


MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN  
TWENTY-EIGHTH GUAM LEGISLATURE  
2006 (SECOND) Regular Session

Bill No. 303 (EC)

Introduced by:

A. B. Palacios, Sr. 

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AN ACT TO PLACE THE RESPONSIBILITY FOR THE PAYMENT OF SUPPLEMENTAL ANNUITIES ON THE RESPECTIVE GOVERNMENT AGENCY OR ENTITY BY AMENDING PUBLIC LAW 28-68, CHAPTER III, SECTION 9, PARAGRAPH (e), RELATIVE TO RETIREES' SUPPLEMENTAL ANNUITY BENEFITS AND FOR OTHER COSTS.

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

1        **Section 1. Legislative findings and intent.** "Supplemental annuity" is  
2 a benefit program for government of Guam retirees or their surviving spouse,  
3 intended to supplement their fixed annual income. By supplementing their  
4 fixed annual income, such supplement would bring the total annual income  
5 to an amount that would be received by the retiree had such retiree remain in  
6 active employment.

7        *I Liheslaturan Guåhan* finds that Guam Waterworks Authority (GWA)  
8 imposes and collects from each of the GWA ratepayers, via the monthly

1 billings, a surcharge to pay for the supplemental annuity for only the retirees  
2 who retired from GWA.

3 *I Liheslaturan Guåhan* finds that the blanket imposition of the surcharge  
4 on each and every GWA ratepayer resulted in unfair and unequal treatment  
5 of some of the ratepayers. For example, ratepayers who did not retire from  
6 GWA pay the surcharge, even though the agency from which they retired are  
7 already paying for their supplemental annuity. Ratepayers who did not  
8 retire from government of Guam service at all, and who do not benefit from  
9 the supplemental annuity program are charged the surcharge. And lastly,  
10 retirees of GWA who are not GWA ratepayers, and who do not pay the  
11 surcharge, receive the supplemental annuity benefit. Clearly, the blanket  
12 imposition of the supplemental annuity surcharge on all GWA ratepayers is  
13 improper and unfair. It benefits some without the burden to pay, while it  
14 burdens some without entitlement to the benefit.

15 *I Liheslaturan Guåhan* recognizes that while GWA may have the  
16 delegated authority to implement a reasonable duty on its ratepayers, the  
17 blanket application of the current supplemental annuity surcharge, to pay for  
18 the supplemental annuity of GWA retirees, did not take into consideration  
19 “equity” and fairness in the imposition of the duty. It is therefore the intent  
20 of *I Liheslaturan Guåhan* to correct this inequity by placing the obligation for  
21 the payment of the supplemental annuity, an unfounded liability, on the  
22 agency itself – the Guam Waterworks Authority. It is further the intent of *I*  
23 *Liheslaturan Guåhan* to stop the imposition of the GWA supplemental annuity

1 charges on the ratepayers and to require GWA to pay for the supplemental  
2 annuity benefit to its employees. It is further the intent of *I Liheslaturan*  
3 *Guåhan* to require GWA to refund to the respective ratepayers the surcharges  
4 already collected, by applying “credits” to future billings, such credits not  
5 less than double the average amounts and in the same intervals as when the  
6 surcharges were collected.

7 **Section 2.** Subsection (e) of Section 9, Chapter III, Public Law 28-68, is  
8 hereby amended to read:

9 “(e) For October 1, 2005, to September 30, 2006, the Guam Power  
10 Authority, the A. B. Won Pat International Airport Authority Guam, the  
11 Guam Economic Development and Commerce Authority, the Guam Housing  
12 Corporation, the Government of Guam Retirement Fund, the Jose D. Leon  
13 Guerrero Commercial Port, the Guam Waterworks Authority and the Guam  
14 Visitors Bureau shall remit to the Department of Administration an amount  
15 equal to the number of eligible employees which are retired from each entity  
16 multiplied by the amounts listed in Subsection (a) of this Section. The  
17 remittance shall be due on or before October 10, 2005, and April 15, 2006,  
18 respectively. Once remitted, this amount shall *not* be subject to *I Maga’lahi’s*  
19 transfer authority.

20 (1) No entity mentioned in this paragraph shall, in any manner or  
21 form, impose a duty for the payment of the supplemental annuity on  
22 any retiree, survivor of a retiree or any other person. The payment of  
23 the supplemental annuities shall be borne by the respective entity.

1           (2) Surcharges or any other duty already collected from retirees,  
2 survivors of retirees and any other person for the payment of the  
3 supplemental annuities cited under this Section shall henceforth be  
4 refunded to the persons from whom such surcharges or duties were  
5 collected, in the same manner as when the charges or duties were  
6 collected in an amount not less than double the average amounts, and in  
7 the same intervals as when the charges or duties were collected. In the  
8 case of collections via the monthly billings of ratepayers, refunds shall  
9 be by applying "credits" to future billings. Nothing in this Act  
10 precludes the agency or any entity from refunding the amounts already  
11 collected, in amounts greater than and in intervals shorter than herein  
12 provided.

13           (3) The charges or duties to be refunded in subitem (1) shall apply  
14 only to Fiscal Year 2006 period."