GL# 34-18-1428
Speaker Benjamin J.F. Cruz

JAN 2 1 2018

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Received By:

GOVERNMENT OF GUAM
RETIREMENT FUND
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Governor

Ray Tenorio
Lieutenant Governor

Paula M. Blas
Director

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Audit & Operations Committee, Chairman

Katherine T.E. Taitano
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Trustee

Albert H. Santos
Trustee

January 19, 2018

PeterJohn D. Camacho
Hospital Administrator, Guam Memorial Hospital Authority
850 Governor Carlos Camacho Road
Tamuning, Guam 96913

Re: Delinquent Contributions – Pay Periods Ending 11-25-2017, 12-09-2017, & 12/23/2017

Dear Mr. Camacho:

As a follow-up to our January 5, 2018 letter (copy enclosed), the Guam Memorial Hospital Authority (GMHA) continues to remain delinquent in the remittance of member, employer, and unfunded liability, contributions for the Defined Benefit (DB) and Defined Contribution (DC) Plans.

Please be advised that at its discretion, the Retirement Fund Board of Trustees ***in accordance with their fiduciary responsibility, may file a Writ of Mandate if payment of the amounts now currently due (as summarized below), are not paid immediately***.

Pay Period Ending	Date Due	DB Plan Member & Govt Share	Unfunded Liability	DC Plan Member & Govt Share	457 Plan Contributions	457 Plan Loans	TOTAL
11/25/2017	12/18/2017	$79,751.66	$7,003.03	$0.00	$0.00	$0.00	$86,754.69
12/09/2017	01/02/2018	107,332.65	368,359.75	0.00	0.00	0.00	475,692.40
12/09/2017	12/22/2017	0.00	0.00	161,366.22	79,180.54	17,411.87	257,958.63
12/23/2017	01/16/2018	99,839.82	366,121.55	0.00	0.00	0.00	465,961.37
12/23/2017	01/08/2018	0.00	0.00	160,368.30	72,863.71	17,324.48	250,556.49
Total Contributions		**$286,924.13**	**$741,484.33**	**$321,734.52**	**$152,044.25**	**$34,736.35**	**$1,536,923.58**
						Plus: Interest & Penalties (See Enclosed):	**13,407.03**
						Total Delinquent Contributions, Interest, & Penalties:	**$1,550,330.61**

So that no further action on our part will be necessary, we shall expect:

1) Immediate remittance of outstanding contributions, plus interest and penalties, and
2) Remittance of current contributions as they become due, noting *Contributions for pay period ending January 6, 2018* are due as follows:
   a. *DC Contributions, on January 22, 2018*; and
   b. *DB Contributions, on January 29, 2018.*

Your immediate remittance of amounts due will promptly resolve this matter. We look forward to receipt of your payment.

2018 JAN 22 PM 1:38

Sincerely,

Paula M. Blas
Director

Enclosures

cc: Governor of Guam
Speaker, 34th Guam Legislature
Attorney General of Guam
Office of the U.S. Department of Labor
1428
Chairman, GMHA Board of Trustees
Chief Financial Officer, GMHA
Chairman, GGRF Board of Trustees

424 Route 8
Maite, Guam 96910
Tel: 671.475.8900
Fax: 671.475.8922
www.ggrf.com

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Trustee

Albert H. Santos
Trustee

January 5, 2018

PeterJohn D. Camacho
Hospital Administrator, Guam Memorial Hospital Authority
850 Governor Carlos Camacho Road
Tamuning, Guam 96913

Re: Delinquent Contributions – Pay Periods Ending 11-25-2017 & 12-09-2017

Dear Mr. Camacho:

The Guam Memorial Hospital Authority ("GMHA") failed to timely remit member, employer, and unfunded liability contributions for the Defined Benefit (DB), Defined Contribution (DC), and 457 Plans.

Please be advised that at its discretion, the Retirement Fund Board of Trustees ***in accordance with their fiduciary responsibility, may file a Writ of Mandate if payment of the amounts now currently due (as summarized below), are not paid immediately.***

Pay Period Ending	Date Due	DB Plan Member & Govt Share	Unfunded Liability	DC Plan Member & Govt Share	457 Plan	TOTAL
11/25/2017	12/18/2017	$104,610.59	$366,397.41	$0.00	$0.00	$471,008.00
12/09/2017	12/22/2017	0.00	0.00	161,366.22	96,592.41	257,958.63
12/09/2017	01/02/2018	107,332.65	368,359.75	0.00	0.00	475,692.40
Total Delinquent Contributions:		**$211,943.24**	**$734,757.16**	**$161,366.22**	**$96,592.41**	**$1,204,659.03**

<u>So that no further action on our part will be necessary, we shall expect</u>:

1) Immediate remittance of outstanding contributions, plus interest and penalties, and
2) Remittance of current contributions as they become due, noting the following:
   a. *DC Contributions for pay period ending December 23, 2017 are due on January 9, 2018; and*
   b. *DB Contributions for pay period ending December 23, 2017 are due on January 17, 2018.*

Not only does GMHA's failure to pay have a negative effect on the Retirement Fund (the "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 current fiscal year is required before the Fund can accept retirement applications from employees of your department. Thus, the delinquency prevents GMHA employees from retiring.

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Fax. 671.475.8922
www.ggrf.com

GMH Unpaid Contributions, Interest and Penalty
As of 01-19-18

DB Member & Gov't Contributions

PPE	Date Due /Begin Accrual	Accrued Date/ Date Paid	# of Days Late	Interest Rate	Unpaid Contributions	Interest Due	Penalty Due	Total Interest and Penalty Due	TOTAL
11/25/2017	12/18/2017	1/15/2018	28	11.88%	104,610.59	953.36	1,046.11	1,999.47	106,610.06
		1/16/2018			(24,858.93)	(953.36)	(1,046.11)	(1,999.47)	(26,858.40)
					79,751.66	0.00	(0.00)	(0.00)	79,751.66
	12/18/2017	1/19/2018	32	11.88%	79,751.66	830.64	0.00	830.64	830.64
12/9/2017	1/2/2018	1/19/2018	17	11.88%	107,332.65	593.89	1,073.33	1,667.21	108,999.86
12/23/2017	1/16/2018	1/19/2018	3	11.88%	99839.82	97.49	998.40	1,095.89	100,935.71
Total DB Member & Gov't Contributions									290,517.87

DB Unfunded Liability

PPE	Date Due	Accrued Date/ Date Paid	# of Days Late	Interest Rate	Unpaid Contributions	Interest Due	Penalty Due	Total Interest and Penalty Due	TOTAL
11/25/2017	12/18/2017	1/15/2018	28	11.88%	366,397.41	3,339.13	3,663.91	7,003.04	373,400.45
		1/16/2018			(359,394.38)	(3,339.13)	(3,663.91)	(7,003.04)	(366,397.42)
					7,003.03	0.00	0.00	0.00	7,003.03
	12/18/2017	1/19/2018	32	11.88%	7,003.03	72.93	0.00	72.93	72.93
12/9/2017	1/2/2018	1/19/2018	17	11.88%	368,359.75	2038.18	3683.54	5721.72	374,081.47
12/23/2017	1/16/2018	1/19/2018	3	11.88%	366,121.55	357.49	3661.16	4018.64	370,140.19
Total DB Unfunded Liability									751,297.62

DC Contributions

PPE	Date Due	Accrued Date/ Date Paid	# of Days Late	Unpaid Contributions	TOTAL
11/25/2017	12/11/2017	12/11/2017	0	0.00	0.00
12/9/2017	12/22/2017	1/19/2018	28	161,366.22	161,366.22
12/23/2017	1/8/2018	1/19/2018	11	160,368.30	160,368.30
Total DC Contributions					321,734.52

Deferred Compensation Contributions & Loan

PPE	Date Due	Accrued Date/ Date Paid	# of Days Late	Unpaid 457 Contributions	Unpaid 457 Loans	TOTAL
11/25/2017	12/11/2017	12/11/2017	0	0.00	0.00	0.00
12/9/2017	12/22/2017	1/19/2018	28	79,180.54	17,411.87	96,592.41
12/23/2017	1/8/2018	1/19/2018	11	72,863.71	17,324.48	90,188.19
Total 457 Contributions & Loan						186,780.60

GRAND TOTAL **$ 1,550,330.60**