

Government of Guam Retirement Plans Request for Proposal GGRF-002-22

Appendix A: Plan Specifications

August 1, 2022

Government of Guam Retirement Fund Plans

The Government of Guam Retirement Fund (“GGRF”) currently provides retirement benefits to its employees through the Government of Guam Defined Contribution Retirement System Plan (“DCRS Plan” or “401(a) Plan”) and the Government of Guam 457(b) Deferred Compensation Plan (“457(b) Plan”).

Please note that the information provided below is a summary intended to describe the Plans at a high level. RFP respondents are encouraged to review the Plans’ *Summary Plan Description* for additional details.

Summary of Plan Provisions

Plan Features	Defined Contribution Retirement Plan	Deferred Compensation Plan
Type of Plan	401(a)	Governmental 457(b)
Plan Document	Custom Plan Document	Custom Plan Document
Plan Year	October 1 – September 30	January 1 – December 31
Eligible Employees	<p>All employees of the Government of Guam who were employed after 10/1/1995 and/or have:</p> <ol style="list-style-type: none"> 1. Never participated in the Government of Guam Defined Benefit Plan; 2. Participated in the Defined Benefit Plan and have refunded contributions in the Defined Benefit Plan; or 3. Voluntarily transferred from the Defined Benefit Plan to the Defined Contribution Plan and are required to participate in the Government of Guam Defined Contribution Retirement System 401(a) Plan. 	<p>All current employees of the Government of Guam participating in either the Defined Benefit, Defined Benefit 1.75 (mandatory participation) or Defined Contribution 401(a) Plan</p> <p>Excluded employees:</p> <ul style="list-style-type: none"> • Paid by commission only • Leased employees • Compensated on a fee basis • Independent contractors • In a Senior Citizens Community Employment program • Covered by a collective bargaining agreement that does not specifically provide for participation in the plan
Entry Date and Service Requirements	Immediate	First day of the calendar month coinciding with or first following an employee’s date of hire
Compensation for Contribution Purposes	Base salary	W-2 income plus deductions to IRC §125, 132(f), 401(k), 403(b) or 457(b) arrangements
Employee Contributions: Pre-tax	Mandatory 6.2% pre-tax deferral	90% of compensation up to the IRC §402(g) limit

Plan Features	Defined Contribution Retirement Plan	Deferred Compensation Plan
Employee Contributions: Roth	Not allowed	Allowed
Catch-up	N/A	Age 50 catch-up allowed and "Special" three calendar year catch up allowed
Employee Contributions: After-tax	Not allowed	Not allowed
Rollover Contributions	Allowed	Allowed
Matching Contributions	100% of required 6.2% required contribution	N/A
Employer Contributions: Other	N/A	N/A
Number of money sources with balances	9	7
Vesting	Five year cliff vesting	100% immediate vesting
Auto Enrollment	Mandatory 6.2%	3%
Automatic Escalation	N/A	N/A
Roth In-plan Conversion	N/A	Allowed
Service Crediting Method	1,000 hours of service in a Plan Year	N/A
Loan Provisions	Not allowed	Minimum amount: \$1,000 Maximum amount: Lesser of 50% of vested account or \$50,000 (may be reduced by loans taken in previous years and loans in other Retirement Plans) Loan term: Up to 5 years, or 10 years for purchase of primary residence
Hardship Withdrawal	Allowed for the following reasons: <ul style="list-style-type: none"> • Medical expenses for you, your spouse, or your dependents • Payments to prevent eviction or foreclosure on your principal residence • Burial or funeral expenses for your deceased parent, spouse, or dependent 	Allowed for the following reasons under an unforeseeable emergency <ul style="list-style-type: none"> • Sudden and unexpected illness or accident of the Participant, Participant Beneficiary or Participant's or Beneficiary's Spouse or dependent • Loss of the Participant's or Beneficiary's property or due to casualty • Pay for funeral expenses of the Participant's or Beneficiary's spouse or dependent

Plan Features	Defined Contribution Retirement Plan	Deferred Compensation Plan
		<ul style="list-style-type: none"> • Or any other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Participant's or Beneficiary's control
Voluntary In-Service Distribution of De Minimis Accounts	Not Allowed	<ul style="list-style-type: none"> • Total amount payable to the Participant under the Plan excluding Rollover Contributions does not exceed an amount specified from time to time by the Plan Administrator and not in excess of \$5,000 • The Participant has not previously received an in-service distribution of the total amount payable to the Participant under the plan • No amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution
Automatic Cash-Out Threshold	Not Allowed	Not Allowed
Distributions	<ul style="list-style-type: none"> • Lump sum – Single payment of the entire account balance in cash or as a rollover • Installment – Annual installment payments over a specified period • Annuity contract – Annuity contract purchase in the form as may be allowed by the Board 	<ul style="list-style-type: none"> • Lump sum – Single payment of the entire account balance in cash or as a rollover • Installment – Installment payments for a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the payee • Partial lump sum – Lump sum payment of a designated amount, with the balance payable installment payments for a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the payee • Annuity payments – Payable on a monthly, quarterly or annual basis) for the lifetime of the payee or for the lifetimes of the payee and Beneficiary. • Other forms of Installment payments as may be approved by the Employer

Plan Features	Defined Contribution Retirement Plan	Deferred Compensation Plan
		<ul style="list-style-type: none"> <li data-bbox="1444 245 2045 391">• A retired public safety officer may elect to have distributions made directly to an insurer to pay qualified health insurance premiums for coverage for the eligible retired public safety officer, their spouse and dependents
QDIA	State Street Target Retirement Funds	

Payroll/System Information

Plan Features	Defined Contribution Retirement Plan	Deferred Compensation Plan
Payroll files sent to recordkeeper in 2021 plan year	952 (17 locations sending bi-weekly files) files are first sent to GGRF for validation before being forwarded to the recordkeeper	952 (17 locations sending biweekly files)
Files with indicative data sent in 2021 plan year	N/A	Bi-weekly
Feedback files sent to GGRF during 2021 plan year	Bi-weekly	
How many locations submit payroll information?	17 payroll centers feed into GGRF and then GGRF sends to recordkeeper	
Payroll items that require a special “work-around”	Some payroll centers send data in a non-conforming format requiring extra GGRF/Empower coordination	

Participation Data

Data as of March 31, 2022	Defined Contribution Retirement Plan	Deferred Compensation Plan
Eligible employees	16,451	8,146
Participating employees	N/A – Mandatory Contribution Plan	6,287
Active participant with account balance	13,031	7,040
Active employee account balance	\$428,454,209	\$114,952,565
Terminated participants with vested balance	2,063	660
Terminated participant account balance	\$48,354,230	\$13,830,536
Number of Participants with a Self-directed Account Balance	N/A	N/A
Account Balance for Self-directed Accounts	N/A	N/A
Participation rate	N/A - Mandatory Contribution Plan	77%

Asset Information

Data as of March 31, 2022	Defined Contribution Retirement Plan	Deferred Compensation Plan
Total plan assets (excluding loans)	\$476,808,439	\$128,783,101
Assets invested in loan fund	N/A	\$4,001,586
Assets invested in self-directed brokerage accounts	N/A	N/A
Assets invested in managed accounts (included in total assets)	\$326,817,830	\$76,863,670

Annual Cash Flow – 2021 Plan Year

Descriptions	Defined Contribution Retirement Plan	Deferred Compensation Plan
Employer Contributions	\$18,063,980	\$0
Employee Contributions (6.2% mandated Pre-tax contributions for Defined Contribution Retirement Plan)	\$17,975,373	\$12,308,246
Employee Rollovers	\$437,370	\$376,845
Loan Repayments (principal and interest)	N/A	\$1,686,402
Total Inflow for 2021 Plan Year	\$36,476,723	\$14,371,493
Distributions and Withdrawals (including Hardships)	\$22,567,000	\$6,377,278
Installment Distributions	\$1,622,258	\$292,716
Required Minimum Distributions (RMD)	\$585,624	\$66,151
New Loans	N/A	\$2,687,854
Total Outflow for 2021 Plan Year	\$24,774,882	\$9,423,999
Net Cash Flow for 2021 Plan Year	\$11,701,841	\$4,947,494

Transaction Information – 2021 Plan Year

Number of Transactions	Defined Contribution Retirement Plan	Deferred Compensation Plan
New Enrollments	1,249	713
Rollover Contributions Into Plan	9	9
Hardship Withdrawal Approvals	8	N/A
Hardship Withdrawals Processed	8	N/A
Unforeseen financial emergency withdrawal approvals	N/A	4
Unforeseen financial emergency withdrawals	N/A	N/A
Number of outstanding loans (from participant account balance)	N/A	226
New Loans	N/A	323
Installment Distributions	126	25
Partial Distributions	115	314
Final Lump Sum Distributions (Full Payouts)	618	338
Annuity Payments	0	0
Required Minimum Distributions (RMD)	54	19
DROs Approved	1	0
QDROs Processed	1	0
# of employees who have elected to receive information electronically	6,924	5,644
# of employees who have elected to receive regulatory notices/disclosures electronically	1,731	1,411
Website (unique users)	2,040	1,248
Phone (Call center only)	1,730	538
Number of on-site individual meetings	547	

Plan Participant Mailings

401(a) Plan Participant Mailings					
Communication Materials	Prepared by Empower Retirement? (Yes/No)	Distributed by Empower Retirement? (Yes/No)	# of hard copy mailings in 2021 plan year	% of mailings that are sent hard copy	Explain if any notices are combined in one mailing
Initial Enrollment (for new participants)					
Enrollment kits	Yes	Yes	N/A	N/A	Forms are picked-up in our office or emailed
Summary Plan Description and/or plan overview	Yes	Yes	N/A	N/A	Empower prepares and distributes Plan Highlights but does not prepare or distribute the SPD
Other					
Participant statements	Yes	Yes	777	1.10%	Overall delivery totals: 35,015 Hard copy mailings (38%) and 57,133 e-deliveries (62%) of Statements, Confirms, and Notices
Summary Plan Description and/or plan overview	Yes	Yes	N/A	N/A	Empower prepares and distributes Plan Highlights but does not prepare or distribute the SPD
Investment change notices	Yes	Yes	None	100%	Approximately 14,000 hard copy mailings in December 2020 and in January 2022 (none in 2021)

457(b) Plan Participant Mailings

Communication Materials	Prepared by Empower Retirement? (Yes/No)	Distributed by Empower Retirement? (Yes/No)	# of hard copy mailings in 2021 plan year	% of mailings that are sent hard copy	Explain if any notices are combined in one mailing
Initial Enrollment (for new participants)					
Enrollment kits	Yes	Yes	N/A	N/A	Forms are picked-up in our office or emailed
Summary Plan Description and/or plan overview	Yes	Yes	N/A	N/A	Recordkeeper prepares and distributes Plan Highlights but does not prepare or distribute the SPD
Other					
Participant statements	Yes	Yes	463	1.27%	Overall delivery totals: 22,227 Hard copy mailings (37%) and 37,845 e-deliveries (63%) of Statements, Confirms, and Notices
Summary Plan Description and/or plan overview	Yes	Yes	N/A	N/A	Recordkeeper prepares and distributes Plan Highlights but does not prepare or distribute the SPD
Investment change notices	Yes	Yes	None	100%	Approximately 7,000 hard copy mailings in December 2020 and in January 2022 (none in 2021)

Required meeting attendance

Meeting	Meeting Frequency
Board of Trustees meeting	Monthly
Membership and Benefit Committee meeting	Monthly
Investment Committee and Due diligence meeting	Quarterly
Plan Review meeting	Annually