



I Mina' Trentai Dos Na Liheslaturan Guåhan
Resolutions Log Sheet

Resolution No.	Sponsor	Title	Date Intro	Date of Presentation	Date Referred	Committee / Ofc Referred	Date Adopted
379-32 (LS)	Michael F. Q. San Nicolas Judith T. Won Pat, Ed.D.	RELATIVE TO RESPECTFULLY REQUESTING THAT CONGRESSWOMAN MADELEINE Z. BORDALLO INTRODUCE LEGISLATION TO ALLOW GOVERNMENT OF GUAM EMPLOYEES TO BE COVERED UNDER SOCIAL SECURITY.	5/8/14 3:22 p.m.				

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2014 (SECOND) Regular Session

Resolution No. 379-32 (CS)

Introduced by:

M.F.Q. San Nicolas 
Judith T. Won Pat, Ed.D. 

RELATIVE TO RESPECTFULLY REQUESTING THAT
CONGRESSWOMAN MADELEINE Z. BORDALLO
INTRODUCE LEGISLATION TO ALLOW GOVERNMENT
OF GUAM EMPLOYEES TO BE COVERED UNDER SOCIAL
SECURITY.

2014 MAY - 21 10:05 AM 22

1 BE IT RESOLVED BY *I MINA'TRENTAI DOS NA LIHESLATURAN*
2 *GUÅHAN*:

3 WHEREAS, the Social Security Act, passed in the 74th U.S. Congress,
4 was signed into law by President Franklin Delano Roosevelt on August 14,
5 1935; and

6 WHEREAS, the Social Security Act granted money to states to provide
7 unemployment insurance, aid to families with dependent children, public
8 health services, assistance to aged individuals, assistance to the blind,
9 maternal and child welfare, and is most widely known benefits to retirees and
10 survivors; and

11 WHEREAS, the Social Security retirement security program did not
12 originally include any state or local government employees, but currently

1 there are voluntary agreements between states and the Social Security
2 Administration authorized under Section 218 of the Social Security Act which
3 determine which employees in state or local government service are covered
4 or not covered by Social Security; and

5 **WHEREAS**, Guam is specifically excluded from entering into a
6 voluntary agreement for establishing the scope of coverage of employment
7 under the Social Security retirement program with the Social Security
8 Administration by Subsection (b)(1) of Section 218; and

9 **WHEREAS**, the provision of an adequate retirement security program
10 to government of Guam employees ensures that once employees intend to
11 retire, they are able to; and

12 **WHEREAS**, before 1995, all government of Guam employees were
13 enrolled in the Government of Guam Retirement Fund's Defined Benefit Plan;
14 and

15 **WHEREAS**, since 1995, new hires in the government of Guam are
16 enrolled in the defined contribution program, which provides individual
17 accounts similar to private sector 401K retirement accounts and matches
18 mandatory contributions of five percent (5%) of employees' gross pay; and

19 **WHEREAS**, most private sector employees also contribute to and
20 become eligible for the benefits provided under Social Security, but since
21 government of Guam employees do not contribute to Social Security, their
22 retirement income from this source is usually little to none; and

1 **WHEREAS**, since they and their employer do not contribute to Social
2 Security, employees who are eligible only for the government of Guam
3 Defined Contribution Plan do not have a retirement plan that is competitive
4 with that offered to most private sector employees and thus their retirement
5 income may be inadequate to support a good quality of life for our
6 government of Guam retirees; and

7 **WHEREAS**, employees who first entered government service when the
8 Defined Contribution Plan was initially offered are rapidly approaching the
9 age of retirement; and

10 **WHEREAS**, in order to avail themselves of the benefits of both their
11 Defined Contribution Retirement Plan and Social Security, since the minimum
12 period of covered employment to receive basic benefits under Social Security
13 is forty (40) calendar quarters, coverage under Social Security must be made
14 available to them as soon as possible; and

15 **WHEREAS**, employees of the government of Guam who are currently
16 enrolled in the government of Guam Defined Contribution Plan would have a
17 more competitive total compensation package if, in addition to joint
18 contributions with the government of Guam to their retirement plan, they are
19 also contributing to Social Security, which would have cost approximately
20 eighteen million dollars (\$18,000,000) to the government of Guam in fiscal
21 year 2012; and

1 **WHEREAS**, covering employees of the government of Guam who are
2 currently enrolled in the government of Guam Defined Contribution Plan
3 should increase Social Security payments to the pockets of our people by
4 about one hundred seventy-five million dollars (\$175,000,000) annually in
5 twenty-five (25) years with no risk of accumulating any local unfunded
6 liability; now, therefore, be it

7 **RESOLVED**, that *I Mina'Trentai Dos Na Liheslaturan Guåhan*, on behalf of
8 the people of Guam, respectfully requests that Congresswoman Madeleine Z.
9 Bordallo introduce legislation to include all government of Guam employees
10 not enrolled in a government of Guam Defined Benefit Plan to contribute
11 jointly with the government of Guam to Social Security, by allowing the
12 government of Guam to enter into a Section 218 agreement with the Social
13 Security Administration, and to set up a system by which Section 30 revenue,
14 in excess of amounts necessary to service existing debt for which Section 30
15 revenue is pledged, shall be provided to the Social Security Administration to
16 directly and reliably fund the government of Guam's employer contributions
17 on behalf of its employees; and be it further

18 **RESOLVED**, that the Speaker and the Chairperson of the Committee on
19 Rules certify, and the Legislative Secretary attest to, the adoption hereof, and
20 that copies of the same be thereafter transmitted to the Honorable Madeleine
21 Z. Bordallo, Guam Delegate to the United States Congress; and to the
22 Honorable Eddie B. Calvo, *I Maga'lahren Guåhan*.

DULY AND REGULARLY ADOPTED BY *I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN* ON THIS ____ DAY OF _____, 2014.

JUDITH T. WON PAT, Ed.D.

Speaker

TINA ROSE MUNA BARNES

Legislative Secretary