

***Government of Guam Retirement
Fund***

***MEMBERS' AND BENEFITS
COMMITTEE***

***OCTOBER, 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

November 17, 2006

MEMORANDUM

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

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

SUBJECT: October, 2006 - End of Month Report

Please find attached the Members' and Benefits Committee's October, 2006 End of Month Report. This report accurately highlights the significant activities and action items reviewed and administered to during the October 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	4,157	
2.	Defined Contributions	<u>6,069</u>	
			10,226

B. No. of Retirees

1.	Defined Benefits	6,858	
2.	Defined Contributions	<u>161</u>	
			<u>7,019</u>
			17,245

II. TOTAL STAFFING:

A. Benefit Services Department

1.	Budget 2006	10	
	Actual		10

B. Members' Services Division

1.	Budget 2006	10	
	Actual		10

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	0	3
2.	Service Retirement		
	A. Regular	10	
	B. ERIP	0	10
B.	Section 8123 Applicants Medical Disability		8
C.	Section 8126 Applicants Medical Disability Appeals		2
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. 921-946)	<u>26</u>
TOTAL CASES REVIEWED			58

IV. REVIEW AND FINDINGS

Based on our review and findings during our meeting of October 18, 2006, the following applications are recommended for **APPROVAL** to the Board of Trustees:

A. SECTION 8119, 8120, 8120.1

1. Age Retirement Applicant (§8120 after 10/01/81)

a.	Name:	Josede Figirliyong
	Date of Birth:	
	Department:	Guam Public School System
	Length of Service:	20 Years 02 Months 15 Days
	Service Factor:	20.208
	Average Annual Salary:	\$44,348.04
	Annual Annuity:	\$20,187.12
	Percentage Earned:	45.5197569
	Effective Date:	August 28, 2006

Age Retirement Applicants (§8120.1 after 08/22/84)

a.	Name:	Rosa M. Quidachay
	Date of Birth:	
	Department:	Guam Public School System
	Length of Service:	15 Years 11 Months 00 Days
	Service Factor:	15.916
	Average Annual Salary:	\$31,964.65
	Annual Annuity:	\$11,120.40
	Percentage Earned:	34.7896817
	Effective Date:	August 12, 2006

b. Name John E. Snead
Date of Birth:
Department: Guam Public School System
Length of Service: 16 Years 10 Months 00 Days
Service Factor: 16.833
Average Annual Salary: \$41,313.50
Annual Annuity: \$15,320.16
Percentage Earned: 37.0826969
Effective Date: August 12, 2006

2. Service Retirement Applicants

a. Name: Edelfrida A. Ada
Date of Birth:
Department: Department of Revenue & Taxation
Length of Service: 36 Years 00 Months 00 Days
Service Factor: 36.000
Average Annual Salary: \$54,473.78
Annual Annuity: \$46,302.72
Percentage Earned: 85.0000128
Effective Date: September 02, 2006

b. Name: David VC Camacho
Date of Birth:
Department: Department of Law
Length of Service: 36 Years 00 Months 00 Days
Service Factor: 36.000
Average Annual Salary: \$56,683.91
Annual Annuity: \$48,181.44
Percentage Earned: 85.0002055
Effective Date: October 01, 2000

- c. Name: Maria A. Castro
Date of Birth:
Department: Guam Public School System
Length of Service: 32 Years 09 Months 00 Days
Service Factor: 32.750
Average Annual Salary: \$44,282.41
Annual Annuity: \$34,042.08
Percentage Earned: 76.8749487
Effective Date: August 19, 2006
- d. Name: Angelica B. Cruz
Date of Birth:
Department: Guam Public School System
Length of Service: 36 Years 00 Months 00 Days
Service Factor: 36.000
Average Annual Salary: \$44,442.83
Annual Annuity: \$37,776.48
Percentage Earned: 85.0001676
Effective Date: October 01, 2000
- e. Name: Robert L. Haddock
Date of Birth:
Department: Dept of Public Health & Social Services
Length of Service: 36 Years 00 Months 00 Days
Service Factor: 36.000
Average Annual Salary: \$91,088.76
Annual Annuity: \$77,425.44
Percentage Earned: 84.9999934
Effective Date: October 01, 2004

- f. Name: David Chih-Wei Hu
Date of Birth:
Department: Guam Public School System
Length of Service: 31 Years 04 Months 15 Days
Service Factor: 31.375
Average Annual Salary: \$45,885.27
Annual Annuity: \$33,696.96
Percentage Earned: 73.4374233
Effective Date: August 12, 2006
- g. Name: Judith Lee
Date of Birth:
Department: Guam Public School System
Length of Service: 26 Years 09 Months 15 Days
Service Factor: 26.791
Average Annual Salary: \$44,522.74
Annual Annuity: \$27,594.00
Percentage Earned: 61.9773176
Effective Date: August 12, 2006
- h. Name: Ann Marie S. Manibusan
Date of Birth:
Department: Guam Public School System
Length of Service: 29 Years 00 Months 15 Days
Service Factor: 29.041
Average Annual Salary: \$31,218.17
Annual Annuity: \$21,104.16
Percentage Earned: 67.6021688
Effective Date: August 12, 2006
- i. Name: Mercedes T. Mendiola
Date of Birth:
Department: Guam Public School System
Length of Service: 25 Years 07 Months 15 Days
Service Factor: 25.625
Average Annual Salary: \$45,911.54
Annual Annuity: \$27,116.40
Percentage Earned: 59.0622749
Effective Date: August 12, 2006

j. Name: Luciano L. Oppus
 Date of Birth:
 Department: Guam Public School System
 Length of Service: 26 Years 02 Months 15 Days
 Service Factor: 26.208
 Average Annual Salary: \$45,873.38
 Annual Annuity: \$27,762.48
 Percentage Earned: 60.5198047
 Effective Date: August 12, 2006

B. SECTION 8134 - SURVIVING SPOUSE ANNUITY APPLICANTS

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

a. Name: Linda M.A. Babauta
 Date of Death: April 01, 2002
 Annuity due Decease: \$23,760.72
 Surviving Spouse: Tomas M. Babauta
 Survivor's Annuity: \$11,880.48
 Percentage Earned: 50%
 Effective Date: May 22, 2002

b. Name: Dolores S. Cruz
 Date of Death: August 25, 2006
 Annuity due Decease: \$13,598.40
 Surviving Spouse: Juan C. Cruz
 Survivor's Annuity: \$ 6,799.20
 Percentage Earned: 50%
 Effective Date: August 25, 2006

c. Name: Gregorio P. De Leon Guerrero
 Date of Death: August 06, 2006
 Annuity due Decease: \$23,824.80
 Surviving Spouse: Rosa R. De Leon Guerrero
 Survivor's Annuity: \$11,912.40
 Percentage Earned: 50%
 Effective Date: August 06, 2006

- d. Name: Alfred LG Guerrero
Date of Death: August 11, 2006
Annuity due Decease: \$26,681.28
Surviving Spouse: Judy M. Guerrero
Survivor's Annuity: \$13,340.64
Percentage Earned: 50%
Effective Date: August 11, 2006
- e. Name: Antonio Q. Manila
Date of Death: August 25, 2006
Annuity due Decease: \$18,033.36
Surviving Spouse: Agnes T. Manila
Survivor's Annuity: \$ 9,016.80
Percentage Earned: 50%
Effective Date: August 25, 2006
- f. Name: George R. Milemore
Date of Death: July 22, 2006
Annuity due Decease: \$11,178.48
Surviving Spouse: Leone M. Milemore
Survivor's Annuity: \$ 5,589.36
Percentage Earned: 50%
Effective Date: July 22, 2006
- g. Name: Paul C. Pocaigue
Date of Death: September 12, 2006
Annuity due Decease: \$ 9,009.12
Surviving Spouse: Maria U. Pocaigue
Survivor's Annuity: \$ 4,504.56
Percentage Earned: 50%
Effective Date: September 12, 2006
- h. Name: Elias LG Tajeron
Date of Death: August 23, 2006
Annuity due Decease: \$21,155.52
Surviving Spouse: Maria M. Tajeron
Survivor's Annuity: \$10,577.76
Percentage Earned: 50%
Effective Date: August 23, 2006

i.	Name:	Margaret C. Taylor
	Date of Death:	July 23, 2006
	Annuity due Decease:	\$ 8,664.48
	Surviving Spouse:	James J. Taylor
	Survivor's Annuity:	\$ 4,332.24
	Percentage Earned:	50%
	Effective Date:	July 23, 2006

C. Supplemental Listing of New Retirees and Finalized Retirement Annuities

921	Name	John C. Quinata
	Date of Birth	
	Department	University of Guam
	Effective Date	February 22, 1999
922	Name	Leone M. Milemore
	Surviving Spouse of	George R. Milemore
	Department	University of Guam
	Effective Date	July 22, 2006
923	Name	James J. Taylor
	Surviving Spouse of	Margaret C. Taylor
	Department	University of Guam
	Effective Date	July 23, 2006
924	Name	Julita S. Acosta
	Surviving Spouse of	Venancio R. Acosta
	Department	Guam Public School System
	Effective Date	July 30, 2006
925	Name	Angelica B. Cruz
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 01, 2006

926	Name	Rosa R. DeLeon Guerrero
	Surviving Spouse of	Gregorio P. DeLeon Guerrero
	Department	Guam International Airport Authority
	Effective Date	August 06, 2006
927	Name	Judy M. Guerrero
	Surviving Spouse of	Alfred LG Guerrero
	Department	Guam Power Authority
	Effective Date	August 11, 2006
928	Name	David Chih-Wei Hu
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 18, 2006
929	Name	Judith Lee
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
930	Name	Ann Marie S. Manibusan
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
931	Name	Wilfreda Y. Martinez
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
932	Name	Mercedes T. Mendiola
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
933	Name	Mae C. Nowell
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006

934	Name	Luciano L. Oppus
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
935	Name	Rosa M. Quidachay
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
936	Name	Loida G. Retumban
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
937	Name	John E. Snead
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
938	Name	Rosa B. Tribaudini
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
939	Name	Michael J. Williams
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 12, 2006
940	Name	Maria A. Castro
	Date of Birth	
	Department	Guam Public School System
	Effective Date	August 19, 2006

941	Name Surviving Spouse of Department Effective Date	Maria M. Taijeron Elias LG Taijeron Department of Correction August 23, 2006
942	Name Surviving Spouse of Department Effective Date	Juan C. Cruz Dolores S. Cruz Guam Public School System August 25, 2006
943	Name Surviving Spouse of Department Effective Date	Agnes T. Manila Antonio Q. Manila Department of Public Works August 25, 2006
944	Name Date of Birth Department Effective Date	Josede Figirliyong Guam Public School System August 28, 2006
945	Name Date of Birth Department Effective Date	Edelfrida A. Ada Guam Public School System September 02, 2006
946	Name Surviving Spouse of Department Effective Date	Maria U. Pocaigue Paul C. Pocaigue Guam Public School System September 12, 2006

V. REVIEW AND FINDINGS

Based on our review and findings during our meeting of October 18, 2006 the following application is recommended for **DISAPPROVAL** to the Board of Trustees:

A. COR 06-1 RE: Pito Q. Cruz

Request: Petition for military credit for retirement purposes.

Service History:

03/06/79 to 02/01/80 Department of Corrections - Member

02/03/80 to 09/30/06 Superior Court - Member/Retired

Discussion:

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

Pursuant to PL 19-19 and §8018 (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. Cruz.

Findings:

Mr. Cruz is ineligible for creditable military service subject to the statutory provisions above, therefore, we recommend DISAPPROVAL of this request.

B. Adjustment to Estimated Annuity for Carl T.C. Gutierrez

Request:

Appeal of Fund action regarding the continuation of "enhanced" annuities for Mr. Carl T. C. Gutierrez.

Background:

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.

On September 7, 2004 Attorney General Douglas Moylan ordered the Retirement Fund to cease and desist from further action on this matter. (Exhibit A)

On June 15, 2005 Attorney General Douglas Moylan grants the Fund Authority to proceed in the best interest of the Retirement Fund. (Exhibit B)

On April 21, 2006, after extensive research and deliberations the Retirement Board rendered a decision on the matter.

On May 5, 2006, the Fund sent a letter to Mr. Gutierrez advising him of errors in the estimated annuity he had been receiving as a retiree under the Defined Benefit Plan. To continue his "enhanced" annuities, the Fund sought remission of the undercharged employee contributions in the amount of \$81,919.25. If the applicable contributions were not timely remitted, Mr. Gutierrez's annual annuity would be reduced to \$40,235.76 effective for the pay period June 30, 2006.

Appeal:

Per August 8, 2006 memo, Elyze J. McDonald, our attorney chronicled the attempt by Attorney F. Randall Cunliffe to appeal the Fund's decision. No settlement was concluded amongst the attorneys. (Exhibit C)

On August 14, 2006 memo Attorney F. Randall Cunliffe appeals directly to the Board of Trustees, Government of Guam Retirement Fund. He indicates the following:

1. The Retirement Fund improperly calculated the monies due;
2. Because of the alleged miscalculations, Mr. Gutierrez spent a significant amount of money defending himself in a criminal proceeding;
3. Expeditious action by the Fund would have saved Mr. Gutierrez from facing criminal prosecution and saved him enormous amounts of money;
4. The Fund has indicated that they will reduce his retirement annuity rather than require his payment of the amount claimed; and
5. Appeals for a more reasonable resolution of this matter caused by miscalculations from someone at the Retirement Fund.
(Exhibit D)

Discussion:

Point 1: The improper calculations of monies due is not disputed, it was discovered in the audit for Fiscal Years 2000 and 2001.

Points 2&3: The Fund had no control of matters with respect to criminal proceedings; that was a matter initiated by the Attorney General. As a matter of fact, the Attorney General clearly delayed our expeditious action on this matter because of his September 7, 2004 gag order.

Points 4&5: The intent of the Board in this case is simply to make the Fund "whole" with respect to monies due the Fund to continue Mr. Gutierrez's "enhanced" annuities. The Board seeks remission of the undercharged employee contributions in the amount of \$81,919.25 and the matching government share of \$54,770.40.

Findings:

The committee sustains its findings as reported on April 21, 2006 and continues to recommend that Mr. Gutierrez remit the amounts due to the Retirement Fund as a condition of continuing the enhanced benefit.