DC Members.

Based on our review, the following options will allow the Fund to continue to provide benefits within the \$24.22 monthly premium allowed by Public Law 27-106:

| Description | Current FY2006 | Proposed FY2007 | Option I | Option II | Option III |
|-------------------|-------------------|--------------------|-----------------|-----------------|-----------------|
| Monthly Premiums: | | | | | |
| Survivor Death | \$ 7.00 | \$ 8.94 | \$ 3.35 | \$ 3.35 | \$ 8.94 |
| LTD | \$ 12.84 | \$ 24.68 | \$ 19.74 | \$ 18.75 | \$ 14.81 |
| | <u>\$ 19.84</u> | <u>\$ 33.62</u> | <u>\$ 23.09</u> | <u>\$ 22.10</u> | <u>\$ 23.75</u> |
| Benefits: | | | | | |
| Survivor Death | \$40,000 | \$40,000 | \$15,000 | \$15,000 | \$40,000 |
| LTD | 66.67% | 66.67% | 60% | 57.50% | 50% |

There is no statutory requirement relative to the benefits to be paid to a DC Member on LTD or to a DC Member's survivor. The only requirement is that the monthly premium can not exceed \$24.22 in accordance with Public Law 27-106.

Overall, the best option is dependent upon which benefit is deemed to be more critical – the survivor or the long-term disability benefit.

RECOMMENDATION:

The Members and Benefits Committee, hereby recommends the following:

1. That the Board accept Option III, which is to keep the survivor benefit at \$40,000 and to provide long-term disability benefits of 50%, and
2. That the Fund seek an amendment to the current law in order to continue to retain the current FY2006 benefits of \$40,000 for survivor death and 66.67% for long-term disability.

Relative to the first recommendation above, it should be noted that “the reduction in long-term disability benefits from the current rate of 66.67% to the recommended rate of 50% only applies to new claims effective October 1, 2006.

