



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY • SECURITY • REWARDS

Lourdes A. Leon Guerrero
Governor

Joshua F. Tenorio
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Wilfred P. Leon Guerrero, Ed.D.
Chairman

Antolina S. Leon Guerrero
Vice Chair

Katherine T.E. Taitano
Secretary
Chair, Members and Benefits Committee

Artemio R.A. Hernandez, Ph.D.
Treasurer
Chair, Investment Committee

Thomas H. San Agustin
Trustee

David N. Sanford
Trustee

George A. Santos
Trustee

BOARD OF TRUSTEES
Regular Meeting
 Friday, February 16, 2024, 12:30 P.M.
 Retirement Fund Conference Room

MINUTES

DEFINED CONTRIBUTION

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contribution Plan was called to order at 12:33 p.m. Friday, February 16, 2024 in the Retirement Fund Conference Room. Acting Chair Antolina S. Leon Guerrero officiated.

Board of Trustees Present:

Antolina S. Leon Guerrero, Vice Chair
 Artemio R.A. Hernandez, Treasurer
 Thomas H. San Agustin, Trustee
 David N. Sanford, Trustee

Board of Trustees Absent:

Wilfred P. Leon Guerrero, Chairman
 Katherine T.E. Taitano, Secretary
 George A. Santos, Trustee

Staff Present:

Paula Blas, Director
 Andrea Atalig, Recording Secretary

Third Party Administrator Present:

Grace Atalig, Retirement Plan Counselor, Empower

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. January 19, 2024 Regular Meeting

Treasurer Artemio Hernandez, seconded by Trustee David Sanford, moved to approve the Minutes of the January 19, 2024 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

I. Standard Insurance - An updated summary report as of January 2024 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. There are 41 active claims as of January 31, 2024.

Financial Report

1. Contributions - Director Paula Blas stated that as of February 13, 2024, all agencies are current with their Fiscal Year 2024 employee and employer contributions.

2. Financial Statements - Director Blas stated that the books for the month ended January 31, 2024 are scheduled to close on February 29, 2024.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – January 2024

Director Blas stated that Grace Atalig, Retirement Plan Counselor, Empower, provided the TPA Report for the month ended January 31, 2024 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mrs. Atalig stated that the 401(a) Plan had total assets of \$396,208,306.61. There was a decrease of \$132,673,868.71 or -25.09% from the previous month due to the transfers of the DC members to the DB 1.75 Plan. The 457 Plan had total assets of \$149,923,083.28. There was an increase of \$956,229.54 or 0.64% from the previous month.

Mrs. Atalig stated that the 401(a) Plan had total contributions of \$4,176,978.35. There was a decrease of contributions of \$7,569.70 or -0.18% from the previous month. The 457 Plan had total contributions of \$1,815,040.90. There was an increase in contributions of \$567,651.51 or 45.51% from the previous month.

Mrs. Atalig stated on page four, for Market Gain/Loss in Percentage the total of -102% is incorrect and they are unable to determine the exact percentage due to market because of the large transfer that happened in the DC Plan and the transfers took place at different periods in January. The 457 Plan had total assets of \$1,815,040.90. The market effect was 16%.

Mrs. Atalig stated that the 401(a) Plan had disbursements totaling \$1,839,572.38. The total disbursements for the transfer from the 401(a) Plan to the DB 1.75 Plan is \$134,156,681.70. Treasurer Hernandez inquired on how many participants transferred from the 401(a) Plan to the DB 1.75 Plan. Mrs. Atalig stated there were close 2,000 participants that made the transfer. Director Blas stated the dollar amount may increase due participants electing to switch closer to the deadline of December 29, 2023. The 457 Plan had disbursements totaling \$1,011,789.11.

Mrs. Atalig stated that the 401(a) Plan has a total of 7,500 participants receiving employer contributions, this number includes participants in the 401(a) before the transfer to the DB 1.75 Plan. After the transfer from the 401(a) Plan to the DB 1.75 Plan there are now 5,788 active participants in the 401(a) Plan. Mrs. Atalig stated that there were 9 retirees in the month of January.

As per Treasurer Hernandez's request Mrs. Atalig provided the 457 Participant Contribution Detail report for participants who contribute both a pre-tax and ROTH contribution. The report represents two categories: 1) the number of those contributing at a dollar amount, and 2) the number of those contributing at a percentage. The Catch-Up is for participants who would like to contribute more than the plan limit which is set at \$23,500 and for participants who are age 50 and older it is set at \$30,500 for this year.

Trustee San Agustin inquired about participants who transferred to the DB 1.75 Plan with a remaining balance in their 401(a) if they are able to transfer the balance to their 457 accounts. Mrs. Atalig stated the balance cannot be transferred while they are still an active employee and it will remain in their 401(a) Plan account. Acting Chair Leon Guerrero inquired as to why it will remain in their 401(a) account. Director Blas stated the law stated that any excess funds will remain in the member's account, except for amounts designated by the member to be applied to repay prior withdrawals from the member's DC account. Treasurer Hernandez inquired on those who were invested on the employer's side. Director Blas stated that if the employee switched from the 401(a) Plan to the DB 1.75 Plan all of the employer's share transferred to the DB 1.75. Acting Chair Leon Guerrero inquired about new employees and what plan will they be defaulted to. Director Blas stated all new employees will be defaulted to the Defined Contributions 401(a) Plan and the new employee will have 30 days to make an election to switch to the DB 1.75 Plan. Should the employee make the election to switch to the DB 1.75 Plan the effective date will be date of hire.

Trustee San Agustin inquired on participants who elected to switch to the DB 1.75 Plan who have a remaining balance. Mrs. Atalig stated those who still have a remaining balance have access to their 401(a) account online, they are not able to continue to contribute but they are still able to make changes to their investment and they still have investment services being offered to them. She also stated that any participant who has a balance in the 401(a) Plan as well as the 457 Plan will receive a retirement reminder through email if they are nearing retirement or equities are too high to take a look at their account.

Treasurer Hernandez requested for a report for those who transferred to the DB 1.75 Plan. Director Blas stated during the first transfer in 2018 there were about 3,400 participants transferred and during 2024 there were about 2,000 participants who transferred to the DB 1.75 Plan. Out of the 2,000 participants who transferred to the DB 1.75 Plan there are approximately 300 participants who have a

remaining balance in their 401(a) account. Director Blas stated that staff is reconciling the data and she will provide firm numbers at the next board meeting.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Artemio Hernandez reported that there was no Investment Committee Meeting this month.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for March 14, 2024.

B. Members and Benefits Committee

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

None

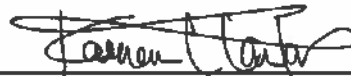
IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

X. ANNOUNCEMENTS

XI. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee David Sanford, seconded by Trustee Thomas San Agustin, and without objection, the meeting was adjourned at 12:49 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 16, 2024 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 15, 2024.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Andrea Atalig