
Government of Guam Retirement Fund

Actuarial Valuation as of September 30, 2025

Prepared by:

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June 9, 2026



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**Re: Government of Guam Retirement Fund –
Actuarial Valuation as of September 30, 2025**

As part of our engagement with the Board of Trustees, we performed an actuarial valuation of the Government of Guam Retirement Fund as of September 30, 2025. The purpose of this valuation is to determine the required contribution under the provisions of GCA Section 8137.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the Fund's staff. This information includes, but is not limited to, financial information, member census data, and plan provisions. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete the results may differ and the calculations may need to be revised.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Fund. The Fund is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The Fund is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the Fund have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Fund and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Fund and are expected to have no significant bias. The assumptions have been adopted by the Board of Trustees and are based on the 2015-2020 actuarial experience study.

This valuation report is only an estimate of the Fund's financial condition as of a single date. It can neither predict the Fund's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Fund benefits, only the timing of Fund contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in the compliance

with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the Fund's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. The Board of Trustees has the final decision regarding the appropriateness of the assumptions and actuarial cost methods.

Actuarial computations presented in this report are for the purposes of determining the recommended funding amounts for the Fund. The calculations in this report have been made on a basis consistent with our understanding of the Fund's funding requirements and goals. The calculations in this report have been made on a basis consistent with our understanding of the plan provisions described in Appendix A. Determinations for other purposes may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. Disclosures for GASB Statements No. 67, 68 and 73 for the Government of Guam Defined Benefit Plan and the Government of Guam Defined Contribution Plan are issued under separate cover.

Milliman's work is prepared solely for the use and benefit of the Government of Guam Retirement Fund. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s):

- (a) GGRF may provide a copy of Milliman's work, in its entirety, to its professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit GGRF.
- (b) GGRF may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct* and *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Collier".

Nick Collier, ASA, EA, MAAA
Principal and Consulting Actuary

A handwritten signature in black ink, appearing to read "Reid Earnhardt".

Reid Earnhardt, ASA, EA, MAAA
Consulting Actuary

TABLE OF CONTENTS

Section	Page
I VALUATION SUMMARY	
Introduction.....	1
Highlights.....	1
Results of Valuation	3
5-Year Historical Summary	4
Actuarial Assumptions.....	5
Funding Method.....	8
II FUND ASSETS	
Exhibit 1. Summary of DB Plan Assets.....	9
Exhibit 2. DB Plan Asset Allocation.....	10
Exhibit 3. Changes in DB Plan Assets	11
Exhibit 4. Actuarial Value of Assets	12
Exhibit 5. Historical Returns on DB Plan Assets.....	13
III MEMBERSHIP DATA	
Exhibit 6. Active Employees.....	14-15
Exhibit 7. Active Employees by Agency.....	16
Exhibit 8. Retired Employees	17-18
Exhibit 9. Terminated and Inactive Members.....	19
Exhibit 10. Reconciliation of Membership Data	20
IV VALUATION EXHIBITS	
Exhibit 11 Actuarial Accrued Liability	21-22
Exhibit 12. Calculation of Unfunded Actuarial Accrued Liability	23
Exhibit 13. Calculation of Actuarial Gain/Loss	24
Exhibit 14. Normal Cost.....	25
Exhibit 15. Amortization of Unfunded Actuarial Accrued Liability	26
Exhibit 16. Actuarially Determined Contribution.....	27
Exhibit 17. Projection of Contribution Rate	28-29
Exhibit 18. Projection of Security Ratio	30-31
V APPENDICES	
Appendix A. Summary of Pension Plan.....	32-37
Appendix B. Actuarial Cost Method and Assumptions	38-41
Appendix C. Summary of Participant Data	42-51
Appendix D. Risk Disclosure.....	52-55
Appendix E. Glossary of Key Terms.....	56

This work product was prepared solely for the Government of Guam Retirement Fund for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing this Milliman work product.

INTRODUCTION

Milliman, Inc. has been retained by the Government of Guam Retirement Fund to provide an actuarial valuation of the retirement fund. In our valuation we:

- Summarize the membership data.
- Calculate the actuarial accrued liability and normal cost.
- Determine the contribution requirements.
- Project the fund balance and security ratio forward 40 years.

The results contained in this report represent a reasonable estimate. However, it is likely that actual experience will vary from these estimates. To the extent that actual experience differs from the anticipated experience, actual plan costs will vary as well.

HIGHLIGHTS

- The required contribution under GCA Section 8137 is 28.14% of payroll. Of this amount, 23.99% is for the unfunded actuarial accrued liability of the defined benefit plans (Old DB Plan and DB 1.75 Plan), 1.03% is for the normal cost of the DB plans, and 3.12% is for contributions and expenses for the defined contribution (DC) plan.

The primary reasons for the decrease in the contribution rate from 33.85% for the prior year was the recognition of investment gain and loss over the 3-year asset smoothing period and the implementation of a new amortization method. Higher than expected salary increases had a partially offsetting impact.

Contribution rate calculated in 9/30/24 actuarial valuation	33.85%
2022-23 investment gain (final 1/3 rd recognition) *	(0.61%)
2023-24 investment gain (second 1/3 rd recognition) *	(2.51%)
2024-25 investment gain (first 1/3 rd recognition) *	(0.77%)
Actual payroll increase for 2024-25 of 3.42% vs. assumption of 2.50%	(0.24%)
Salary increases greater than assumed	1.14%
Other factors including non-salary-related demographic changes	(0.22%)
New amortization method	<u>(2.50%)</u>
Contribution rate calculated in 9/30/25 actuarial valuation	28.14%

* Investment returns that differ from the actuarial assumption of 7% are recognized over a 3-year period.

- Under the prior amortization method, as the remaining period to pay off the unfunded actuarial accrued liability (UAAL) declines, year-to-year changes in the contribution rate would become increasingly sensitive in the future to investment gains and losses and other experience. Public Law 38-120, which was enacted in April of 2026, gives additional flexibility in the amortization of the UAAL that can address this increased sensitivity. Please see the section on the next page for additional discussion of the proposed new amortization method reflected in this report which the new law allows.

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- The security ratio (equal to the actuarial value of assets divided by the actuarial accrued liability) increased significantly from 61.6% to 68.4%. The primary source of the increase was the strong investment returns over the last three years.
- Based on the audited financial statements, we calculated an investment return on the total market value of assets of 11.1% for the fiscal year ending September 30, 2025. The average annual return on the market value of assets for the last 5 fiscal years has been 8.5%. The investment return on the actuarial value of assets, which recognizes investment gains and losses over a 3-year period, was 15.5% for the fiscal year ending September 30, 2025.
- The unfunded actuarial accrued liability decreased from \$1.362 billion as of September 30, 2024, to \$1.137 billion as of September 30, 2025. The payment required to amortize the unfunded actuarial accrued liability under GCA Section 8137 has decreased from \$192.1 million to \$161.2 million after reflecting the proposed new amortization method. The payment as a percentage of payroll has decreased from 29.6% to 24.0%.

PUBLIC LAW 38-120 – PROPOSED NEW AMORTIZATION METHOD

Public Law 38-120 amended the section of the Guam Code addressing contributions to GGRF (§8137 of Article 1, Chapter 8) to allow for increased options to amortize the unfunded actuarial accrued liability (UAAL). The relevant language reads as follows:

(b) Government Unfunded, Liability Amortization Cost.

(1) An amount resulting from the application of a rate percent, not less than zero, of total salaries of all members, which will amortize the remaining unfunded liability for prior service as of September 30, 2024, and for any changes thereto calculated as of each subsequent September 30th thereafter, over one or more amortization periods, each period not to exceed fifteen (15) years from the September 30th upon which the applicable remaining unfunded liability is calculated.

As we have discussed with the Board in the past, under the prior law, the UAAL is paid off over a closed period ending May 1, 2033. This relatively short remaining period to amortize the UAAL meant that the required funding would be spread over shorter and shorter periods, which could cause large swings in the required employer contribution rate from one year to the next. This contribution rate volatility could become problematic for government budgets. The language in the new law allows the GGRF to adopt a funding approach that would help improve the stability and predictability of future contribution rates while maintaining strong funding of the system.

Based on feedback from the GGRF Board, we have proposed the following approach to amortize the unfunded liability that would be consistent with the new law:

- **Current UAAL:** Seven separate amortization schedules each paying off 1/7th of the current UAAL amount, with amortization periods ranging from 6 to 12 years.
- **Future UAAL Changes:** Future changes in the UAAL that are different than assumed (such as investment returns different than the assumed 7%) are amortized over 15 year “layers” (also referred to as “bases”). A separate layer with an amortization schedule to pay off the amount over 15 years is set up each year. Note that these amounts can be either a payment (if experience is less favorable than expected) or a credit (if experience is more favorable than expected).

The results shown in this report assume the Board will adopt this amortization method.

RESULTS OF VALUATION

	9/30/2025		9/30/2024	
Participant Counts				
Active Old DB	599		711	
Non-Uniformed				
Uniformed	<u>85</u>		<u>102</u>	
Total	684		813	
Active DB 1.75 Participants	4,468		4,538	
Active DC Participants	<u>6,185</u>		<u>5,796</u>	
Total Active Participants (Old DB, DB 1.75, DC)	11,337		11,147	
Retired (Old DB)	7,057		7,125	
Retired (DB 1.75)	467		364	
Inactive/Terminated (Old DB, DB 1.75)				
Assumed to withdraw contributions	2,962		2,968	
<u>Not</u> assumed to withdraw contributions	72		73	
Total DB Participants (Old DB and DB 1.75)	15,710		15,881	
	(\$millions)		(\$millions)	
Actual Payroll for Prior Fiscal Year				
Defined benefit (Old DB) payroll	\$ 65.7		\$ 72.4	
Defined benefit (DB 1.75) payroll	297.5		260.7	
Defined contribution (DC) payroll	<u>292.3</u>		<u>300.8</u>	
Total payroll (DB and DC)	\$655.5		\$633.8	
Expected Payroll for Next Fiscal Year				
Defined benefit (Old DB) payroll	\$ 61.9		\$ 69.6	
Defined benefit (DB 1.75) payroll	307.5		290.2	
Defined contribution (DC) payroll	<u>302.4</u>		<u>289.9</u>	
Total payroll (DB and DC)	\$671.9		\$649.7	
Financial Status				
Actuarial accrued liability	\$3,601.0		\$3,541.4	
Actuarial value of assets	<u>2,463.8</u>		<u>2,179.7</u>	
Unfunded actuarial accrued liability (UAAL)	\$1,137.2		\$1,361.7	
Security ratio	68.42%		61.55%	
	% of DB Payroll		% of DB Payroll	
Normal Cost				
Total normal cost ¹	\$ 42.0	11.37%	\$ 41.8	11.61%
Estimated employee contributions	<u>(35.1)</u>	<u>(9.50%)</u>	<u>(34.2)</u>	<u>(9.51%)</u>
Government normal cost	\$ 6.9	1.87%	\$ 7.6	2.11%
	% of Total Payroll		% of Total Payroll	
Required Contribution per GCA §8137				
Unfunded actuarial accrued liability cost	\$ 161.2	23.99%	\$ 192.1	29.57%
Government DB normal cost	6.9	1.03%	7.6	1.17%
Expected government DC contributions ¹	<u>21.0</u>	<u>3.12%</u>	<u>20.2</u>	<u>3.11%</u>
Total DB and DC contribution	\$ 189.1	28.14%	\$ 219.9	33.85%

¹ Includes budgeted administrative expenses.

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5-YEAR HISTORICAL SUMMARY

The following table summarizes the principal valuation results over the last 5 years.

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Participant Counts					
Active (Old DB)	684	813	933	1,070	1,226
Active (DB 1.75)	4,468	4,538	2,640	2,906	2,994
Retired (Old DB)	7,057	7,125	7,201	7,283	7,291
Retired (DB 1.75)	467	364	292	249	197
Inactives (Old DB)	3,020	3,027	3,045	3,087	3,101
Inactives (DB 1.75)	<u>14</u>	<u>14</u>	<u>16</u>	<u>18</u>	<u>21</u>
Total (DB)	15,710	15,881	14,127	14,613	14,830
Active (DC)	6,185	5,796	7,697	7,571	7,070
Actual Payroll (\$millions)					
DB payroll (Old DB)	\$ 65.7	\$ 72.4	\$ 76.6	\$ 81.2	\$ 90.8
DB payroll (DB 1.75)	297.5	260.7	171.7	162.2	160.6
DC payroll	<u>292.3</u>	<u>300.8</u>	<u>348.3</u>	<u>312.1</u>	<u>281.2</u>
Total payroll	\$655.5	\$633.8	\$596.6	\$555.5	\$532.5
Financial Status (\$millions)					
Accrued liability	\$3,601.0	\$3,541.4	\$3,232.6	\$3,236.6	\$3,267.5
Actuarial assets	<u>2,463.8</u>	<u>2,179.7</u>	<u>2,019.3</u>	<u>2,063.6</u>	<u>2,125.3</u>
UAAL	\$1,137.2	\$1,361.7	\$1,213.3	\$1,173.0	\$1,142.2
Security ratio	68.42%	61.55%	62.47%	63.76%	65.04%
Contribution Rate					
DB Normal Cost (as % of DB payroll)	1.87%	2.11%	2.78%	2.95%	3.89%
% of Total Payroll					
UAAL Rate	23.99%	29.57%	25.58%	24.18%	22.90%
DB Normal Cost	1.03%	1.17%	1.12%	1.19%	1.72%
DC Contribution	<u>3.12%</u>	<u>3.11%</u>	<u>4.07%</u>	<u>4.06%</u>	<u>3.81%</u>
Actuarial Rate ¹	28.14%	33.85%	30.77%	29.43%	28.43%
Budget Rate ²	**	33.85%	30.77%	29.43%	28.43%
Investment Yield (Market Value)	11.1%	23.9%	11.6%	-17.7%	19.1%

¹ "Actuarial Rate" is the contribution rate determined in the actuarial valuation. Contribution rates apply to the fiscal year beginning one year after the valuation date.

² "Budget Rate" is the contribution rate set by the legislature. The budget rate for 2026-27 has not yet been determined.

ACTUARIAL ASSUMPTIONS

The following are the major assumptions used in the actuarial valuation. The assumptions are based upon the actuarial experience study for the period October 1, 2015, through September 30, 2020, and subsequent information as it pertains to the interest rate assumption. The rationale for each significant assumption is provided in that experience study and in the discussion below. To the extent that actual experience differs from the assumptions below, future pension costs will differ.

Interest Rate. The interest rate used to discount future benefit payments to the present was 7.0% as of September 30, 2025. This assumption is unchanged from the prior valuation. Milliman's expected returns on various asset classes over the next 30 years are shown below, assuming inflation averages 2.50% over the next 30 years. The target asset allocation is the expected long-term asset allocation and is based on the Fund's investment policy.

Asset Class	(a) Target Asset Allocation	(b) Expected Nominal Return	(a) x (b) Component Return
U.S. Equities (large cap)	26.0%	7.89%	2.05%
U.S. Equities (small cap)	4.0%	9.30%	0.37%
Non-U.S. Equities	17.0%	9.74%	1.66%
Non-U.S. Equities (emerging markets)	3.0%	11.28%	0.34%
U.S. Fixed Income (aggregate)	22.0%	4.85%	1.07%
Risk Parity	8.0%	6.53%	0.52%
High Yield Bonds	8.0%	6.53%	0.52%
Global Real Estate (REITs)	2.5%	9.16%	0.23%
Global Equity	7.5%	8.55%	0.64%
Global Infrastructure	2.0%	8.18%	0.16%
Expected arithmetic mean (30 year)			7.56%
Expected geometric mean (30 years)			6.82%

The discount rate assumption of 7.0% falls between the expected geometric mean over 30 years and the expected arithmetic mean return over 30 years. The geometric mean is lower than the arithmetic mean due to the expected volatility of investments. Note that if investments fail to achieve the assumed interest rate, future required contributions will increase.

Mortality. The mortality table used for retirees is the PUB-2010 General Healthy Retiree Amount-Weighted mortality table, set forward by 4 years for males and 2 years for females, then increased by 30% for ages less than 80. The mortality table used for active employees is the PUB-2010 General Employees Amount-Weighted mortality table, set forward by 4 years for males and 2 years for females, then increased by 30% for ages less than 80. The mortality table used for healthy beneficiaries is the PUB-2010 General Contingent Survivors Amount-Weighted mortality table, set forward by 3 years for males and 4 years for females, then increased by 30% for ages less than 80. The mortality table used for disabled lives is the PUB-2010 Disabled Retiree Amount-Weighted mortality table, set forward by 4 years for males and 2 years for females, then increased by 30% for ages less than 80. Mortality improvement is projected generationally from 2010 using 50% of Mortality Improvement Scale MP-2020. This is the same assumption used for the prior actuarial valuation.

Salary Increases. Salaries are assumed to increase annually by 6.0% for employees in their first 5 years of service, 4.5% for service between 6 and 10 years, and 3.0% for service after 10 years. These are the same rates used in the prior actuarial valuation.

Total Payroll Growth. The total payroll for defined benefit and defined contribution members is assumed to increase 2.50% per year.

Retirement Age. We have assumed 40% of employees will retire when first eligible for unreduced retirement. Thereafter, 20% of employees will retire at each year until age 75, at which time all remaining employees are assumed to retire. This is the same assumption used in the prior actuarial valuation.

Return of Contributions. We have assumed that any current Old DB Plan employees who terminate employment prior to retirement and who have less than 20 years of service will elect a return of contributions in lieu of a deferred benefit. Old DB Plan employees with at least 20 years of service who terminate employment are assumed to collect an annuity benefit when eligible. Old DB Plan employees with between 20 and 24 years of service who terminate employment and are ineligible for the service retirement benefit, and DB 1.75 Plan employees who terminate employment with less than 25 years of service are assumed to retire at age 60.

Current terminated or inactive members with at least 5 years of service and a contributions balance that exceeds \$10,000 who have not withdrawn their contributions and for whom sufficient earnings data are available to value their retirement benefits are assumed to retire upon eligibility for unreduced benefits. All other terminated and inactive members are assumed to elect to withdraw their contributions. These assumptions are unchanged from the prior actuarial valuation.

Administrative Expenses. Total administrative expenses are assumed to be \$7,368,000, which is the amount budgeted for the year ending September 30, 2026. Of this amount, \$5,157,600 is allocated to the defined benefit plan and \$2,210,400 to the defined contribution plan.

Rates of Withdrawal. The assumed rates of withdrawal are shown in Appendix B. The withdrawal rates are unchanged from the prior actuarial valuation.

Rates of Disability. The assumed rates of disability are shown in Appendix B. The disability rates are unchanged from the prior actuarial valuation.

Plan Election Percentage. We have assumed that 10% of future hires will elect to join the Defined Benefit 1.75 Plan, and 90% will elect to join the Defined Contribution Plan. In the prior valuation we assumed that 15% of future hires would elect to join the Defined Benefit 1.75 Plan, and 85% would elect to join the Defined Contribution Plan. We will continue to monitor this assumption as experience develops.

Probability of Marriage. We have assumed that 75% of retirees will be married at retirement. This assumption is unchanged from the prior actuarial valuation.

Leave Adjustments. For Old DB Plan members, we have assumed that unused leave will increase a member's service by 1.5 years, and that unused leave will increase average earnings by 3% at retirement. These assumptions are unchanged from the prior actuarial valuation.

Survivor Benefit – Minor Children. We have assumed there to be an average of 0.2 eligible child survivors at the time of a retiree's death, with payments to the child survivor continuing for 6 years. Payments to current child survivors are assumed to be payable through age 21. These assumptions are unchanged from the prior actuarial valuation.

Asset Valuation Method. Investment gains/losses relative to the assumed investment return are phased in over a period of 3 years. This valuation method is unchanged from the prior valuation.

A complete summary of actuarial assumptions is in Appendix B.

FUNDING METHOD

P.L. 38-120 amended Section 8137 which addresses government contributions to GGRF. Under the amended Section 8137, the required contribution shown in this report includes a payment for the normal cost of active members of the Fund and an amortization payment for the unfunded actuarial accrued liability (UAAL) as a level percentage of total payroll (including both defined benefit and defined contribution members). The UAAL amortization payment is an amount, not less than zero, which will amortize the remaining unfunded liability as of September 30, 2024, and for any future changes over one or more amortization periods, each period not to exceed 15 years from the date calculated.

Prior to the April 2026 amendment, GCA Section 8137 required a contribution sufficient to fully fund the unfunded actuarial accrued liability by 2033 (within 82 years from May 1, 1951).

The unfunded actuarial accrued liability is the difference between the actuarial accrued liability and the actuarial value of assets. We believe the unfunded actuarial accrued liability is appropriate in accordance with actuarial standards for assessing the sufficiency of plan assets to cover the estimated cost of the Fund's benefit obligations, and for assessing the amount of future contributions.

We recommend that the Board modify the amortization as allowed under the recent change in the law to split the current unfunded actuarial accrued liability into 5 or more bases, which are amortized over a staggered period to provide a "phase down" of the employer contribution over a period of years, and amortize future changes to the unfunded actuarial accrued liability over 15 years from the date of the change. Based on direction from the GGRF Board, we have proposed a new amortization method.

The proposed method to amortize the unfunded liability is as follows:

- Sept.30, 2025 UAAL: Seven separate amortization schedules each paying off 1/7th of the September 30, 2025 UAAL amount, with amortization periods ranging from 6 to 12 years.
- Post-2025 UAAL Changes: Changes in the UAAL that are different than assumed (such as investment returns different than the assumed 7%) that occur after September 30, 2025 are amortized over 15 year "layers" (also referred to as "bases"). A separate layer with an amortization schedule to pay off the amount over 15 years is set up each year. Note that these amounts can be either a payment (if experience is less favorable than expected) or a credit (if experience is more favorable than expected).

Exhibits 17 and 18 project the employer and employee contributions, fund balance, actuarial accrued liability and security ratio forward 40 years based upon the proposed funding method. For purposes of the projection, after the UAAL is paid off, the Normal Cost and expenses are assumed to continue to be paid.

EXHIBIT 1. SUMMARY OF DB PLAN ASSETS

Listed below are the assets reported for the defined benefit (DB) pension plan in the Fund's financial statements, excluding certain receivables and liabilities whose payments are deducted from employer contributions to the Fund.

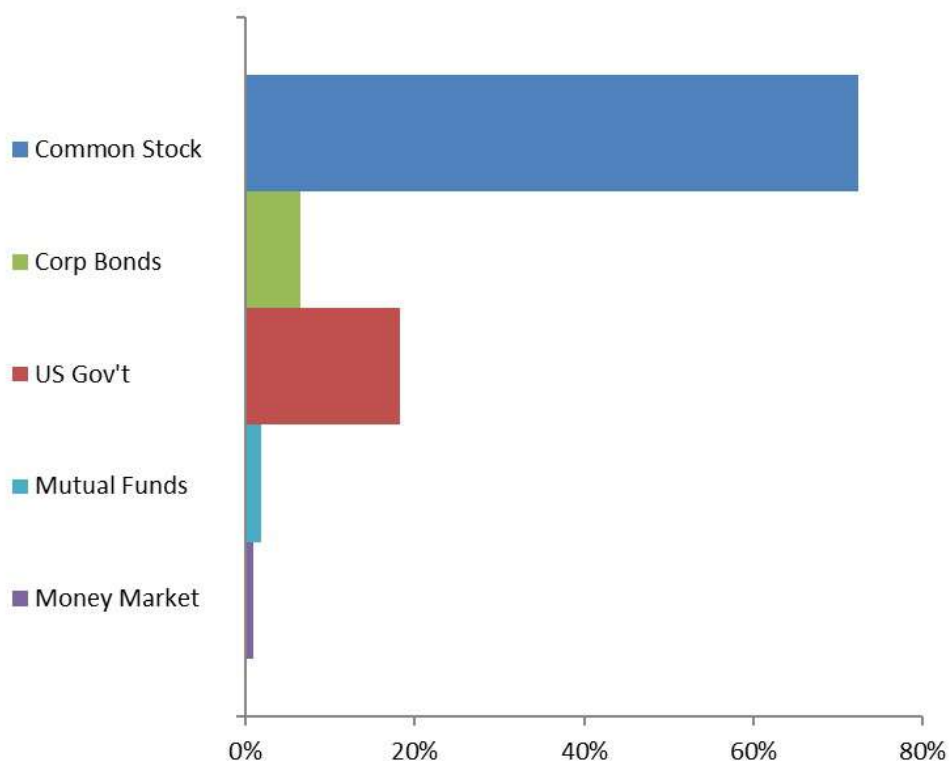
	9/30/2025	9/30/2024
Investments		
Common stocks	\$ 1,890,497,849	\$ 1,675,065,102
U.S. government securities	477,862,855	403,835,085
Corporate bonds and notes	171,378,734	258,020,356
Money market funds	25,140,015	19,453,767
Mutual funds	<u>49,598,589</u>	<u>42,421,944</u>
Total investments	2,614,478,042	2,398,796,254
Receivables		
Employer contributions, net	669,839	2,707,487
Employer contributions, unfunded liability	498,186	1,742,033
Member contributions	222,877	904,343
Interest and penalties on contributions	95,356	95,356
Supplemental/insurance benefits advanced	0	0
Notes receivable for service credits	2,128,525	2,559,697
Accrued investment income	7,244,080	6,884,823
Other receivables	982,967	769,176
Due from brokers for unsettled trades	1,716,949	605,110
Due from DC plan	<u>885,906</u>	<u>599,850</u>
Total receivables	14,444,685	16,867,875
Cash and cash equivalents	16,203,878	13,280,191
Prepaid expenses	0	0
Property and equipment	<u>1,171,146</u>	<u>1,172,972</u>
Total assets	\$ 2,646,297,751	\$ 2,430,117,292
Liabilities		
Accounts payable and accrued expenses	\$ 4,785,065	\$ 4,842,487
Due to brokers for unsettled trades	<u>3,848,307</u>	<u>3,520,116</u>
Total liabilities	\$ 8,633,372	\$ 8,362,603
Valuation Assets¹	<u>\$ 2,637,664,379</u>	<u>\$ 2,421,754,689</u>

¹ Excludes adjustments for retirement system's net pension liability, net OPEB liability, and net deferred inflows and outflows of resources.

EXHIBIT 2. DB PLAN ASSET ALLOCATION

The allocation of assets among various investment classes is an important determinant of expected future investment returns.

	DB ASSET ALLOCATION	
	9/30/2025	9/30/2024
Common stocks	72.2%	69.8%
Corporate bonds and notes	6.6%	10.8%
U.S. government securities	18.3%	16.8%
Mutual funds	1.9%	1.8%
Money market funds	<u>1.0%</u>	<u>0.8%</u>
Total	100.0%	100.0%



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EXHIBIT 3. CHANGES IN DB PLAN ASSETS

Assets increase or decrease each year due to employer contributions, investment income, benefit payments to retiring participants, plan expenses paid by the trust fund, and any realized and unrealized gains and losses from investments.

	FISCAL YEAR ENDING	
	9/30/2025	9/30/2024
Beginning Balance	\$ 2,421,754,689	\$ 1,889,755,135
Adjustments³	(20,908)	0
Contributions		
Employer contributions	183,330,147	167,809,996
Member contributions	35,421,391	36,458,165
Decrease/(increase) in excluded assets	<u>0</u>	<u>0</u>
Total contributions	218,751,538	204,268,161
Investment Income		
Net appreciation in fair value	222,191,927	419,499,135
Interest	31,532,886	29,289,475
Dividends	19,344,417	17,400,279
Other investment income	333,565	522,858
Investment expenses	<u>(6,588,383)</u>	<u>(6,074,152)</u>
Total investment income	266,814,412	460,637,595
Benefit Payments		
Age and service annuities	221,703,926	216,655,099
Disability annuities	3,532,216	3,844,447
Survivor annuities	36,046,201	34,672,316
Refunds to separated employees	2,880,035	3,352,557
Interest on refunded contributions	<u>227,703</u>	<u>519,638</u>
Total benefit payments	264,390,081	259,044,057
Administrative Expenses²	5,245,271	6,574,133
Transfer from DC (for DB 1.75 Plan)¹	0	132,711,988
Ending Balance	\$ 2,637,664,379	\$ 2,421,754,689

¹ Assets received due to Public Law 36-130 allowing DC plan members to transfer to the DB 1.75 plan during the election period of June 1, 2023 to December 31, 2023.

² Administrative expense includes the prior year to current year change in the deferred outflows and inflows of resources, and the change in net pension liability, as shown in the GASB 67 report.

³ Audit adjustment as of the beginning of the fiscal year ending September 30, 2025, resulting from a change to administrative and general expenses for the fiscal year ending September 30, 2024.

EXHIBIT 4. ACTUARIAL VALUE OF ASSETS

The actuarial value of assets is equal to the market value of DB plan assets adjusted to phase in gains and losses relative to the assumed rate of return over a 3-year period, and to exclude certain receivables and liabilities whose payments are deducted from employer contributions to the Fund.

	9/30/2025	9/30/2024
Valuation assets at market value	\$ 2,637,664,379	\$ 2,421,754,689
(Gains)/Losses excluded from actuarial value (see below)	<u>(173,881,755)</u>	<u>(242,085,618)</u>
Actuarial value of assets	\$ 2,463,782,624	\$ 2,179,669,071
Actuarial value as % of market value	93.4%	90.0%

3-Year Phase-in of Gains and (Losses)

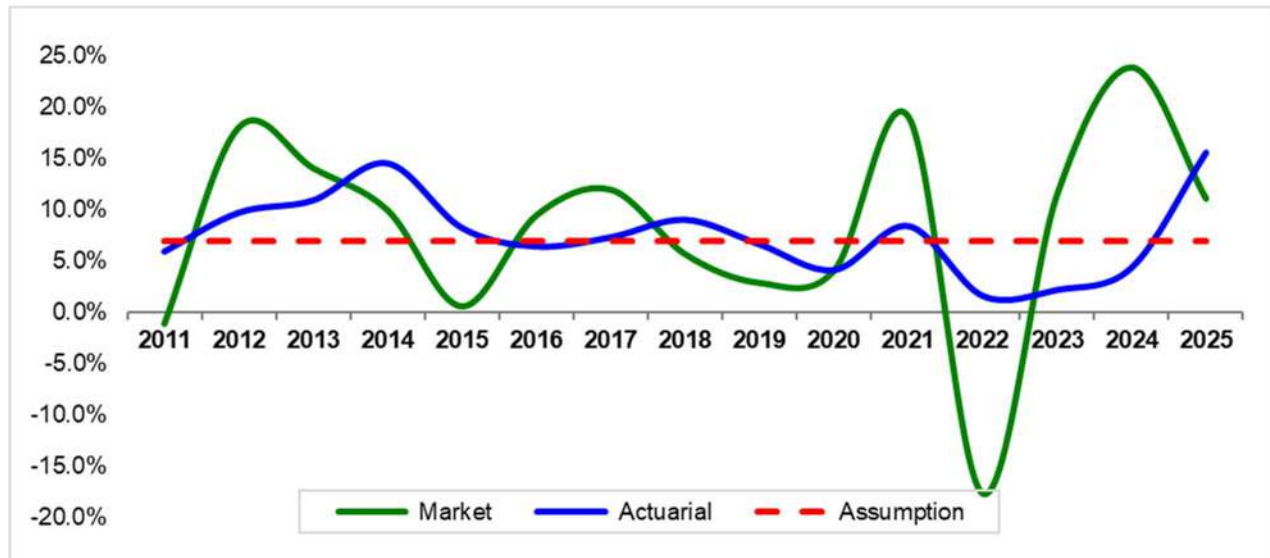
Year	Expected Return ¹	Actual Return	Gain/(Loss)	Percent Excluded	Excluded From Market Value
2024/2025	\$167,770,552	\$266,814,412	\$99,043,860	66.67%	\$ 66,029,240
2023/2024	137,080,051	460,637,595	323,557,544	33.33%	107,852,515
2022/2023	121,389,603	200,531,369	79,141,766	0.00%	<u>0</u>
Total					\$ 173,881,755

¹ Expected return is based on the assumed investment return, which is 7.0%.

EXHIBIT 5. HISTORICAL RETURNS ON DB PLAN ASSETS

The following table shows the historical return on DB plan assets over the last 15 years. The assumed actuarial valuation rate is 7.0%.

Fiscal Year Ending 9/30	Return on Market Value	Return on Actuarial Value
2025	11.1%	15.5%
2024	23.9%	4.3%
2023	11.6%	2.2%
2022	(17.7%)	1.6%
2021	19.1%	8.4%
2020	4.1%	4.1%
2019	2.9%	6.6%
2018	5.7%	9.0%
2017	12.0%	7.3%
2016	9.5%	6.4%
2015	0.6%	8.2%
2014	10.0%	14.5%
2013	14.1%	10.9%
2012	18.1%	9.7%
2011	(1.1%)	5.9%
Average of last 5 years	8.5%	6.3%
Average of last 10 years	7.7%	6.5%
Average of last 15 years	7.8%	7.6%



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EXHIBIT 6a. ACTIVE EMPLOYEES (Old DB Plan)

	9/30/2025	9/30/2024
Active Employees – Non-Uniformed		
Number vested	590	704
Number not vested	<u>9</u>	<u>7</u>
Total	599	711
Average age	59.5	58.9
Average service	31.1	30.8
Average earnings	\$ 83,159	\$ 80,083
Average accumulated contributions	\$ 260,898	\$ 250,820
Active Employees – Uniformed		
Number vested	85	102
Number not vested	<u>0</u>	<u>0</u>
Total	85	102
Average age	57.9	56.7
Average service	32.2	31.3
Average earnings	\$ 121,244	\$ 103,894
Average accumulated contributions	\$ 325,025	\$ 303,323
Active Employees – Total Old DB Plan		
Number vested	675	806
Number not vested	<u>9</u>	<u>7</u>
Total	684	813
Average age	59.3	58.6
Average service	31.2	30.9
Average earnings	\$ 87,892	\$ 83,070
Average accumulated contributions	\$ 268,867	\$ 257,407

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EXHIBIT 6b. ACTIVE EMPLOYEES (DB 1.75 Plan)

	9/30/2025	9/30/2024
Active Employees – DB 1.75 Plan		
Number vested	3,852	3,864
Number not vested	<u>616</u>	<u>674</u>
Total	4,468	4,538
Average age	47.1	46.7
Average service	15.1	14.6
Average earnings	\$ 66,449	\$ 61,694
Average accumulated contributions	\$ 70,766	\$ 63,760
Active Employees – Total Old DB and DB 1.75		
Number vested	4,527	4,670
Number not vested	<u>625</u>	<u>681</u>
Total	5,152	5,351
Average age	48.7	48.5
Average service	17.3	17.1
Average earnings	\$ 69,295	\$ 64,942
Average accumulated contributions	\$ 97,066	\$ 93,182

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EXHIBIT 7. ACTIVE EMPLOYEES BY AGENCY

	9/30/25 DC	9/30/25 DB 1.75	9/30/25 Old DB	9/30/24 DC	9/30/24 DB 1.75	9/30/24 Old DB
Agency For Human Resources Development	4	0	0	0	0	0
Bureau of Budget & Management Research	5	9	1	1	12	1
Bureau of Statistics & Plans	20	13	3	18	13	4
Bureau of Women's Affairs	0	2	0	1	2	0
Chief Medical Examiner	1	2	0	1	2	0
Civil Defense	6	0	0	0	0	0
Civil Service Commission	2	5	2	5	5	1
Customs & Quarantine	49	118	16	19	115	20
Dept of Administration	118	53	10	84	54	16
Dept of Agriculture	66	33	8	53	34	9
Dept of Corrections	108	106	9	71	110	11
Dept of Labor	61	32	7	66	33	6
Dept of Land Management	21	13	5	21	13	8
Dept of Law	114	32	9	110	48	14
Dept of Mental Health & Substance Abuse	198	76	10	181	81	11
Dept of Military Affairs	36	18	2	50	21	3
Dept of Parks and Recreation	39	14	2	21	16	5
Dept of Public Health & Social Services	274	184	19	281	194	25
Dept of Public Works	141	92	20	203	125	29
Dept of Revenue and Taxation	84	56	10	90	61	10
Dept of Youth Affairs	36	29	9	27	30	11
D.I.S.I.D.	15	10	3	15	10	3
Governor's Office	114	13	3	141	10	4
Guam Energy Office	9	2	1	9	2	1
Guam Environmental Protection Agency	29	24	2	27	29	2
Guam Ethics Commission	0	2	0	0	4	0
Guam Fire Dept	27	223	6	48	191	12
Guam Police Dept	92	240	34	71	244	37
KGTF	2	0	0	0	2	1
Lt. Governor's Office	6	1	0	12	1	0
Mayor's Council	200	26	7	162	30	8
Office of Technology	0	11	4	4	11	3
Office of the Public Auditor	8	1	0	23	7	0
General Fund Total	1,885	1,440	202	1,815	1,510	255
Dept of Chamorro Affairs	33	10	2	23	14	3
Guam Department of Education	1,879	1,108	240	1,819	1,125	287
Gov't of Guam Retirement Fund	14	25	0	14	23	0
Guam Int'l Airport Authority	65	139	26	59	140	30
Guam Community College	119	92	21	115	95	20
Guam Economic Dev. Authority	14	21	1	16	21	1
Guam Housing and Urban Renewal Authority	52	89	11	32	82	12
Guam Housing Corporation	9	10	3	10	10	3
Guam Legislature	35	21	4	16	23	3
Guam Mass Transit Authority	26	0	0	0	0	0
Guam Memorial Hospital Authority	818	414	20	767	423	23
Guam Power Authority	175	235	42	165	230	46
Guam Solid Waste Authority	27	0	0	0	0	0
Guam Telephone Authority	1	0	0	0	0	0
Guam Visitors Bureau	38	18	1	49	20	1
Guam Waterworks Authority	251	119	8	209	123	12
Judiciary of Guam	209	212	18	178	211	24
Port Authority of Guam	127	217	23	132	222	27
Public Defender	42	24	9	41	23	10
University of Guam	354	245	50	336	243	56
Terminated Members	2	29	3	0	0	0
Veteran Affairs Office	10	0	0	0	0	0
Others Total	4,300	3,028	482	3,981	3,028	558
GRAND TOTAL	6,185	4,468	684	5,796	4,538	813

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EXHIBIT 8a. RETIRED EMPLOYEES (Old DB Plan)

	9/30/2025	9/30/2024
Service Retirees		
Count	4,995	5,048
Average age	72.6	72.2
Average benefit	\$42,398	\$41,449
Median benefit	\$37,864	\$37,137
Disabled Retirees		
Count	131	142
Average age	71.8	71.0
Average benefit	\$24,928	\$24,583
Median benefit	\$23,734	\$23,278
Survivors		
Count	1,753	1,742
Average age	74.8	74.3
Average benefit	\$20,301	\$19,923
Median benefit	\$17,977	\$17,644
Child Pensioners		
Count	178	193
Average age	15.7	16.5
Average benefit	\$2,880	\$2,880
Median benefit	\$2,880	\$2,880
Total Retirees and Survivors ¹		
Count	6,879	6,932
Average age	73.1	72.7
Average benefit	\$36,434	\$35,694
Median benefit	\$31,816	\$31,296

¹ Excludes child pensioners.

EXHIBIT 8b. RETIRED EMPLOYEES (DB 1.75 Plan)

	9/30/2025	9/30/2024
Service Retirees		
Count	397	308
Average age	68.1	68.1
Average benefit	\$29,919	\$27,391
Median benefit	\$25,000	\$23,742
Disabled Retirees		
Count	8	7
Average age	54.6	58.6
Average benefit	*	*
Median benefit	*	*
Survivors		
Count	62	49
Average age	59.1	58.8
Average benefit	\$14,274	\$12,954
Median benefit	\$12,930	\$11,177
Child Pensioners		
Count	0	0
Average age	n/a	n/a
Average benefit	n/a	n/a
Median benefit	n/a	n/a
Total Retirees and Survivors ¹		
Count	467	364
Average age	66.7	66.6
Average benefit	\$27,717	\$25,414
Median benefit	\$22,724	\$21,762

* Not shown since less than 20 members.

¹ Excludes child pensioners.

EXHIBIT 9. TERMINATED AND INACTIVE MEMBERS (DB)

	9/30/2025	9/30/2024
Assumed to Withdraw Contributions		
Count	2,962	2,968
Accumulated contributions (Old DB)	\$ 1,771,202	\$ 1,721,867
Accumulated contributions (DB 1.75)	<u>38,367</u>	<u>38,367</u>
Accumulated contributions (Total DB)	\$ 1,809,569	\$ 1,760,234
Not Assumed to Withdraw Contributions		
Count	72	73
Average age	64.7	63.7
Average accrued benefit	\$ 12,332	\$ 10,880
Accumulated contributions	\$ 4,876,464	\$ 4,505,230

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EXHIBIT 10. RECONCILIATION OF MEMBERSHIP DATA

Old DB Plan

	Active	Inactive Assumed to Refund	Inactive Assumed to Retire	Retiree	Survivor	Disabled	Child	Total
9/30/2024	813	2,954	73	5,048	1,742	142	193	10,965
Terminated	(5)	1	4	-	-	-	-	-
Retired	(125)	-	(3)	131	-	-	-	3
Became Disabled	(1)	-	-	-	-	1	-	-
Rehired	4	(3)	(1)	-	-	-	-	-
New	-	-	-	-	102	-	46	148
Death / Refund	(2)	(4)	(1)	(184)	(91)	(12)	-	(294)
Benefits Expired	-	-	-	-	-	-	(61)	(61)
Net change	(129)	(6)	(1)	(53)	11	(11)	(15)	(204)
9/30/2025	684	2,948	72	4,995	1,753	131	178	10,761

DB 1.75 Plan

	Active	Inactive Assumed to Refund	Inactive Assumed to Retire	Retiree	Survivor	Disabled	Child	Total
9/30/2024	4,538	14	-	308	49	7	-	4,916
Terminated	-	-	-	-	-	-	-	-
Retired	(91)	-	-	95	-	-	-	4
Became Disabled	(2)	-	-	(1)	-	3	-	-
Rehired	-	-	-	-	-	-	-	-
New Hires	135	-	-	-	13	-	-	148
Transfers	-	-	-	-	-	-	-	-
Death / Refund	(112)	-	-	(5)	-	(2)	-	(119)
Net change	(70)	-	-	89	13	1	-	33
9/30/2025	4,468	14	-	397	62	8	-	4,949

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EXHIBIT 11a. ACTUARIAL ACCRUED LIABILITY (Old DB Plan)

The actuarial accrued liability has been calculated using the Entry Age Normal actuarial cost method and is equal to the present value of benefits for all Old DB Plan members, less the present value of future normal costs for active Old DB Plan employees.

	Old DB Plan 9/30/2025	Old DB Plan 9/30/2024
Present Value of Benefits		
Active employees –		
Retirement	\$ 430,076,332	\$ 488,191,658
Disability	2,378,189	2,709,509
Death	4,065,380	4,434,549
Withdrawal	<u>2,375,686</u>	<u>3,103,729</u>
Total active PVB	438,895,587	498,439,445
Retirees and Survivors		
Retirees	1,961,074,055	1,955,254,974
Disabled retirees	27,420,301	29,884,480
Survivors	<u>273,821,153</u>	<u>272,757,701</u>
Total retirees and survivors	2,262,315,509	2,257,897,155
Terminated and inactive members		
Assumed to retire	6,649,417	5,714,850
Assumed to elect return of contributions	<u>1,771,203</u>	<u>1,721,867</u>
Total terminated and inactive members	8,420,620	7,436,717
Total PVB	\$ 2,709,631,716	\$ 2,763,773,317
Present Value of Future Normal Cost		
Active employees –		
Retirement	\$ 19,817,402	\$ 22,959,841
Disability	489,132	572,952
Death	493,705	581,999
Withdrawal	<u>7,531,426</u>	<u>8,820,452</u>
Total active PVFNC	\$ 28,331,665	\$ 32,935,244
Actuarial Accrued Liability		
Active members	\$ 410,563,922	\$ 465,504,201
Retirees and survivors	2,262,315,509	2,257,897,155
Terminations and inactives	<u>8,420,620</u>	<u>7,436,717</u>
Total accrued liability	\$ 2,681,300,051	\$ 2,730,838,073

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EXHIBIT 11b. ACTUARIAL ACCRUED LIABILITY (DB 1.75 Plan)

The actuarial accrued liability has been calculated using the Entry Age Normal actuarial cost method and is equal to the present value of benefits for all DB 1.75 Plan members, less the present value of future normal costs for active DB 1.75 Plan employees.

	DB 1.75 Plan 9/30/2025	DB 1.75 Plan 9/30/2024
Present Value of Benefits		
Active employees –		
Retirement	\$ 846,147,489	\$ 777,440,318
Disability	17,669,506	16,600,701
Death	19,105,490	17,806,565
Withdrawal	<u>171,283,757</u>	<u>160,952,480</u>
Total active PVB	1,054,206,242	972,800,064
Retirees and Survivors		
Retirees	123,996,069	88,025,248
Disabled retirees	2,055,366	2,007,915
Survivors	<u>10,665,173</u>	<u>7,736,378</u>
Total retirees and survivors	136,716,608	97,769,541
Terminated and inactive members		
Assumed to retire	0	0
Assumed to elect return of contributions	<u>38,367</u>	<u>38,367</u>
Total terminated and inactive members	38,367	38,367
Total PVB	\$ 1,190,961,217	\$ 1,070,607,972
Present Value of Future Normal Cost		
Active employees –		
Retirement	\$ 170,806,546	\$ 164,098,190
Disability	7,440,683	7,135,362
Death	6,843,426	6,607,795
Withdrawal	<u>86,166,533</u>	<u>82,194,546</u>
Total active PVFNC	\$ 271,257,188	\$ 260,035,893
Actuarial Accrued Liability		
Active members	\$ 782,949,054	\$ 712,764,171
Retirees and survivors	136,716,608	97,769,541
Terminations and inactives	<u>38,367</u>	<u>38,367</u>
Total accrued liability	\$ 919,704,029	\$ 810,572,079

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EXHIBIT 12. CALCULATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

The unfunded actuarial accrued liability is used to determine the funding requirements. The unfunded actuarial accrued liability equals the actuarial accrued liability less the valuation assets.

	9/30/2025	9/30/2024
OLD DB PLAN		
Actuarial Accrued Liability		
Active members	\$ 410,563,922	\$ 465,504,201
Retirees and survivors	2,262,315,509	2,257,897,155
Terminations and inactives	<u>8,420,620</u>	<u>7,436,717</u>
Total accrued liability	\$ 2,681,300,051	\$ 2,730,838,073
DB 1.75 PLAN		
Actuarial Accrued Liability		
Active members	\$ 782,949,054	\$ 712,764,171
Retirees and survivors	136,716,608	97,769,541
Terminations and inactives	<u>38,367</u>	<u>38,367</u>
Total accrued liability	\$ 919,704,029	\$ 810,572,079
TOTAL (Old DB Plan plus DB 1.75 Plan)		
Actuarial Accrued Liability		
Active members	\$ 1,193,512,976	\$ 1,178,268,372
Retirees and survivors	2,399,032,117	2,355,666,696
Terminations and inactives	<u>8,458,986</u>	<u>7,475,084</u>
Total accrued liability	\$ 3,601,004,079	\$ 3,541,410,152
Actuarial Value of Assets	<u>2,463,782,624</u>	<u>2,179,669,071</u>
Unfunded Actuarial Accrued Liability	\$ 1,137,221,455	\$ 1,361,741,081
Security Ratio = (Actuarial Value of Assets / AAL)	68.42%	61.55%
Market Value of Assets	\$ 2,637,664,379	\$ 2,421,754,689
Market Value of Assets / AAL	73.25%	68.38%

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EXHIBIT 13. CALCULATION OF ACTUARIAL GAIN/LOSS

	Year Ending 9/30/2025	Year Ending 9/30/2024
Unfunded Actuarial Accrued Liability, beginning of year	\$ 1,361,741,081	\$ 1,213,263,294
Additions:		
Employer normal cost	7,505,067	6,624,682
Interest to end of year	<u>95,847,230</u>	<u>85,392,158</u>
Total additions	103,352,297	92,016,840
Deductions:		
Employer contributions for year	(183,330,147)	(167,809,996)
Interest on contributions	<u>(6,308,032)</u>	<u>(5,774,014)</u>
Total deductions	(189,638,179)	(173,584,010)
Other Changes:		
Changes due to Public Law No. 36-130	0	105,179,941
Changes in assumptions and methods	<u>0</u>	<u>0</u>
Net other changes	0	105,179,941
Expected UAAL, end of year	\$ 1,275,455,199	\$ 1,236,876,065
Actual UAAL, end of year	<u>1,137,221,455</u>	<u>1,361,741,081</u>
Actuarial Gain/(Loss)	\$ 138,233,744	\$ (124,865,016)
Components of Actuarial Gain/(Loss):		
Investment gain/(loss) on actuarial value of assets	\$ 184,171,345	\$ (83,585,659)
Other gains/(losses)	<u>(45,937,601)</u>	<u>(41,279,357)</u>
Total actuarial gain/(loss)	\$ 138,233,744	\$ (124,865,016)

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EXHIBIT 14. NORMAL COST

The normal cost has been calculated using the Entry Age Normal actuarial cost method.

	9/30/2025		9/30/2024	
OLD DB Plan				
Expected payroll for next fiscal year	\$ 61,922,560		\$ 69,562,666	
Normal cost ¹		<i>% of Old DB Payroll</i>		<i>% of Old DB Payroll</i>
Retirement	\$ 4,967,041	8.02%	\$ 5,736,475	8.25%
Disability	121,938	0.20%	141,997	0.20%
Death	123,851	0.20%	145,061	0.21%
Withdrawal	<u>1,881,459</u>	<u>3.04%</u>	<u>2,192,725</u>	<u>3.15%</u>
Total active normal cost	\$ 7,094,289	11.46%	\$ 8,216,258	11.81%
Assumed DB administrative expenses	<u>864,442</u>	<u>1.40%</u>	<u>1,010,214</u>	<u>1.45%</u>
Total normal cost and expenses	\$ 7,958,731	12.85%	\$ 9,226,472	13.26%
Expected member contributions	<u>(5,897,845)</u>	<u>(9.52%)</u>	<u>(6,628,337)</u>	<u>(9.53%)</u>
Government portion of normal cost	\$ 2,060,886	3.33%	\$ 2,598,135	3.73%
DB 1.75 Plan				
Expected payroll for next fiscal year	\$ 307,531,535		\$ 290,165,492	
Normal cost ¹		<i>% of DB 1.75 Payroll</i>		<i>% of DB 1.75 Payroll</i>
Retirement	\$ 19,754,392	6.42%	\$ 18,849,886	6.50%
Disability	838,288	0.27%	799,036	0.28%
Death	759,365	0.25%	730,002	0.25%
Withdrawal	<u>8,413,520</u>	<u>2.74%</u>	<u>7,958,326</u>	<u>2.74%</u>
Total active normal cost	\$ 29,765,565	9.68%	\$ 28,337,250	9.77%
Assumed DB administrative expenses	<u>4,293,158</u>	<u>1.40%</u>	<u>4,213,886</u>	<u>1.45%</u>
Total normal cost and expenses	\$ 34,058,723	11.07%	\$ 32,551,136	11.22%
Expected member contributions	<u>(29,215,496)</u>	<u>(9.50%)</u>	<u>(27,565,722)</u>	<u>(9.50%)</u>
Government portion of normal cost	\$ 4,843,227	1.57%	\$ 4,985,414	1.72%
TOTAL DB Plans				
Expected payroll for next fiscal year	\$ 369,454,095		\$ 359,728,158	
Total active normal cost ¹	\$ 36,859,854	<i>% of DB Payroll</i>	\$ 36,553,508	<i>% of DB Payroll</i>
Assumed DB administrative expenses	<u>5,157,600</u>	<u>1.40%</u>	<u>5,224,100</u>	<u>1.45%</u>
Total normal cost and expenses	\$ 42,017,454	11.37%	\$ 41,777,608	11.61%
Expected member contributions	<u>(35,113,341)</u>	<u>(9.50%)</u>	<u>(34,194,059)</u>	<u>(9.51%)</u>
Government portion of normal cost	\$ 6,904,113	1.87%	\$ 7,583,549	2.11%

¹ Includes interest to mid-year.

EXHIBIT 15. AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY

Pursuant to GCA Section 8137, as amended, the unfunded liabilities of the Government of Guam Retirement Fund as of September 30, 2024, and for any future changes as of each subsequent September 30th, shall be amortized over one or more amortization periods, each period not to exceed fifteen years from the September 30th the unfunded liability is calculated. The amortization of the unfunded actuarial accrued liability is calculated as a constant percentage of total payroll, which is assumed to grow at 2.50% per year.

As proposed in this report, the unfunded liability is amortized as follows:

- September 30, 2025 UAAL: Seven separate amortization schedules each paying off 1/7th of the current UAAL amount, with amortization periods ranging from 6 to 12 years.
- Future UAAL Changes: Future changes in the UAAL that are different than assumed (such as investment returns different than the assumed 7%) are amortized over 15 year “layers” (also referred to as “bases”). A separate layer with an amortization schedule to pay off the amount over 15 years is set up each year. Note that these amounts can be either a payment (if experience is less favorable than expected) or a credit (if experience is more favorable than expected).

	9/30/2025	9/30/2024
Total payroll (DB and DC) for fiscal year following	\$ 671,879,825	\$ 649,672,581
Unfunded actuarial accrued liability	1,137,221,455	1,361,741,081
Remaining funding period	Varies	8.58 years
Annual amortization [Details below]	\$ 161,188,554	\$ 192,130,878
As % of total payroll (DB and DC)	23.99%	29.57%

Unfunded Actuarial Accrued Liability - Amortization Detail (\$Millions)

Date Established	Description	UAAL	Remaining Period	Amortization Payment
September 30, 2025	Initial UAAL - First Layer	\$ 162.5	6 Years	\$ 31.1
September 30, 2025	Initial UAAL - Second Layer	\$ 162.5	7 Years	\$ 27.2
September 30, 2025	Initial UAAL - Third Layer	\$ 162.5	8 Years	\$ 24.3
September 30, 2025	Initial UAAL - Fourth Layer	\$ 162.5	9 Years	\$ 22.0
September 30, 2025	Initial UAAL - Fifth Layer	\$ 162.5	10 Years	\$ 20.2
September 30, 2025	Initial UAAL - Sixth Layer	\$ 162.5	11 Years	\$ 18.8
September 30, 2025	Initial UAAL - Seventh Layer	\$ 162.5	12 Years	\$ 17.5
				Total Payment
				\$ 161.2
				Payroll
				\$ 671.9
UAAL:				23.99%
		\$ 1,137.2	% of Payroll	

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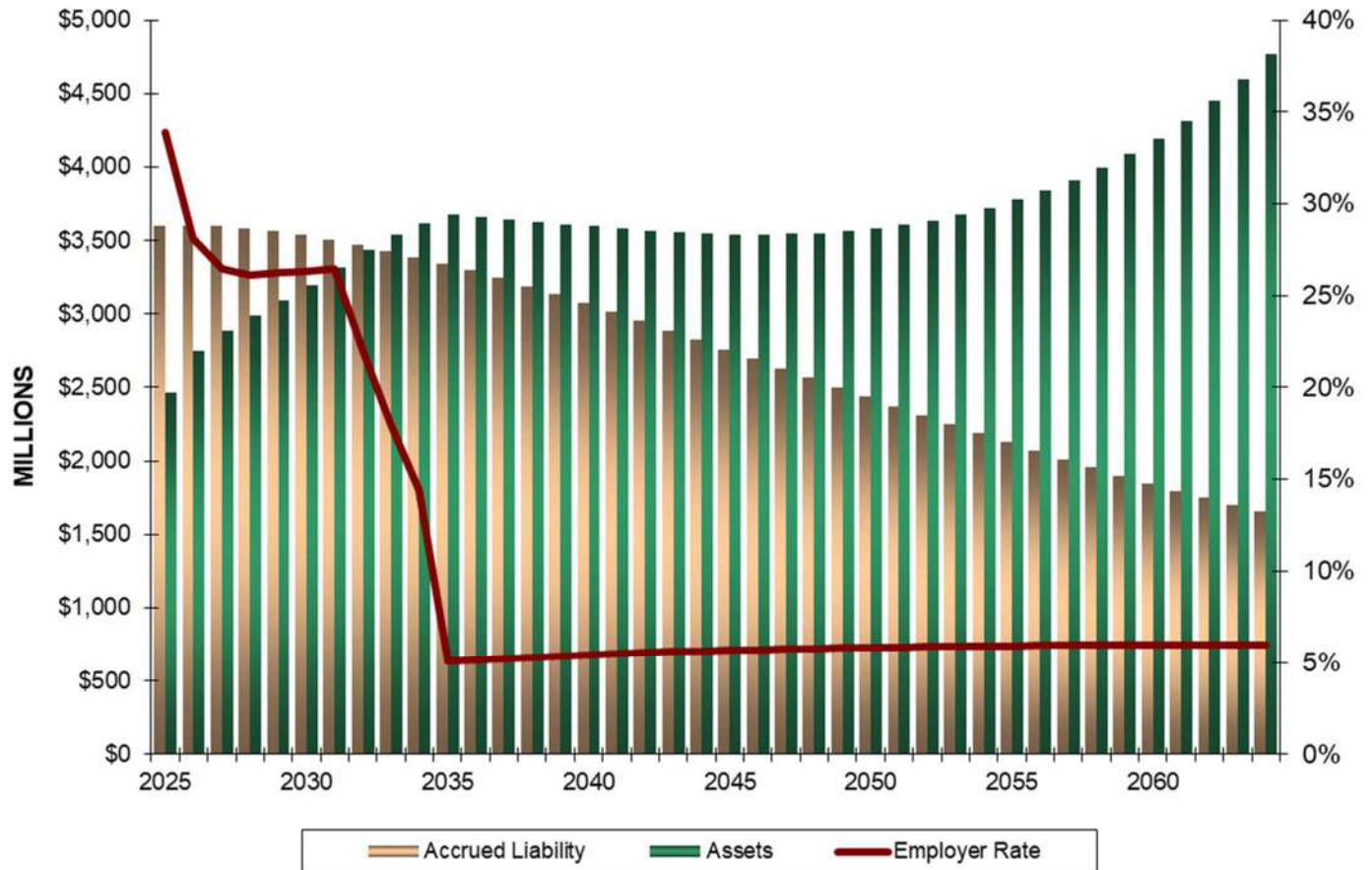
EXHIBIT 16. ACTUARIALLY DETERMINED CONTRIBUTION

The Actuarially Determined Contribution (ADC) is equal to the sum of (1) the government normal costs for the defined benefit plans (Old DB and DB 1.75), (2) the amortization payment towards the unfunded actuarial accrued liability of the defined benefit plans (Old DB and DB 1.75), and (3) the expected government contributions to the defined contribution (DC) plan. The required contribution is then divided by the sum of the DB and DC payroll to determine the contribution rate as a percentage of payroll.

	9/30/2025	9/30/2024
Expected payroll for next fiscal year		
Old defined benefit (Old DB)	\$ 61,922,560	\$ 69,562,666
Defined Benefit 1.75 (DB 1.75)	307,531,535	290,165,492
Defined contribution (DC)	<u>302,425,730</u>	<u>289,944,423</u>
Total payroll (DB and DC)	\$ 671,879,825	\$ 649,672,581
Government normal cost including expenses (DB)	\$ 6,904,113	\$ 7,583,549
As % of DB payroll	1.87%	2.11%
As % of total payroll (DB and DC)	1.03%	1.17%
Amortization of UAAL (DB)	\$ 161,188,554	\$ 192,130,878
As % of total payroll (DB and DC)	23.99%	29.57%
Government DC contributions	\$ 20,960,795	\$ 20,215,454
As % of DC payroll	6.93%	6.97%
As % of total payroll (DB and DC)	3.12%	3.11%
Total DB and DC contributions	\$ 189,053,462	\$ 219,929,881
% of total payroll (DB and DC)	28.14%	33.85%

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EXHIBIT 17. PROJECTION OF CONTRIBUTION RATE¹



¹ The contribution rate is the combined employer rate for the DB and DC plans.

EXHIBIT 17. PROJECTION OF CONTRIBUTION RATE (values)

Year Ending 9/30	\$'s in millions									
	PAYROLL ¹		CONTRIB RATE		CONTRIBUTIONS			Invest Earnings ³	Benefits/ Expenses	DB Fund Actuarial
	DB	DC	DB	DC ²	DB	DC ²	EE			
2025										\$2,463.78
2026	\$369.45	\$302.43	33.85%	26.89%	\$125.06	\$81.33	\$35.10	\$183.25	(\$281.74)	2,747.65
2027	353.36	335.31	28.14%	21.21%	99.44	71.12	33.57	191.77	(287.83)	2,888.73
2028	340.66	365.24	26.43%	19.57%	90.04	71.48	32.36	198.77	(293.87)	2,987.51
2029	329.35	394.19	26.13%	19.32%	86.06	76.18	31.29	205.52	(298.36)	3,088.20
2030	319.79	421.84	26.25%	19.49%	83.94	82.21	30.38	212.57	(301.15)	3,196.16
2031	311.21	448.96	26.35%	19.63%	82.00	88.11	29.57	220.17	(303.14)	3,312.88
2032	302.72	476.45	26.45%	19.76%	80.07	94.14	28.76	228.42	(304.07)	3,440.20
2033	295.08	503.58	21.91%	15.25%	64.65	76.78	28.03	236.18	(304.08)	3,541.76
2034	287.97	530.65	17.94%	11.30%	51.66	59.97	27.36	242.25	(303.91)	3,619.08
2035	279.92	559.17	14.40%	7.78%	40.31	43.52	26.59	246.69	(303.50)	3,672.70
2036	272.73	587.33	5.09%	0.00%	13.88	0.00	25.91	248.04	(302.75)	3,657.78
2037	265.11	616.46	5.16%	0.00%	13.68	0.00	25.19	247.01	(301.37)	3,642.29
2038	258.40	645.21	5.24%	0.00%	13.54	0.00	24.55	245.95	(299.84)	3,626.49
2039	251.49	674.70	5.30%	0.00%	13.33	0.00	23.89	244.88	(298.13)	3,610.45
2040	244.84	704.51	5.37%	0.00%	13.15	0.00	23.26	243.81	(295.72)	3,594.95
2041	238.43	734.65	5.43%	0.00%	12.95	0.00	22.65	242.79	(293.07)	3,580.27
2042	232.55	764.86	5.49%	0.00%	12.77	0.00	22.09	241.85	(289.72)	3,567.26
2043	227.11	795.23	5.54%	0.00%	12.58	0.00	21.58	241.04	(285.99)	3,556.47
2044	222.17	825.73	5.59%	0.00%	12.42	0.00	21.11	240.40	(282.06)	3,548.34
2045	217.33	856.77	5.63%	0.00%	12.24	0.00	20.65	239.95	(278.06)	3,543.11
2046	212.56	888.39	5.67%	0.00%	12.05	0.00	20.19	239.71	(273.77)	3,541.29
2047	208.51	919.96	5.71%	0.00%	11.91	0.00	19.81	239.72	(269.19)	3,543.54
2048	204.42	952.27	5.74%	0.00%	11.73	0.00	19.42	240.02	(264.36)	3,550.35
2049	200.87	984.74	5.77%	0.00%	11.59	0.00	19.08	240.66	(259.23)	3,562.45
2050	197.79	1,017.45	5.80%	0.00%	11.47	0.00	18.79	241.68	(253.80)	3,580.59
2051	195.12	1,050.51	5.83%	0.00%	11.38	0.00	18.54	243.12	(248.37)	3,605.26
2052	192.59	1,084.18	5.85%	0.00%	11.27	0.00	18.30	245.02	(243.05)	3,636.79
2053	189.95	1,118.73	5.87%	0.00%	11.15	0.00	18.05	247.39	(238.02)	3,675.35
2054	187.30	1,154.10	5.89%	0.00%	11.03	0.00	17.79	250.25	(233.00)	3,721.43
2055	185.11	1,189.83	5.91%	0.00%	10.94	0.00	17.59	253.64	(227.81)	3,775.79
2056	183.31	1,226.00	5.93%	0.00%	10.87	0.00	17.41	257.61	(222.74)	3,838.94
2057	181.44	1,263.11	5.94%	0.00%	10.78	0.00	17.24	262.21	(217.51)	3,911.65
2058	180.37	1,300.29	5.95%	0.00%	10.73	0.00	17.14	267.47	(212.22)	3,994.78
2059	179.46	1,338.22	5.96%	0.00%	10.70	0.00	17.05	273.47	(206.77)	4,089.22
2060	179.11	1,376.51	5.97%	0.00%	10.69	0.00	17.02	280.27	(201.31)	4,195.89
2061	179.04	1,415.47	5.96%	0.00%	10.67	0.00	17.01	287.93	(195.80)	4,315.70
2062	179.49	1,454.88	5.96%	0.00%	10.70	0.00	17.05	296.51	(190.28)	4,449.68
2063	180.47	1,494.76	5.96%	0.00%	10.76	0.00	17.14	306.08	(184.68)	4,598.99
2064	182.17	1,534.94	5.95%	0.00%	10.84	0.00	17.31	316.74	(179.01)	4,764.87

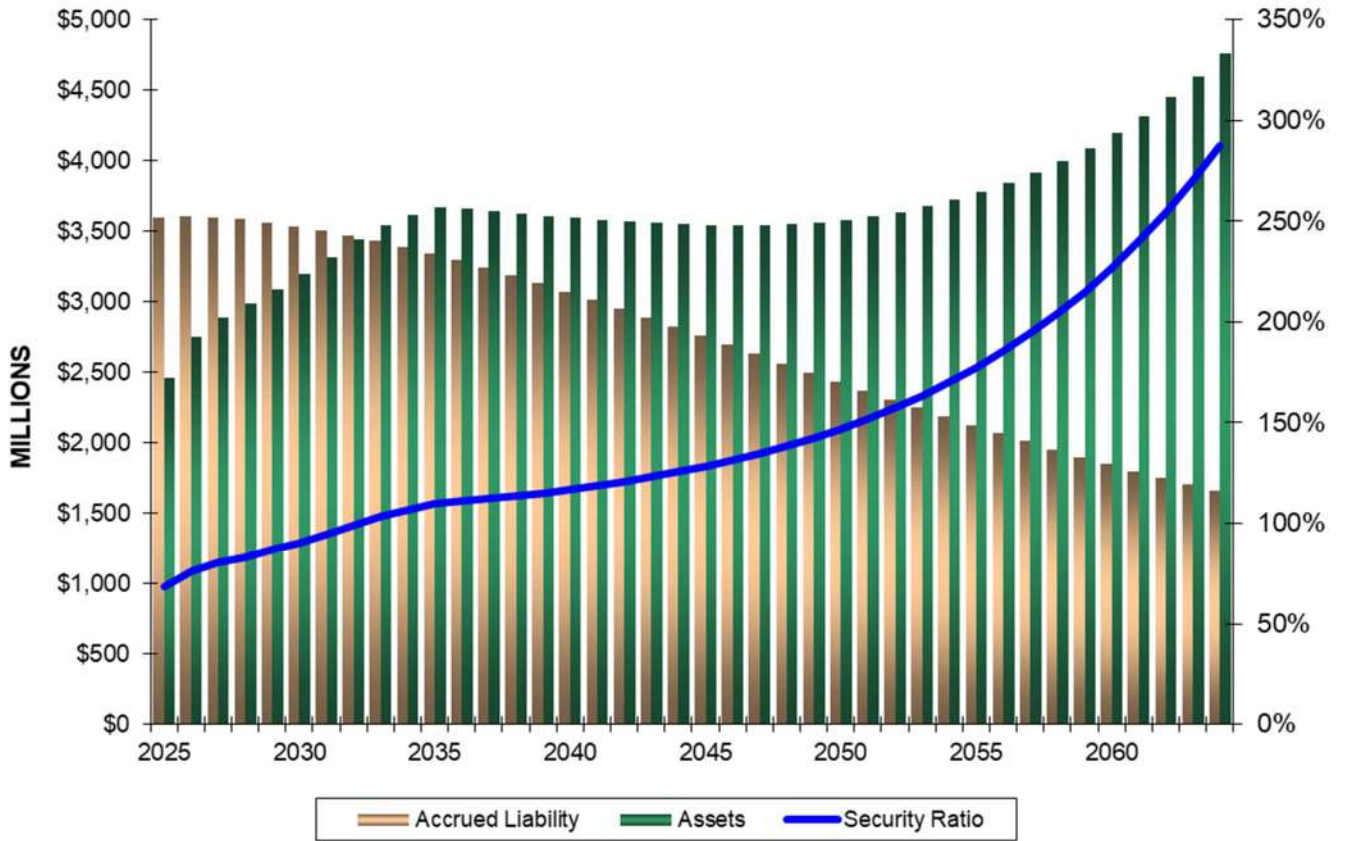
¹ Payroll is assumed to increase 2.50% per year with 10% of new members assumed to enter DB 1.75 plan and 90% DC plan.

² DC rate and contributions are those for payment towards UAAL and plan expenses only.

³ Investment earnings are assumed to be 7.0% per year on the market value of assets.

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EXHIBIT 18. PROJECTION OF SECURITY RATIO



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EXHIBIT 18. PROJECTION OF SECURITY RATIO (values)

Year Ending 9/30	\$'s in millions EMPLOYER CONTRIBUTIONS					Security Ratio
	Payroll ¹	DB Rate	Contribs DB Plan	DB Fund AVA ²	Accrued Liability	
2025				\$2,463.78	\$3,601.00	68.42%
2026	\$671.88	33.85%	\$206.39	2,747.65	3,603.16	76.26%
2027	688.68	28.14%	170.55	2,888.73	3,597.43	80.30%
2028	705.89	26.43%	161.52	2,987.51	3,583.52	83.37%
2029	723.54	26.13%	162.24	3,088.20	3,562.51	86.69%
2030	741.63	26.25%	166.16	3,196.16	3,536.02	90.39%
2031	760.17	26.35%	170.12	3,312.88	3,504.60	94.53%
2032	779.17	26.45%	174.21	3,440.20	3,469.09	99.17%
2033	798.65	21.91%	141.43	3,541.76	3,430.29	103.25%
2034	818.62	17.94%	111.63	3,619.08	3,388.20	106.81%
2035	839.09	14.40%	83.83	3,672.70	3,342.74	109.87%
2036	860.06	5.09%	13.88	3,657.78	3,294.15	111.04%
2037	881.56	5.16%	13.68	3,642.29	3,242.78	112.32%
2038	903.60	5.24%	13.54	3,626.49	3,188.80	113.73%
2039	926.19	5.30%	13.33	3,610.45	3,132.15	115.27%
2040	949.35	5.37%	13.15	3,594.95	3,073.40	116.97%
2041	973.08	5.43%	12.95	3,580.27	3,012.68	118.84%
2042	997.41	5.49%	12.77	3,567.26	2,950.64	120.90%
2043	1,022.34	5.54%	12.58	3,556.47	2,887.62	123.16%
2044	1,047.90	5.59%	12.42	3,548.34	2,823.83	125.66%
2045	1,074.10	5.63%	12.24	3,543.11	2,759.26	128.41%
2046	1,100.95	5.67%	12.05	3,541.29	2,694.11	131.45%
2047	1,128.48	5.71%	11.91	3,543.54	2,628.79	134.80%
2048	1,156.69	5.74%	11.73	3,550.35	2,563.60	138.49%
2049	1,185.61	5.77%	11.59	3,562.45	2,498.85	142.56%
2050	1,215.25	5.80%	11.47	3,580.59	2,434.85	147.06%
2051	1,245.63	5.83%	11.38	3,605.26	2,371.80	152.01%
2052	1,276.77	5.85%	11.27	3,636.79	2,309.63	157.46%
2053	1,308.69	5.87%	11.15	3,675.35	2,248.28	163.47%
2054	1,341.40	5.89%	11.03	3,721.43	2,187.56	170.12%
2055	1,374.94	5.91%	10.94	3,775.79	2,127.77	177.45%
2056	1,409.31	5.93%	10.87	3,838.94	2,068.94	185.55%
2057	1,444.55	5.94%	10.78	3,911.65	2,011.21	194.49%
2058	1,480.66	5.95%	10.73	3,994.78	1,955.02	204.33%
2059	1,517.68	5.96%	10.70	4,089.22	1,900.39	215.18%
2060	1,555.62	5.97%	10.69	4,195.89	1,847.48	227.11%
2061	1,594.51	5.96%	10.67	4,315.70	1,796.50	240.23%
2062	1,634.37	5.96%	10.70	4,449.68	1,747.87	254.58%
2063	1,675.23	5.96%	10.76	4,598.99	1,701.67	270.26%
2064	1,717.11	5.95%	10.84	4,764.87	1,658.26	287.34%

¹ Payroll is assumed to increase 2.50% per year with 10% of new members assumed to enter the DB 1.75 plan and 90% assumed to enter the DC plan.

² Actuarial Value of Assets. Investment earnings are assumed to be 7.0% per year on the market value of assets.

APPENDIX A. SUMMARY OF PLAN PROVISIONS

The following description is only a brief summary of the more important provisions of the retirement plan. Actual plan provisions are contained in Chapter 8 of the Guam Code, as modified by Public Law 33-186.

Membership Conditions and Exclusions (Old DB Plan): All employees of the Government of Guam hired on or before September 30, 1995 are required to participate as a condition of employment, except:

- a) Persons who are compensated on a fee basis;
- b) Independent contractors;
- c) Persons employed for a specific project;
- d) Persons employed in the Senior Citizens' Community Employment Program; and
- e) Persons with less than 20 years of service prior to September 30, 1995 who elect to transfer to the Government of Guam Defined Contribution Fund. Participants have an annual opportunity to transfer.

Membership is optional for:

- a) Temporary, seasonal, intermittent and part-time employees;
- b) Persons employed for a specific period of time and not domiciled in Guam; and
- c) Employees of a public corporation of the Government of Guam.

Membership is also applicable to members of the Legislature with special provisions for:

- a) The determination of average annual salary for pension computation purposes; and
- b) Contributions.

Membership Conditions and Exclusions (DB 1.75 Plan): All employees of the Government of Guam who were in the Defined Contribution Plan and were still employed had the option to transfer to the Defined Benefit 1.75 Plan effective January 1, 2018. All employees who were members in the Defined Contribution System (DC Plan) at any time between June 1, 2023, and December 31, 2023, had the option to elect to become Defined Benefit 1.75 Plan members effective January 1, 2024. Employees hired on or after January 1, 2024, have the option to select either the DB 1.75 Plan or the DC Plan. After having made such election to become a DB 1.75 Plan member, the member may not change such election or again become an active member of the DC Plan. The account balances of members electing to transfer from the DC Plan to the DB 1.75 Plan were transferred to the Defined Benefit 1.75 Retirement System on the effective date of the transfer.

Pension Credits: Employees are entitled to pension credit for:

- a) Service rendered to the Government prior to May 1, 1951 when the Fund began operations.
- b) Service on or after May 1, 1951 for which contributions are required to be made by the employees.
- c) Casual or part-time employment under prescribed conditions for which contributions must be made.
- d) Unused and accumulated sick and annual (vacation) leaves with 12 days of service counted as a full month; 6 to 11 days, ½ month; and less than 6 days disregarded.

- e) For employees hired before June 1, 1989, pension credit is granted up to a maximum of 5 years for Federal service, provided the employee terminates membership in the Federal Civil Service Retirement Fund and makes a contribution to the Government of Guam Retirement Fund equal to the amount contributed by the member and his employer during the period which is equal in length to the period for which service credit is requested, and which ends on the member's termination date of such employment with interest from the date of such termination to the date of payment.
- f) For employees hired before June 1, 1989, educational leave time or periods of termination for educational training purposes, if contributions are made to the Fund with interest. Members who first joined the fund prior to January 31, 1987, may receive credit for up to the normal period of time required to complete degree without having been employed by the government prior to the period during which the degree was earned.
- g) Military service prior to May 1, 1951, if not considered for any Federal Government Pension other than for disability. If entry into military service occurred after May 1, 1951, total pension credit is limited to 5 years in the aggregate, provided the employee was in the service of the Government of Guam at date of entry into military service and returned to the Government of Guam service within one year following discharge from military service under conditions other than dishonorable, or within 6 months after completion of education under the various education benefits programs for veterans; otherwise the total credit is limited to three years.

Schedule for Computing Service: The following schedule shall govern the computation of pension credit: 12 days or more during any month constitutes a month of service; 6 to 11 days, ½ month; less than 6 days is disregarded. Nine months or more during any year constitutes a year of service.

Vesting of Pension Credit: Vesting occurs after at least 5 years of service.

Upon separation from service, an employee may optionally leave the contribution credits in the Fund and qualify for a deferred retirement annuity, based upon the total pension credit. If the pension credit is 25 years or more, no refund of contributions is payable and the employee must accept a deferred retirement annuity.

Conditions for Service Retirement: With respect to any employee who originally became a member of the Fund prior to October 1, 1981:

- a) Such member may retire on a service retirement annuity at age 60 or over, or at age 55 in the case of a member of the uniformed personnel after at least 10 years of service. Upon retirement, a member of the uniformed personnel shall be considered one grade above that held at date of retirement.
- b) A member with at least 25 years of service may retire at any age on an unreduced retirement annuity.
- c) Any retired employee with at least 25 years of credit service shall be entitled to the full retirement annuity on and after September 30, 1981.
- d) Any member, active or inactive, may retire after 20 years of service, regardless of age. In such case, the retirement annuity shall be reduced ¼ of 1% for each month that the age of the member is less than 60 years (3% per year).

With respect to an employee who became a member of the Fund on or after October 1, 1981, and prior to August 22, 1984, the following provisions shall govern:

- a) Such member may retire on a service retirement annuity at age 60 or over, or at age 55 if a member of the uniformed personnel after at least 15 years of service and upon retirement shall be considered one rank grade above that held at such date.
- b) A member with at least 30 years of service shall be eligible for service retirement, regardless of age, without reduction for early retirement.
- c) Any member, whether in an active or inactive status, may retire after 25 years of service, at any age, on an annuity reduced $\frac{1}{4}$ of 1% per month (3% per year) for each month member's age is less than 60.

With respect to any employee becoming a member of the Fund on or after August 22, 1984, and a member of the Old DB Plan:

- a) Such member may retire on a service retirement annuity at age 65 or over, or at age 60 in the case of a member of the uniformed personnel after at least 15 years of service. Upon retirement, a member of the uniformed personnel shall be considered one grade above that held at date of retirement.
- b) A member with at least 30 years of service may retire at any age on an unreduced retirement annuity.
- c) Any member, active or inactive, may retire after 25 years of service, regardless of age. In such case, the retirement annuity shall be reduced $\frac{1}{4}$ of 1% for each month that the age of the member is less than 65 years (3% per year).

With respect to any employee in the DB 1.75 Plan:

- a) Any member is eligible for an unreduced service retirement annuity at age 62 with 5 years of service.
- b) Uniformed personnel as defined in §8104(p), Article 1, Chapter 8, Title 4 of the Guam Code Annotated who are active employees on or after January 1, 2024 are eligible for unreduced retirement at age 55 with 25 years of service, or age 57 with 5 years of service.
- c) Any member, active or inactive, may retire after the attainment of age 55 with 25 years of service. In such case, the retirement annuity for non-Uniformed personnel shall be reduced $\frac{1}{2}$ of 1% for each month that the age of the member is less than 62 years (6% per year).

Amount of Service Retirement Annuity (Old DB Plan): A basic annuity of 2.00% of "average annual salary" for each of the first 10 years of credited service; and 2.5% of "average annual salary" for each full year of pension credit above 10 years, plus twenty dollars (\$20.00) multiplied by years of credited service reduced by an amount equal to one hundredth of one percent (.01%) of said amount for each one dollar (\$1.00) that a member's average annual salary exceeds the amount of six thousand dollars (\$6,000).

The minimum amount of service retirement annuity payable by the Fund is \$1,200 per year. The maximum retirement annuity is 85% of "average annual salary."

Amount of Service Retirement Annuity (DB 1.75): A basic annuity of 1.75% of "average annual salary" for each year of credited service for first 25 years, then 2.75% for next 15 years. The minimum amount of service retirement annuity payable by the Fund is \$1,200 per year. The maximum retirement annuity is 85% of "average annual salary."

Average Annual Salary: Average of three highest annual salaries received by a member during the entire period of pension credit. A minimum of \$6,000 applies to Old DB Plan members.

The annual salary of the member shall include the basic rate of salary on which contributions were made by the member and any salary on which the member made contributions as required under GCA, Section 8136(a). Effective October 1, 1986, salary can include payment for unused annual leave upon retirement for Old DB Plan members. In case of members of the Legislature, the average annual salary is the salary of the Director of Administration at the member's date of retirement, or the average of the three highest annual salaries received by the member during the period of membership credit, whichever is greater.

Automatic Increase in Annuity: Effective July 1, 1984, any member retiring from service and entitled to benefits after September 1, 1972, is to receive each year, on the anniversary date of retirement, an increment of \$600 if the annual annuity is \$3,500 or less; \$400 if the annuity is between \$3,500 and \$6,300 per year; \$300 if the annuity is between \$6,300 and \$10,100; and \$200 if the annuity exceeds \$10,100 per year.

Disability Retirement: Upon total and permanent disability due to physical or mental causes, an employee under age 65 is entitled to a disability retirement annuity. For employees hired prior to August 22, 1984, the amount of the disability retirement annuity will be 66-2/3% of the employee's salary in effect on the date of disability. Subsequent employees will have an annuity amount based on 66-2/3% (50% for DB 1.75 Plan members) of the average of the highest three years of salary. If the disability was not due to occupational causes, the employee must have Government of Guam service credit of at least six years, or five years in the case of terminal illness, in order to qualify, except that new members since May 28, 1985, may not retire if a disability arises from impairment or conditions existing prior to employment.

A disability retirement annuitant must submit to a medical examination at least once a year during the first five years of disability, and at least once every three years thereafter, by a physician or physicians designated by the Board in order to establish continuing disability and entitlement to benefits. Should a disability annuitant resume gainful employment in a position other than the particular job in which he was engaged when declared disabled, the disability retirement benefit shall continue as initially determined.

A member receiving disability retirement benefits since December 1, 1972, is entitled to receive on the anniversary date of retirement, an annual increase of \$300 if the benefit is \$3,000 per year or less; \$250 per year where the annuity is between \$3,000 and \$6,000 per year; \$200 per year where the annuity is between \$6,000 and \$10,000 per year; and \$100 if the annuity exceeds \$10,000 per year.

Re-entry Into Service: A member on retirement who re-enters services as an employee eligible for membership shall have the annuity suspended during the period of employment without losing rights to automatic increases in the retirement annuity during the period of re-employment. This provision does not apply to Department of Education employees who occupy positions dealing with the Chamorro Language and Culture Program in Guam schools, persons employed as classroom teachers, guidance or health counselors when critical need arises, nor elected officials.

Benefits to Survivors: Benefits are payable to a surviving spouse and children under age 21, upon the death of a member while in service after at least three years of service, or occurring while on retirement. The benefit to children of an annuitant or member whose death occurs while in service after at least three years of service is payable until age 25 if they are full-time students in an accredited educational institution, or payable regardless of age if disabled and disability occurred before age 18.

If only a spouse survives the active or retired member, the annuity payable is 60% of the service or disability retirement annuity earned by the member, subject to a minimum of \$1,200 per year.

The annuity to a child is \$2,880 per year, subject to a maximum payment to five or more minor children of \$14,400 per year. The term “child” or “children” includes any natural child or adopted child under age 21, or any permanently disabled child whose incapacity began before the child attained age 21.

A survivor annuitant is entitled to an automatic increase in annuity each year on the anniversary date of the annuity of \$600 if the annuity is \$3,500 per year or less; \$400 if the annuity is between \$3,500 and \$6,300 per year; \$300 if the annuity is between \$6,300 and \$10,100; and \$200 if the annuity is more than \$10,100 per year.

A surviving spouse or minor child surviving the member is entitled, in addition to the above, a death benefit of \$1,000 payable in a lump sum.

A survivor’s annuity terminates upon death or re-marriage under the age of 40, attainment of age 21 of the child, or the termination of the incapacity of a disabled child.

Optional Privilege at Retirement: Upon retirement from service, any unmarried employee, if in good health as determined by medical examination, may elect to receive, on an actuarial equivalent basis in lieu of the full retirement annuity, a reduced retirement annuity payable during the annuitant’s lifetime, plus an annuity to a designated beneficiary to become payable at death of the annuitant. The annuity to the beneficiary is to be paid at the same rate and under the same conditions that apply to a survivor of a married member whose death occurs while in service.

Death Benefit – Active and Retired Members Without Survivors: Upon death of a member while in service, leaving no survivors eligible for annuities, the designated beneficiary or estate is entitled to a refund of the contribution credits, plus interest, together with a death benefit of \$1,000 payable in a lump sum.

Upon death of a retired member, if no survivors’ annuities are payable, the death benefit to a designated beneficiary or the estate of the member consists of the excess, if any, of: (1) the total contribution credits of the member at retirement, plus interest, over (2) the total amount of annuity payments made to the retired member, plus the sum of \$1,000.

Death Benefit – Inactive Members: Upon the death of an inactive member with at least 20 years of pension credit, and survived by a spouse or minor children, the following benefit options are provided: (a) the surviving spouse of children, as the case may be, may elect to receive the annuities prescribed if the death of a member occurs while in service; or (b) a refund of the deceased member’s total contribution credits, plus interest.

Refund of Members' Contributions: Upon complete separation from service, or transfer to the Government of Guam Defined Contribution Fund, a member with less than 25 years of pension credit may receive a refund of the total contributions, plus interest (except that no interest is payable if the total pension credit is less than one year).

Contributions by Members: Each Old DB Plan member shall contribute to the Fund 9½% of salary earned and accruing after October 1, 1997; and at the member's option, 10½% of non-base pay subsequent to October 1, 1997. Each DB 1.75 Plan member shall contribute to the Fund 9½% of salary earned and accruing after January 1, 2018.

APPENDIX B. ACTUARIAL COST METHOD AND ASSUMPTIONS

	September 30, 2025	September 30, 2024																								
Actuarial Cost Method	Entry Age Normal	Entry Age Normal																								
Interest Rate	7.00%	7.00%																								
Long-term Expected Rate of Return on Plan Assets	7.00%	7.00%																								
Salary Increases	<table border="1"> <thead> <tr> <th><u>Service</u></th> <th><u>% Increase</u></th> </tr> </thead> <tbody> <tr> <td>0 – 5</td> <td>6.0%</td> </tr> <tr> <td>6 – 10</td> <td>4.5%</td> </tr> <tr> <td>11 – 15</td> <td>3.0%</td> </tr> <tr> <td>16 – 20</td> <td>3.0%</td> </tr> <tr> <td>Over 20</td> <td>3.0%</td> </tr> </tbody> </table>	<u>Service</u>	<u>% Increase</u>	0 – 5	6.0%	6 – 10	4.5%	11 – 15	3.0%	16 – 20	3.0%	Over 20	3.0%	<table border="1"> <thead> <tr> <th><u>Service</u></th> <th><u>% Increase</u></th> </tr> </thead> <tbody> <tr> <td>0 – 5</td> <td>6.0%</td> </tr> <tr> <td>6 – 10</td> <td>4.5%</td> </tr> <tr> <td>11 – 15</td> <td>3.0%</td> </tr> <tr> <td>16 – 20</td> <td>3.0%</td> </tr> <tr> <td>Over 20</td> <td>3.0%</td> </tr> </tbody> </table>	<u>Service</u>	<u>% Increase</u>	0 – 5	6.0%	6 – 10	4.5%	11 – 15	3.0%	16 – 20	3.0%	Over 20	3.0%
<u>Service</u>	<u>% Increase</u>																									
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0 – 5	6.0%																									
6 – 10	4.5%																									
11 – 15	3.0%																									
16 – 20	3.0%																									
Over 20	3.0%																									
Total Payroll Growth (DB and DC)	2.50%	2.50%																								
Plan Election for New Hires	10% of new members are assumed to enter the DB 1.75 Plan, and 90% are assumed to elect the DC Plan.	15% of new members are assumed to enter the DB 1.75 Plan, and 85% are assumed to elect the DC Plan.																								
Cost of Living Adjustment	Specified in Plan	Specified in Plan																								
Mortality																										
Healthy Retiree	PUB-2010 General Retiree table 130% before age 80 +4 for males +2 for females projected generationally using 50% of Scale MP-2020 from 2010	PUB-2010 General Retiree table 130% before age 80 +4 for males +2 for females projected generationally using 50% of Scale MP-2020 from 2010																								
Healthy Beneficiaries	PUB-2010 General Contingent Survivors table 130% before age 80 +3 for males +4 for females projected generationally using 50% of Scale MP-2020 from 2010	PUB-2010 General Contingent Survivors table 130% before age 80 +3 for males +4 for females projected generationally using 50% of Scale MP-2020 from 2010																								
Disability																										
Incidence	Custom age-based table based upon actual experience (see attached)	Custom age-based table based upon actual experience (see attached)																								
Post-disability mortality	PUB-2010 Disabled Retiree table 130% before age 80 +4 for males +2 for females projected generationally using 50% of Scale MP-2020 from 2010	PUB-2010 Disabled Retiree table 130% before age 80 +4 for males +2 for females projected generationally using 50% of Scale MP-2020 from 2010																								

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	September 30, 2025	September 30, 2024
Withdrawal Rates	Service-based rates (see Withdrawal column of Probability of Separation from Active Service table)	Service-based rates (see Withdrawal column of Probability of Separation from Active Service table)
Retirement Age	40% assumed to retire at earliest eligibility for unreduced benefits. 20% per year thereafter until age 75 100% at age 75	40% assumed to retire at earliest eligibility for unreduced benefits. 20% per year thereafter until age 75 100% at age 75
Return of Contributions	100% of current Plan employees who withdraw before retirement and who have less than 20 years of service are assumed to elect a return of contributions Terminated or inactive members with at least 5 years of service and an account balance of at least \$10,000 and who have not withdrawn their contributions are assumed to retire upon eligibility for unreduced benefits. All other employees who have previously withdrawn are assumed to elect a return of contributions. Contributions earn 4.5% interest	100% of current Old DB Plan employees who withdraw before retirement and who have less than 20 years of service are assumed to elect a return of contributions Terminated or inactive members with at least 5 years of service and an account balance of at least \$10,000 and who have not withdrawn their contributions are assumed to retire upon eligibility for unreduced benefits. All other employees who have previously withdrawn are assumed to elect a return of contributions. Contributions earn 4.5% interest
Marital Status	Retiree data included spouse information. For active employees, 75% are assumed to have spouses at retirement. The assumed age difference is 3 years (+3 for a male spouse; -3 for a female spouse).	Retiree data included spouse information. For active employees, 75% are assumed to have spouses at retirement. The assumed age difference is 3 years (+3 for a male spouse; -3 for a female spouse).
Leave Adjustments	Assumed to add 1.5 years of service (Old DB only) and increase average earnings (Old DB only) by 3% at retirement	Assumed to add 1.5 years of service (Old DB only) and increase average earnings (Old DB only) by 3% at retirement
Administrative Expenses	\$7,368,000 per year (equal to budgeted expense for year ending 9/30/26), allocated 70% to DB and 30% to DC.	\$7,463,000 per year (equal to budgeted expense for year ending 9/30/25), allocated 70% to DB and 30% to DC.
Survivor Benefit – Minor Children	An average of 0.2 eligible child survivors for each retiree, with payments paid for 6 years. Payments to current child survivors	An average of 0.2 eligible child survivors for each retiree, with payments paid for 6 years. Payments to current child survivors

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	September 30, 2025	September 30, 2024
	are assumed to be payable through age 21.	are assumed to be payable through age 21.
Asset Valuation Method	3-year phase-in of gains/losses relative to interest rate assumption	3-year phase-in of gains/losses relative to interest rate assumption

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Probabilities of Separation from Active Service
(per 100 working at each age)

MALE					FEMALE				
Age	Death	Disability	Service	Withdrawal	Age	Death	Disability	Service	Withdrawal
20	0.04	0.03	0	15.0	20	0.01	0.02	0	15.0
21	0.04	0.03	1	13.0	21	0.01	0.02	1	13.0
22	0.04	0.03	2	10.0	22	0.01	0.02	2	10.0
23	0.04	0.03	3	8.0	23	0.01	0.02	3	8.0
24	0.04	0.03	4	7.0	24	0.01	0.02	4	7.0
25	0.04	0.03	5	6.0	25	0.01	0.02	5	6.0
26	0.05	0.03	6	5.0	26	0.02	0.02	6	5.0
27	0.05	0.03	7	4.0	27	0.02	0.02	7	4.0
28	0.05	0.03	8	3.0	28	0.02	0.02	8	3.0
29	0.05	0.03	9	2.0	29	0.02	0.02	9	2.0
30	0.06	0.03	10	2.0	30	0.02	0.02	10	2.0
31	0.06	0.03	11	2.0	31	0.01	0.02	11	2.0
32	0.07	0.03	12	2.0	32	0.03	0.02	12	2.0
33	0.07	0.03	13	2.0	33	0.03	0.02	13	2.0
34	0.07	0.03	14	2.0	34	0.03	0.02	14	2.0
35	0.08	0.03	15	2.0	35	0.04	0.02	15	2.0
36	0.09	0.03	16	2.0	36	0.04	0.02	16	2.0
37	0.09	0.03	17	2.0	37	0.04	0.02	17	2.0
38	0.10	0.03	18	2.0	38	0.05	0.02	18	2.0
39	0.11	0.03	19	2.0	39	0.05	0.02	19	2.0
40	0.12	0.05	20 & over	2.0	40	0.06	0.03	20 & over	2.0
41	0.13	0.05			41	0.06	0.03		
42	0.14	0.05			42	0.07	0.03		
43	0.15	0.05			43	0.07	0.03		
44	0.17	0.05			44	0.08	0.03		
45	0.18	0.10			45	0.09	0.05		
46	0.19	0.10			46	0.09	0.05		
47	0.21	0.10			47	0.10	0.05		
48	0.23	0.10			48	0.11	0.05		
49	0.25	0.10			49	0.12	0.05		
50	0.26	0.15			50	0.13	0.10		
51	0.28	0.15			51	0.14	0.10		
52	0.31	0.15			52	0.15	0.10		
53	0.33	0.15			53	0.16	0.10		
54	0.36	0.15			54	0.17	0.10		
55	0.38	0.25			55	0.19	0.15		
56	0.41	0.25			56	0.20	0.15		
57	0.45	0.25			57	0.22	0.15		
58	0.48	0.25			58	0.24	0.15		
59	0.52	0.27			59	0.26	0.14		
60	0.56	0.38			60	0.29	0.19		
61	0.61	0.38			61	0.32	0.19		
62	0.66	0.38			62	0.35	0.19		
63	0.71	0.38			63	0.38	0.19		
64	0.77	0.38			64	0.43	0.19		

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APPENDIX C. SUMMARY OF PARTICIPANT DATA

Active Non-Uniformed – Old DB Plan

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total	Males	Females	Total
Under 20	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-
45 – 49	5	5	10	*	*	-
50 – 54	59	92	151	\$ 4,585,059	\$ 7,426,887	\$ 12,011,946
55 – 59	75	113	188	5,987,108	9,066,349	15,053,457
60 – 64	51	93	144	4,064,237	7,992,833	12,057,070
65 – 69	30	39	69	3,271,619	3,231,726	6,503,346
70 & Over	<u>11</u>	<u>26</u>	<u>37</u>	*	<u>2,406,088</u>	<u>2,406,088</u>
Total	231	368	599	\$ 17,908,023	\$ 30,123,884	\$ 48,031,907

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

Age	SERVICE									Total
	0 - 4	5 - 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	-	-	-	-	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-	-	-	-	-
45 – 49	-	2	2	-	1	2	3	-	-	10
50 – 54	4	3	2	5	9	22	98	8	-	151
55 – 59	2	2	2	10	2	15	99	51	5	188
60 – 64	3	2	7	8	5	15	54	41	9	144
65 – 69	-	-	3	7	3	5	25	18	8	69
70 & Over	-	-	<u>1</u>	<u>1</u>	-	<u>1</u>	<u>17</u>	<u>7</u>	<u>10</u>	<u>37</u>
Total	9	9	17	31	20	60	296	125	32	599

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Active Uniformed – Old DB Plan

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total	Males	Females	Total
Under 20	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-
45 – 49	1	-	1	*	-	*
50 – 54	24	4	28	\$ 2,451,791	*	\$ 2,451,791
55 – 59	23	4	27	3,064,508	*	3,064,508
60 – 64	19	3	22	*	*	*
65 – 69	4	1	5	*	*	*
70 & Over	<u>2</u>	<u>-</u>	<u>2</u>	<u>*</u>	<u>-</u>	<u>*</u>
Total	73	12	85	\$ 5,516,299	*	\$ 5,516,299

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

Age	SERVICE									Total
	0 – 4	5 – 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	-	-	-	-	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-	-	-	-	-
45 – 49	-	-	-	-	-	1	-	-	-	1
50 – 54	-	-	-	-	2	10	13	3	-	28
55 – 59	-	-	2	-	-	3	14	8	-	27
60 – 64	-	-	1	-	-	-	8	10	3	22
65 – 69	-	-	-	-	-	-	3	-	2	5
70 & Over	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total	-	-	4	-	2	14	39	21	5	85

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Active Total – Old DB Plan

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total	Males	Females	Total
Under 20	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-
45 – 49	6	5	11	*	*	*
50 – 54	83	96	179	\$ 7,036,850	\$ 7,839,677	\$ 14,876,527
55 – 59	98	117	215	9,051,615	9,425,123	18,476,738
60 – 64	70	96	166	6,812,074	8,324,178	15,136,252
65 – 69	34	40	74	3,749,266	3,462,247	7,211,513
70 & Over	<u>13</u>	<u>26</u>	<u>39</u>	*	<u>2,406,088</u>	<u>2,406,088</u>
Total	304	380	684	26,649,806	31,457,313	58,107,119

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

Age	SERVICE									Total
	0 - 4	5 – 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	-	-	-	-	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-	-	-	-	-
45 – 49	-	2	2	-	1	3	3	-	-	11
50 – 54	4	3	2	5	11	32	111	11	-	179
55 – 59	2	2	4	10	2	18	113	59	5	215
60 – 64	3	2	8	8	5	15	62	51	12	166
65 – 69	-	-	3	7	3	5	28	18	10	74
70 & Over	-	-	<u>2</u>	<u>1</u>	-	<u>1</u>	<u>18</u>	<u>7</u>	<u>10</u>	<u>39</u>
Total	9	9	21	31	22	74	335	146	37	684

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Active Non-Uniformed – DB 1.75 Plan

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total ¹	Males	Females	Total
Under 20	3	1	4	*	*	*
20 – 24	45	15	60	\$ 1,466,939	*	\$ 1,466,939
25 – 29	143	125	268	6,476,696	\$ 5,723,218	12,199,915
30 – 34	211	242	453	11,007,858	12,125,572	23,133,430
35 – 39	209	271	480	12,140,699	14,968,412	27,109,111
40 – 44	217	271	488	14,464,205	16,691,374	31,155,579
45 – 49	253	336	589	18,052,834	22,944,454	40,997,288
50 – 54	286	413	699	20,809,326	29,004,155	49,813,482
55 – 59	227	270	497	17,625,738	18,410,347	36,036,085
60 – 64	151	219	370	12,398,881	15,042,471	27,441,351
65 – 69	64	90	154	5,272,340	6,339,018	11,611,358
70 & Over	<u>34</u>	<u>43</u>	<u>77</u>	<u>2,920,649</u>	<u>3,286,593</u>	<u>6,207,242</u>
Total	1,843	2,296	4,139	\$ 122,636,166	\$ 144,535,615	\$ 267,171,781

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

¹68 participants did not have a provided sex. Based on known sex, unknown are assumed to be approximately 47% male.

Age	SERVICE									Total
	0 - 4	5 - 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	4	-	-	-	-	-	-	-	-	4
20 – 24	58	2	-	-	-	-	-	-	-	60
25 – 29	158	106	4	-	-	-	-	-	-	268
30 – 34	120	236	91	6	-	-	-	-	-	453
35 – 39	74	151	183	67	5	-	-	-	-	480
40 – 44	43	112	137	129	62	5	-	-	-	488
45 – 49	46	96	101	120	127	98	1	-	-	589
50 – 54	60	84	98	102	120	211	24	-	-	699
55 – 59	34	49	77	105	91	98	30	12	1	497
60 – 64	12	36	52	88	54	85	18	21	4	370
65 – 69	5	10	22	33	29	38	12	5	-	154
70 & Over	<u>2</u>	<u>3</u>	<u>5</u>	<u>8</u>	<u>26</u>	<u>20</u>	<u>7</u>	<u>5</u>	<u>1</u>	<u>77</u>
Total	616	885	770	658	514	555	92	43	6	4,139

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Active Uniformed – DB 1.75 Plan

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total	Males	Females	Total
Under 20	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-
25 – 29	3	-	3	*	-	*
30 – 34	21	3	24	\$ 1,431,738	*	\$ 1,431,738
35 – 39	41	5	46	2,757,413	*	2,757,413
40 – 44	37	10	47	2,845,411	*	2,845,411
45 – 49	53	8	61	4,610,965	*	4,610,965
50 – 54	72	7	79	7,333,514	*	7,333,514
55 – 59	40	3	43	4,227,629	*	4,227,629
60 – 64	19	3	22	*	*	*
65 – 69	2	1	3	*	*	*
70 & Over	1	-	1	*	-	*
Total	289	40	329	\$ 23,206,671	-	\$ 23,206,671

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

Age	SERVICE									Total
	0 – 4	5 – 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	-	-	-	-	-	-	-	-	-	-
20 – 24	-	-	-	-	-	-	-	-	-	-
25 – 29	-	3	-	-	-	-	-	-	-	3
30 – 34	-	3	20	1	-	-	-	-	-	24
35 – 39	-	5	32	9	-	-	-	-	-	46
40 – 44	-	5	23	9	9	1	-	-	-	47
45 – 49	-	2	13	11	24	11	-	-	-	61
50 – 54	-	1	8	3	18	37	12	-	-	79
55 – 59	-	-	2	9	2	18	7	5	-	43
60 – 64	-	-	-	2	1	9	7	2	1	22
65 – 69	-	-	-	-	2	1	-	-	-	3
70 & Over	-	-	-	-	-	1	-	-	-	1
Total	-	19	98	44	56	78	26	7	1	329

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Active Total – DB 1.75 Plan

Age	COUNT			ANNUAL SALARIES		
	Males	Females	Total ¹	Males	Females	Total
Under 20	3	1	4	*	*	-
20 – 24	45	15	60	\$ 1,466,939	*	\$ 1,466,939
25 – 29	146	125	271	6,628,738	\$ 5,723,218	12,351,956
30 – 34	232	245	477	12,439,596	12,327,436	24,767,032
35 – 39	250	276	526	14,898,112	15,247,282	30,145,394
40 – 44	254	281	535	17,309,616	17,384,743	34,694,359
45 – 49	306	344	650	22,663,799	23,513,751	46,177,550
50 – 54	358	420	778	28,142,841	29,722,140	57,864,981
55 – 59	267	273	540	21,853,367	18,711,435	40,564,802
60 – 64	170	222	392	14,786,294	15,352,760	30,139,054
65 – 69	66	91	157	5,553,123	6,426,542	11,979,665
70 & Over	<u>35</u>	<u>43</u>	<u>78</u>	<u>2,992,453</u>	<u>3,286,593</u>	<u>6,279,046</u>
Total	2,132	2,336	4,468	\$ 148,734,878	\$ 147,695,900	\$ 296,430,778

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

¹68 participants did not have a provided sex. Based on known sex, unknown are assumed to be approximately 47% male.

Age	SERVICE									Total
	0 – 4	5 – 9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 20	4	-	-	-	-	-	-	-	-	4
20 – 24	58	2	-	-	-	-	-	-	-	60
25 – 29	158	109	4	-	-	-	-	-	-	271
30 – 34	120	239	111	7	-	-	-	-	-	477
35 – 39	74	156	215	76	5	-	-	-	-	526
40 – 44	43	117	160	138	71	6	-	-	-	535
45 – 49	46	98	114	131	151	109	1	-	-	650
50 – 54	60	85	106	105	138	248	36	-	-	778
55 – 59	34	49	79	114	93	116	37	17	1	540
60 – 64	12	36	52	90	55	94	25	23	5	392
65 – 69	5	10	22	33	31	39	12	5	-	157
70 & Over	<u>2</u>	<u>3</u>	<u>5</u>	<u>8</u>	<u>26</u>	<u>21</u>	<u>7</u>	<u>5</u>	<u>1</u>	<u>78</u>
Total	616	904	868	702	570	633	118	50	7	4,468

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Service Retirees

Age	COUNT			ANNUAL BENEFITS**		
	Males	Females	Total	Males	Females	Total
Under 25	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-
45 – 49	3	-	3	*	-	-
50 – 54	61	29	90	3,941,348	1,425,454	5,366,802
55 – 59	222	157	379	14,186,626	8,169,835	22,356,461
60 – 64	421	354	775	22,238,124	16,257,790	38,495,914
65 – 69	501	510	1,011	22,336,117	20,721,916	43,058,033
70 & Over	<u>1,331</u>	<u>1,803</u>	<u>3,134</u>	<u>53,298,413</u>	<u>60,906,913</u>	<u>114,205,327</u>
Total	2,539	2,853	5,392	\$ 116,000,628	\$ 107,481,909	\$ 223,482,537

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

** Annual benefits shown do not include ad hoc COLAs or Supplemental Annuity Payments.

Age	ANNUAL BENEFIT LEVEL									Total
	<\$5k	\$5-10k	\$10-15k	\$15-20k	\$20-25k	\$25-30k	\$30-40k	\$40-50k	\$50k+	
Under 40	-	-	-	-	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-	-	-	-	-
45 – 49	-	-	-	-	-	-	-	1	2	3
50 – 54	-	-	1	2	2	10	12	16	47	90
55 – 59	-	1	7	7	7	25	55	66	211	379
60 – 64	7	5	16	32	44	57	140	149	325	775
65 – 69	3	27	37	50	81	107	221	187	298	1,011
70 – 74	3	21	40	53	96	153	316	224	238	1,144
75 – 79	-	7	28	50	122	140	269	180	151	947
80 – 84	-	5	26	46	79	79	155	80	84	554
85 – 89	-	-	33	44	50	41	78	31	35	312
90 & Over	-	<u>1</u>	<u>27</u>	<u>37</u>	<u>28</u>	<u>26</u>	<u>27</u>	<u>12</u>	<u>19</u>	<u>177</u>
Total	13	67	215	321	509	638	1,273	946	1,410	5,392

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Disabled Retirees

Age	COUNT			ANNUAL BENEFITS**		
	Males	Females	Total	Males	Females	Total
Under 25	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	-	1	1	-	*	*
35 – 39	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-
45 – 49	-	-	-	-	-	-
50 – 54	4	3	7	*	*	*
55 – 59	7	8	15	*	*	*
60 – 64	10	7	17	*	*	*
65 – 69	13	8	21	*	*	-
70 & Over	<u>31</u>	<u>47</u>	<u>78</u>	<u>\$ 806,260</u>	<u>\$ 1,001,887</u>	<u>\$ 1,808,147</u>
Total	65	74	139	\$ 806,260	\$ 1,001,887	\$ 1,808,147

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

** Annual benefits shown do not include ad hoc COLAs or Supplemental Annuity Payments.

Age	ANNUAL BENEFIT LEVEL									Total
	<\$5k	\$5-10k	\$10-15k	\$15-20k	\$20-25k	\$25-30k	\$30-40k	\$40-50k	\$50k+	
Under 40	-	-	-	-	1	-	-	-	-	1
40 – 44	-	-	-	-	-	-	-	-	-	-
45 – 49	-	-	-	-	-	-	-	-	-	-
50 – 54	-	-	-	4	-	-	-	3	-	7
55 – 59	-	-	1	3	5	1	3	2	-	15
60 – 64	-	-	1	2	4	6	2	1	1	17
65 – 69	-	-	-	8	4	3	5	-	1	21
70 – 74	-	-	3	8	6	6	5	1	-	29
75 – 79	-	-	2	4	6	9	2	1	-	24
80 – 84	-	-	1	10	5	-	2	-	-	18
85 – 89	-	-	1	1	2	1	1	-	-	6
90 & Over	-	-	<u>1</u>	-	-	-	-	-	-	<u>1</u>
Total	-	-	10	40	33	26	20	8	2	139

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Surviving Spouses, QDRO and Child Pensioners

Age	COUNT			ANNUAL BENEFITS**		
	Males	Females	Total	Males	Females	Total
Under 20	43	44	87	\$ 123,840	\$ 126,720	\$ 250,560
20 – 24	11	12	23	*	*	-
25 – 29	3	2	5	*	*	-
30 – 34	3	4	7	*	*	-
35 – 39	1	5	6	*	*	-
40 – 44	3	11	14	*	*	-
45 – 49	12	29	41	*	375,343	375,343
50 – 54	12	50	62	*	912,067	912,067
55 – 59	15	94	109	*	1,819,641	1,819,641
60 – 64	13	136	149	*	2,610,634	2,610,634
65 – 69	37	233	270	689,369	4,944,414	5,633,782
70 & Over	<u>236</u>	<u>984</u>	<u>1,220</u>	<u>4,365,624</u>	<u>19,834,357</u>	<u>24,199,981</u>
Total	389	1,604	1,993	\$ 5,178,833	\$ 30,623,176	\$ 35,802,008

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

** Annual benefits shown do not include ad hoc COLAs or Supplemental Annuity Payments.

*** Payees receiving benefits under Qualified Domestic Relations Orders (QDROs) are included with surviving spouses.

Age	ANNUAL BENEFIT LEVEL									Total
	<\$5k	\$5-10k	\$10-15k	\$15-20k	\$20-25k	\$25-30k	\$30-40k	\$40-50k	\$50k+	
Under 40	124	-	1	1	-	-	1	-	1	128
40 – 44	6	1	2	2	-	2	-	1	-	14
45 – 49	18	1	10	5	4	2	1	-	-	41
50 – 54	13	3	14	6	8	11	5	2	-	62
55 – 59	8	4	27	35	14	8	7	5	1	109
60 – 64	5	13	40	31	24	14	18	3	1	149
65 – 69	6	4	60	72	59	37	22	7	3	270
70 – 74	1	11	81	91	60	40	40	10	5	339
75 – 79	1	14	90	83	64	32	33	4	2	323
80 – 84	-	6	73	85	47	17	22	5	4	259
85 – 89	1	12	52	63	29	15	12	4	-	188
90 & Over	-	<u>4</u>	<u>43</u>	<u>35</u>	<u>14</u>	<u>7</u>	<u>7</u>	-	<u>1</u>	<u>111</u>
Total	183	73	493	509	323	185	168	41	18	1,993

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Inactive and Terminated Members Who are Assumed Not to Withdraw Contributions

Age	COUNT			ANNUAL BENEFITS		
	Males	Females	Total	Males	Females	Total
Under 25	-	-	-	-	-	-
25 – 29	-	-	-	-	-	-
30 – 34	-	-	-	-	-	-
35 – 39	-	-	-	-	-	-
40 – 44	-	-	-	-	-	-
45 – 49	1	-	1	*	-	-
50 – 54	6	5	11	*	*	-
55 – 59	10	10	20	*	*	-
60 – 64	6	5	11	*	*	-
65 – 69	6	5	11	*	*	-
70 & Over	<u>13</u>	<u>5</u>	<u>18</u>	*	*	-
Total	42	30	72	-	-	-

* Not shown if fewer than 20 members. The totals only sum the cells that are displayed.

APPENDIX D. RISK DISCLOSURE

The purpose of this appendix is to identify, assess, and provide illustrations of risks that are significant to the Plan, and in some cases to the Plan's participants. Historical data is included.

The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the Plan, or of the Plan's participants.

In addition, as plans mature they accumulate larger pools of assets and liabilities. This increases the potential risk to plan funding and the finances of those who are responsible for plan funding. As an example, it is more difficult for a plan sponsor to deal with the effects of a 10% investment loss on a plan with \$1 billion in assets and liabilities than if the same plan sponsor is responsible for a 10% investment loss on a plan with \$1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the Plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) addresses these issues by providing actuaries with guidance for assessing and disclosing the risk associated with measuring pension liabilities and the determination of pension plan contributions. Specifically, it directs the actuary to:

- Identify risks that may be significant to the Plan.
- Assess the risks identified as significant to the Plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the Plan's risks.

ASOP 51 states that if in the actuary's professional judgment, a more detailed assessment would be significantly beneficial in helping the individuals responsible for the Plan to understand the risks identified by the actuary, then the actuary should recommend that such an assessment be performed.

This appendix uses the framework of ASOP 51 to communicate important information about significant risks to the Plan. Relevant historical plan data information is contained in other sections of this report.

Investment Risk

Definition: The potential that investment returns will be different than expected.

Identification: To the extent that actual investment returns differ from the assumed investment return, the Plan's future assets, funding contributions, and funded status may differ significantly from those presented in this valuation.

Assessment: If the prior year's investment performance had been 150 basis points less than the 7.0% investment return assumption, it would have resulted in assets on a market value basis approximately \$35.9 million lower than expected. The asset loss would be recognized in the actuarial value of assets as a \$12.0 million loss in each of the next three years. A \$12.0 million decrease in actuarial value of assets would increase the contribution rate by 0.16% (from 28.14% to 28.30% in this valuation).

Interest Rate Risk

Definition: The potential that interest rates will be different than expected.

Identification: The pension liabilities reported herein have been calculated by computing the present value of expected future benefit payments using the interest rate(s) described in Appendix B. If interest rates in future valuations differ from this valuation, future pension liabilities, funding contributions, and funded status may differ significantly from those presented in this valuation. As a general rule, using a higher interest rate to compute the present value of future benefit payments will result in a lower pension liability, and vice versa.

Assessment: If the interest rate changes by 1%, the estimated change in pension liability is approximately 9.3%.

Demographic Risks

Definition: The potential that mortality or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that participants will follow patterns of demographic experience (e.g., mortality, withdrawal, disability, retirement, form of payment election, etc.) as described in Appendix B. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, funding contributions, and funded status may differ significantly from those presented in this valuation. Note that we periodically perform an actuarial experience study of the Plan and provide recommendations for revisions where appropriate. An experience study has been performed for the period October 1, 2015 to September 30, 2020, and the recommendations from that study were first reflected in the actuarial valuation as of September 30, 2022.

Retirement Risk

Definition: The potential for participants to retire and receive subsidized benefits more valuable than expected.

Identification: The Old DB Plan has valuable early retirement benefits. For example, for an employee who originally became a member of the Fund prior to October 1, 1981, the benefit is unreduced at 25 years of service (regardless of age). If the participant has reached 20 years of service, the benefit is reduced at 3% per year below age 60. For employees who became members of the Fund after October 1, 1981, the early retirement benefits are also subsidized but not as subsidized as for those prior to October 1, 1981. Since the Old DB Plan is closed to new members, this risk diminishes as the population matures.

Duration Risk

Definition: Duration is a measure of the weighted average time until the plan's benefits are expected to be paid. It is an indicator of sensitivity to changes in interest rates: the higher the plan's duration, the more sensitive a plan's obligations are to changes in interest rates. Duration typically decreases as a plan matures and retiree liabilities exceed liabilities for active members.

Identification: The combined duration for the Old DB Plan and the DB 1.75 plan is approximately 9.3 years, which implies that plan liabilities would be expected to increase about 9.3% in response to a 1% decrease in interest rate.

Amortization/Funding Period

Definition: The Unfunded Actuarial Accrued Liability (UAAL) is the portion of the liability that has not yet been funded (equals liabilities minus assets). This amount is amortized over a specific period of time and is included in the determination of the contributions that are required each year.

Identification: The plan currently has a UAAL of \$1,137 million, which is approximately 32% of the total liabilities. This amount is currently amortized over 7.58 years which produces a contribution requirement for this component of \$178.0 million, which represents approximately 86% of the total of DB and DC contributions required for this year (\$205.8 million).

Assessment: Based on the statutorily-defined funding policy that specifies all UAL will be paid in full by May 2033, the employer contribution rate is projected to drop substantially in 2034. The employer contribution rate will also become more and more volatile as the amortization period (remaining years until May 2033) is reduced. For example, in the actuarial valuation as of September 30, 2032, any investment gains or losses for the prior year will be amortized in less than 1 year. **As we did in the 2015-2020 experience study, we continue to recommend a change in the amortization method be adopted to reduce the future volatility in the employer contribution rate and smooth the projected decline in the employer contribution rate.**

Low-Default-Risk Obligation Measure (LDRM)

Effective for measurement dates February 15, 2023 or later, Actuarial Standard of Practice 4 (ASOP 4) states that when performing a funding valuation, the actuary should calculate and disclose a low-default-risk obligation measure (LDRM) of the benefits earned or accrued under the actuarial cost method used as of the measurement date. The actuary should select a discount rate derived from low-default-risk fixed income securities. We have used the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The index is a 20-year high quality AA municipal bond rate and, based on Section 3.11.c. of ASOP 4, we believe this index meets the requirements for a discount rate for the LDRM. The index was 4.90% as of September 30, 2025.

This required disclosure shows significantly higher plan liabilities and a lower funded ratio than under the funding valuation assumption, as shown in the following chart. It provides the participating employers and other interested parties with additional funding metrics of the Plan for informational purposes, but does not impact the funding of the Plan which is based on the valuation assumptions.

	Bond Buyer Index*	Plan's Current Assumption
Interest Rate	4.90%	7.00%
Accrued Liability on September 30, 2025	\$4.43 billion**	\$3.60 billion
Funded Ratio on September 30, 2025 (Actuarial Value of Assets)	56%	68%

* This would be considered a "low-default-risk obligation measure (LDROM)" using the language of ASOP 4.

** Calculated using the same actuarial assumptions and methods that were used for this valuation, except for the interest rate.

GGRF's investment policy and strategy is complex, and its target asset allocation reflects a balance of risk and return. The expected return based on GGRF's target allocation, and consequently the investment return assumption, is significantly higher than the discount rate based on the Bond Buyer Index. Investing in asset classes with a low default risk would be expected to reduce future investment returns and therefore increase future contributions needed and lower the current Funded Ratio. However, the lower investment risk levels would be expected to result in lower year-to-year volatility in the contribution rate, and a portfolio with a lower default risk might provide more benefit security for members if the associated liabilities are adequately funded. Conversely, investing in asset classes with higher expected returns and volatility would be expected to decrease future contributions and increase the current Funded Ratio, but it would increase the year-to-year volatility of the contribution rate and could provide less benefit security for members. A change away from the current return-seeking-with-reasonable-risk investment strategy is not being considered by GGRF.

This work product was prepared solely for the Government of Guam Retirement Fund for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing this Milliman work product.

APPENDIX E. GLOSSARY OF KEY TERMS

Actuarial Accrued Liability or Total Pension Liability. The Present Value of Future Benefits allocated to past service in accordance with the actuarial cost method. GASB 67 uses the term Total Pension Liability.

Actuarial Cost Method. A method of allocating the present value of benefits to past and future periods. Actuarial cost methods take into consideration the effect of wage inflation.

Actuarial Gains and Losses. Changes to the Actuarial Accrued Liability due to deviations from the actuarial assumptions. These can include gains and losses from investments, employee turnover, disability, retirement, mortality, and administrative expenses.

Actuarial Value of Assets. A method of valuing Fund assets that may smooth gains and losses that occur in the market value over a period of time.

GASB. Government Accounting Standards Board. GASB Statements No. 67, and 68 are accounting standards issued by GASB that require certain items be disclosed in the Fund's financial statements.

Fiduciary Net Position. The market value of Fund assets.

Net Pension Liability. The dollar value of the Total Pension Liability that exceeds the market value of Fund assets. A fully funded plan will have no Net Pension Liability.

Normal Cost or Service Cost. The value of benefits earned for one year of service. The normal cost is calculated in accordance with the actuarial cost method. The accumulation of all normal costs assigned to past service equals the Actuarial Accrued Liability. GASB 68 uses the term Service Cost.

Present Value of Benefits. The sum of all benefits expected to be paid in the future by the retirement system, with the payments discounted to the present using the valuation interest rate. This includes benefits to be earned in the future for current employees.

Present Value of Future Normal Cost. The sum of all future normal costs expected for current employees, with the costs discounted back to the present using the valuation interest rate.

Security Ratio. The percentage of the Actuarial Accrued Liability that is funded by the Fund assets. A fully funded plan will have a security ratio of 100%.

Unfunded Actuarial Accrued Liability. The dollar value of the Actuarial Accrued Liability that exceeds the Actuarial Value of Assets. A fully funded plan will have no unfunded actuarial accrued liability.