GL# 34-18-1924
Speaker Benjamin J.F. Cruz

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Received By:

GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS
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***FAX TRANSMITTAL***
**Board of Trustee's Office**

**TO:** **Speaker Benjamin J.F. Cruz**
**34th Guam Legislature**

**FROM:** **Joe T. San Agustin, Chairman**

**DATE:** **April 2, 2018**

**NO. OF PAGES:** **3 (Including Cover Sheet)**

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GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

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*Trustee*

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*Trustee*

March 29, 2018

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

**Re: Delinquent Contributions – Pay Periods Ending 2-17-2018 & 3-03-2018**

Dear Mr. Camacho:

The Guam Memorial Hospital Authority ("GMHA") failed to timely remit employer and unfunded liability contributions for the Defined Benefit (DB), Defined Benefit 1.75 Plans, and DC Death and Disability Premiums.

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 Govt Share | DB 1.75 Plan Govt Share | Unfunded Liability | DC Death & Disability Insurance | Interest & Penalty (As of 3/30/18) | TOTAL |
|---|---|---|---|---|---|---|---|
| 2/17/2018 | 3/12/2018 | $77,609.55 | $130,546.05 | $246,602.52 | $12,396.89 | $7,860.25 | $475,015.26 |
| 3/3/2018 | 3/23/2018 | 78,287.01 | 130,824.22 | 249,137.30 | 12,489.57 | 5,626.53 | 476,364.63 |
| **Total Contributions:** | | **$155,896.56** | **$261,370.27** | **$495,739.82** | **$24,886.46** | **$13,486.78** | **$951,379.89** |

**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 the following:
   a. *DC Death and Disability Premiums for pay period ending March 17, 2018 are due on March 30, 2018.*
   b. *DB Contributions for pay period ending March 17, 2018 are due on April 6, 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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- 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.

- Failure to timely deposit such contributions 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.

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

Sincerely,

Paula M. Blas
Director

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