Eddie Baza Calvo
Governor

Ray Tenorio
Lieutenant Governor

GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Paula M. Blas
Director

CNF34-18-2096
Speaker Benjamin J.F. Cruz

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Wilfred P. Leon Guerrero,Ed.D.
Vice-Chairman
Investment Committee, Chairman

Antolina S. Leon Guerrero
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Gerard A. Cruz
Treasurer
Audit & Operations Committee, Chairman

Katherine T.E. Taitano
Trustee

David M. O'Brien
Trustee

Albert H. Santos
Trustee

July 17, 2018

JUL 18 2018
Time: 2:00 [ ] AM [ ] PM File No. ____
Received By:

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

Re: Delinquent Contributions – Pay Periods Ending 03-31-18, 04-14-18, 04-28-18, 05-12-18, 05-26-18, 06-09-18, & 06-23-18

Dear Mr. Camacho:

As a follow-up to our June 15, 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***.

PPE	Due Date	DB Member Share	DB Gov't Share	DB1.75 Member Share	DB1.75 Gov't Share	Unfunded Liability	Interest & Penalty (As of 7/17/18)	TOTAL
03/31/18	04/20/18	$ 0.00	$34,507.01	$0.00	$ 0.00	$ 0.00	$367.12	$34,874.13
04/14/18	05/04/18	0.00	73,967.02	0.00	15,526.41	147,185.41	4,143.18	240,822.02
04/28/18	05/18/18	0.00	78,899.11	0.00	125,752.91	245,613.02	13,809.41	464,074.45
05/12/18	06/04/18	0.00	69,883.24	0.00	126,046.98	244,762.67	11,475.13	452,168.02
05/26/18	06/15/18	0.00	72,635.47	0.00	125,341.15	240,943.13	9,633.93	448,553.68
06/09/18	06/29/18	0.00	73,926.49	334.85	126,236.23	242,759.44	7,118.86	450,375.87
06/23/18	07/16/18	25,218.11	73,094.38	43,262.46	125,250.84	237,008.28	5,202.32	509,036.39
TOTAL		$25,218.11	$476,912.72	$43,597.31	$644,154.52	$1,358,271.95	$51,749.95	$2,599,904.56

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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.

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.

- DB, DB1.75, and Unfunded Liability 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.

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

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

Sincerely,

Diana T. Bernardo
Acting Director

Enclosures

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