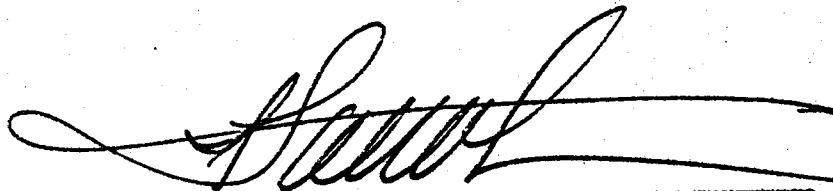


SIXTEENTH GUAM LEGISLATURE
1981 (FIRST) Regular Session

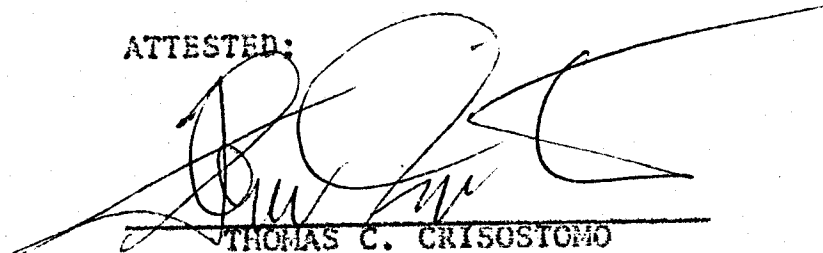
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 1 "An Act to protect the integrity of the Retirement Fund", was on the 9th day of April 1981, duly and regularly passed.




THOMAS V. C. TANAKA
Speaker

ATTESTED:

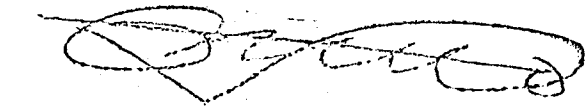


THOMAS C. CRISOSTOMO
Legislative Secretary

This Act was received by the Governor this 23rd day of
April, 1981, at 3:45 o'clock P.M.


SHERRA L. FRANCISCO
Assistant Staff Officer
Governor's Staff

APPROVED:



PAUL M. CALVO
Governor of Guam

DATED: May 4, 1981 2:18 P.M.
P.L. 16-009

SIXTEENTH GUAM LEGISLATURE
1981 (FIRST) Regular Session

Bill No. 1
(Amended by
Committee on
Governmental
Operations)

Introduced by: F. F. Blas, A. P. Lappingco

J. T. San Agustin
J. C. Torres
J. H. Underwood
C. T. C. Cutierrez
J. I. Leon Guerrero
M. Z. Bordallo
L. L. Umagat
E. T. Charfauros
P. F. Perez, Jr.
R. Q. Sudo

AN ACT TO PROTECT THE INTEGRITY OF THE
RETIREMENT FUND.

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

2 Section 1. Section 4210 of the Government Code is repealed
3 and reenacted to read:

4 "Section 4210. Retirement. With respect to any member
5 who joined the Fund prior to October 1, 1981:

6 (a) He or she may retire on a service retirement
7 annuity, upon written application to and approval by
8 the Board; provided that such member shall have attained
9 at least sixty (60) years of age or fifty-five (55)
10 years of age in the case of a member of the uniformed
11 personnel and shall have completed at least ten (10)
12 years of total service;

13 (b) If he or she is a member of the uniformed per-
14 sonnel, he or she shall, upon retirement, be placed on
15 rank grade above that held by him on the date of retire-
16 ment;

1 (c) If he or she has completed twenty-five (25)
2 years of service, he or she may retire and shall be
3 entitled to full retirement annuity;

4 (d) Any retired employee who has previously
5 elected to retire and who has completed at least twenty-
6 five (25) years of service shall be eligible for full
7 retirement benefits on and after the effective date of
8 this Act;

9 (e) At his option, whether active or inactive,
10 he or she may retire after twenty (20) years of service
11 regardless of age. The retirement annuity for any
12 employee or member described in this paragraph shall be
13 reduced one quarter (1/4) of one percent (1%) of each
14 month such employee or member is under the age of
15 sixty (60) years, from the amount determined for such
16 employee or member as hereinafter provided."

17 Section 2. Section 4210.1 of the Government Code is re-
18 numbered Section 4210.2 and a new Section 4210.1 is added to the
19 Government Code to read:

20 "Section 4210.1. Retirement. With respect to any
21 member who joined the fund on or after October 1, 1981:

22 (a) He or she may retire on a service retirement
23 annuity, upon written application to and approval by
24 the Board; provided that such member shall have attained
25 at least sixty (60) years of age or fifty-five (55)
26 years of age in the case of a member of the uniformed
27 personnel and shall have completed at least fifteen (15)
28 years of total service;

29 (b) If he or she is a member of the uniformed
30 personnel, he or she shall, upon retirement, be placed
31 one rank grade above that held by him on the date of
32 retirement;

1 (c) If he or she has completed thirty (30) years
2 of service, he or she may retire and shall be entitled
3 to full retirement annuity;

4 (d) At his option, whether active or inactive, he
5 or she may retire after twenty-five (25) years of
6 service regardless of age. The retirement annuity for
7 any employee or member described in this paragraph shall
8 be reduced one quarter (1/4) of one percent (1%) for
9 each month such employee or member is under the age of
10 sixty (60) years, from the amount determined for such
11 employee or member as hereinafter provided."

12 Section 3. New items (3) and (4) are added to Subsection (a)
13 of Section 4218 of the Government Code to read:

14 "(3) Seven and one-half percent (7.5%) of the base pay
15 earned and accruing to such member subsequent to October 1,
16 1981; and

17 (4) at the written option of the member, eight and one-
18 half percent (8.5%) of the non-base pay such as overtime,
19 bonus, hazardous duty, night differential or any other such
20 pay earned."

21 Section 4. Subsection (a) of Section 4219 of the Government
22 Code is amended to read:

23 "(a) An annual amount resulting from the application
24 of a rate percent of total salaries of all members repre-
25 senting the present value of the actuarial reserve require-
26 ment for membership service, for such year, for service
27 retirement annuity, disability retirement annuity, and
28 annuities to widows and children, and the one (1) year term
29 premium for the government's liability for death benefits,
30 after taking credit for the contributions by the members.
31 From July 1, 1955 to August 30, 1972, the rate of

1 contributions shall be seven and two hundred eighty seven
2 thousandths percent (7.287%) of the total salaries of the
3 members participating in the Fund. From September 1, 1972,
4 the rate of contribution shall be seven and six hundred
5 ninety seven thousandths percent (7.697%) of the total
6 salaries of the members participating in the Fund. From
7 July 1, 1976, the rate of contribution shall be eight and
8 six hundred ninety seven thousandths percent (8.697%) of
9 the total salaries of the members participating in the Fund.
10 From October 1, 1981, the rate of contribution shall be ten
11 and six hundred ninety-nine thousandths percent (10.699%) of
12 the total base pay of the members participating in the Fund
13 and ten and six hundred ninety-nine thousandths percent
14 (10.699%) of the pay for which members opted to contribute
15 eight and one-half (8.5%) as provided in item (4) of Section
16 4218(a) of this Code."

17 Section 5. The second paragraph of Section 4213 of the
18 Government Code is amended to read:

19 "Any member who withdraws after having completed at
20 least five (5) years total service shall have the option of
21 leaving his contributions in the Fund and receiving a service
22 retirement annuity upon attainment of the age of sixty (60)
23 years without choice of any of the optional survivors' bene-
24 fits hereinafter described."

25 Section 6. A new Subsection (c) is added to Section 4211 of
26 the Government Code to read:

27 "(c) The annual salary of a member shall include the
28 base pay of the member for which he contributed to the Fund
29 as required in items (1), (2) or (3) of Section 4218(a) of
30 this Code and any pay for which the member paid into the
31 Fund in accordance with item (4) of Section 4218(a) of this
32 Code."

1 Section 7. Section 4212.2 of the Government Code is amended
2 to read:

3 "Section 4212.2. Same. The amount of disability
4 retirement annuity shall be sixty-six and two-thirds percent
5 (66 2/3%) based on the average of the three highest annual
6 salaries received by a member during his years of credited
7 service. Any special compensation allowance received or pay-
8 able to any member because of disability resulting from
9 accidental causes while in the performance of a specific act
10 or acts of duty shall be deducted from the disability annuity
11 payable by the Fund on account of the same disability. As
12 used in this Section 'annual salary' means the base pay for
13 which the members contributed to the Fund as required in
14 Item (1), (2) or (3) of Section 4218(a) of this Code and
15 any pay for which the member paid into the Fund in accordance
16 with Item (4) of Section 4218(a) of this Code."

17 Section 8. The provisions of this Act shall take effect on
18 September 30, 1981.