

***Government of Guam Retirement  
Fund***

***MEMBERS' AND BENEFITS  
COMMITTEE***

***APRIL, 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

May 04, 2007

**MEMORANDUM**

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

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

SUBJECT: April, 2007 - End of Month Report

Please find attached the Members' and Benefits Committee's April, 2007 End of Month Report. This report accurately highlights the significant activities and action items reviewed and administered to during the April period.

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

  
GEORGE A. SANTOS

M&B Committee Findings  
May 04, 2007

I. TOTAL MEMBERS SERVED:

A. No. of Active Members

1.	Defined Benefits	4,159	
2.	Defined Contributions	<u>6,342</u>	
			10,501

B. No. of Retirees

1.	Defined Benefits	6,817	
2.	Defined Contributions	<u>167</u>	
			<u>6,984</u>
			17,485

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	2	3
2.	Service Retirement		
	A. Regular	4	
	B. ERIP	0	4
B.	Section 8123 Applicants Medical Disability		4
C.	Section 8126 Applicants Medical Disability Appeals		3
D.	Section 8130 Applicants Deferred Age		1
E.	Section 8134 Applicants		
	(a) Surviving Spouse		3
	(a).3 Minor Children		0
	(a)4C Disabled Adult Survivor		0
F.	New Retirees	(Nos. 1054- 1057)	4
<b>TOTAL CASES REVIEWED</b>			<b>22</b>

#### IV. REVIEW AND FINDINGS

Based on our review and findings during our meeting of April 18, 2007 and continuing meetings thereof, the following applications are recommended for **APPROVAL** to the Board of Trustees:

#### IV MEMBERS' AND BENEFITS RETIREMENT APPLICANTS

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

##### 1. Optional Retirement Applicant (§8119. Prior to 10/01/81)

a. Name: Joseph P. Crisostomo  
Date of Birth:  
Department: Department of Public Works  
Length of Service: 22 Years 11 Months 00 Days  
Service Factor: 22.916  
Average Annual Salary: \$30,347.17  
Annual Annuity: \$10,116.24  
Percentage Earned: 33.3350358  
Effective Date: October 23, 2004

##### 1-a Optional Retirement Applicants (§8120 After 10/01/81)

a. Name: Mario C. Balansay  
Date of Birth:  
Department: Guam Power Authority  
Length of Service: 26 Years 01 Month 15 Days  
Service Factor: 26.125  
Average Annual Salary: \$60,333.52  
Annual Annuity: \$35,569.92  
Percentage Earned: 58.9554861  
Effective Date: February 24, 2007

b. Name: Joaquin M. Mendiola  
Date of Birth:  
Department: Guam Power Authority  
Length of Service: 25 Years 02 Months 15 Days  
Service Factor: 25.208  
Average Annual Salary: \$53,887.96  
Annual Annuity: \$18,446.88  
Percentage Earned: 34.2319137  
Effective Date: February 17, 2007

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

a. Name: Antonio P. Guerrero  
Date of Birth:  
Department: Port Authority of Guam  
Length of Service: 23 Years 08 Months 15 Days  
Service Factor: 23.708  
Average Annual Salary: \$44,286.56  
Annual Annuity: \$24,034.32  
Percentage Earned: 54.2700087  
Effective Date: August 01, 2006

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

a. Name: Domingo S. Cabusao  
Date of Birth:  
Department: Guam Environmental Protection Agency  
Length of Service: 28 Years 09 Months 15 Days  
Service Factor: 28.791  
Average Annual Salary: \$80,409.44  
Annual Annuity: \$53,856.24  
Percentage Earned: 66.9775091  
Effective Date: December 30, 2006

- b. Name: Cecilia D. Datuin  
Date of Birth:  
Department: Superior Court of Guam  
Length of Service: 25 Years 00 Months 00 Days  
Service Factor: 25.000  
Average Annual Salary: \$48,950.22  
Annual Annuity: \$28,146.48  
Percentage Earned: 57.5002114  
Effective Date: August 01, 2006
- c. Name: Elma P. Mandapat  
Date of Birth:  
Department: Dept of Public Health & Social Services  
Length of Service: 35 Years 04 Month 00 Days  
Service Factor: 35.333  
Average Annual Salary: \$40,731.25  
Annual Annuity: \$33,942.48  
Percentage Earned: 83.3327727  
Effective Date: October 06, 2001
- d. Name: Henry C. Schilling III  
Date of Birth:  
Department: Guam Community College  
Length of Service: 33 Years 06 Months 15 Days  
Service Factor: 33.541  
Average Annual Salary: \$49,039.73  
Annual Annuity: \$38,669.04  
Percentage Earned: 78.8524732  
Effective Date: October 13, 2006

B. SECTION 8126 - Disability Retirement Applicant (Appeal)

1. Name: Ricardo C. Sablan  
Date of Birth:  
Department: Guam Public School System  
Length of Service: 13 Years 10 Months 15 Days  
Date of Application: July 05, 2006

C. SECTION 8130 Age Retirement Applicants WITHOUT SURVIVOR BENEFITS

1, Name: Nancy B. Schmitz  
Date of Birth:  
Department: University of Guam  
Length of Service: 13 Years 07 Months 15 Days  
Service Factor: 13.625  
Average Annual Salary: \$76,598.02  
Annual Annuity: \$22,261.20  
Percentage Earned: 29.0623700  
Effective Date: January 21, 2007

D. SURVIVOR ANNUITY APPLICANTS

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

a. Name: Timoteo Q. Certeza  
Date of Death: January 20, 2007  
Annuity due Decease: \$17,750.40  
Surviving Spouse: Julia T. Certeza  
Survivor's Annuity: \$ 8,875.20  
Percentage Earned: 50%  
Effective Date: January 20, 2007

b. Name: Peter JP Muna  
Date of Death: March 22, 2007  
Annuity due Decease: \$26,523.60  
Surviving Spouse: Dolores A. Muna  
Survivor's Annuity: \$13, 261.92  
Percentage Earned: 50%  
Effective Date: March 22, 2007



c. Name: Vicente A. Quidachay  
 Date of Death: January 21, 2007  
 Annuity due Decease: \$23,293.92  
 Surviving Spouse: Sixta U. Quidachay  
 Survivor's Annuity: \$11,646.96  
 Percentage Earned: 50%  
 Effective Date: January 21, 2007

E. Supplemental Listing of New Retirees and Finalized Retirement Annuities

1054 Name Julia T. Certeza  
 Surviving Spouse of Timoteo Q. Certeza  
 Department Guam Housing Corporation  
 Effective Date January 20, 2007

1055 Name Sixta U. Quidachay  
 Surviving Spouse of Vicente A. Quidachay  
 Department Guam Water Works Authority  
 Effective Date January 21, 2007

1056 Name Joaquin M. Mendiola  
 Date of Birth  
 Department Guam Power Authority  
 Effective Date February 17, 2007

1057 Name: Dolores A. Muna  
 Surviving Spouse of Peter JP Muna  
 Department Superior Court of Guam  
 Effective Date March 22, 2007

V. REVIEW AND FINDINGS (Correspondences)

1. COR 06-10 RE: Jerry W. Taylor - (Margaret C. Taylor, Deceased Retiree - July 23, 2006)

Request:

Application for Adult Disabled Survivor Benefits pursuant to §8134© Title 4, Chapter 8 GCA

Discussion:

The language pertinent to the aforementioned provision is presented below:

"Payment to Children Disabled Before Eighteen (18) Years. Upon death of an annuitant, or a member while in service having completed at least three (3) years of total service, if a surviving child or children is disabled, annuities shall be payable to them after age eighteen (18) at the same annual rate as if they were minor children under the age of eighteen (18); provided however, that such annuity shall be conditional upon the child being disabled prior to the child's eighteenth (18<sup>th</sup>) birthday and having been examined by two (2) licensed physicians before attaining the age of eighteen (18), or within one (1) year of the death of the annuitant or member, and found to be permanently physically or mentally disabled and incapable of self-support. The results of such examination may be submitted to the Board at any time prior to the child's eighteenth (18<sup>th</sup>) birthday, or within one (1) year of the death of the annuitant or member."

A review of the medical examination report reveals the physician's conclusion that Mr. Jerry W. Taylor is not disabled and is capable of self-supporting.

Addendum:

At the Members & Benefit's Committee meeting of January 17, 2007, committee members requested a clarification of the physician's conclusion on the medical examination report with regards to Mr. Jerry W. Taylor's permanent disability status in relation to being self-supporting. The fund is in receipt of Dr. Muhammad R. Javed's letter dated April 03, 2007 which clarifies his findings presented on the medical examination report previously submitted.

Findings:

Mr. Taylor is eligible for disabled survivor benefits pursuant to the statute therefore, we recommend APPROVAL of this request.

2. 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, the Committee may consider the foregoing recommendations on the appeal for waiver of adjustments.

1. Deny the appeal on the basis that no recovery of overpaid benefits is demanded and adjustments to benefits will be prospective.
2. Grant the appeal based on the summary findings and statute authority.
3. Request that the member present justification that the adjustment will cause undo hardship.
4. The Committee may conduct a hearing on the appeal request.
5. The Committee may impose conditions on granting a waiver which it deems or considers equitable.

Findings:

A review has established that the error was administrative and was not a result of any contributing factors by the member. Thus, the committee recommends **APPROVAL** of the appeal as it applies to proposal number 2 above.