UFISINAN I MAGA'HÅGA
OFFICE OF THE GOVERNOR

LOURDES A. LEON GUERRERO
MAGA'HÅGA • GOVERNOR

JOSHUA F. TENORIO
SIGUNDO MAGA'LÅHI • LIEUTENANT GOVERNOR

HAND-DELIVERED

February 14, 2020

35 GL-20-1548
Speaker Tina Rose Muña Barnes
FEB 14 2020
Time 3:54 ( )AM (X)PM
Received By: Matt

HONORABLE TINA ROSE MUÑA BARNES, Speaker
I Mina'trentai Singko Na Liheslaturan Guåhan
35th Guam Legislature
Guam Congress Building
163 Chalan Santo Papa
Hagåtña, Guam 96910

2020 FEB 14 PM 3:59

Re: Bill No. 177-35 (COR) – *"An Act to Repeal Section 5 of Public Law 33-186 and Article 6 of Chapter 8, Title 4, Guam Code Annotated, Relative to the Guam Retirement Security Plan (GRSP)"*

Dear Madame Speaker:

Good governance includes a willingness to recognize when programs do not work as well as envisioned. In the case of Bill 177, the Board of Trustees for the Government of Guam Retirement Fund, by promulgating and submitting administrative rules for the Guam Retirement Security Plan ("GRSP"), attempted to implement the full scope of Public Law 33-186. However, given the lack of participation, it has become evident that the cost of managing GRSP would greatly outweigh the benefits to Retirement Fund members, which is not a formula for sustained success. Therefore, I sign this bill, "*An Act to Repeal Section 5 of Public Law 33-186 and Article 6 of Chapter 8, Title 4, Guam Code Annotated, Relative to the Guam Retirement Security Plan*" into law as ***Public Law No. 35-72***.

Senseremente,

JOSHUA F. TENORIO
Åkto Maga'låhen Guahan
Acting Governor of Guam

Enclosure(s): Bill No. 177-35 (COR) *nka Public Law No. 35-72*

cc via email: *Maga'hågan Guåhan*
Compiler of Laws

1548

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2020 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN*

This is to certify that **Bill No. 177-35 (COR), "AN ACT TO *REPEAL* SECTION 5 OF PUBLIC LAW 33-186 AND ARTICLE 6 OF CHAPTER 8, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO THE GUAM RETIREMENT SECURITY PLAN (GRSP),"** was on the 4th day of February 2020, duly and regularly passed.

Tina Rose Muña Barnes
Speaker

Attested:

Amanda L. Shelton
Legislative Secretary

This Act was received by *I Maga'hågan Guåhan* this 4th day of Feb., 2020, at 4:14 o'clock P.M.

Assistant Staff Officer
Maga'håga's Office

APPROVED:

Lourdes A. Leon Guerrero
I Maga'hågan Guåhan

Date: 2-14-20

Public Law No. 35-72

I MINA'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
2019 (FIRST) Regular Session

Bill No. 177-35 (COR)

Introduced by: Tina Rose Muña Barnes
William M. Castro
Régine Biscoe Lee
Kelly Marsh (Taitano), PhD
James C. Moylan
Louise B. Muña
Telena Cruz Nelson
Sabina Flores Perez
Clynton E. Ridgell
Joe S. San Agustin
Amanda L. Shelton
Telo T. Taitague
Jose "Pedo" Terlaje
Therese M. Terlaje
Mary Camacho Torres

AN ACT TO *REPEAL* SECTION 5 OF PUBLIC LAW 33-186 AND ARTICLE 6 OF CHAPTER 8, TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO THE GUAM RETIREMENT SECURITY PLAN (GRSP).

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that Section 5 of Public Law 33-186 described the framework for the creation, approval, and adoption of a Cash Balance Plan to be known as the Guam Retirement Security Plan, stating:

"*No later than March 31, 2017, the Board of Trustees of the Retirement Fund shall create, approve, and adopt a Cash Balance Plan to be known as the Guam*

Retirement Security Plan (GRSP), plan documents, rules, regulations, administrative procedures, and forms that it may deem necessary and appropriate to implement the GRSP pursuant to the Administrative Adjudication Act in accordance with the following provisions..."

I Liheslaturan Guåhan further finds that by GGRF Resolution No. 2017-04 dated February 27, 2017, the Board of Trustees of the Retirement Fund adopted a Guam Retirement Security Plan and Trust Agreement (serving as the GRSP plan document) and conducted a duly noticed public hearing on March 14, 2017; and that on March 30, 2017, the Board of Trustees timely submitted the final GRSP plan document to the Legislature pursuant to the Administrative Adjudication Law; and that the GRSP plan document became effective after it was submitted to the Legislature, pursuant to the Administrative Adjudication Law.

I Liheslaturan Guåhan further finds that the uncodified law known as the Guam Retirement Security Plan created under Public Law 33-186:5 was codified by the Compiler of Laws under the authority of 1 GCA § 1606 in Article 6 of Chapter 8, Title 4, Guam Code Annotated; and that the uncodified provision created under Public Law 33-186:6 was noted in the preamble to Article 6 of Chapter 8, Title 4, Guam Code Annotated.

I Liheslaturan Guåhan further finds that as of the September 30, 2017 deadline for participants in the Defined Contribution Retirement System (DCRS) to elect to transfer to the GRSP effective January 1, 2018, only six (6) participants elected to participate in the GRSP.

I Liheslaturan Guåhan further finds that because only six (6) DCRS participants elected to participate in the GRSP as of the September 30, 2017 election deadline, the Board of Trustees of the Retirement Fund properly determined in GGRF Resolution No. 2017-04 that the level of GRSP assets projected to fund administrative costs and potential benefit obligations could reasonably result in a

shortfall of GRSP assets to cover GRSP liabilities, with no designated funding source.

I Liheslaturan Guåhan further finds that the Board of Trustees of the Retirement Fund properly refrained from implementing the GRSP and properly designated the DCRS as the appropriate default plan for new employees of the government of Guam as of January 1, 2018, as determined in GGRF Resolution No. 2017-05.

I Liheslaturan Guåhan further finds that the GRSP in Article 6 of Chapter 8, Title 4, Guam Code Annotated, should be repealed retroactively to January 1, 2018.

I Liheslaturan Guåhan further finds that it was and is appropriate that the DCRS be the default retirement plan for new employees commencing employment on and after January 1, 2018, until such time as the GRSP is reenacted and can be properly implemented without violating existing law and the Lamorena Order.

Section 2. Section 5 of Public Law 33-186 is hereby *repealed.*

Section 3. Public Law 33-186:5 (September 14, 2016), codified at Article 6 of Chapter 8, Title 4, Guam Code Annotated, is hereby *repealed.*

Section 4. Effective Date. This Act *shall* be effective retroactively to January 1, 2018.

Section 5. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity *shall not* affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.