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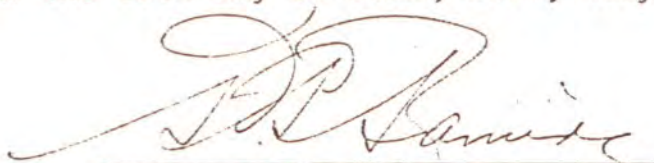
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TWELFTH GUAM LEGISLATURE
1974 (SECOND) Regular Session

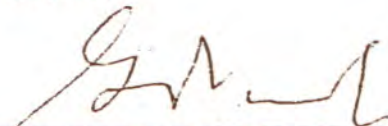
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 532, "An Act to repeal and reenact Section 4203(j) of the Government Code of Guam, changing the definition of 'average annual salary' for retirement benefits; to repeal and reenact Section 4207 of said Code relative to retirement credit for former members of the Armed Forces; to add Section 4207.8 to said Code extending limited retirement credit to former civil service employees; to repeal and reenact Section 4209.1 of said Code relative to giving retirement credit for accumulated leave; to repeal and reenact Subsections (b) and (d) of Section 4211 of said Code to change the method of computing the automatic annual increase in annuities to retirees; to amend Subsection 4212(a) of said Code relative to disability payments; and for other purposes", was on the 20th day of June, 1974, duly and regularly passed.



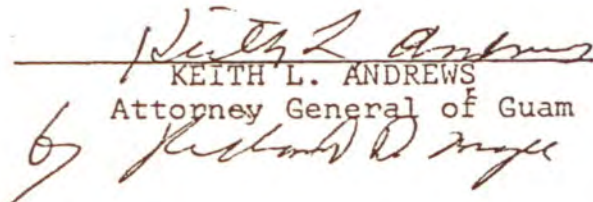
F. T. RAMIREZ
Speaker

ATTESTED:




G. M. BAMBA
Legislative Secretary

This Act was received by the Governor this 25th day
of June, 1974 at 2:10 o'clock PM.



KEITH L. ANDREWS
Attorney General of Guam

APPROVED:


CARLOS S. CAMACHO
Governor of Guam

DATED: 6-28-74
10:06 AM

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TWELFTH GUAM LEGISLATURE
1973 (FIRST) Regular Session

Bill No. 532
Substitute Bill by Committee
on General Governmental
Operations

Introduced by

J. R. Duenas
A. C. Sanchez
W. D. L. Flores
E. S. Terlaje
J. F. Ada
V. D. Ada
G. M. Bamba
P. J. Bordallo
P. M. Calvo
A. L. Cristobal
C. T. C. Gutierrez
F. G. Lujan
A. M. Palomo
F. T. Ramirez
J. M. Rivera
G. R. Salas
F. R. Santos
A. A. Sekt
R. F. Taitano
J. U. Torres
A. C. Ysrael

AN ACT TO REPEAL AND REENACT SECTION 4203(j)
OF THE GOVERNMENT CODE OF GUAM, CHANGING THE
DEFINITION OF "AVERAGE ANNUAL SALARY" FOR RETIRE-
MENT BENEFITS; TO REPEAL AND REENACT SECTION
4207 OF SAID CODE RELATIVE TO RETIREMENT
CREDIT FOR FORMER MEMBERS OF THE ARMED FORCES;
TO ADD SECTION 4207.8 TO SAID CODE EXTENDING
LIMITED RETIREMENT CREDIT TO FORMER CIVIL
SERVICE EMPLOYEES; TO REPEAL AND REENACT
SECTION 4209.1 OF SAID CODE RELATIVE TO GIVING
RETIREMENT CREDIT FOR ACCUMULATED LEAVE; TO
REPEAL AND REENACT SUBSECTIONS (b) AND (d) OF
SECTION 4211 OF SAID CODE TO CHANGE THE METHOD
OF COMPUTING THE AUTOMATIC ANNUAL INCREASE IN
ANNUITIES TO RETIREES; TO AMEND SUBSECTION
4212(a) OF SAID CODE RELATIVE TO DISABILITY
PAYMENTS; AND FOR OTHER PURPOSES.

1 WHEREAS, the Twelfth Guam Legislature, recognizing the
2 need to change certain portions of the law relating to retire-
3 ment of public employees, has introduced a series of member
4 bills including the following:

5 Bill No. 50, introduced by Senator G. M. Bamba, An Act to
6 amend Section 4206 of the Government Code of Guam to eliminate

1 the provisions relating to prior service credit for Civil
2 Service employees; to add a new Section 4206.1 to the Government
3 Code of Guam to provide for credit, including but not limited
4 to prior service credit, for the service of Civil Service
5 employees, and to amend Section 4207 of the Government Code of
6 Guam to eliminate certain requirements for credit for service
7 with the Armed Forces;

8 Bill No. 55, introduced by Senator G. M. Bamba, An Act to
9 add Subsection (d) to Section 4211 of the Government Code of
10 Guam to give automatic annuity increases to retired government
11 employees whenever the employees of the government are given a
12 blanket increase in salary;

13 Bill No. 117, introduced by Senator F. T. Ramirez, An Act
14 adding Section 4207.8 to the Government Code of Guam to authorize
15 those employees of the government of Guam formerly employed in
16 the Federal Civil Service credit for government of Guam retire-
17 ment purposes for such Federal service;

18 Bill No. 166, introduced by Senator C. T. C. Gutierrez, An
19 Act to amend Subsection (j) of Section 4203 of the Government
20 Code of Guam to redefine "Average Annual Salary" for retirement
21 purposes as being the salary received for the three highest
22 consecutive years within the employee's employment with the
23 government;

24 Bill No. 290, introduced by Senators A. C. Sanchez and
25 A. A. Sekt, An Act amending Subparagraph (j) of Section 4203
26 of the Government Code of Guam to redefine the term average
27 annual salary for purposes of the Public Employee Retirement Law;

28 Bill No. 490, introduced by Senator A. C. Sanchez, An Act
29 to add a Section 4207.1 to the Government Code of Guam to provide
30 that a disabled veteran of the Armed Forces of the United States
31 employed by the government of Guam shall receive credit for

1 time served in the Armed Forces for purposes of retirement
2 and accumulated annual and sick leave;

3 → Bill No. 493, introduced by Senators J. F. Ada, V. D. Ada,
4 A. M. Palomo, J. M. Rivera, G. R. Salas and A. C. Ysrael, An
5 Act to amend Section 4209.1 of the Government Code of Guam to
6 grant retirement credit to employees for unused annual leave;

7 Bill No. 532, introduced by Senators J. R. Duenas, A. C.
8 Sanchez, W. D. L. Flores and E. S. Terlaje, An Act to amend
9 Subsections (b) and (d) of Section 4211 of the Government Code
10 of Guam to increase the automatic annual increase in annuities
11 paid to retired members of the Government Retirement Fund; and

12 Bill No. 682, introduced by Senators J. F. Ada, V. D. Ada,
13 P. M. Calvo, A. M. Palomo, J. M. Rivera, G. R. Salas and
14 A. C. Sanchez, An Act to amend Subsections (b) and (d) of
15 Section 4211 of the Government Code of Guam to increase the
16 automatic annual increase in annuities paid to retired members
17 of the Government Retirement Fund; and

18 WHEREAS, the Committee on General Governmental Operations
19 has reviewed the above-mentioned bills and the Administration's
20 suggestions thereon and herewith submits its Substitute Bill;
21 now therefore

22 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

23 Section 1. Section 4203(j) of the Government Code of Guam
24 is hereby repealed and reenacted to read as follows:

25 "(j) 'Average annual salary' shall mean the
26 average of the three (3) highest annual salaries
27 received by a member during his years of credited service
28 or Six Thousand Dollars (\$6,000), whichever is greater.
29 This subsection shall be effective August 31, 1974."

30 Section 2. Section 4207 of the Government Code of Guam is
31 hereby repealed and reenacted to read as follows:

1 "Section 4207. Credit for service with Armed Forces.

2 (a) Prior service. Prior service credit shall be granted
3 any employee who served in the Armed Forces of the United
4 States prior to his employment with the government of
5 Guam as though such service was rendered for the govern-
6 ment of Guam, provided the employee shall not be receiv-
7 ing a pension or annuity, other than a disability pension
8 or annuity, from the United States Government on account
9 of such prior service or is eligible to receive such
10 pension or annuity on account of such prior service;

11 (b) Subsequent service. An employee shall be allowed
12 credit for any active service in the Armed Forces of the
13 United States subsequent to May 1, 1951, not to exceed
14 five (5) years, provided the employee shall not be
15 receiving a pension or annuity, other than a disability
16 pension or annuity, from the United States Government on
17 account of such service or is eligible to receive such
18 pension or annuity on account of such service; and
19 provided further, that if the employee entered the Armed
20 Forces while employed by the government of Guam and re-
21 enters its employ within the period of one (1) year
22 following his discharge from said Armed Forces under
23 conditions other than dishonorable, or, if upon said
24 discharge, completes his education under the provisions
25 of the various Acts of Congress extending educational
26 benefits to veterans and re-enters its employ within
27 six (6) months after completing such education, such
28 employee may obtain said retirement credit (not to exceed
29 five (5) years) without making contribution to the Fund.
30 If the employee was not employed by the government of
31 Guam upon entering the Armed Forces he may obtain said

1 retirement credit (not to exceed three (3) years) only
2 upon making payment to the Fund of two (2) times the
3 appropriate member contribution based on the period of
4 credit sought to be obtained and the average salary paid
5 to the employee by the Armed Forces during that period
6 ending with the termination of his military service
7 which is equal to the period of credit sought to be
8 obtained."

9 Section 3. Section 4006.2(b) of the Government Code of Guam
10 is hereby amended to read as follows:

11 "(b) the term 'years of service' shall be deemed
12 to include service with the Naval Government of Guam
13 or with other Federal instrumentalities or agencies
14 within Guam prior to August 1, 1950, and to include
15 honorable service with the Armed Forces of the United
16 States if such former member of the Armed Forces is not
17 receiving an annuity or pension, other than a disability
18 annuity or pension, as a result of such military service."

19 Section 4. Section 4207.8 is hereby added to the Government
20 Code of Guam to read as follows:

21 "Section 4207.8. Credit for subsequent Civil
22 Service. Any person who was a member of the Civil
23 Service of the United States of America ^{after May 1, 1945} who was sub-
24 sequently employed by the government of Guam shall be
25 entitled to credit for services rendered the United
26 States Government, not to exceed five (5) years. In
27 the case of any such person who was a member of the
28 Retirement Fund of the United States Government, credit
29 shall be granted only when he (1) definitely and finally
30 terminates his membership in such fund; (2) definitely
31 and finally renounces any future benefits due him

1 thereunder; (3) receives a refund of his accumulated
2 contributions therefrom; and (4) make a payment to the
3 Fund of the equivalent of the amount paid to the Federal
4 fund by him and his employer during the last five (5)
5 years of his employment in the Civil Service or during
6 the period ending with the termination of said employ-
7 ment which is equivalent to the period for which he
8 seeks credit if less than five (5) years, including
9 regular interest from the date of such termination to
10 the date of payment."

11 Section 5. A new Subsection 4207.9 is hereby added to the
12 Government Code of Guam to read as follows:

13 "Section 4207.9. Credit for education. Any bona
14 fide resident of Guam, who receives his graduate or
15 undergraduate degree from an accredited institution and
16 is employed by the government of Guam within one (1) year
17 after obtaining such degree, may claim retirement credit
18 for such time spent in obtaining his education by paying
19 to the Fund the appropriate member's and employer's
20 shares based on the period of credit sought to be
21 obtained and his salary when he begins employment with
22 the government of Guam; provided, however, that this
23 section shall apply only to those persons who received
24 their degrees after June 1, 1950."

25 Section 6. Section 4209.1 of the Government Code of Guam
26 is hereby repealed and reenacted to read as follows:

27 "Section 4209.1. Credit for sick and annual
28 leave not utilized. Any person employed by the
29 government of Guam and a member of the Fund who has
30 unused accumulated sick or annual leave upon the day
31 of his retirement may claim retirement credit for every

1 day of such leave to which he was entitled which he did
2 not utilize; provided, that in the case of annual leave
3 only, he makes the appropriate member retirement contri-
4 bution to the Fund for the period to be credited, such
5 contribution to be deducted from the lump-sum payment
6 made to the employee for such accumulated leave. If an
7 employee does not desire to claim said credit, the
8 lump-sum payment shall be made to him without such
9 deduction. In calculating credit for purposes of this
10 section, twelve (12) days of accumulated leave shall
11 constitute a month of service, between six (6) and
12 twelve (12) days of accumulated leave shall constitute
13 one-half (1/2) month of service, and less than six (6)
14 days of accumulated leave shall be disregarded.

15 Section 7. Subsection (b) of Section 4211 of the Government
16 Code of Guam is hereby repealed and reenacted to read as
17 follows:

18 "(b) Automatic increases in annuity. Effective
19 September 1, 1974, any member who retires from service
20 and is entitled to receive benefits under this Chapter
21 after September 1, 1972 shall receive each year on the
22 anniversary date of his retirement or entitlement, an
23 automatic increase in his annual annuity, to be
24 computed as follows:

25 (1) Members receiving an annual annuity of
26 Three Thousand Dollars (\$3,000) or less shall
27 receive an automatic annual increase of Five
28 Hundred Dollars (\$500);

29 (2) Members receiving an annual annuity of
30 more than Three Thousand Dollars (\$3,000), but
31 not more than Six Thousand Dollars (\$6,000),

1 shall receive an automatic annual increase of
2 Three Hundred Dollars (\$300);

3 (3) Members receiving an annual annuity of
4 more than Six Thousand Dollars (\$6,000), but not
5 more than Ten Thousand Dollars (\$10,000), shall
6 receive an automatic annual increase of Two Hundred
7 Dollars (\$200); and

8 (4) Members receiving an annual annuity of more
9 than Ten Thousand Dollars (\$10,000), shall receive
10 an automatic annual increase of One Hundred Dollars
11 (\$100)."

12 Section 8. Subsection (d) of Section 4211 of the Government
13 Code of Guam is hereby repealed and reenacted to read as
14 follows:

15 "(d) Automatic increases in recomputed annuities.
16 Any annuitant who has had his basic annuity recomputed
17 pursuant to Subsection (c) of this section shall on
18 September 1, 1974 and each year thereafter, receive an
19 automatic increase in his annual annuity as computed in
20 Subsection (b) of this section."

21 Section 9. The first paragraph of Subsection (a) of Section
22 4212 of the Government Code of Guam is hereby amended to read
23 as follows:

24 "(a) Any member less than sixty (60) years of age,
25 who shall become totally and permanently disabled for
26 service, either mentally or physically, regardless of
27 how or where the disability shall have occurred, shall be
28 entitled to a disability retirement annuity, provided
29 that he is not receiving disability payments from the
30 United States Government for substantially the same
31 ailment. A total and permanent disability for the
32 purposes of this Chapter is one which results from some

1 impairment of body or mind that substantially precludes
2 a person from performing with reasonable regularity the
3 substantial and material parts of any gainful work or
4 occupation that he would be competent to perform were it
5 not for that impairment, and if founded upon conditions
6 which render it reasonably certain that it will continue
7 indefinitely."

8 Section 10. Except where otherwise stated herein, this
9 Act shall be effective September 1, 1974.

10 Section 11. Any benefit presently afforded employees
11 of the government of Guam shall vest and this law shall not
12 be construed so as to diminish or reduce any benefit afforded
13 employees as of one (1) day prior to the effective date of
14 this Act.