



COMMITTEE ON RULES

I Mina'trentai Dos na Liheslaturan Guåhan • The 32nd Guam Legislature

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March 26, 2013

Memorandum

To: Reanne Meno
Clerk of the Legislature

From: Senator Rory J. Respicio 
Chairperson, Committee on Rules

Subject: Fiscal Notes

Hafa Adai!

Attached please find the fiscal notes for the bill numbers listed below. Please note that the fiscal notes, or waivers, are issued on the bills as introduced.

FISCAL NOTES:

Bill Nos.: 5-32 (LS), 11-32 (COR), 29-32 (COR), 35-32 (COR), 39-32 (COR), 47-32 (COR), 56-32 (COR), and 59-32 (COR)

WAIVERS:

Bill Nos.: 23-32 (COR), 58-32 (COR), and 67-32 (COR)

Please forward the same to MIS for posting on our website. Please contact our office should you have any questions regarding this matter.

Si Yu'os ma'åse'!

2013 MAR 26 AM 11:15
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**BUREAU OF BUDGET & MANAGEMENT RESEARCH**

OFFICE OF THE GOVERNOR

Post Office Box 2950, Hagåtña Guam 96932

EDDIE BAZA CALVO
GOVERNORJOHN A. RIOS
DIRECTORRAY TENORIO
LIEUTENANT GOVERNOR

MAR 25 2013

Senator Rory J. Respicio
Chairperson, Committee on Rules
I Mina'trentai Unu na Liheslaturan Guåhan
The 31st Guam Legislature
155 Hesler Place
Hagåtña, Guam 96932

Hafa Adai Senator Respicio:

Transmitted herewith is Fiscal Note on the following Bill Nos.: 5-32(LS), 11-32(COR), 29-32(COR), 35-32(COR), 39-32(COR), 47-32(LS), 56-32(COR), and 59-32(COR), and Fiscal Note Waiver on the following Bill Nos.: 23-32(COR), 58-32(COR) and 67-32(COR).

If you have any question(s), please do not hesitate to call the office at 475-9412/9106.

A handwritten signature in black ink, appearing to read "John A. Rios".

JOHN A. RIOS
Director

Enclosures

cc: Senator Vicente (ben) Pangelinan

Comments on Bill No. 47-32

The intent of the proposed legislation is to have the Government of Guam Retirement Fund (GGRF) meet the requirements of a tax-qualified government pension plan under Section 401(a) of the United States Internal Revenue Code of 1986.

A review of this bill appears to be all administrative provisions with no specific fiscal impact other than the cost of administering the new program. This cost would be minimal given the infrastructure all ready in place at GGRF. The administering of such a program will lie with GGRF, given the requirement noted in Section 401(a) of the U.S. Internal Revenue Code of 1986.

With respect to the unfunded liability and the amortization schedule now in place and the possible need of extending such schedule in the future, under this proposed addition, Section 8103.1(b) (7) incorporates Section 401(a) (25) of the U.S. Code, which requires that a member's benefit payable by the GGRF is to be determined on the basis of actuarial assumptions and such assumptions must be included in any discussion dealing with membership benefits. Based on this requirement, GGRF, not the Legislature, will have the complete control of the policies affecting the distribution of retirees' benefit payout.

There is no immediate fiscal impact at the onset of the passage this bill. However, there is the opportunity cost of not being able to achieve lower government contribution share cost in the future as the result of complying with requirements of Section 401(a) of the United States Internal Revenue Code of 1986. In spite of this, there is still a need to meet the federal compliance required for a tax-qualified pension plan.

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FACSIMILE INFORMATION PAGE

PLEASE DELIVER TO: Senator Rory Respicio

FACSIMILE NUMBER: 472-3547

FROM: BBMR

Total Pages including this page: 23

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as possible. Phone numbers (671) 475-9412/9450. Fax number (671) 472-2825

RE: Fiscal Note on the following Bill Nos.: 5-32(LS), 11-32(COR), 29-32(COR), 35-32(COR), 39-32(COR), 47-32(LS), 56-32(COR), and 59-32(COR), and Fiscal Note Waiver on the following Bill Nos.: 23-32(COR), 58-32(COR), and 67-32(COR).

COMMENTS: Fiscal Notes to be picked up via Central Files.

Thank You!