

**Fondon Ritlari: Government of Guam
Retirement Fund Newsletter**

SUPPLEMENTAL BENEFITS



Effective March 2011, the Retirement Fund ("GGRF") began processing and transmitting supplemental benefit payments directly to retirees.

Since most annuitants receive their annuity payments through Electronic Funds Transfer (EFT), the processing of payments by EFT, where applicable, will reduce the Government of Guam Department of Administration's ("DOA") costs for checks, envelopes, and postage.

Payments will be made to eligible annuitants, as usual in a lump sum at the end of each month. ***The payments will be remitted by Electronic Funds Transfer (EFT) to those who receive their annuity through EFT, and by check to those who receive their annuity by check.***

However, since the supplemental benefits are dependent on legislative appropriation :

1. GGRF will process supplement payments only upon receipt of appropriations from DOA.
2. Regular semi-monthly annuities will continue to be paid separately from the supplemental benefit.
3. GGRF will as much as possible remit the supplemental benefit concurrently with the end-of the month annuity payment.

SP206-93 COLA AWARD UPDATE



Pursuant to Public Law 30-239, the Department of Administration, with the assistance of the Retirement Fund, has processed full payment of principal and interest for 852 living Awardees and/or deceased Awardees' surviving spouses, beneficiaries, heirs, or estate personal representatives, in accordance with Public Law 30-101.

Checks were mailed by the Department of Administration on Wednesday, February 16, 2011.

Disbursements were made starting with the COLA Awardee with the lowest initial COLA Award (Award), followed by the next lowest Award. This methodology was repeated until the \$3,000,000 appropriation was exhausted.

The largest initial COLA Award was \$32,856.81. As such, there were ***no payments*** to Awardees whose COLA Awards are greater than \$32,856.81.

As with prior COLA Award and/or Interest disbursements, a payment schedule has not been established. Further payments will be made as funds become available.

FORM 1099-R



Retirees who received semi-monthly benefits in calendar year 2010 should have received by mail, their Form 1099-R from the Retirement Fund.

Form 1099-R provides information on benefits paid and amounts withheld for federal income tax. The Retirement Fund has reported this information to the Department of Revenue and Taxation, for each retiree who is sent a form.

Retirees who have not received a Form 1099-R for their annuity benefits should contact the Retirement Fund at 475-8900.

DEFINED BENEFIT PLAN (DB PLAN) - INVESTMENTS

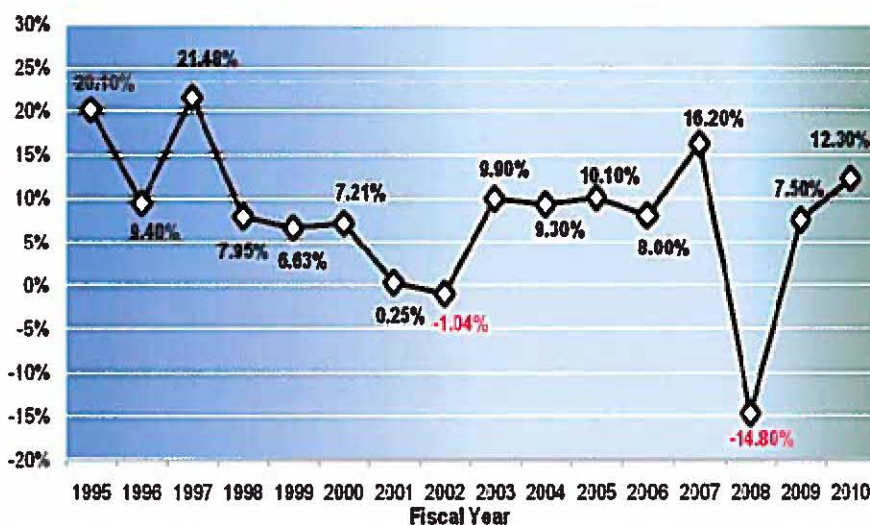
For 2010, the DB Plan investment portfolio posted a positive return of 12.3%. The market value of DB Plan investments increased by \$16.3 million (M), ending the year at \$1.18 billion (B).

In 2010, GGRF outperformed the median of a peer group of other U.S. based public funds and the benchmark index. GGRF ranked in the top 25% of the Public Funds Universe, outperforming 85% of other public funds. The portfolio remains fully diversified within various asset classes.

To ensure a better return under a range of market conditions, while lowering the overall portfolio risk, investments are allocated among various asset classes.

A number of investment managers are utilized allowing the portfolio to achieve broad exposure to the investment markets minimizing overall risk. To mitigate other risks, the GGRF Board, with the guidance of its investment consultant, consistently evaluates the relative performance of each manager, and rebalances the portfolio accordingly.

Annual Rate of Return



During 2010, \$54.3M in investments were liquidated in order to meet benefit payment obligations, compared to \$47M in liquidations in 2009. The \$7.3M increase was due to the utilization of \$8M of the \$21M in bond proceeds (for GMHA and GDOE receivables) to meet benefit payment obligations in the prior year.

DB Plan investments, combined with future earnings and additional member and employer contributions, will be used to pay retirement benefits.

DEFINED CONTRIBUTION PLAN



DC Plan net assets increased by \$34.2M (17.9%) in FY 2010. The plan ended the year with a net appreciation in fair value of investments of \$15M up \$6.1M from 2009's \$8.9 M.

DC Plan investment options include core mutual funds, target date funds, and an actively managed Treasury Inflation-Protected Securities (TIPS Fund). The core mutual funds allow members to create their own portfolios based on the type of investments that best fit their time horizon, risk tolerance, and investment goals.

The GGRF Board recognizes the need for participants to adequately save and plan for generating a reliable stream of retirement income. As such, the Board is still considering alternative plan designs, which may include defined benefit plan features, to enhance the retirement benefits available to DC Plan members.

KEEP YOUR INFORMATION CURRENT



All DB and DC Plan Members - *active, inactive, retirees, and survivors* - are highly encouraged to:

1. Keep their mailing address, contact numbers, marital status, and dependent information current.
2. Update relevant forms periodically, especially following life status changes such as: marriage, divorce, the death of a spouse or dependent, and when your dependent child attains 18 years of age, marries or enrolls/withdraws/re-enrolls, as a full time student.

Life-status changes may affect *your level of coverage* for eligible benefits, and the *costs* related to such coverage.

DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS



**by the Guam Memorial
Hospital Authority**

The Retirement Fund (the "Fund") on November 12, 2010, filed a Petition for Writ of Mandate with the Superior Court of Guam to order the Guam Memorial Hospital Authority ("GMHA") to remit employer and member contributions, plus interest and penalties, to the Defined Benefit (DB) and Defined Contribution (DC) Retirement Plans. GMHA has not remitted employer and member contributions as summarized below:

Pay Period Ending	Defined Benefit Plan			Defined Contribution Plan		Total
	Date Due	Member & Gov't Share	Unfunded Liability	Date Due	Member & Gov't Share	
08/14/2010	09/03/2010		248,355.52			248,355.52
08/28/2010	09/20/2010	164,206.22	247,486.56			411,692.78
09/11/2010	10/01/2010	168,862.62	255,296.64			424,159.26
09/25/2010	10/15/2010	161,491.68	258,197.43			419,689.11
10/09/2010	10/29/2010	158,504.62	256,754.04	10/22/2010	122,032.20	537,290.86
10/23/2010	11/16/2010	163,755.09	270,321.54	11/08/2010	120,573.22	554,649.85
11/06/2010	11/29/2010	163,296.04	280,410.32	11/19/2010	124,293.00	567,999.36
11/20/2010	12/13/2010	169,562.25	287,048.80	12/03/2010	128,079.56	584,690.61
12/04/2010	12/27/2010	164,395.91	289,421.56	12/17/2010	127,559.81	581,377.28
Total Delinquent Contributions:		1,314,074.43	2,393,292.41		622,537.79	4,329,904.63
Interest & Penalties:						93,843.72
TOTAL DELINQUENT CONTRIBUTIONS, INTEREST, & PENALTIES:						4,423,748.35

Not only does GMHA's failure to pay have a negative effect on the Retirement Fund, but also on GMHA and its employees as noted below:

- In accordance with Public Law 28-38, the full remittance of DB and DC employee and employer contributions, including interest and penalties, for the prior and current fiscal years is required before the Fund can accept retirement applications from GMHA employees. Thus, the delinquency prevents eligible GMHA employees from retiring.
- DB contributions not paid within 10 working days after the issuance of the payroll checks are assessed a 1% penalty, in addition to the delinquent contributions and applicable interest.
- The 5% employer and 5% member contributions for pay periods ending 10-09-2010 to 12-04-2010, have not been deposited into the individual DC members' retirement accounts. **Failure to timely deposit the money may result in harm to the member's account. In addition to liability for causing this harm and responsibility to make the account whole, GMHA exposes itself to civil and criminal liability.**
- GMHA employees can seek enforcement assistance through the Guam Department of Labor and through U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division. Civil and Criminal penalties can also be assessed against GMHA.

MEDICARE REIMBURSEMENT

Current Participants

Current participants are reminded to submit **updated** documentation reflecting 1) new premium amounts, or 2) payments for eligible periods that have not been reimbursed.

New Participants

New participants must submit 1) a completed Medicare Reimbursement Application, which is available in our office or on our website at www.ggrf.com, and 2) proof of premium payments.

Participants are eligible for reimbursements *in the fiscal year they first applied, and thereafter.*

Appropriations

Appropriations are remitted from the General Fund to the Retirement Fund on a monthly basis. Reimbursements are contingent on the availability of appropriated funds and are processed in the order in which complete documentation is received. As such, participants are highly encouraged to promptly submit their proof of payment.

Acceptable Forms of "Proof of Payment"

Retirees With Automatic Deduction:

- Form SSA-1099 (for eligible Calendar Year 2010, or prior years, reimbursements).
- The "Your New Benefit Amount" statement showing your premium amount beginning January 2011.
- You may obtain a certification by calling 1-800-772-1213, or accessing the Social Security website at www.socialsecurity.gov. According to the website, you can expect a benefit statement in the mail within ten days. Upon receipt, submit your benefit statement showing your Medicare premium payment amounts, to the Retirement Fund.

Retirees Who Self-Pay:

- Form CMS-500, *Notice of Medicare Premium Payment Due*, which reflects your payment for the previous bill; or
- Cancelled check; or
- Checking or credit card statement.

Participation in GovGuam Insurance Not Required

In accordance with Public Law 30-196, Government of Guam retirees who are domiciled in Guam are eligible to receive a reimbursement of their Medicare Part B premiums. Retirees are not required to participate in the Government of Guam Group Health Insurance Program in order to receive the reimbursement.

DC Plan Orientation

Newly hired, or returning Government of Guam employees, mandated to participate in the Defined Contribution Plan (the "Plan"), have the opportunity to better understand the Plan by attending a mandatory 1-day

orientation. The monthly event provides information on investment options and tips on managing individual member accounts. Orientations are scheduled from 9:00 am to 12:00 noon, on the second floor of the Retirement Fund building in Maite.

Register to attend by calling Great West Retirement Services at 475-8945/8957. Work-site group orientations may be arranged with Great West through your department/agency head or human resources personnel.

For more information regarding the Defined Contribution Plan, contact Great West *or* the Retirement Fund's Members Services Division at 475-8902/8925.

Keep Your Information Current

All DB and DC Plan Members - *active, inactive, retirees, and survivors* - are highly encouraged to keep the following information current: mailing address, contact numbers, marital status, and dependent information.

To ensure death benefits are paid to the beneficiary you choose, members are also encouraged to update their Designation of Beneficiary form. Visit our office or write to us at:



424 Route 8
Maite, Guam 96910

For Forms and the Latest Information

Visit our website at www.ggrf.com

GovGuam Group Health Insurance Open Enrollment September 1 to 27, 2010

The Government of Guam (GovGuam) Group Health Insurance Open Enrollment for Fiscal Year 2011 is scheduled to take place from **September 1 to September 27, 2010**. All retirees, survivors, and active employees are encouraged to attend one of the following orientation sessions for a **full presentation of the benefits, changes, exclusions, and limitations**. Sessions for active employees will also be scheduled with their respective departments and agencies.

DATE	TIME	LOCATION
Saturday, September 11, 2010	10:00 a.m. to 4:00 p.m.	• Micronesia Mall - 1st Floor - Former U2 Fashion Clothing Store (below the former KB Toys location) AND • Agana Shopping Center - 2nd Floor
Saturday, September 18, 2010	10:00 a.m. to 4:00 p.m.	• Micronesia Mall --- Same as Above • Agana Shopping Center --- Same as Above
Saturday, September 25, 2010	10:00 a.m. to 2:00 p.m.	• Agana Shopping Center --- Same as Above

- ☒ **Understand the Benefits**
- ☒ **Know the Rates**
- ☒ **Make an Informed Decision**

FY 2011 brings **significant changes** in the health insurance benefits for GovGuam retirees and active employees. Unless a change of status is completed and submitted during the open enrollment period, current participants will be automatically rolled over to the applicable plan as noted below:

If, in FY 2010, you were enrolled in the:	You will automatically be rolled over to the:
SC 1000 Plan	New SC 1500 Plan
SC 1500 Plan	New SC 1500 Plan
SC 2000 Plan	New HSA 2000 Plan

Retirees may enroll or make changes to their current coverage at the Department of Administration Benefits Branch, the Retirement Fund office, Selectcare, or any of the orientation sites.

ATTENTION**Defined Contribution Plan Members**

The Retirement Fund is conducting a survey -
this is the opportunity to provide **YOUR** input.

WHY: The Retirement Fund Board of Trustees is considering options to enhance the benefits for Defined Contribution (DC) Plan members.

WHAT: A survey to find out what YOU, the member, wants/expects from your retirement plan.

WHERE: Surveys are being conducted by representatives of the Retirement Fund and Great West Retirement Services at the various Government of Guam departments and agencies.

WHEN:

• **Upcoming on-site sessions.**

Department / Agency	Date	Time	Department / Agency	Date	Time
Guam Memorial Hospital Authority	9/14/2010	8:00 a.m. & 3:00 p.m.	DOE at Jose Rios Middle School	9/22/2010	4:15 p.m.
GMH Skilled Nursing Unit	9/15/2010	2:30 p.m.	DOE at Tamuning Elementary	9/23/2010	3:30 p.m.
DOE at Astumbo Middle School	9/17/2010	4:15 p.m.	DOE at Untalan Middle School	9/24/2010	4:15 p.m.
DOE at DOE Conference Room	9/20/2010	11:00 a.m.	Office of the Public Auditor	9/29/2010	To Be Announced
DOE at Southern High School	9/21/2010	4:00 p.m.	Department of Public Works	9/27 & 28/10	To Be Announced

• **On-site surveys were conducted at the following departments and agencies.**

Department / Agency	Department / Agency	Department / Agency	Department / Agency
Agency for HR Development	Chamorro Affairs	Educational Telecom. Corp (KGTF)	Chalan Pago - Ordot
Bureau of Budget & Mgmt Resources	Corrections	Election Commission	Dededo
Bureau of Statistics & Plans	Education at Liguana Elementary	Energy Office	Inarajan
Civil Service Commission	Integrated Svcs for Individ. w/Disabl (DISID)	Environmental Protection Agency	Mangilao
Liheslaturan Guahan	Land Management	International Airport Authority - AARF	Merizo
Judiciary of Guam	Law	Memorial Hospital Authority	Mongmong Toto Maite
Office of the Medical Examiner	Mental Health & Substance Abuse	Public Library	Piti
Port Authority of Guam	Military Affairs	Visitors Bureau	Santa Rita
Public Defender Service Corp.	Public Health & Social Services	Mayor's Council	Sinajana
University of Guam	Revenue & Taxation	Agana Heights	Talofoto
Department of ...	Guam...	Agat	Tamuning Tumon Harmon
Administration	Community College	Asan - Maina	Umatac
Agriculture	Council on the Arts and Humanities	Barrigada	Yigo

• **Additional sessions are forthcoming. If your department/agency is not listed above, please contact your human resources personnel.**

YOU are highly encouraged to participate in this survey that should take about 20 minutes - the impact of which could affect your retirement benefits.

If you did not complete a survey but wish to do so, please visit the Great West Retirement Services office in the Retirement Fund building on September 29, 2010. Three (3) sessions will be conducted as follows:

- 9:00 a.m. to 10:00 a.m.
- 11 a.m. to 12:00 p.m.
- 2:00 p.m. to 3:00 p.m.



Newly hired, or returning Government of Guam employees, mandated to participate in the Defined Contribution (DC) Plan have the opportunity to better understand the DC Plan by attending a mandatory 1-day orientation. The monthly event provides information on investment options and tips on managing individual member accounts.

A minimum of two (2) orientations are scheduled each month, from 9:00 am to 12:00 noon, on the second floor of the Retirement Fund building in Maite.

Scheduled Orientation Dates: • September 16, 2010 • September 30, 2010

On-site seminars are also conducted at the various Government of Guam departments and agencies. For the on-site dates and locations, or to register to attend, call Great West Retirement Services at 475-8945/8957. Work-site group orientations may be arranged with Great West through your department/agency head or human resources personnel.

Keep Your Information Current

All Members - **active, inactive, retirees, and survivors** - are highly encouraged to keep the Fund informed of their current: mailing address, contact numbers, marital status, and dependent information. Members are also encouraged to update their Designation of Beneficiary form. Visit or write to us at 424 Route 8, Maite, Guam 96910.

SP206-93 COLA AWARD UPDATE



In accordance with Public Law 30-101, the Department of Administration, with the assistance of the Retirement Fund, has processed full payment of principal and interest for 1,792 living Awardees and/or deceased awardees' surviving spouses, beneficiaries, heirs, or estate personal representatives. Disbursements were made starting with the COLA Awardee with the lowest initial COLA Award (Award), followed by the next lowest Award. This methodology was repeated until the \$1,456,158 appropriation was exhausted.

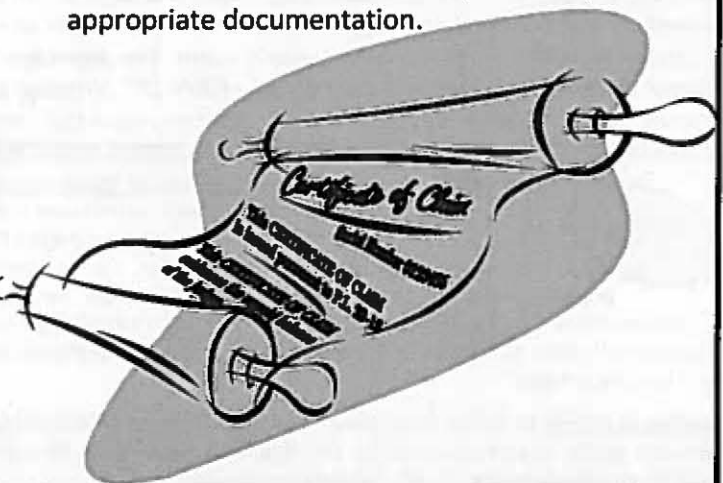
The Department of Administration (DOA) also began issuing Certificates of Claim (Certificates) to living Awardees and deceased awardees' surviving spouses, beneficiaries, heirs, or estate personal representatives **who did not receive full payment of principal and interest**, pursuant to P.L. 30-101. The Certificates indicate (1) the COLA Award principal still outstanding, (2) the rate of interest to be paid, and (3) the amount of accrued interest as of April 30, 2010.

Certificate holders are not required to acknowledge receipt of the Certificate in order to receive payment. If you do not intend to assign/transfer the Certificate to anyone else, hold on to the Certificate until sufficient funding is identified for payment. As with the prior COLA Award disbursements, a payment schedule has not been established. Payments will be made as funds become available.

If you are entitled to more than one Award, you may be entitled to a payment *and* a Certificate. **Each Awardee**, the retiree or survivor who was receiving an annuity during the COLA period, is assigned a COLA Awardee ID number (ID). Therefore, you may receive payment for one ID, and a Certificate for another ID. However, you *should not* receive both a payment and a Certificate for the same ID. The Awardee ID number is reflected on the check stub or the first 5 digits of the account number on the Certificate.

The issuance of Certificates is ongoing. To ensure proper delivery of your Certificate and future payment, *if your mailing address has changed*, please submit a Change of Address to the Retirement Fund at 424 Route 8, Maite, Guam 96910.

The Fund should be notified if an Awardee or deceased awardee's spouse, beneficiary, or heir, passes away. Certificates will be issued, or future payments will be processed, on a case-by-case basis for deceased awardees upon receipt of the appropriate documentation.



KEEPING YOUR RECORDS CURRENT

Defined Benefit and Defined Contribution Plan members are highly encouraged to periodically review forms relative to their benefits as **employees and/or retirees** of the Government of Guam. Updating forms becomes a necessary task, especially following life changes such as:

1. Marriage;
2. Divorce;
3. The death of a spouse or dependant;
4. The birth or adoption of a child (new dependant);
5. When your dependant child:
 - attains 18 years of age,
 - marries, or
 - enrolls/ re-enrolls/ withdraws as a full-time student

Review your forms to ensure the information on file appropriately reflects your current situation, and update the following, if necessary:

1. **Designation of Beneficiary Forms** (participants in both the DB and DC Plans must make and file one valid beneficiary election for each retirement plan):
 - Defined Benefit; and/or
 - Defined Contribution Plan
2. **Government of Guam Group Health Insurance Change of Status Form**
3. **Form W4 Employee's Withholding Allowance Certificate, or Form W4-P Withholding Certificate for Pension or Annuity Payments**
4. **Government of Guam Group Life Insurance Enrollment Form, and/or**
5. **Government of Guam Group Life Insurance Change of Beneficiary Form**

For verification purposes, members must submit appropriate documentation relative to their change in status or to add/ exclude dependants. Acceptable forms of documentation include, but are not limited to, the documents listed below. The Retirement Fund requires submission of the **original Certificate or Court Decree** for validation purposes. If requested, the original document(s) will be returned.

1. Marriage Certificate;
2. Divorce Decree;
3. Birth Certificate or Adoption Decree;
4. School Certification;
5. Death Certificate

DEFINED BENEFIT PLAN - PHYSICIAN'S CERTIFICATION FOR DISABLED CHILD

Upon the death of a Defined Benefit member (a retiree or a member while in service having completed at least three (3) years of total service), the member's surviving disabled child is entitled to a bi-monthly stipend of \$90, provided the child was examined and found to be permanently disabled and incapable of self-support by 2 licensed physicians prior to the child's 18th birthday, or within 1 year of the member's death. ***The physicians' certification may be submitted to the Retirement Fund Board of Trustees at any time prior to the child's 18th birthday, or within 1 year of the member's death.*** The annuity shall continue for his or her lifetime, or until the child loses his or her permanent disability and becomes capable of self-support.

**DC PLAN
ORIENTATION**

Newly hired, or returning Government of Guam employees

mandated to participate in the Defined Contribution Plan (the "Plan"), have the opportunity to better understand the Plan by attending a mandatory 1-day orientation. The monthly event provides information on investment options and tips on managing individual member accounts. Orientations are scheduled on the first Thursday of each month, from 9:00 am to 12:00 noon, on the second floor of the Retirement Fund building in Maite.

Register to attend by calling Great West Retirement Services at 475-8945/8957. Work-site group orientations may be arranged with Great West through your department/agency head or human resources personnel.

CHANGE OF ADDRESS

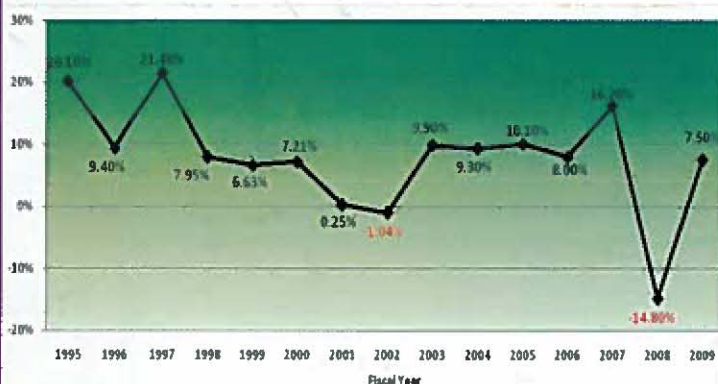
From time to time, we mail items of importance and must be able to reach you. Please keep your address updated by writing to us or completing a Change of Address Form. The form is available in our office at 424 Route 8, Maite, Guam 96910, and our website at www.ggrf.com. A copy of your current government-issued photo-identification is required for verification purposes.

For the latest information, visit our website:
www.ggrf.com

DEFINED BENEFIT PLAN - INVESTMENTS

For 2009, the Defined Benefit Plan investment portfolio posted a positive return of 7.5%, a rebound from the negative 14.8% return in 2008. The market value of DB Plan investments increased by \$38.1 million, ending the year at \$1.16 billion.

Annual Rate of Return



As reflected above, due to the volatility of the financial markets in 2008, GGRF experienced a negative return for the first time in six years.

The Board has taken a proactive approach toward mitigating the impact of market volatility through diversification. The DB Plan investments are well diversified in a strategic asset allocation mix that targets 30% of funds invested in domestic large cap equity, 10% in domestic small cap equity, 12% in international developed markets, 5% in international small cap, 3% in international emerging markets, 30% in fixed income, and 10% of funds in real estate investment trusts. This mix helps to moderate the effects of underperforming investments on total fund performance, and helps to offset potential portfolio losses during times of negative volatility.

In 2009, \$47 million in investments were liquidated to meet DB Plan benefit payment obligations. The Fund will continue to liquidate as contributions are not sufficient to cover monthly benefit payments. The Board recognizes that the Fund cannot rely solely on investment earnings for funding, but also employer and employee contributions.

The Board also continues to work collaboratively with the Guam Legislature to achieve the actuarially determined government contribution rate.

**DEFINED CONTRIBUTION & 457 DEFERRED COMPENSATION PLANS
CHANGES TO INVESTMENT OPTIONS
EFFECTIVE APRIL 14, 2010**



- The BlackRock LifePath Portfolios (Target Date Funds) will be replacing the existing Profile Portfolios (Target Risk Funds) as the default fund for the Government of Guam's Defined Contribution and Deferred Compensation Plan Participants.

The investment objective of target date funds changes over time, with its allocation moving to more conservative investments as the target date approaches. Unlike target date funds, the investment objective of target risk funds remain consistent over time.

- An actively managed Treasury Inflation-Protected Securities (TIPS) fund will also be added to the menu of investment options offered to Defined Contribution and Deferred Compensation Plan Participants.

TIPS provide protection against inflation and pay interest at a fixed rate every six months. Like the principal, interest payments rise with inflation and fall with deflation. At maturity, investors receive the adjusted principal or the original principal, whichever is greater — protecting against both inflation and deflation.



**DEFINED CONTRIBUTION PLAN
INVESTMENTS**

DC Plan net assets increased by approximately \$26.2 million in 2009. The plan ended the year with a net appreciation in fair value of investments of \$8.9 million, up \$40.9 million from 2008's negative \$32 million.

DC Plan participants, upon retirement or termination of employment, are entitled to the balance in their individual account, which is based on employee and employer contributions, plus or minus investment gains or losses. The investment market volatility, particularly in FY 2008, highlighted the vulnerability of the individual member accounts, and raised concern that DC members will not accumulate adequate financial reserves to enable them to maintain a decent standard of living in their retirement years. Accordingly, the Board is considering possible alternative plan designs, which may enhance the retirement benefits available to DC Plan members.

DEFINED CONTRIBUTION PLAN - RETIREMENT BENEFITS

Defined Contribution (DC) Plan members who are age 55 or over with five (5) or more years credited Government of Guam service, may be eligible for retirement under Title 4 Chapter 8 Article 2 §8211(a) of the Guam Code Annotated.

If you meet the above criteria and are considering terminating your employment with the Government of Guam, you are highly encouraged to **obtain pre-retirement counseling** to determine retirement eligibility **prior to terminating your employment**.

In accordance with §8211 (a):

At any time after a member reaches the early retirement age of fifty-five (55) years and has completed five (5) years of employment for vesting purposes, or reaches the normal retirement age of sixty-five (65) years, that person may elect to receive retirement benefits by notifying the Board, or its designee, in writing, of such intention *not less than sixty (60) days* prior to the effective date of retirement.



Benefits available to eligible retirees of the DC Plan include a lump sum payment equal to 50% of the member's unused accumulated sick leave balance at the time of retirement. In accordance with Title 4 Chapter 4 §4108, the lump sum payments are calculated by multiplying the member's hourly rate based on the average of his or her 3 highest salaries received during the years of credited service, by 50% of the member's unused accumulated sick leave hours. The lump sum for unused sick leave shall be paid by the member's agency of employment.

In addition, DC Plan retirees are eligible to participate in the Government of Guam Group Health and Life Plans, and they may be entitled to the annual Cost of Living Allowance (COLA). The COLA benefit, however, is subject to legislative appropriation and availability of funds.

To schedule an appointment to determine your eligibility to retire, please call the Great-West Retirement Services at (671) 475-8945, or visit their office located on the second floor of the Retirement Fund building in Maite.

DC Plan Orientation

Newly hired, or returning Government of Guam employees, mandated to participate in the Defined Contribution Plan (the "Plan"), have the opportunity to better understand the Plan by attending a mandatory 1-day orientation. The monthly event provides information on investment options and tips on managing individual member accounts. Orientations are scheduled from 9:00 am to 12:00 noon, on the second floor of the Retirement Fund building in Maite.

Register to attend by calling Great West Retirement Services at 475-8945/8957. Work-site group orientations may be arranged with Great West through your department/agency head or human resources personnel.



DEFINED BENEFIT PLAN - RETIREES' AUTHORIZED PAYROLL DEDUCTIONS

Payments to third-party vendors for DB retirees' authorized payroll deductions, **may take up to 5 working days after pay day**, to process. Retirees are urged to make advanced payments to avoid becoming overdue or delinquent on their accounts. If your authorized deduction is to an account you intend to withdraw funds from, such funds **may not be immediately available on pay day**.

Retirees may wish to consider changing their third-party deductions, if this service does not adequately address their needs.

KEEP YOUR INFORMATION CURRENT

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To ensure death benefits are paid to the beneficiary you choose, members are also encouraged to update their Designation of Beneficiary form. Visit our office or write to us at:

424 Route 8
Maite, Guam 96910

For Forms and the Latest Information: Visit our website at www.ggrf.com



May peace and joy be with you,
today and always.



MEDICARE REIMBURSEMENT

Participation in GovGuam Insurance Not Required

In accordance with Public Law 30-55, Government of Guam retirees who are domiciled in Guam are eligible to receive a reimbursement of their Medicare Part B premiums. Retirees are not required to participate in the Government of Guam Group Health Insurance Program in order to receive the reimbursement.

Current Participants

Current participants are reminded to submit updated documentation reflecting new premium amounts or payments that have not been reimbursed.

New Participants

New participants must submit 1) a completed Medicare Reimbursement Application, which is available in our office or on our website at www.ggrf.com, and 2) proof of premium payments.

Participants are eligible for reimbursements during the fiscal year for which they have applied, and thereafter.

Appropriations

Appropriations are remitted from the General Fund to the Retirement Fund on a monthly basis. Reimbursements are contingent on the availability of appropriated funds and are processed in the order in which complete documentation is received. As such, participants are highly encouraged to promptly submit their proof of payment.

September 2009 Premiums

Due to the lack of funds appropriated, reimbursements for September 2009 Medicare premiums were not processed. Payment of those premiums and continuation of the Medicare reimbursement program is dependent on legislative appropriation.

REQUIRED DOCUMENTS

Retirees With Automatic Deduction

For retirees whose Medicare premiums are automatically deducted from their social security benefits, Form SSA-1099 will reflect premium amounts for 2009. The "Your New Benefit Amount" statement which you receive at the end of the year will show your premium amount beginning January 2010. You also have the option of obtaining a certification by calling 1-800-772-1213 or from the social security website at www.socialsecurity.gov. According to the website, you can expect a benefit statement in the mail within ten days.

On the social security website:

- Point and click on "Request a Proof of Income Letter".
- Request to receive "All Benefit Information Available".

Retirees Who Self-Pay

For retirees who self-pay their premiums, the following are acceptable forms of proof of payment: 1) Form CMS-500, *Notice of Medicare Premium Payment Due*, which reflects your payment for the previous bill, 2) cancelled check, or 3) checking or credit card statement.



457 DEFERRED COMPENSATION



It's never too early to start saving for retirement. If you are interested in saving and investing **additional** money for retirement, the Government of Guam 457 Deferred Compensation Plan (457 Plan) is an excellent tool. Any member currently contributing to the Defined Benefit Plan or Defined Contribution Retirement System may voluntarily contribute to the 457 Plan.

The 457 Plan is a voluntary plan that allows you to supplement other retirement benefits or savings you may have. Contributions are taken out of your paycheck before taxes are calculated, and divided among the investment options you select. Your contributions and any earnings on contributions are tax deferred until money is withdrawn.

DEFINED CONTRIBUTION & 457 PLAN ONLINE STATEMENTS

Defined Contribution and 457 Plan members can access, view, and print their statements online.

- Log on to www.gwrs.com
- Enter your username and PIN
- Click on the Online File Cabinet
- Review the Online File Cabinet Agreement
- Check the electronic delivery option box
- Provide your email address and click on submit

You will receive an email notification when your statement is ready, and you can link directly from the email to GWRS' secure web site.

For more information about the 457 Plan or Online Statements, call the Great-West Retirement Services at (671) 475-8945, or visit their office located on the second floor of the Retirement Fund building at 424 Route 8, Maite, Guam 96910.



Keep Your Information Current

All DB and DC Plan Members - *active, inactive, retirees, and survivors* - are highly encouraged to keep the following information current: mailing address, contact numbers, marital status, and dependent information.

To ensure death benefits are paid to the beneficiary you choose, members are also encouraged to update their Designation of Beneficiary form. Visit our office or write to us at:

424 Route 8
Maite, Guam 96910



For Forms and the Latest
Information

Visit our website at www.ggrf.com

DC Plan Orientation



Newly hired, or returning Government of Guam employees, mandated to participate in the Defined Contribution Plan (the "Plan"), have the opportunity to better understand the Plan by attending a mandatory 1-day orientation. The monthly event provides information on investment options and tips on managing individual member accounts. Orientations are scheduled from 9:00 am to 12:00 noon, on the second floor of the Retirement Fund building in Maite.

Register to attend by calling Great West Retirement Services at 475-8945/8957. Work-site group orientations may be arranged with Great West through your department/agency head or human resources personnel.

For more information regarding the Defined Contribution Plan, contact Great West *or* the Retirement Fund's Members Services Division at 475-8902/8925.

GovGuam Group Health Insurance Open Enrollment

SEPTEMBER 1 to 25, 2009

The Government of Guam (GovGuam) Group Health Insurance Open Enrollment for Fiscal Year 2010 is scheduled to take place from **September 1 to September 25, 2009**. All retirees, survivors, and active employees are encouraged to attend one of the following orientation sessions for a full presentation of the benefits and changes. Sessions for active employees will also be scheduled with their respective departments and agencies.

DATE	TIME	LOCATION
Saturday, September 12, 2009	10:00 a.m. to 3:30 p.m.	• Micronesia Mall - 1st Floor - Next to Macy's Men's Department (former Expo Hall) OR • Guam Premier Outlet - Next to Best Seller Books (former PC Outlet location)
Saturday, September 19, 2009	10:00 a.m. to 3:30 p.m.	• Micronesia Mall - 1st Floor - Next to Macy's Men's Department (former Expo Hall) OR • Agana Shopping Center, 1st Floor

You may enroll or make changes to your current coverage at the Department of Administration Benefits Branch, the Retirement Fund office, Selectcare, or any of the orientation sites.

Retirement Fund Board of Trustees

Based on elections held on June 27, 2009 for the elected positions of the Retirement Fund Board of Trustees (the "Board"), incumbents Joe T. San Agustin and Wilfred P. Leon Guerrero retained their seats as the retiree representatives. Incumbent George A. Santos will be joined by Wilfred G. Aflague as the active-member representatives of the Board. Trustees Katherine T.E. Taitano, Gerard A. Cruz, and Antolina "Lina" S. Leon Guerrero, serve as the governor-appointed members of the Board. The term of office for Board Members, elected or appointed, is five years from the date the Trustee first takes the oath of office.



Joe T. San Agustin



Wilfred P. Leon Guerrero



George A. Santos



Wilfred G. Aflague



Katherine T.E. Taitano



Gerard A. Cruz



Antolina Leon Guerrero

SP206-93 COLA AWARD UPDATE

The majority of SP206-93 COLA Awardees, their surviving spouses, beneficiaries, heirs, or the appropriate estate, were paid in full on June 22, 2009.

The Retirement Fund (the "Fund") continues to identify the appropriate payees and process payments for the Awards of deceased COLA Awardees. If the Awardee, and the Awardee's spouse if applicable, are deceased, the COLA Award is paid out in the following order:

1. To the beneficiary or beneficiaries named by the Awardee in the Retirement Fund's Designation of Beneficiary form.

2. If there is only one beneficiary and he is deceased, then the Award will be paid to the Awardee's estate or heirs in accordance with Title 4 GCA 8142.2.

3. If there is more than one beneficiary, the applicable percentage will be paid to each living beneficiary and to the deceased beneficiary's estate or heirs in accordance with Title 4 GCA 8142.2.

If you, or someone you know, may be a beneficiary of a deceased Awardee whose Award has not been fully paid, complete and submit to the Fund, a COLA Inquiry Form. The form is available in the Fund's office or on our website at www.ggrf.com.

Department of Administration: COLA Interest Statement of Account

Pursuant to Public Law 29-18, the Department of Administration issued a "Statement of Account" to each COLA class member or their beneficiaries for interest that have accumulated on the unpaid balances of their Award from November 21, 2006 through June 22, 2009.

All inquiries relative to the COLA Interest and/or the Statement of Account, shall be directed to the Department of Administration Director's office at 475-1101 or 475-1250.

Keep Your Information Current

All DB and DC Plan Members - **active, inactive, retirees, and survivors** - are highly encouraged to keep the following information current: mailing address, contact numbers, marital status, and dependent information. To ensure death benefits are paid to the beneficiary you choose, members are also encouraged to update their Designation of Beneficiary form. Visit our office or write to us at:

424 Route 8
Maite, Guam 96910

For the Latest Information
Visit our website at www.ggrf.com

DC Plan Orientation

Newly hired, or returning Government of Guam employees, mandated to participate in the Defined Contribution Plan (the "Plan") have the opportunity to better understand the Plan by attending a mandatory 1-day orientation.

The monthly event provides information on investment options and tips on managing individual member accounts.

Orientations are scheduled from 9:00 am to 12:00 noon, on the second floor of the Retirement Fund building in Maite.

Scheduled Orientation dates are:

September 3, 2009

October 1, 2009

November 5, 2009

December 3, 2009

Departments will be notified of amendments to the schedule, if any. Work-site group orientations may be arranged with Great West Retirement Services through your department/agency head or human resources personnel.

For more information regarding the Defined Contribution Plan, contact the Retirement Fund's Members Services Division at 475-8902/8925, or Great West Retirement Services at 475-8945/8957.

Trustee Elections



Date: Saturday, June 27, 2009

Time: 7:00 a.m. to 5:00 p.m.

Place: University of Guam Fieldhouse

The Guam Election Commission will be conducting elections for the elected offices of the Government of Guam Retirement Fund Board of Trustees (the "Board").

Voters must present current government-issued photo identification which shows the I.D. holder's date of birth.

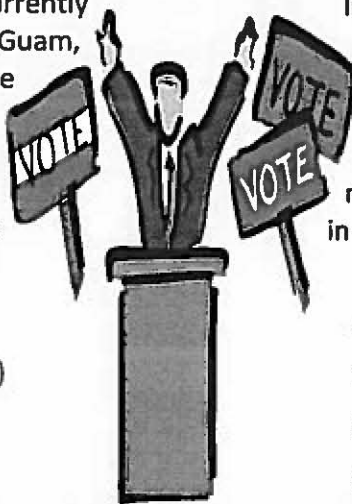
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The elected offices of the Board, 2 retirees and 2 active members, will be elected by the class of members they represent. **The category in which each voter is allowed to vote is based on that person's status six (6) months before the date of the election. Since the election is scheduled for June 27, 2009, your voter status depends on whether you were a retiree or active member as of January 27, 2009.** Therefore, any eligible member who retired on or after January 27, 2009, is required to vote in the active-member category. Should you wish to verify your voter status or eligibility to vote, a list of eligible voters is available for review at the Retirement Fund office and will be available at the voting site.

All retirees, including those who are currently re-employed with the Government of Guam, are eligible to vote for retiree candidates. **Survivor annuitants who are receiving an annuity *only* as a surviving spouse or child of a deceased retiree, are not eligible to vote for the Elected Retiree position.**

Retiree Candidates:

1. Leon Guererro, Wilfred P (Incumbent)
2. San Agustin, Joe T (Incumbent)



Individuals with at least 5 years of government of Guam service who are 1) currently contributing to either the DB or DC plans, or 2) are not currently contributing but have not received a refund of their contributions, may vote in the active-member category.

Active-member Candidates:

1. Aflague, Wilfred G
2. Cruz, Manuel Q
3. Santos, George A (Incumbent)

Your VOTE Counts!

Defined Benefit Plan – Disability Retirement Medical Examination

In accordance with Public Law 29-111, the Retirement Fund Board of Trustees shall require any disability retiree to undergo 2 medical examinations during the first 7 years under disability retirement. Thereafter, the Board may require additional medical examinations at least once every 5 years.



*Public Law 29-111 was passed
into law on August 26, 2008*

No medical examination shall be required after the disability retiree reaches regular retirement age, or when the retiree's years of actual service plus actual years on disability equals the amount of years that would qualify the member to retire as a regular retiree.

COLA AWARD UPDATE

Any person claiming to be an heir, or acting on behalf of an heir, or otherwise claiming to be entitled to distribution of the COLA Award payable to the ESTATE of a deceased COLA Awardee or the ESTATE of an Awardee's deceased Beneficiary, in accordance with 15GCA Section 3101.1(a), may file a claim with the Retirement Fund using the Small Estate Affidavit.

The affidavits apply only to estates 1) of less than \$20,000 in total value, and 2) which have not gone through the probate process.

The Small Estate Affidavit forms and instructions are available at the Retirement Fund office or on the Fund's website at www.ggrf.com.

*We wish everyone peace,
comfort, and joy, during the
holiday season and always...*



Happy Holidays!

Defined Contribution Plan—Survivor Death Benefit



Active employees in the Defined Contribution Plan (the "member"), employed 5 or more years with the Government of Guam, who meet the eligibility requirements, are insured for a Survivor Death Benefit. A death benefit totaling \$40,000 will be paid to the member's designated beneficiary

or beneficiaries. If the member does not complete and submit a "Standard Insurance Beneficiary Form", his or her surviving legal spouse will be the beneficiary under the terms of the policy. The benefit will be paid in accordance with intestate laws, if there is no surviving spouse.

To ensure the benefit is paid to the beneficiary you choose,

complete a designation of beneficiary form at the Great West Retirement Services office located on the 2nd floor of the Retirement Fund building. The form is available on the Fund's website at www.ggrf.com.

Please note, the form must be signed in the presence of an authorized representative.

Frequently Asked Question:

How are sick and annual leave applied toward retirement service credit?

At the date of retirement, all accrued sick and/or annual leave may be converted to service. Every 96 hours of leave is equated to 1 month of service.



Newly hired, or returning Government of Guam employees, mandated to participate in the Defined Contribution Plan (the "Plan") have the opportunity to better understand the Plan by attending a mandatory two-day orientation.

The monthly event provides information on investment options and tips on managing individual member accounts.

Orientations are scheduled from 9:00 am to 12:00 noon, and takes place on the second floor of the Retirement Fund office in Maite.

Scheduled Orientation dates are:

December 10 & 11, 2008

January 7 & 8, 2009

February 4 & 5, 2009

For more information regarding the Defined Contribution Plan, contact the Members Service Division at 475-8902 or 8925, or Great West Retirement Services at 475-8945 / 8957.

PRE-RETIREMENT PLANNING



As the time for your retirement approaches, here are some steps for you to consider in your pre-retirement planning. This is by no means all inclusive but will provide you with the information necessary to make an appropriate decision and assure the accurate and timely receipt of your benefit from the Retirement Fund.

Counseling

Benefits Specialists from the Member Services division are available to conduct individual counseling and provide pertinent information of eligible benefits to members of the Defined Benefit Plan (DB Plan).

To discuss any aspect of your retirement in person, please schedule an appointment by calling 475-8902 or 8925.

Retirement Eligibility

Members who joined the DB Plan prior to October 1, 1981 may retire with:

- 10 years of service at age 60 (55 for uniformed personnel as defined in §8104(p) of 4GCA); or

- 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or
- 25 years of service at any age.

Members who joined the DB Plan on or after October 1, 1981 and prior to August 22, 1984 may retire with:

- 15 years of service at age 60 (age 55 for uniformed personnel); or
- 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or
- 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984 may retire with:

- 15 years of service at age 65 (age 60 for uniformed personnel); or
- 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or
- 30 years of service at any age.

Effective Date of Retirement

Your retirement is effective the day after your last day of employment.

Annuity Payments

Retirement annuities are paid every 15th and last day of the month. You may choose to receive your annuity by a check delivered to your mailing address, or by direct deposit to your bank account.

MEDICARE REIMBURSEMENT

As a reminder to current participants, please submit updated documentation reflecting your new premium amounts beginning January 2009.

Change of Address

It is important that we know where you are, whether your benefit is mailed to you or electronically deposited to your bank account. From time to time, we mail items of importance and must be able to reach you. Please keep your address updated by writing to us or visiting our office at:

424 Route 8
Maite, Guam 96910



For all the latest news,
visit our website at
www.ggrf.com