

BOARD OF TRUSTEES
Reconvened Regular Meeting
Tuesday, August 23, 2005, 12:00 p.m.
Retirement Fund Conference Room

MINUTES

DEFINED CONTRIBUTIONS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contributions Plan reconvened at 12:35 p.m. Tuesday, August 23, 2005, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
Wilfred P. Leon Guerrero, Vice-Chairman
James J. Taylor, Secretary
Katherine T.E. Taitano, Treasurer
Gerard A. Cruz, Trustee

Board of Trustees Absent:

Anthony C. Blaz, Trustee
George A. Santos, Trustee

Staff Present:

Paula M. Blas, Acting Director
Pete Tajalle, Controller
Ken Dunstan, Acting Benefit Program Administrator
Vince Camacho, Great West Retirement Services
Jackie Blas, Recording Secretary
Rosalia Bordallo, Accountant III

II. OLD BUSINESS

A. Plan Document

Chairman Joe T. San Agustin stated that there are new changes to be implemented on the Plan Document which would bring the Plan up to date. Chairman San Agustin asked if the Board would like to revisit the entire Plan Document or whether to just go over the changes. Secretary James Taylor suggested just looking at the changes and getting it in place.

Vince Camacho, Great West Retirement Services, stated that he will go through the changes briefly. Mr. Camacho stated that the format changed and that the effective date should be October 1, 2005. Mr. Camacho stated that the policy change is whether to allow the following:

1) Page 2, Section 1.1 (d) Rehired Retirees Participating in the Government of Guam Retirement Fund – “An Employee who retires under the terms of the Retirement Fund, and who is thereafter reemployed by a Contributing Employer, shall not be eligible to participate in this Plan; except that, if appropriate legislation is enacted, a reemployed Employee who is not eligible to continue participating in the Retirement Fund may be eligible for membership in this Plan.”

Vice-Chairman Wilfred Leon Guerrero asked if this is a new section. Mr. Camacho replied, “no.” Mr. Camacho stated that the Defined Contribution Plan (DC) conflicts with Public Law 26-19. Chairman San Agustin stated that Public Law 26-19 did not amend the DC law. Mr. Camacho stated that there are three areas which will require statutory changes. Mr. Camacho asked if the Board would allow Defined Benefit members to go into the DC Plan. Trustee Gerard Cruz asked what would be the financial impact of keeping the language. Vice-Chairman Leon Guerrero stated that it would be okay if there is no impact to the Fund. Trustee Cruz asked what is Management’s view. Controller Pete Tajalle stated that it would be advantageous to the Fund to allow DB members to go into the DC Plan. The Board of Trustees agreed to have this section remain status quo.

2) Page 3, Section 1.1 (e) Temporary, Seasonal, Intermittent, or Part-Time Employees – “Prior to this restatement, any Employee whose employment was purely temporary, seasonal, intermittent, or part-time had the option of accepting or rejecting participation in the Plan. Effective October 1, 2005, every Employee, including those classified as temporary, seasonal, intermittent, or part-time, must participate in the Plan.”

Mr. Camacho stated that on Page 37, Section 13.9, it lists the definition of “Employee.” Trustee Cruz asked if “must” would take the current practice away. Mr. Camacho replied, “no.” Chairman San Agustin suggested to put “may” not “must.” Mr. Camacho stated that “must” locks it in.

3) Page 6, Section 2.9 – Uniformed Services Employment and Reemployment Rights Act (USERRA) Contributions (Statutory amendment to Public Law No. 27-106:V:39 required)

Mr. Camacho stated that USERRA, as amended, provides certain pension benefit rights to employees who return to employment with their employer following a Military Leave of Absence. Section 8209.2 of the Guam Code Annotated (GCA) provides greater rights than USERRA.

4) Page 15, Section 5.3 (c) Distributee – “A Distributee includes a Participant, the surviving spouse of a deceased Participant, and the current or former spouse of a Participant who is an alternate payee under a qualified domestic relations order that has been approved by the Board.”

Trustee Gerard Cruz, seconded by Secretary James Taylor, moved to approve the Government of Guam Defined Contribution Retirement System Plan and Trust Agreement, effective October 1, 2005. Without objection, the motion passed.

III. ADJOURNMENT

There being no further business before the Board for the Defined Contributions Plan, on motion of Trustee Gerard Cruz, seconded by Trustee Katherine Taitano, and without objection, the meeting was adjourned at 1:35 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 23, 2005 Reconvened Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 9, 2005.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas