

*Government of Guam Retirement
Fund*

*MEMBERS' AND BENEFITS
COMMITTEE*

*MAY, 2007
END OF MONTH REPORT*



George A. Santos
Members' & Benefits Committee, Chairman

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

Gerard A. Cruz
Trustee

June 08, 2007

MEMORANDUM

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

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

SUBJECT: May, 2007 - End of Month Report

Please find attached the Members' and Benefits Committee's May, 2007 End of Month Report. This report accurately highlights the significant activities and action items reviewed and administered to during the May 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	4,142	
2.	Defined Contributions	<u>6,366</u>	
			10,508

B. No. of Retirees

1.	Defined Benefits	6,794	
2.	Defined Contributions	<u>174</u>	
			<u>6,968</u>
			17,476

II. TOTAL STAFFING:

A. Benefit Services Department

1.	Budget 2007	10	
	Actual		9

B. Members' Services Division

1.	Budget 2007	10	
	Actual		8

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	1	
	B. ERIP	0	
	C. Optional	0	1
2.	Service Retirement		
	A. Regular	4	
	B. ERIP	0	4
B.	Section 8123 Applicants Medical Disability		7
C.	Section 8126 Applicants Medical Disability Appeals		2
D.	Section 8130 Applicants Deferred Age		1
E.	Section 8134 Applicants		
	(a) Surviving Spouse		4
	(a).3 Minor Children		0
	(a)4C Disabled Adult Survivor		0
F.	New Retirees	(Nos. 1058- 1064)	7
TOTAL CASES REVIEWED			26

IV. REVIEW AND FINDINGS

Based on our review and findings during our meeting of May 16, 2007 and continuing meetings thereof, the following applications are recommended for **APPROVAL** to the Board of Trustees:

Members' and Benefits Retirement Applicants

A. SECTION 8119, 8120, 8120.1

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

a. Name: Felisa R. Francisco
Date of Birth:
Department: Guam Public School Systems
Length of Service: 21 Years 04 Months 00 Days
Service Factor: 21.333
Average Annual Salary: \$29,615.24
Annual Annuity: \$14,313.84
Percentage Earned: 48.3326827
Effective Date: April 14, 2007

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

a. Name: Doris R. Estrada
Date of Birth:
Department: Department of Parks & Recreation
Length of Service: 26 Years 05 Months 00 Days
Service Factor: 26.416
Average Annual Salary: \$31,423.60
Annual Annuity: \$19,181.04
Percentage Earned: 61.0402372
Effective Date: March 06, 2004

- b. Name: Araceli B. Mangrobang
Date of Birth:
Department: Guam Memorial Hospital Authority
Length of Service: 28 Years 01 Month 00 Days
Service Factor: 28.083
Average Annual Salary: \$102,842.52
Annual Annuity: \$ 67,061.04
Percentage Earned: 65.2075036
Effective Date: April 01, 2004
- c. Name: Romy V. Teria
Date of Birth:
Department: Department of Parks & Recreation
Length of Service: 28 Years 06 Month 00 Days
Service Factor: 28.500
Average Annual Salary: \$29,533.60
Annual Annuity: \$19,566.00
Percentage Earned: 66.2499661
Effective Date: October 01, 2005
- d. Name: Virginia S. Tropel
Date of Birth:
Department: Guam Memorial Hospital Authority
Length of Service: 30 Years 08 Months 15 Days
Service Factor: 30.708
Average Annual Salary: \$50,320.21
Annual Annuity: \$36,114.72
Percentage Earned: 71.7698117
Effective Date: October 14, 2006

B. SECTION 8130 Age Retirement Applicant Without Survivor Benefits

1, Name: Lilia A. Basto
Date of Birth:
Department: Guam Power Authority
Length of Service: 12 Years 10 Months 15 Days
Service Factor: 12.875
Average Annual Salary: \$33,749.94
Annual Annuity: \$ 9,175.68
Percentage Earned: 27.1872483
Effective Date: April 28, 2007

C. SURVIVOR ANNUITY APPLICANTS

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

a. Name: Raul I. Batilo
Date of Death: April 19, 2007
Annuity due Decease: \$17,211.60
Surviving Spouse: Maria Soledad A. Batilo
Survivor's Annuity: \$ 8,605.92
Percentage Earned: 50%
Effective Date: April 19, 2007

b. Name: Lourdes M.S. Blas
Date of Death: December 21, 2006
Annuity due Decease: \$ 6,037.68
Surviving Spouse: Peter F. Blas
Survivor's Annuity: \$ 3,018.96
Percentage Earned: 50%
Effective Date: December 21, 2006

- c. Name: Aida J. Cruz
 Date of Death: December 10, 2006
 Annuity due Decease: \$13,955.04
 Surviving Spouse: Manuel T. Cruz
 Survivor's Annuity: \$ 6,977.52
 Percentage Earned: 50%
 Effective Date: December 10, 2006
- d. Name: Robert E. Fuerst
 Date of Death: January 13, 2007
 Annuity due Decease: \$33,217.44
 Surviving Spouse: Elaine Fuerst
 Survivor's Annuity: \$16,608.72
 Percentage Earned: 50%
 Effective Date: January 13, 2007

D. Supplemental Listing of New Retirees and Finalized Retirement Annuities

- 1058 Name Aida J. Cruz
 Surviving Spouse of Manuel T. Cruz
 Department Guam Public School System
 Effective Date December 10, 2006
- 1059 Name Lourdes M.S. Blas
 Surviving Spouse of Peter F. Blas
 Department Guam Public School System
 Effective Date December 21, 2006
- 1060 Name Elaine Fuerst
 Surviving Spouse of Robert E. Fuerst
 Department University of Guam
 Effective Date January 13, 2007

1061	Name:	Felisa R. Francisco
	Date of Birth	.
	Department	Guam Public School System
	Effective Date	April 14, 2007
1062	Name:	Edith C. Pangelinan
	Date of Birth	
	Department	Guam International Airport Authority
	Effective Date	April 14, 2007
1063	Name	Maria Soledad A. Batilo
	Surviving Spouse of	Raul I. Batilo
	Department	Guam Legislature
	Effective Date	April 19, 2007
1064	Name	Lilia A. Basto
	Date of Birth	
	Department	Guam Power Authority
	Effective Date	April 28, 2007

V. REVIEW AND FINDINGS (Correspondences)

1. COR 06-11 RE: Rosita S. Lizama, Retired September 27, 1991

Request:

Mrs. Lizama has submitted her appeal pursuant to §8122.2, in response to the Fund's proposal to adjust her annuity benefits due to a payroll adjustment error in processing retroactive payments.

Service History:

07/17/67	to	12/17/72	Port Authority of Guam
12/18/72	to	09/27/91	Department of Public Health & Social Services/Retired

Discussion:

The proposed adjustment is as a result of a recent audit of the payroll history discrepancies of the annuity calculations versus the actual annuity paid to Mrs. Lizama upon retirement in September 1991.

The entitled semi-monthly gross annuity was calculated at \$714.58. However, for the payroll period of 12/15/91, a retroactive payment adjustment totaling \$125.33 was added to the \$714.58 semi-monthly annuity for a gross payment of \$839.91.

The semi-monthly gross of \$714.58 was to be reverted in the succeeding payroll period of 12/31/91 and thereafter. This adjustment did not take effect and continued to date. Subsequently, Mrs. Lizama was notified of these circumstances and findings in a letter dated February 22, 2007.

An audit of Mrs. Lizama's file does not provide documents or evidence of internal disclosure or prior notification regarding overpayment of annuity benefits.

The summary provision of §8122.1. **Adjustments. (a), (b), (1), (2), (3),** stipulate that should an error occur in computing a benefit, *recovery of such benefits may not be made if the error was not as a result of information provided by the member, the member did not have reasonable grounds to believe that benefits were in error, and the incorrect benefit was paid four (4) years or more before the member was notified of the error.*

The summary provision of §8122.2. **Waiver of Adjustments.** (a),(1),(2),(3), provide that upon appeal by the affected member, *the Board may waive an adjustment or any portion of an adjustment if it is the opinion of the Board that the adjustment will cause undo hardship to the member, the adjustment was not the result of erroneous information supplied by the member, the member had no reasonable grounds to believe the records were incorrect or a mistake occurred before the adjustment was made.*

Staff Recommendation:

A review has established that the error was administrative and was not as a result of any contributing factors by the member. Thus, in accordance with the *GGRF Policy on Over or Under Payments of Annuities*, the Committee may consider the appeal for waiver of adjustments on the recovery of benefits, but shall make corrective adjustments on the annuity prospectively.

Findings:

A review has established that the error was administrative and not a result of any contributing factors by the member. Thus, the committee recommends **APPROVAL** to waive any recovery of overpayments as a result of the error, and accept GGRF's policy to make corrective adjustments on the annuity prospectively effective 120 days from the date of written notification to the retiree.

2. COR 06-12: RE: Gregorio SN Mesa, Disability Retired December 9, 1985.

Request:

Mr. Mesa submitted his appeal pursuant to §8122.2, in response to the Fund's proposal to adjust his annuity benefits due to a payroll adjustment error in processing retroactive payments

Service History:

04/13/64	to	08/23/66	Department of Public Safety
03/14/71	to	12/09/85	Department of Public Safety/Guam Police Department

Discussion:

The proposed adjustment is as a result of a recent audit of the payroll history discrepancies of the annuity calculations versus the actual annuity paid to Mr. Mesa upon processing retroactive annuity benefits paid on payroll period 02/15/00.

As a result, the supplemental benefit of \$176.57 was included in the semi-monthly gross annuity calculation subsequent to recalculation of the average annual salary reflecting non-base earnings. Thus, Mr. Mesa was receiving supplemental benefits twice.

The summary provisions of **§8122.1. Adjustments. (a),(b),(1),(2),(3)**, stipulate that should an error occur in computing a benefit, *recovery of such benefits may not be made if the error was not as a result of information provided by the member, the member did not have reasonable grounds to believe that benefits were in error, and the incorrect benefit was paid four (4) years or more before the member was notified of the error.*

The summary provision of **§8122.2. Waiver of Adjustments. (a),(1),(2),(3)**, provide that upon appeal by the affected member, *the Board may waive an adjustment or any portion of an adjustment if it is the opinion of the Board that the adjustment will cause undo hardship to the member, the adjustment was not the result of erroneous information supplied by the member, the member had no reasonable grounds to believe the records were incorrect or a mistake occurred before the adjustment was made.*

Staff Recommendation:

A review has established that the error was administrative and was not as a result of any contributing factors by the member. Thus, in accordance with the *GGRF Policy on Over or Under Payments of Annuities*, the Committee may consider the appeal for waiver of adjustments on the recovery of benefits, but shall make corrective adjustments on the annuity prospectively.

Findings:

A review has established that the error was administrative and not a result of any contributing factors by the member. Thus, the committee recommends **APPROVAL** to waive any recovery of overpayments as a result of the error, and accept GGRF's policy to make corrective adjustments on the annuity prospectively effective 120 days from the date of written notification to the retiree.

