



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, August 20, 2021, 12:00 Noon  
 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 12:10 p.m. Friday, August 20, 2021, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

**Board of Trustees Present:**

Wilfred P. Leon Guerrero, Chairman  
 Antolina S. Leon Guerrero, Vice Chair  
 Artemio R.A. Hernandez, Treasurer  
 Thomas H. San Agustin, Trustee  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Secretary (*Excused*)  
 David N. Sanford, Trustee (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Diana Bernardo, Controller  
 Jackie Blas, Recording Secretary

**Third Party Administrator Present:**

Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. July 16, 2021 Regular Meeting**

**Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the Minutes of the July 16, 2021 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 July 31, 2021 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. Director Paula Blas stated that there are 42 active claims as of July 31, 2021. Chairman Leon Guerrero asked whether the report is marked "Confidential" due to the names. Director Blas replied, "Yes."

### **Financial Report**

**I. *Contributions*** - Director Blas stated that as of August 17, 2021, all agencies are current with their Fiscal Year 2021 employee and employer contributions, except for the Port Authority of Guam (Port). Director Blas stated that the Port switched their payroll system and they've been having issues remitting their data timely and accurately. The Port will submit their checks for the contributions, but when they submit their data, it's not accurate and so everything gets returned back to them. The Retirement Fund is waiting for the finalized data and the contributions to be remitted back to the Retirement Fund. The Port is behind for the pay period ending July 31, 2021. Treasurer Artemio Hernandez asked whether it's a normal practice to return contributions. Director Blas stated that the only reason is that she does not want the Retirement Fund to be liable for any gains or losses from the contributions. Vice Chair Antolina Leon Guerrero inquired about the timeline to expedite. Director Blas stated that the checks were returned back to the Port on Monday. The Port is still trying to work on the data for the last pay period ending. Director Blas stated that the Port pulled in a vendor to help them with the issues they are encountering with their new payroll system. Treasurer Hernandez inquired about the amount of the contributions. Director Blas stated that it's \$112,000.00.

**2. *Financial Statements*** - Director Blas stated that the books for the month ended July 31, 2021 are scheduled to close on August 26, 2021.

## **V. THIRD PARTY ADMINISTRATOR'S REPORT**

### **A. Contribution Report – July 2021**

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended July 31, 2021 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mr. Hauerbach stated that the 401(a) Plan had total assets of \$492,616,707.50. There was an increase of \$4,176,373.71 or 0.86% from the previous month. The market effect was .13%. The 457 Plan had total assets of \$129,198,141.68. There was an increase of \$1,243,881.78 or 0.97% from the previous month. The market effect was .14%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$2,656,580.77. There was a decrease in contributions of \$336,571.88 or -11.24% from the previous month. The 457 Plan had total contributions of \$1,070,109.71. There was a decrease in contributions of \$17,118.87 or -1.57% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$1,790,739.09. The 457 Plan had disbursements totaling \$1,430,924.46.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,183 participants receiving employer contributions. The 457 Plan has 5,550 contributing participants. The 401(a) Plan has 62 first-time contributors and the 457 Plan has 60 first-time contributors. Mr. Hauerbach stated that there were 7 retirees in the month of July; of the 7 retirees, 2 took full distributions, 2 partial distributions, 2 with no distribution taken and 1 with periodic annuity payments. Mr. Hauerbach stated that there were 301 walk-ins and 521 participant engagements. The combined total of the local office participant engagements is 822.

Mr. Hauerbach provided the following updates:

- Expanded Call Center Hours - hours expanded was dedicated to cover the Guam plans. There's an average of 183 calls per month, which is an increase of 13% prior to the extended hours.
- New Hire Enrollment Forms - forms will be collected from GovGuam employees hired from June 2020 to July 2021.
- Payroll Processing Modernization Project - the project is ongoing. Empower would like to modernize the performance standards. Mr. Hauerbach stated that he will go over the most current performance standard with Director Blas in detail and will report back to the Board in September.
- Secure Foundation - Secure Foundation mergers scheduled for October 15, 2021 are still on track. The asset level spiked \$50 Million in the 401(a) Plan and \$10 Million in the 457 Plan. Treasurer Hernandez asked whether there is a concern with that. Mr. Hauerbach replied, "No, it's just 56% versus 60%."
- On-line Webinar Schedule - a schedule was developed up to the end of the year. Empower will focus on new hire orientations.
- October 2021 is National Retirement Security Month - a series of seminars will be provided to Empower which will be posted sometime next month.
- Pandemic Perspectives: How Government Employees are Gaining Financial Confidence Handout - participants were interviewed from the various plans around the country on how they weathered the pandemic crisis from a financial prospective. Government employees' behavior has changed. There is a greater focus on saving more and spending less. Participants are preparing for retirement.
- Prudential Financial - Empower Retirement's third major acquisition is the purchase of the recordkeeping services of Prudential Financial. In total, Empower spent \$9 Billion over the last year in making acquisitions. Empower is committed to better prepare employees for retirement. The company name, Empower Retirement, was created in 2014 and in the last four to five years, the company has doubled in size. Empower has 16 Million representatives and administers assets of \$1.4 Trillion and that's representing 71,000 plans.

- Temporary Employees - Empower is waiting for the final approval to hire temporary employees to help in the office with various projects.
- Grace Atalig, Retirement Plan Counselor - Mr. Hauerbach stated that he invited Ms. Atalig to join today's meeting regarding the three (3) Gold Awards received that are connected to the marketing, communications, and educational seminars. Empower received the Gold Award for the campaign that's associated with lowering the fees in My Total Retirement Plan, a Gold Award for the new brand redesigning established in Empower's website, and a Gold Award for the New Employee Orientation Recorded Webinar. Mr. Hauerbach stated that he is really proud of Ms. Atalig's work on the new hire orientation recorded Webinar. Chairman Leon Guerrero asked whether the awards presented in person. Ms. Atalig stated that it was mailed. Chairman Leon Guerrero asked who the competitors were. Mr. Hauerbach stated that it's not just the retirement plan industry, it's also the marketing and communications industry. Empower Retirement has a marketing and communications team. There were 1,000 submittals and only 100 received the Grand Prize Award. The Board of Trustees congratulated Ms. Atalig.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Hernandez reported that the Investment Committee Meeting was held on August 19, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of July 9, 2021.

*Next Quarterly Performance Meeting* – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for September 16, 2021.

### **B. Members and Benefits Committee**

No report was made at this time.

## **VII. OLD BUSINESS**

None

## **VIII. NEW BUSINESS**

None

## **IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

None

**X. ANNOUNCEMENTS**

None

**XI. ADJOURNMENT**

There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:35 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 20, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 17, 2021.



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KATHERINE T.E. TAITANO, Board Secretary

**RECORDING SECRETARY:**



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Jackie Blas