

***Government of Guam Retirement  
Fund***

***MEMBERS' AND BENEFITS  
COMMITTEE***

***MARCH, 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

April 21, 2006

**MEMORANDUM**

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

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

SUBJECT: March, 2006 - End of Month Report

Please find attached the Members' and Benefits Committee's March, 2006 - End of Month Report. This report accurately highlights the significant activities and action items reviewed and administered to during the March 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	4,363	
2.	Defined Contributions	<u>5,901</u>	10,264

B. No. of Retirees

1.	Defined Benefits	6,829	
2.	Defined Contributions	<u>145</u>	<u>6,974</u>

17,238

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	11	
		B. ERIP	0	
		C. Optional	2	13
2.	Service Retirement	A. Regular	24	
		B. ERIP	0	24
B.	Section 8123 Applicants	Medical Disability		8
C.	Section 8126 Applicants	Medical Disability Appeals		3
D.	Section 8130 Applicants	Deferred Age		2
E.	Section 8134 Applicants	(a) Surviving Spouse		9
		(a).3 Minor Children		1
		(a)4C Disabled Adult Survivor		0
F.	New Retirees	(Nos. 780-796)		<u>22</u>
		<b>TOTAL CASES REVIEWED</b>		<b>84</b>

IV. REVIEW AND FINDINGS

Based on our review and findings during our meeting of March 15, 2006, and subsequent meetings thereafter, the following applications are recommended for **APPROVAL** to the Board of Trustees:

A. SECTION 8130 (Age Retirement applicant WITHOUT Survivor Benefits)

- a. Name: Lourdes C. Basilio  
Date of Birth:  
Department: Guam Memorial Hospital Authority  
Length of Service: 12 Years 08 Months 15 Days  
Service Factor: 12.708  
Average Annual Salary: \$186,252.97  
Annual Annuity: \$ 49,860.00  
Percentage Earned: 26.7700429  
Effective Date: January 13, 2004
- b. Name: Annie R. Castro  
Date of Birth:  
Department: Customs & Quarantine  
Length of Service: 20 Years 04 Months 15 Days  
Service Factor: 20.375  
Average Annual Salary: \$35,313.88  
Annual Annuity: \$16,222.32  
Percentage Earned: 45.9375180  
Effective Date: February 14, 2004
- c. Name: Goldelina L. Marfori  
Date of Birth:  
Department: Guam Memorial Hospital Authority  
Length of Service: 11 Years 06 Months 00 Days  
Service Factor: 11.500  
Average Annual Salary: \$156,000.00  
Annual Annuity: \$ 37,050.00  
Percentage Earned: 23.7500000  
Effective Date: January 31, 2004

d. Name: Eleanor F. Wells  
Date of Birth:  
Department: Guam Public School System  
Length of Service: 05 Years 05 Months 15 Days  
Service Factor: 5.458  
Average Annual Salary: \$24,688.08  
Annual Annuity: \$ 2,694.96  
Percentage Earned: 10.9160372  
Effective Date: February 05, 2004

B. SECTION 8134 - SURVIVING SPOUSE ANNUITY APPLICANTS

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

a. Name: Milagros C. Agustin  
Date of Death: July 25, 2005  
Annuity due Decease: \$18,826.80  
Surviving Spouse: Cesario B. Agustin  
Survivor's Annuity: \$ 9,413.52  
Percentage Earned: 50%  
Effective Date: July 25, 2005

b. Name: David J. Borja  
Date of Death: September 20, 2004  
Annuity due Decease: \$25,602.00  
Surviving Spouse: Rosita C. Borja  
Survivor's Annuity: \$12,801.12  
Percentage Earned: 50%  
Effective Date: September 20, 2004

c. Name: Joseph P. Borja  
Date of Death: February 16, 2006  
Annuity due Decease: \$37,395.84  
Surviving Spouse: Lourdes JS Borja  
Survivor's Annuity: \$18,697.92  
Percentage Earned: 50%  
Effective Date: February 16, 2006

d. Name: Teofila C. Flores  
Date of Death: October 29, 2004  
Annuity due Decease: \$ 8,820.72  
Surviving Spouse: Benny T. Flores  
Survivor's Annuity: \$ 4,410.48  
Percentage Earned: 50%  
Effective Date: October 29, 2004

- e. Name: Florentina C. Molina  
 Date of Death: January 19, 2006  
 Annuity due Decease: \$26,392.80  
 Surviving Spouse: Julian C. Molina  
 Survivor's Annuity: \$13,196.40  
 Percentage Earned: 50%  
 Effective Date: January 19, 2006
  
- f. Name: Josefina S. Perez  
 Date of Death: January 10, 2006  
 Annuity due Decease: \$14,397.60  
 Surviving Spouse: Eduardo A. Perez  
 Survivor's Annuity: \$ 7,198.80  
 Percentage Earned: 50%  
 Effective Date: January 10, 2006
  
- g. Name: Bernadette E. Quinata  
 Date of Death: February 01, 2006  
 Annuity due Decease: \$22,648.32  
 Surviving Spouse: Joaquin LG Quinata  
 Survivor's Annuity: \$11,324.16  
 Percentage Earned: 50%  
 Effective Date: February 01, 2006
  
- h. Name: Carlos P. San Nicolas  
 Date of Death: January 21, 2006  
 Annuity due Decease: \$25,442.40  
 Surviving Spouse: Concepcion Q. San Nicolas  
 Survivor's Annuity: \$12,721.20  
 Percentage Earned: 50%  
 Effective Date: January 21, 2006
  
- i. Name: Vicente A. Toves  
 Date of Death: February 04, 2006  
 Annuity due Deceased: \$31,632.72  
 Surviving Spouse: Mary Lou B. Toves  
 Survivor's Annuity: \$ 15,816.48  
 Percentage Earned: 50%  
 Effective Date: February 04, 2006
  
- 2. Minor Child Survivor Applicant (a).3
  - a. Margie Mabel U. Toves

C. Supplemental Listing of New Retirees and Finalized Retirement Annuities

797	Name	Lorenzo M. Mendiola
	Date of Birth	
	Department	Guam Water Works Authority
	Effective Date	October 01, 1996
798	Name	Carmen J. Tenorio
	Date of Birth	
	Department	Guam Public School System
	Effective Date	September 11, 1999
799	Name	Joseph C. Meno
	Date of Birth	
	Department	Guam Water Works Authority
	Effective Date	April 06, 2002
800	Name	Lourdes C. Basilio
	Date of Birth	
	Department	Guam Memorial Hospital Authority
	Effective Date	January 13, 2004
801	Name	Goldelina L. Marfori
	Date of Birth	
	Department	Guam Memorial Hospital Authority
	Effective Date	January 31, 2004
802	Name	Eleanor F. Wells
	Date of Birth	
	Department	Guam Public School System
	Effective Date	February 05, 2004
803	Name	Araceli B. Mangrobang
	Date of Birth	
	Department	Guam Memorial Hospital Authority
	Effective Date	April 01, 2004
804	Name	Annie LG Lujan
	Date of Birth	
	Department	Guam Memorial Hospital Authority
	Effective Date	September 12, 2004
805	Name	Benny T. Flores
	Surviving Spouse of	Teofila C. Flores
	Department	Department of Parks & Recreation
	Effective Date	October 29, 2004



806	Name Surviving Spouse of Department Effective Date	Cesario B. Agustin Milagros C. Agustin Guam Memorial Hospital Authority July 25, 2005
807	Name Date of Birth Department Effective Date	Marilyn KG Aflague  Department of Labor November 01, 2005
808	Name Surviving Spouse of Department Effective Date	Eduardo P. Perez Josefina S. Perez Public Health & Social Services January 10, 2006
809	Name Date of Birth Department Effective Date	Emy T. Casta  Guam Public School System January 14, 2006
810	Name Date of Birth Department Effective Date	Severino M. David  Public Health & Social Services January 14, 2006
811	Name Date of Birth Department Effective Date	Judith S. Flores  University of Guam January 16, 2006
812	Name Surviving Spouse of Department Effective Date	Julian C. Molina Florentina C. Molina Guam Public School System January 19, 2006
813	Name Date of Birth Department Effective Date	Estrellita A. Del Castillo  Guam Power Authority January 21, 2006
814	Name Date of Birth Department Effective Date	Freida A. Jose  Guam Visitor's Bureau January 21, 2006

815	Name Surviving Spouse of Department Effective Date	Concepcion Q. San Nicolas Carlos P. San Nicolas Guam Water Works Authority January 21, 2006
816	Name Surviving Spouse of Department Effective Date	Joaquin LG Quinata Bernadette E. Quinata Guam Public School System February 01, 2006
817	Name Surviving Spouse of Department Effective Date	Mary Lou B. Toves Vicente A. Toves Guam Police Department February 04, 2006
818	Name Surviving Spouse of Department Effective Date	Lourdes JS Borja Joseph P. Borja Public Health & Social Services February 16, 2006

V. REVIEW AND FINDINGS

Based on our review and findings during our meeting of March 15th, 2006 and subsequent meetings thereafter, the following applications are recommended for **DISAPPROVAL** to the board of Trustees:

A. SECTION 8123 (MEDICAL DISABILITY APPLICANTS - For Interview/Review)

1.	Name Date of Birth Department Length of Service Date of Application	Franklin B. Castro  Department of Public Works 16 Years 01 Month 00 Days September 29, 2005
2.	Name Date of Birth Department Length of Service Date of Application	Jaime S. Villagomez.  Port Authority of Guam 23 Years 03 Months 15 Days November 28, 2005

VI. REVIEW AND FINDINGS (Correspondences)

1. **COR-05-9 RE: Eileen VMS Quintanilla- Guam Public School System**

**REQUEST Notice of Intent to Retire**

**FINDINGS No action from Board of Trustees Required**

Subsequent action finalized through the Administrative process.

2. **COR 05-10 RE: Joaquin T. Cruz - Department of Customs & Quarantine**

**REQUEST Update of salary in accordance with Hay Study**

**FINDINGS No action from Board of Trustees Required**

Subsequent actions concluded that this matter is a Department of Administration Human Resource issue and therefore referred Mr. Cruz thereto.

3. **COR 05-11 RE: Joseph SN Taitano - Guam Public School Systems**

**REQUEST Extension to Pay Service Credit**

**FINDINGS No action from Board of Trustees Required**

Subsequent action finalized through the administrative process Mr. Taitano met all the necessary requirements and his retirement was effective February 10, 2006.

4. **COR 05-12 RE: Ann A. Soares - Department of Revenue & Taxation**

**REQUEST: Ms. Soares is petitioning the Board of Trustees for reinstatement into the Defined Benefit Plan.**

**SERVICE HISTORY:**

March 06, 1983 to April 22, 1984 Guam Power Authority  
April 23, 1984 to March 24, 1995 Revenue & Taxation

(Withdrew retirement Contributions 03/31/95)

January 16, 1996 to Present Revenue & Taxation

(Upon reinstatement, employing agency erroneously remits retirement contributions to Defined Benefits Plan. Member contributions are transferred to

Defined Contribution Plan and member is issued and accepts a refund of erroneous DB Plan contributions on June 02, 2000.)

## DISCUSSION

Pursuant to *Title 4, Chapter 8 G C A Article 2 §8206 - Participation in Government of Guam Defined Contribution Retirement System; limiting participation in existing retirement system.*

Beginning October 1, 1995, the Government of Guam Defined Contribution System shall be the single retirement program for all new employees whose employment commences on or after that date. No additional new employees may be admitted to the existing retirement system. Members of the existing retirement system whose employment continues beyond September 30, 1995, shall continue to contribute and participate in the existing system without change in provisions or benefits. Any employee who leaves government service after September 30, 1995, who is later reemployed by the Government of Guam shall be eligible for membership only in the Government of Guam Defined Contribution Retirement System; provided, that he or she shall be entitled to readmission to the existing retirement system in which he or she was originally a member, if such employee has not withdrawn his or her retirement contributions from the existing retirement system. However, if such employee has withdrawn his or her contribution from the existing retirement system, the readmission shall not be permitted and the employee will be entitled only to membership in the Government of Guam Defined Contribution System. Any employee who retires after September 30, 1995, and who later becomes reemployed by the Government of Guam shall be entitled to readmission to the existing retirement system pursuant to 4 GCA §8121.

## FINDINGS

Ms. Soares does not meet the statute requirements for reinstatement into the Defined Benefit Plan, therefore, we recommend **DISAPPROVAL** of this request.

### VII. REVIEW AND FINDINGS - Disability Application of Mr. David J. Lubofsky

Section 8126 (Medical Disability Applicant - Appeal)

Name	David J. Lubofsky
Date of Birth	
Department	Guam Public School System
Length of Service	12 Years 07 Months 15 Days
Date of Application	March 25, 2003

**REQUEST:**

Mr. Lubofsky is suing the Retirement Fund for wrongful denial of Medical Retirement Benefits.

**DISCUSSION:**

The David J. Lubofsky case began with his application for medical disability on March 25, 2004. His application was denied by the previous Board of Trustees on February 11, 2004. He filed his appeal on April 7, 2004 and was denied by the current Board on September 4, 2005.

The current members of the Member's and Benefit's Committee recommended disapproval based on non-medical reasons, based on invalid information provided by our retirement staff, being that applicants receiving workmen's compensation are ineligible to receive a medical retirement pension. Our legal counsel has since informed us that this is not the case but, however, may reduce medical retirement benefits by the amount of workmen's compensation payment being received by any medical retiree.

Based on this new information, the Members' and Benefit's Committee has revisited the medical records of this applicant and has determined that he is indeed qualified to receive medical retirement.

**FINDINGS:**

Consequently, we recommend to the Board that our action on September 9, 2005 be rescinded and instead we recommend *APPROVAL* of this request for medical retirement.

VIII. REVIEW AND FINDINGS - C.T.C. Gutierrez - Application for benefits

**REQUEST**

In October, 1999, Mr. Carl T.C. Gutierrez applied for retirement effective December 31, 1998 and was placed on a retirement annuity estimate pending a full review and finalization of his retirement annuity. In 2003, the audit for fiscal years 2000 and 2001 were completed and cited a miscalculation of Mr. Gutierrez's retirement benefit.

**CHRONOLOGY**

1989 - Mr. Gutierrez retired from the Government of Guam - Guam Legislature

- January, 1995 - Mr. Gutierrez was elected as Governor and became a DB member by suspending his retirement annuity in order to enhance his retirement benefit when he re-retires.
- November, 1995 - Mr. Gutierrez chose not to be a member of the DB Plan and was refunded his DB contributions. In addition, his retirement annuity was reinstated.
- October, 1999 - Mr. Gutierrez submitted documents to the Retirement Fund to retire effective December 31, 1997. Mr. Gutierrez requested to have his gubernatorial years of 1995 - 1997 to be used as his 3 highest salaries in order to obtain his average annual salary.

In order to receive credit for service for 1995 - 1997, Mr. Gutierrez would have to be a contributing member for those years, and Mr. Gutierrez would have to suspend his annuity for those years. Thus, in October 1999, Mr. Gutierrez resubmits his application for DB membership.

Since the application is received in October 1999, Mr. Gutierrez would have to repay all annuities received for years 1995 - 1997, in addition to the member's contribution for those years on the Governor's salary of \$90,000. The Retirement Fund would also have to collect the government's contribution on the Governor's salary of \$90,000.

The appropriate personnel actions were received by the Retirement Fund and Mr. Gutierrez was allowed to retire effective December 31, 1997.

The estimated annuity calculation worksheet for the increased annuity was in error as it failed to exclude the annuity actually received by Mr. Gutierrez. This resulted in an understatement of the amount owed to the Retirement Fund by Mr. Gutierrez of approximately \$80,000.

## RECOMMENDATION

At the March 27, 2006 Members' and Benefit's Committee Meeting, the Committee recommended the following:

1. Maintain the effective date of Mr. Gutierrez's retirement to read December 31, 1997 based on DOA Personnel Actions.
2. Re-enroll Mr. Gutierrez back into the DB Plan effective January 1, 1995 as he requested.
3. Offset any amounts due to the Retirement Fund by any amounts owed by Mr. Gutierrez.

Based on the corrected calculations, Mr. Gutierrez would have to pay the Retirement Fund a total amount of \$81,919.25 and Government of Guam would have to pay the Retirement Fund a total of \$54,770.40

*The committee recommends that notice be given to Mr. Gutierrez and the Government of Guam for all amounts due to the Retirement Fund as a condition of continuing the enhanced benefit.*

