



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

Refer to
Legislative Secretary

NOV 29 1999

The Honorable Antonio R. Unpingco
Speaker
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	<u>[Signature]</u>
Time	<u>9:34am</u>
Date	<u>11-30-99</u>

Dear Speaker Unpingco:

Enclosed please find Bill No. 363 (COR), "AN ACT TO AMEND §§1, 6 AND 13 OF P.L. 25-74, RELATIVE TO EXTENDING THE DEADLINES FOR THE EARLY RETIREMENT AND VOLUNTARY SEPARATION WITH COMPENSATION PROGRAMS UNTIL JANUARY 1, 2000", which I have signed into law today as **Public Law No. 25-90**.

Very truly yours,

Madeleine Z. Bordallo

Madeleine Z. Bordallo
Akto Maga'Lahen Guåhan
Acting Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Joanne M. S. Brown
Legislative Secretary

11-573

Office of the Speaker
ANTONIO R. UNPINGCO

Date: 11-30-99

Time: 0855

Rec'd by:

Print Name: [Signature]

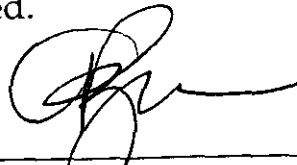
0525/99-0355

Fk

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Bill No. 363 (COR) "AN ACT TO AMEND §§1, 6, AND 13 OF P. L. NO. 25-74, RELATIVE TO EXTENDING THE DEADLINES FOR THE EARLY RETIREMENT AND VOLUNTARY SEPARATION WITH COMPENSATION PROGRAMS UNTIL JANUARY 1, 2000," was on the 29th day of November, 1999, duly and regularly passed.



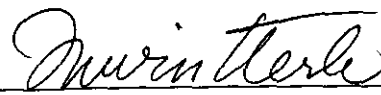
ANTONIO R. UNPINGCO
Speaker

Attested:



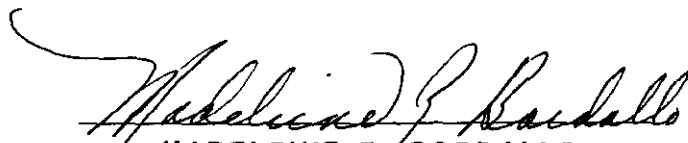
JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahen Guahan this 29th day of November, 1999,
at 4:25 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:



MADELEINE Z. BORDALLO
Akto I Maga'lahen Guahan

Date: November 29, 1999

Public Law No. 25-90

**MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session**

Bill No. 363 (COR)

As amended by the Committee on
Rules, Government Reform, Reorganization
and Federal Affairs and further amended
on the Floor.

Introduced by:

Mark Forbes
J. M.S. Brown
L. F. Kasperbauer
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
E. B. Calvo
M. G. Camacho
A. C. Lamorena, V
C. A. Leon Guerrero
K. S. Moylan
V. C. Pangelinan
J. C. Salas
S. A. Sanchez, II
A. R. Unpingco

**AN ACT TO AMEND §§1, 6 AND 13 OF P.L. NO. 25-
74, RELATIVE TO EXTENDING THE DEADLINES
FOR THE EARLY RETIREMENT AND
VOLUNTARY SEPARATION WITH
COMPENSATION PROGRAMS UNTIL JANUARY
1, 2000.**

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

2 **Section 1. Deadline for Voluntary Separation with Compensation**
3 **Program Extended.** Section 1 of Public Law Number 25-74 is hereby
4 *amended* to read as follows:

5 “Section 1. Section 17 of Chapter IV of Public Law Number
6 25-72 is hereby *amended* to read as follows:

7 ‘Section 17. **Voluntary Separation with**
8 **Compensation.**

9 Notwithstanding any other provision of law, and for a period
10 beginning October 1, 1999 and ending January 1, 2000, any
11 employee other than department heads and their deputies who
12 voluntarily separates from government service and who is *not*
13 eligible for retirement shall receive a one (1) - time lump-sum
14 payment equal to fifty percent (50%) of that employee’s base
15 salary at the time of separation, with the following provisions.
16 This Section applies to the Executive Branch supported by the
17 General Fund; Territorial Highway Fund; Customs, Agricultural
18 and Quarantine Inspection Services Fund; and Solid Waste
19 Operations Fund, *except* all autonomous agencies, but including
20 the Judiciary and the Legislative Branches.

21 (1) That the employee shall voluntarily stipulate
22 that the employee shall *not* be eligible for re-employment in
23 any position in the government of Guam, inclusive of

1 personal service contracts, for a period of no less than three
2 (3) years following the date of separation.

3 (2) That the hiring authority or the director of the
4 agency or department in which the employee works shall be
5 notified in writing of such intended separation at the time of
6 application by the employee.

7 (3) The provisions of this Section shall *not* apply to
8 people employed by limited term appointment.

9 An application for such voluntary separation shall be
10 forwarded to the Director of Administration, who shall then
11 process such separation and award such compensation to the
12 employee who is voluntarily separating, as is detailed in this
13 Section.

14 An employee shall qualify under this Section only if one (1)
15 of the following is met:

16 (a) the employee must have been on active paid
17 status for a period of no less than six (6) months *prior to the*
18 *time of application for voluntary separation; or*

19 (b) the employee must have been on a combination
20 of paid work status and/or paid annual and/or sick leave in
21 the three (3) months immediately preceding enactment of
22 this Act.

23 An employee who has a termination appeal pending before
24 the Civil Service Commission must prevail in the appeal ruling in
25 order to qualify under this Section. Any person receiving a lump

1 sum payment under this Section who is subsequently convicted of
2 a local or Federal, misdemeanor or felony, crime involving
3 government of Guam corruption for the period of prior
4 employment shall have been deemed ineligible for the lump sum
5 payment, and the person shall immediately reimburse the
6 government of Guam for the full lump-sum amount received
7 under this Section. The employee shall *not* be automatically
8 eligible for reemployment upon repayment of the lump sum
9 amount, but will have to reapply for employment as any other
10 person under existing law.”

11 **Section 2. Deadline for Early Retirement Program Extended.** Section
12 13 of Public Law Number 25-74 is hereby *amended* to read as follows:

13 “**Section 13.** Section 21 of Chapter IV of Public Law Number
14 25-72 is hereby *amended* to read as follows:

15 ‘**Section 21. Early Retirement Incentive.**

16 Notwithstanding any other provision of law or terms and
17 conditions set by the Board of Trustees of the Government of
18 Guam Retirement Fund pursuant to §8130 of Title 4 of the Guam
19 Code Annotated, and for a period between the effective date of
20 this Act and January 1, 2000, any active, non-uniformed member
21 of the Government of Guam Retirement Fund who has a
22 minimum of twenty (20) years of creditable service, or any
23 uniformed active member of the Retirement Fund who has a
24 minimum of fifteen (15) years of creditable service, or any active

1 member of the Retirement Fund of sixty (60) or more years of age
2 who has a minimum of five (5) years of creditable service, may
3 retire and receive the following additional benefits:

4 **1. Up to Five (5) Years of Additional Creditable**
5 **Service Upon Application.** The member wishing to retire,
6 including any member who has withdrawn the member's
7 retirement contribution from the Fund who is paying back
8 such amounts pursuant to a repayment agreement or
9 promissory note pursuant to §8130 of Title 4 of the Guam
10 Code Annotated, shall pay for the additional employee's
11 contribution to the Retirement Fund required for such
12 additional service by paying in full such contributions by the
13 time of retirement, or by executing a promissory note with
14 the Retirement Fund for the full payment of the amount of
15 such contributions. Notwithstanding any other provision of
16 law, in the case of a member who has withdrawn the
17 member's retirement contribution from the Fund who is
18 paying back such amounts pursuant to a repayment
19 agreement or promissory note, all service credit that is being
20 repaid through such repayment agreement or promissory
21 note shall count for purposes of eligibility to retire under the
22 terms and conditions set forth in this Section. The term of
23 any such promissory note shall not exceed fifteen (15) years
24 at an interest rate of eight percent (8%) per annum. The
25 Retirement Fund shall allow those electing to execute

1 promissory notes to have payments deducted from each
2 annuitant's semi-monthly check to be used to pay the
3 Retirement Fund Promissory Note.

4 *If* for some unforeseen reason the deductions
5 authorized for repayment of the promissory note should
6 cease, then the payment of the annuity benefits that arise
7 from the provisions of Subsection 1 of this Section shall
8 likewise cease.

9 *Except* in the case of the death of the retiree, the
10 Retirement Fund is authorized to place a 'Request for
11 Proposal' for group life insurance to cover the unpaid
12 balance of the promissory note. The premium for this group
13 life insurance shall be paid by the Retirement Fund. Such
14 premium contribution by the Fund shall *not* exceed the
15 premium amount currently paid by the government for the
16 basic life insurance under the government of Guam group
17 life plan. *If* there is a difference between the premium
18 amount maximum that the retirement can pay versus the
19 total premium, that difference shall be paid by the retiree.

20 2. The member retiring, notwithstanding any other
21 provision of law, shall suffer no penalty or diminishing of
22 the amount of annuity to be received on account of the age
23 of the member retiring upon the date of retirement. *I*
24 *Liheslaturan Guåhan* recognizes the responsibility of the

1 General Fund to reimburse the Retirement Fund for the
2 additional costs directly associated with the granting of
3 additional creditable service to members retiring under the
4 provisions of this Section, with respect to those costs directly
5 associated with what would be both the employer's and
6 employee's contributions for additional years of service
7 credited. Of the current billing rate of 18.6% of gross payroll
8 for active members of the Retirement Fund, 17.48% shall be
9 allocated to payment of the bi-weekly employer's
10 contribution of active employees and to the repayment of
11 supplemental annuity benefits and COLA, as provided in
12 §§2-9 of this Chapter. The remaining 1.12% shall be applied
13 to pay for the employer's contributions for those members
14 electing to retire under the provisions of this Section. As the
15 percentage amount set aside for the payment of the
16 government's share of: (a) the normal cost; (b) the un-
17 funded accrued liability cost; and (c) the repayment of
18 supplemental annuity benefits and COLA, as provided in
19 §§2-9 of this Chapter decreases annually, the balance made
20 available will be applied to the payment of employer's
21 contributions for persons electing to retire pursuant to the
22 provisions of this Section. The members of the Retirement
23 Fund Board of Trustees are indemnified against any
24 personal liability in any matter relative to the
25 implementation of this Section. The Board of Trustees of the

1 remaining from the purchase of the annuitants additional
2 credit service allowed by this Section. Upon reentering the
3 government of Guam, the member may be reinstated into
4 the Defined Contribution Plan.”

5 **Section 3.** Section 6 of Public Law Number 25-74 is hereby *amended* to
6 read as follows:

7 “**Section 6.** The Personnel Reserve Fund may be used to pay
8 for lump sum annual leave payments due to employees of the
9 government of Guam voluntarily separating under any of the
10 provisions contained in Public Law Number 25-72 *if* insufficient funds
11 exist from the amounts borrowed pursuant to §18 of Chapter IV of
12 Public Law Number 25-72. Any lump sum annual leave payment
13 exceeding the amounts to be borrowed pursuant to §18 of Chapter IV of
14 Public Law Number 25-72 is authorized to be paid from the Personnel
15 Reserve Fund and is hereby appropriated. *I Maga’lahen Guåhan* shall
16 report to the Speaker of *I Liheslaturan Guahån* all charges made to the
17 Personnel Reserve Fund pursuant to this Section *not* later than fourteen
18 (14) days after the pay period in which the charge was made to the
19 Fund.”

20 **Section 4. DISID Personnel Services Appropriation.** Seventy-five
21 Thousand Eight Hundred Fifty-five Dollars (\$75,855.00) is appropriated from
22 the Personnel Reserve Fund to the Department of Integrated Services for
23 Individuals with Disabilities (“DISID”) to correct the amount appropriated for
24 personnel services for the first seven (7) pay periods in Fiscal Year 2000.

1 the loan shall be as negotiated between the lender and
2 *I Maga'lahaen Guahån.*

3 (2) Interest shall be computed upon the
4 declining balance of principal outstanding from time
5 to time upon the loan.

6 (3) The lender for making the loan may levy
7 prepaid charges. The lender may charge and be paid
8 either from the loan funds, or other funds of the
9 government of Guam, its expenses incurred in making
10 the loan, including legal fees, recording, title insurance
11 and appraisal fees, and like expenses.

12 (4) Interest earned by the lender shall be
13 exempt from taxation by the government of Guam,
14 including without limitation taxation under the Guam
15 Gross Receipts Tax and Guam Territorial Income Tax.

16 (5) The loan may be secured by:

17 (i) pledge of §30 revenues or the
18 General Fund;

19 (ii) a guaranty of the government of
20 Guam; *or*

21 (iii) pledge of all or any part of the
22 revenues derived by the government of Guam
23 under §30 of the Organic Act. Any such pledge
24 shall be made by a certificate of approval by *I*
25 *Maga'lahaen Guahån* authorizing the pledge and

1 the terms and conditions thereof. Any such
2 pledge shall be valid and binding from the time
3 the pledge is made, *subject* to prior pledges upon
4 such revenues. The revenues pledged and
5 thereafter received by the government of Guam,
6 or by any trustee appointed pursuant hereto,
7 shall upon receipt immediately be subject to the
8 lien of the pledge without any physical delivery
9 thereof or further act, and the lien of such pledge
10 shall be valid and binding against the
11 government of Guam, irrespective of whether
12 the parties have notice thereof.

13 *I Magalahen Guahân* may also pledge as a source
14 of repayment for any such loan the balance remaining
15 from the government's employer contribution to the
16 Retirement Fund after payment for the normal costs,
17 the un-funded accrued liability cost and the repayment
18 of supplemental annuity benefits, and COLA, as
19 provided in §§2-9 of this Chapter, *subject* to legislative
20 approval.

21 Should an annuitant who retires under the provisions
22 of this Section choose to seek reemployment with the
23 government of Guam, inclusive of personal services
24 contracts, the annuitant shall continue to owe and pay the
25 Government of Guam Retirement Fund any balance of sums

1 government of Guam Retirement Fund shall implement the
2 provisions of this Section *immediately* upon the effective date
3 of this Act, notwithstanding any other provision of law. In
4 the event that it is required to implement this Section, *I*
5 *Maga'lahaen Guåhan* is authorized to borrow no more than
6 Twenty Million Dollars (\$20,000,000) with banks or other
7 lending institutions licensed to do business on Guam, for a
8 term of no more than twenty (20) years in order to fulfill the
9 purposes of §21 of this Chapter. Such loan shall be used
10 exclusively for the purposes of funding the voluntary
11 separation payments authorized by §21 of this Act. Such
12 loan is to be secured by the General Fund. All terms of the
13 loan shall be negotiated by *I Maga'lahaen Guåhan* in the best
14 interests of the people of Guam.

15 The loan shall be upon such terms and conditions as
16 established by an agreement, and such other documents and
17 instruments as are executed by *I Maga'lahaen Guåhan*
18 containing such terms as are consistent with this Section. *I*
19 *Maga'lahaen Guåhan*, on behalf of the government of Guam, is
20 authorized to guaranty the loan and to grant the pledge of
21 §30 revenues or the General Fund, as provided below, as
22 security for repayment of the loan.

23 (1) The loan shall be for such term, not to be
24 more than twenty (20) years. The rate of interest upon

1 **Section 5.** Nothing in Public Law Number 25-72, Public Law Number
2 25-74 or this Act, shall be construed as allowing any employee who purchases
3 up to five (5) years of additional creditable service pursuant to §21 of Chapter
4 IV of Public Law Number 25-72, as amended by §13 of Public Law Number
5 25-74, and further amended in this Act, to remain employed by the
6 government of Guam after January 1, 2000, *except* to the extent that public law
7 allows for the subsequent re-employment of retired nurses, teachers and
8 certified registered or licensed health care professional ancillary service
9 professionals on a temporary, contractual basis. All employees of the
10 government of Guam who purchase the up to five (5) years additional
11 creditable service as provided in Public Law Number 25-72 and Public Law
12 Number 25-74 must retire from active government service by no later than
13 January 1, 2000.

14 **Section 6.** Anyone who separates from employment with the
15 government of Guam under the provisions of the “Voluntary Separation With
16 Compensation” section of Public Law Number 25-74 shall receive their one (1)
17 time lump sum payment equal to fifty percent (50%) of that employee’s base
18 salary, and any accrued annual leave within thirty (30) calendar days of their
19 separation date, *unless* the employee chooses to defer the payments to some
20 future date.

21 **Section 7. Severability.** *If* any provision of this Act or its
22 application to any person or circumstance is found to be invalid or contrary to
23 law, such invalidity shall *not* affect other provisions or applications of this Act

- 1 which can be given effect without the invalid provisions or application, and to
- 2 this end the provisions of this Act are severable.



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

November 29, 1999

The Honorable Carl T.C. Gutierrez
I Maga'lahen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910



Dear *Maga'lahi* Gutierrez:

Transmitted herewith is Bill No. 363(COR) which was passed by *I Mina'Bente Singko Na Liheslaturan Guåhan* on November 29, 1999.

Sincerely,

JOANNE M.S. BROWN
Senator and Legislative Secretary

Enclosure (1)

CLERK OF THE LEGISLATURE
TRANSMISSION CHECKLIST TO I MAGA'LAHEN GUAHAN

(Included in File w/ All Bills Transmitted)

BILL NO. 363 (ex)

FINAL PROOF-READING OF BLUEBACK COPY

Initialed by:

and Date:

- EXHIBITS ATTACHED
- CONFIRM NUMBER OF PAGES 13
- CAPTION ON CERTIFICATION MATCHES BILL CAPTION
- ENGROSSED SIGN "*" REMOVED FROM BILL
- 15 SENATORS IN SPONSORSHIP OR CONFIRM OTHERWISE
- CERTIFICATION SIGNED BY SPEAKER & LEGIS. SECRETARY
- EMERGENCY DECLARATION, if any

Confirmed By:

S/J

Dated:

11/29/97

- HAND CARRY BILL IN BLUEBACK (ORIGINAL & COPY)
TO THE GOVERNOR. (DANNY, ROBERT OR OTHERS)
- ACKNOWLEDGED COPY W/ ORIGINAL BLUEBACK
PLACED ON CLERK'S DESK. (Same copy given to Susan)

FILED by: Danny, Robert or others

MINA 'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Bill No. 363 (COR) "AN ACT TO AMEND §§1, 6, AND 13 OF P. L. NO. 25-74, RELATIVE TO EXTENDING THE DEADLINES FOR THE EARLY RETIREMENT AND VOLUNTARY SEPARATION WITH COMPENSATION PROGRAMS UNTIL JANUARY 1, 2000," was on the 29th day of November, 1999, duly and regularly passed.



ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by *I Maga'lahen Guahan* this 29th day of November, 1999,
at 4:25 o'clock P.M.



Assistant Staff Officer
Maga'lahi's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahen Guahan

Date: _____

Public Law No. _____

**MINA/BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session**

Bill No. 363 (COR)

As amended by the Committee on
Rules, Government Reform, Reorganization
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on the Floor.

Introduced by:

Mark Forbes
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F. B. Aguon, Jr.
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**AN ACT TO AMEND §§1, 6 AND 13 OF P.L. NO. 25-
74, RELATIVE TO EXTENDING THE DEADLINES
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1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

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4 *amended* to read as follows:

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6 25-72 is hereby *amended* to read as follows:

7 **'Section 17. Voluntary Separation with**
8 **Compensation.**

9 Notwithstanding any other provision of law, and for a period
10 beginning October 1, 1999 and ending January 1, 2000, any
11 employee other than department heads and their deputies who
12 voluntarily separates from government service and who is *not*
13 eligible for retirement shall receive a one (1) - time lump-sum
14 payment equal to fifty percent (50%) of that employee's base
15 salary at the time of separation, with the following provisions.
16 This Section applies to the Executive Branch supported by the
17 General Fund; Territorial Highway Fund; Customs, Agricultural
18 and Quarantine Inspection Services Fund; and Solid Waste
19 Operations Fund, *except* all autonomous agencies, but including
20 the Judiciary and the Legislative Branches.

21 (1) That the employee shall voluntarily stipulate
22 that the employee shall *not* be eligible for re-employment in
23 any position in the government of Guam, inclusive of

1 personal service contracts, for a period of no less than three
2 (3) years following the date of separation.

3 (2) That the hiring authority or the director of the
4 agency or department in which the employee works shall be
5 notified in writing of such intended separation at the time of
6 application by the employee.

7 (3) The provisions of this Section shall *not* apply to
8 people employed by limited term appointment.

9 An application for such voluntary separation shall be
10 forwarded to the Director of Administration, who shall then
11 process such separation and award such compensation to the
12 employee who is voluntarily separating, as is detailed in this
13 Section.

14 An employee shall qualify under this Section only if one (1)
15 of the following is met:

16 (a) the employee must have been on active paid
17 status for a period of no less than six (6) months *prior to* the
18 time of application for voluntary separation; *or*

19 (b) the employee must have been on a combination
20 of paid work status and/or paid annual and/or sick leave in
21 the three (3) months immediately preceding enactment of
22 this Act.

23 An employee who has a termination appeal pending before
24 the Civil Service Commission must prevail in the appeal ruling in
25 order to qualify under this Section. Any person receiving a lump

1 sum payment under this Section who is subsequently convicted of
2 a local or Federal, misdemeanor or felony, crime involving
3 government of Guam corruption for the period of prior
4 employment shall have been deemed ineligible for the lump sum
5 payment, and the person shall immediately reimburse the
6 government of Guam for the full lump-sum amount received
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8 eligible for reemployment upon repayment of the lump sum
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10 person under existing law.”

11 **Section 2. Deadline for Early Retirement Program Extended.** Section
12 13 of Public Law Number 25-74 is hereby *amended* to read as follows:

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17 conditions set by the Board of Trustees of the Government of
18 Guam Retirement Fund pursuant to §8130 of Title 4 of the Guam
19 Code Annotated, and for a period between the effective date of
20 this Act and January 1, 2000, any active, non-uniformed member
21 of the Government of Guam Retirement Fund who has a
22 minimum of twenty (20) years of creditable service, or any
23 uniformed active member of the Retirement Fund who has a
24 minimum of fifteen (15) years of creditable service, or any active

1 member of the Retirement Fund of sixty (60) or more years of age
2 who has a minimum of five (5) years of creditable service, may
3 retire and receive the following additional benefits:

4 **1. Up to Five (5) Years of Additional Creditable**
5 **Service Upon Application.** The member wishing to retire,
6 including any member who has withdrawn the member's
7 retirement contribution from the Fund who is paying back
8 such amounts pursuant to a repayment agreement or
9 promissory note pursuant to §8130 of Title 4 of the Guam
10 Code Annotated, shall pay for the additional employee's
11 contribution to the Retirement Fund required for such
12 additional service by paying in full such contributions by the
13 time of retirement, or by executing a promissory note with
14 the Retirement Fund for the full payment of the amount of
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16 law, in the case of a member who has withdrawn the
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19 agreement or promissory note, all service credit that is being
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1 General Fund to reimburse the Retirement Fund for the
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7 credited. Of the current billing rate of 18.6% of gross payroll
8 for active members of the Retirement Fund, 17.48% shall be
9 allocated to payment of the bi-weekly employer's
10 contribution of active employees and to the repayment of
11 supplemental annuity benefits and COLA, as provided in
12 §§2-9 of this Chapter. The remaining 1.12% shall be applied
13 to pay for the employer's contributions for those members
14 electing to retire under the provisions of this Section. As the
15 percentage amount set aside for the payment of the
16 government's share of: (a) the normal cost; (b) the un-
17 funded accrued liability cost; *and* (c) the repayment of
18 supplemental annuity benefits and COLA, as provided in
19 §§2-9 of this Chapter decreases annually, the balance made
20 available will be applied to the payment of employer's
21 contributions for persons electing to retire pursuant to the
22 provisions of this Section. The members of the Retirement
23 Fund Board of Trustees are indemnified against any
24 personal liability in any matter relative to the
25 implementation of this Section. The Board of Trustees of the

1 government of Guam Retirement Fund shall implement the
2 provisions of this Section *immediately* upon the effective date
3 of this Act, notwithstanding any other provision of law. In
4 the event that it is required to implement this Section, *I*
5 *Maga'lalen Guåhan* is authorized to borrow no more than
6 Twenty Million Dollars (\$20,000,000) with banks or other
7 lending institutions licensed to do business on Guam, for a
8 term of no more than twenty (20) years in order to fulfill the
9 purposes of §21 of this Chapter. Such loan shall be used
10 exclusively for the purposes of funding the voluntary
11 separation payments authorized by §21 of this Act. Such
12 loan is to be secured by the General Fund. All terms of the
13 loan shall be negotiated by *I Maga'lalen Guåhan* in the best
14 interests of the people of Guam.

15 The loan shall be upon such terms and conditions as
16 established by an agreement, and such other documents and
17 instruments as are executed by *I Maga'lalen Guåhan*
18 containing such terms as are consistent with this Section. *I*
19 *Maga'lalen Guåhan*, on behalf of the government of Guam, is
20 authorized to guaranty the loan and to grant the pledge of
21 §30 revenues or the General Fund, as provided below, as
22 security for repayment of the loan.

23 (1) The loan shall be for such term, not to be
24 more than twenty (20) years. The rate of interest upon

1 the loan shall be as negotiated between the lender and
2 *I Maga'lahaen Guahån.*

3 (2) Interest shall be computed upon the
4 declining balance of principal outstanding from time
5 to time upon the loan.

6 (3) The lender for making the loan may levy
7 prepaid charges. The lender may charge and be paid
8 either from the loan funds, or other funds of the
9 government of Guam, its expenses incurred in making
10 the loan, including legal fees, recording, title insurance
11 and appraisal fees, and like expenses.

12 (4) Interest earned by the lender shall be
13 exempt from taxation by the government of Guam,
14 including without limitation taxation under the Guam
15 Gross Receipts Tax and Guam Territorial Income Tax.

16 (5) The loan may be secured by:

17 (i) pledge of §30 revenues or the
18 General Fund;

19 (ii) a guaranty of the government of
20 Guam; *or*

21 (iii) pledge of all or any part of the
22 revenues derived by the government of Guam
23 under §30 of the Organic Act. Any such pledge
24 shall be made by a certificate of approval by *I*
25 *Maga'lahaen Guahån* authorizing the pledge and

1 the terms and conditions thereof. Any such
2 pledge shall be valid and binding from the time
3 the pledge is made, *subject* to prior pledges upon
4 such revenues. The revenues pledged and
5 thereafter received by the government of Guam,
6 or by any trustee appointed pursuant hereto,
7 shall upon receipt immediately be subject to the
8 lien of the pledge without any physical delivery
9 thereof or further act, and the lien of such pledge
10 shall be valid and binding against the
11 government of Guam, irrespective of whether
12 the parties have notice thereof.

13 *I Magalahen Guahån* may also pledge as a source
14 of repayment for any such loan the balance remaining
15 from the government's employer contribution to the
16 Retirement Fund after payment for the normal costs,
17 the un-funded accrued liability cost and the repayment
18 of supplemental annuity benefits, and COLA, as
19 provided in §§2-9 of this Chapter, *subject* to legislative
20 approval.

21 Should an annuitant who retires under the provisions
22 of this Section choose to seek reemployment with the
23 government of Guam, inclusive of personal services
24 contracts, the annuitant shall continue to owe and pay the
25 Government of Guam Retirement Fund any balance of sums

1 remaining from the purchase of the annuitants additional
2 credit service allowed by this Section. Upon reentering the
3 government of Guam, the member may be reinstated into
4 the Defined Contribution Plan.”

5 **Section 3.** Section 6 of Public Law Number 25-74 is hereby *amended* to
6 read as follows:

7 **“Section 6.** The Personnel Reserve Fund may be used to pay
8 for lump sum annual leave payments due to employees of the
9 government of Guam voluntarily separating under any of the
10 provisions contained in Public Law Number 25-72 *if* insufficient funds
11 exist from the amounts borrowed pursuant to §18 of Chapter IV of
12 Public Law Number 25-72. Any lump sum annual leave payment
13 exceeding the amounts to be borrowed pursuant to §18 of Chapter IV of
14 Public Law Number 25-72 is authorized to be paid from the Personnel
15 Reserve Fund and is hereby appropriated. *I Maga’lahen Guåhan* shall
16 report to the Speaker of *I Liheslaturan Guahån* all charges made to the
17 Personnel Reserve Fund pursuant to this Section *not* later than fourteen
18 (14) days after the pay period in which the charge was made to the
19 Fund.”

20 **Section 4. DISID Personnel Services Appropriation.** Seventy-five
21 Thousand Eight Hundred Fifty-five Dollars (\$75,855.00) is appropriated from
22 the Personnel Reserve Fund to the Department of Integrated Services for
23 Individuals with Disabilities (“DISID”) to correct the amount appropriated for
24 personnel services for the first seven (7) pay periods in Fiscal Year 2000.

1 **Section 5.** Nothing in Public Law Number 25-72, Public Law Number
2 25-74 or this Act, shall be construed as allowing any employee who purchases
3 up to five (5) years of additional creditable service pursuant to §21 of Chapter
4 IV of Public Law Number 25-72, as amended by §13 of Public Law Number
5 25-74, and further amended in this Act, to remain employed by the
6 government of Guam after January 1, 2000, *except* to the extent that public law
7 allows for the subsequent re-employment of retired nurses, teachers and
8 certified registered or licensed health care professional ancillary service
9 professionals on a temporary, contractual basis. All employees of the
10 government of Guam who purchase the up to five (5) years additional
11 creditable service as provided in Public Law Number 25-72 and Public Law
12 Number 25-74 must retire from active government service by no later than
13 January 1, 2000.

14 **Section 6.** Anyone who separates from employment with the
15 government of Guam under the provisions of the "Voluntary Separation With
16 Compensation" section of Public Law Number 25-74 shall receive their one (1)
17 time lump sum payment equal to fifty percent (50%) of that employee's base
18 salary, and any accrued annual leave within thirty (30) calendar days of their
19 separation date, *unless* the employee chooses to defer the payments to some
20 future date.

21 **Section 7. Severability.** *If* any provision of this Act or its
22 application to any person or circumstance is found to be invalid or contrary to
23 law, such invalidity shall *not* affect other provisions or applications of this Act

- 1 which can be given effect without the invalid provisions or application, and to
- 2 this end the provisions of this Act are severable.

6

I MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN

1999 (FIRST) Regular Session

Date: 11/29/99

VOTING SHEET

Bill No. 363 (COR)
Resolution No. as amended

Question: _____

<u>NAME</u>	<u>YEAS</u>	<u>NAYS</u>	<u>NOT VOTING/ ABSTAINED</u>	<u>OUT DURING ROLL CALL</u>	<u>ABSENT</u>
AGUON, Frank B., Jr.	✓				
BERMUDES, Eulogio C.					✓
BLAZ, Anthony C.		✓			
BROWN, Joanne M.S.	✓				
CALVO, Eduardo B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.					EA
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.		✓			
SALAS, John C.	✓				
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.	✓				

TOTAL 11 2 _____ 2

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

November 29, 1999
(DATE)

Memorandum

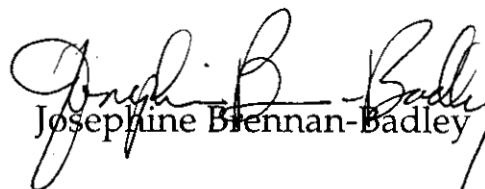
To: Senator MARK FORBES

From: Clerk of the Legislature

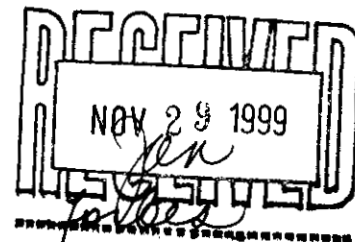
Subject: Report on Bill No. 363 COR

Pursuant to §7.04 of Rule VII of the 25th Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 363 COR, for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.


Josephine Brennan-Badley

Attachment





MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
Kumitean Areklamento, Refotman Gubetnamento Siha, Inetnon di Nuebu, yan Asunton Fidirat

*Senator Mark Forbes, Chairman
Kabisiyon Mayuråt*

NOV 29 1999

Speaker Antonio R. Unpingco
I Mina' Bente Singko Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Mr. Speaker:

The Committee on Rules, Government Reform, Reorganization and Federal Affairs, to which Bill No. 363, was referred, wishes to report its findings and recommendations **TO DO PASS BILL NO. 363 as amended** "An act to extend the deadlines for the Early Retirement and Voluntary Separation with Compensation Programs until January 01, 2000."

The voting record is as follows:

TO PASS	<u>8</u>
NOT TO PASS	<u>0</u>
ABSTAIN	<u>01</u>
TO PLACE IN INACTIVE FILE	<u>0</u>

Copies of the Committee Report and other pertinent documents are attached. Thank you and si Yu'os ma'ase for your attention to this matter.


MARK FORBES

Attachments

MEMORANDUM

TO: Committee Members

FROM: Chairman

SUBJECT: Committee Report- BILL NO. 363 as amended "An act to extend the deadlines for the Early Retirement and Voluntary Separation with compensation Programs until January 01, 2000."

Transmitted herewith for your information and action is the report on Bill No. 363 as amended from the Committee on Rules, Government Reform, Reorganization and Federal Affairs.

This memorandum is accompanied by the following:

1. Committee Voting Sheet
2. Committee Report
3. Bill No. 363 as amended
4. Public Hearing Sign-in Sheet
5. Fiscal Note/Fiscal Note Waiver
6. Notice of Public Hearing

Please take the appropriate action on the attached voting sheet. Your attention and cooperation in this matter is greatly appreciated.

Should you have any questions regarding the report or accompanying documents, please do not hesitate to contact me.

Thank you and si Yu'os ma'ase.

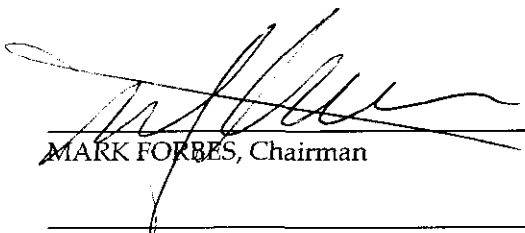
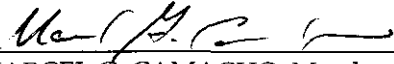
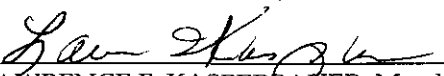
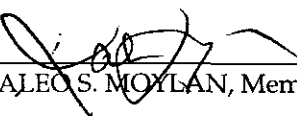
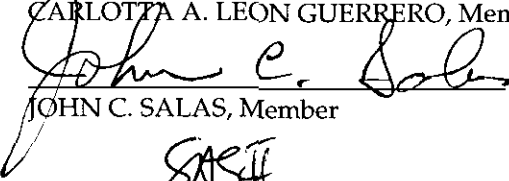

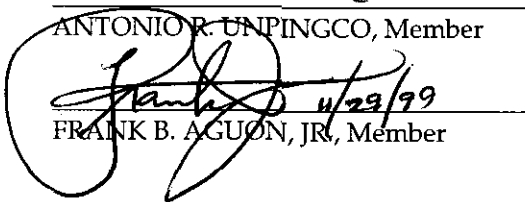

MARK FORBES

Attachments

Committee on Rules, Government Reform, Reorganization and Federal Affairs
I Mina' Bente Singko Na Liheslaturan Guahan

Voting Record

BILL NO. 363 as amended "An act to extend the deadlines for the Early Retirement and Voluntary Separation with compensation Programs until January 01, 2000."

	<u>TO</u> <u>PASS</u>	<u>NOT TO</u> <u>PASS</u>	<u>ABSTAIN</u>	<u>INACTIVE</u> <u>FILE</u>
 MARK FORBES, Chairman	✓			
EDDIE B. CALVO, Vice-Chairman				
ANTHONY C. BLAZ, Member				
JOANNE M. S. BROWN, Member				
 MARCEL G. CAMACHO, Member	✓			
 LAWRENCE F. KASPERBAUER, Member	✗			
 KALEO S. MOYLAN, Member	✓			
ALBERTO A.C. LAMORENA V, Member				
CARLOTTA A. LEON GUERRERO, Member				
 JOHN C. SALAS, Member	✓			
 SIMON A. SANCHEZ, II, Member	✓			
ANTONIO R. UNPINGCO, Member				
 FRANK B. AGUON, JR, Member	✓			
ELOY C. BERMUDEZ, Member				
 VICENTE C. PANGELINAN, Member			✓	

I MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN

**COMMITTEE ON RULES, GOVERNMENT REFORM,
REORGANIZATION & FEDERAL AFFAIRS**

SENATOR MARK FORBES, CHAIRMAN

**COMMITTEE REPORT
ON
BILL NO. 363 as amended**

**"An act to extend the deadlines for the Early Retirement
and Voluntary Separation with Compensation
Programs until January 01, 2000."**

I. OVERVIEW

The Committee on Rules, Government Reform, Reorganization and Federal Affairs held a public hearing on Friday, November 26, 1999 at 10:00 a.m. at the Conference Room, Office of Senator Mark Forbes, I Liheslaturan Guahan.

Senators present were:

Senator Mark Forbes, Chairman
Senator Carlotta Leon Guerrero, Member

II. SUMMARY OF TESTIMONY

There were no individuals appearing before the Committee to present oral testimony on the bill, nor were there submitted written testimony of the bill.

III. FINDINGS AND RECOMMENDATION

The Committee on Rules, Government Reform, Reorganization and Federal Affairs finds that Bill No. 363 as amended is necessary in order to implement the Early Retirement and Voluntary Separation with Compensation Programs, due to the fact that those programs have only been recently implemented. These programs are necessary in order to reduce government personnel costs and help balance the Fiscal Year 2000 Budget.

Accordingly, the Committee on Rules, Government Reform, Reorganization and Federal Affairs, to which Bill No. 363 was referred does hereby submit its findings and recommendations to I Mina' Bente Singko Na Liheslaturan Guahan **TO DO PASS BILL NO. 363 as amended** "An act to extend the deadlines for the Early Retirement and Voluntary Separation with compensation Programs until January 01, 2000."



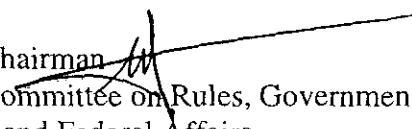
MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
Kumitean Areklamento, Refotman Gubetnamento Siha, Inetnon di Nuebu, yan Asunton Fidirat

*Senator Mark Forbes, Chairman
Kabisiyon Mayuråt*

NOV 24 1999

MEMORANDUM

TO: Chairman
Committee on Rules, Government Reform, Reorganization
and Federal Affairs

FROM: Chairman 
Committee on Rules, Government Reform, Reorganization
and Federal Affairs

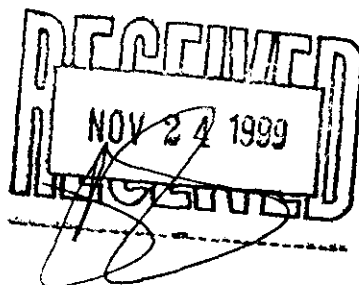
SUBJECT: Principal Referral – Bill No. 363

The above bill is referred to your Committee as the Principal Committee. In accordance with Section 6.04.05. of the Standing Rules, your Committee “shall be the Committee to perform the public hearing and have the authority to amend or substitute the bill, as well as report the bill out to the Body.” It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

MARK FORBES

Attachment



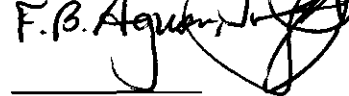
**MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session**

Bill No. 363 (COR)

(As Amended by the Committee)

Introduced by:

Mark Forbes


F.B. Aguilar, Jr.

**AN ACT TO EXTEND THE DEADLINES FOR THE
EARLY RETIREMENT AND VOLUNTARY
SEPARATION WITH COMPENSATION PROGRAMS
UNTIL JANUARY 1, 2000.**

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

2 **Section 1. Deadline for Voluntary Separation with Compensation**
3 **Program Extended.** Section 1 of Public Law 25-74 is hereby amended to
4 read as follows:

5 **"Section 1.** Section 17 of Chapter IV of Public Law 25-72 is
6 hereby amended to read as follows:

7 **"Section 17. Voluntary Separation with Compensation.**

8 Notwithstanding any other provision of law, and for a
9 period beginning October 1, 1999 and ending January 1, 2000
10 ~~November 30, 1999~~, any employee other than department heads
11 and their deputies who voluntarily separates from government

1 service and who is not eligible for retirement shall receive a one
2 (1) - time lump-sum payment equal to fifty percent (50%) of that
3 employee's base salary at the time of separation, with the
4 following provisions. This Section applies to the Executive Branch
5 supported by the General Fund, Territorial Highway Fund and
6 Solid Waste Operations Fund, except all autonomous agencies,
7 but including the Judiciary and the Legislative Branches.

8 (1) That the employee shall voluntarily stipulate
9 that the employee shall not be eligible for re-employment in
10 any position in the government of Guam, inclusive of
11 personal service contracts, for a period of no less than three
12 (3) years following the date of separation.

13 (2) That the hiring authority or the director of the
14 agency or department in which the employee works shall be
15 notified in writing of such intended separation at the time of
16 application by the employee.

17 (3) The provisions of this Section shall not apply to
18 people employed by limited term appointment.

19 An application for such voluntary separation shall be
20 forwarded to the Director of Administration, who shall then
21 process such separation and award such compensation to the
22 employee who is voluntarily separating, as is detailed in this
23 Section.

1 An employee shall qualify under this Section only if one (1)
2 of the following is met:

3 (a) the employee must have been on active paid
4 status for a period of no less than six (6) months prior to the
5 time of application for voluntary separation; or

6 (b) the employee must have been on a combination
7 of paid work status and/or paid annual and/or sick leave in
8 the three (3) months immediately preceding enactment of
9 this Act.

10 An employee who has a termination appeal pending before
11 the Civil Service Commission must prevail in the appeal ruling in
12 order to qualify under this Section. Any person receiving a lump
13 sum payment under this Section who is subsequently convicted of
14 a local or Federal, misdemeanor or felony, crime involving
15 government of Guam corruption for the period of prior
16 employment shall have been deemed ineligible for the lump sum
17 payment, and the person shall immediately reimburse the
18 government of Guam for the full lump-sum amount received
19 under this Section. The employee shall not be automatically
20 eligible for reemployment upon repayment of the lump sum
21 amount, but will have to reapply for employment as any other
22 person under existing law." "

23 **Section 2. Deadline for Early Retirement Program Extended.** Section
24 13 of Public Law 25-74 is hereby amended to read as follows:

1 **“Section 13.** Section 21 of Chapter IV of Public Law Number
2 25-72 is hereby amended to read as follows:

3 **“Section 21. Early Retirement Incentive.**

4 Notwithstanding any other provision of law or terms and
5 conditions set by the Board of Trustees of the Government of
6 Guam Retirement Fund pursuant to §8130 of Title 4 of the Guam
7 Code Annotated, and for a period between the effective date of
8 this Act and January 1, 2000 ~~December 1, 1999~~, any active, non-
9 uniformed member of the Government of Guam Retirement Fund
10 who has a minimum of twenty (20) years of creditable service, or
11 any uniformed active member of the Retirement Fund who has a
12 minimum of fifteen (15) years of creditable service, or any active
13 member of the Retirement Fund of sixty (60) or more years of age
14 who has a minimum of five (5) years of creditable service, may
15 retire and receive the following additional benefits:

16 **1. Up to Five (5) Years of Additional Creditable**
17 **Service Upon Application.** The member wishing to retire,
18 including any member who has withdrawn his or her
19 retirement contribution from the Fund who is paying back
20 such amounts pursuant to a repayment agreement or
21 promissory note pursuant to §8130 of Title 4 of the Guam
22 Code Annotated, shall pay for the additional employee's
23 contribution to the Retirement Fund required for such
24 additional service by paying in full such contributions by the
25 time of retirement, or by executing a promissory note with

1 the Retirement Fund for the full payment of the amount of
2 such contributions. Notwithstanding any other provision of
3 law, in the case of a member who has withdrawn his or her
4 retirement contribution from the Fund who is paying back
5 such amounts pursuant to a repayment agreement or
6 promissory note, all service credit that is being repaid
7 through such repayment agreement of promissory note shall
8 count for purposes of eligibility to retire under the terms and
9 conditions forth in this Section. The term of any such
10 promissory note shall not exceed fifteen (15) years at an
11 interest rate of eight percent (8%) per annum. The
12 Retirement Fund shall allow those electing to execute
13 promissory notes to have payments deducted from each
14 annuitant's semi-monthly check to be used to pay the
15 Retirement Fund Promissory Note.

16 If for some unforeseen reason, the deductions
17 authorized for repayment of the promissory note should
18 cease, then the payment of the annuity benefits that arise
19 from the provisions of Subsection 1 of this Section shall
20 likewise cease.

21 Except in the case of the death of the retiree, the
22 Retirement Fund is authorized to place a 'Request for
23 Proposal' for group life insurance to cover the unpaid
24 balance of the promissory note. The premium for this group

1 life insurance shall be paid by the Retirement Fund. Such
2 premium contribution by the Fund shall not exceed the
3 premium amount currently paid by the government for the
4 basic life insurance under the government of Guam group
5 life plan. If there is a difference between the premium
6 amount maximum that the retirement can pay versus the
7 total premium, that difference shall be paid by the retiree.

8 1. The member retiring, notwithstanding any other
9 provision of law, shall suffer no penalty or diminishing of
10 the amount of annuity to be received on account of the age
11 of the member retiring upon the date of retirement. *I*
12 *Liheslaturan Guåhan* recognizes the responsibility of the
13 General Fund to reimburse the Retirement Fund for the
14 additional costs directly associated with the granting of
15 additional creditable service to members retiring under the
16 provisions of this Section, with respect to those costs directly
17 associated with what would be both the employer's and
18 employee's contributions for additional years of service
19 credited. Of the current billing rate of 18.6% of gross payroll
20 for active members of the Retirement Fund, 17.48% shall be
21 allocated to payment of the bi-weekly employer's
22 contribution of active employees and to the repayment of
23 supplemental annuity benefits and COLA, as provided in
24 §§2-9 of this Chapter. The remaining 1.12% shall be applied

1 to pay for the employer's contributions for those members
2 electing to retire under the provisions of this Section. As the
3 percentage amount set aside for the payment of the
4 government's share of: (a) the normal cost; (b) the un-
5 funded accrued liability cost; and (c) the repayment of
6 supplemental annuity benefits and COLA, as provided in
7 §§2-9 of this Chapter decreases annually, the balance made
8 available will be applied to the payment of employer's
9 contributions for persons electing to retire pursuant to the
10 provisions of this Section. The members of the Retirement
11 Fund Board of Trustees are indemnified against any
12 personal liability in any matter relative to the
13 implementation of this Section. The Board of Trustees of the
14 government of Guam Retirement Fund shall implement the
15 provisions of this Section immediately upon the effective
16 date of this Act, notwithstanding any other provision of law.
17 In the event that it is required to implement this Section, *I*
18 *Maga'lahaen Guåhan* is authorized to borrow no more than
19 Twenty Million Dollars (\$20,000,000) with banks or other
20 lending institutions licensed to do business on Guam, for a
21 term of no more than twenty (20) years in order to fulfill the
22 purposes of §21 of this Chapter. Such loan shall be used
23 exclusively for the purposes of funding the voluntary
24 separation payments authorized by §21 of this Act. Such

1 loan is to be secured by the General Fund. All terms of the
2 loan shall be negotiated by *I Maga'lahaen Guahan* in the best
3 interests of the people of Guam.

4 The loan shall be upon such terms and conditions as
5 established by an agreement, and such other documents and
6 instruments as are executed by *I Maga'lahaen Guahan*
7 containing such terms as are consistent with this Section. *I*
8 *Maga'lahaen Guahan*, on behalf of the government of Guam,
9 is authorized to guaranty the loan and to grant the pledge of
10 §30 revenues or the General Fund, as provided below, as
11 security for repayment of the loan.

12 (1) The loan shall be for such term, not to be
13 more than twenty (20) years. The rate of interest upon
14 the loan shall be as negotiated between the lender and
15 *I Maga'lahaen Guahan*.

16 (2) Interest shall be computed upon the
17 declining balance of principal outstanding from time
18 to time upon the loan.

19 (3) The lender for making the loan may levy
20 prepaid charges. The lender may charge and be paid
21 either from the loan funds, or other funds of the
22 government of Guam, its expenses incurred in making
23 the loan, including legal fees, recording, title insurance
24 and appraisal fees, and like expenses.

1 (4) Interest earned by the lender shall be
2 exempt from taxation by the government of Guam,
3 including without limitation taxation under the Guam
4 Gross Receipts Tax and Guam Territorial Income Tax.

5 (5) The loan may be secured by:

6 (i) pledge of §30 revenues or the
7 General Fund;

8 (ii) a guaranty of the government of
9 Guam; or

10 (iii) pledge of all or any part of the
11 revenues derived by the government of Guam
12 under §30 of the Organic Act. Any such pledge
13 shall be made by a certificate of approval by *I*
14 *Maga'lahañ Guahãñ* authorizing the pledge and
15 the terms and conditions thereof. Any such
16 pledge shall be valid and binding from the time
17 the pledge is made, subject to prior pledges upon
18 such revenues. The revenues pledged and
19 thereafter received by the government of Guam,
20 or by any trustee appointed pursuant hereto,
21 shall upon receipt immediately be subject to the
22 lien of the pledge without any physical delivery
23 thereof or further act, and the lien of such pledge
24 shall be valid and binding against the

1 government of Guam, irrespective of whether
2 the parties have notice thereof.

3 *I Magalahen Guahån* may also pledge as a source
4 of repayment for any such loan the balance remaining
5 from the government's employer contribution to the
6 Retirement Fund after payment for the normal costs,
7 the un-funded accrued liability cost and the repayment
8 of supplemental annuity benefits, and COLA, as
9 provided in §§2-9 of this Chapter, subject to legislative
10 approval.

11 Should an annuitant who retires under the provisions
12 of this Section choose to seek reemployment with the
13 government of Guam, inclusive of personal services
14 contracts, the annuitant shall continue to owe and pay the
15 Government of Guam Retirement Fund any balance of sums
16 remaining from the purchase of the annuitants additional
17 credit service allowed by this Section. Upon reentering the
18 government of Guam, the member may be reinstated into
19 the Defined Contribution Plan." "

20 **Section 3.** Section 6 of Public Law Number 25-74 is hereby amended
21 to read as follows:

22 "Section 6. The Personnel Reserve Fund may be used to pay for
23 lump sum annual leave payments due to employees of the government
24 of Guam voluntarily separating under any of the provisions contained

1 in Public Law Number 25-72 if insufficient funds exist from the amounts
2 borrowed pursuant to §18 of Chapter IV of Public Law Number 25-72.
3 Any lump sum annual leave payment exceeding the amounts to be
4 borrowed pursuant to §18 of Chapter IV of Public Law Number 25-72 is
5 authorized to be paid from the Personnel Reserve Fund and is hereby
6 appropriated. *I Maga'lahaen Guåhan* shall report to the Speaker of *I*
7 *Lihe slaturan Guahån* all charges made to the Personnel Reserve Fund
8 pursuant to this Section *not* later than fourteen (14) days after the pay
9 period in which the charge was made to the Fund."

10 **Section 4. DISID Personnel Services Appropriation.** Seventy-Five
11 Thousand Eight Hundred Fifty-five Dollars (\$75,855) is appropriated from the
12 Personnel Reserve Fund to the Department of Integrated Services for
13 Individuals with Disabilities (DISID) to correct the amount appropriated for
14 personnel services for the first seven pay periods in Fiscal Year 2000.

15 **Section 5.** Nothing in Public Law Number 25-72, Public Law 25-74, or
16 this Act, shall be construed as allowing any employee who purchases up to
17 five (5) years of additional creditable service pursuant to Section 21 of
18 Chapter IV of Public Law Number 25-72, as amended by Section 13 of Public
19 Law 25-74, and further amended in this Act, to remain employed by the
20 government of Guam after January 1, 2000, *except* to the extent that public law
21 allows for the subsequent re-employment of retired nurses, teachers and
22 certified registered or licensed health care professional ancillary service
23 professionals on a temporary contractual basis. All employees of the
24 government of Guam who purchase the up to five (5) years additional

1 creditable service as provided in Public Law 25-72 and Public Law 25-74 must
2 retire from active government service by no later than January 1, 2000.

3 **Section 6. Severability.** If any provision of this Act or its application to
4 any person or circumstance is found to be invalid or contrary to law, such
5 invalidity shall not affect other provisions or applications of this Act which
6 can be given effect without the invalid provisions or application, and to this
7 end the provisions of this Act are severable.

**Bureau of Budget & Management Research
Fiscal Note of Bill No. 363**

Bill Title (Preamble): An act to extend the deadlines for the Early Retirement and voluntary separation with compensation programs until January 1, 2000

Department/Agency Appropriation Information	
Dept./Agency Affected: Government of Guam Chief Justice & Speaker	Dept./Agency Head: Governor of Guam
General Fund appropriation(s) to date:	\$ 447,000,000
Other Fund (specify): _____ appropriation(s) to date:	\$ 33,000,000
Total Department/Agency Appropriation(s) to date:	\$ 480,000,000

Fund Source Information of Proposed Appropriation			
	General Fund	Other (specify):	Total
FY Adopted Revenues	451,000,000	41,000,000	492,000,000
FY Appro. to P.L. 25-74			
Sub-total			
Less appropriation in Bill			
Total			492,000,000

Estimated Fiscal Impact of Bill						
	One full FY	For remainder of current FY (if appli.)	Second Year	Third Year	Fourth Year	Fifth Year
General Fund	1/					
Other Fund:						
Total						

- Does the bill contain "revenue generating" provisions? / / Yes /X/ No
If yes, see attachment.
- Is amount appropriated adequate to fund the intent of the appropriation? / / Yes / / No
If no, what is the additional amount required? \$ _____
- Does the Bill establish a new program/agency? / / Yes /X/ No
If yes, will the program duplicate existing programs/agencies? / / Yes /X/ No
Is there a federal mandate to establish the program/agency? / / Yes /X/ No
- Will the enactment of this Bill require new physical facilities? / / Yes /X/ No
- Was Fiscal Note coordinated with the affected dept/agency? If no, indicate reason: / / Yes / / No
/ / Requested agency comments not rec'd by due date / / Other: _____

Analyst: <i>PL</i> Paul D Leon Guerrero Date: 11/29/99	Director: <i>Joseph E. Rivera</i> Date: NOV 29 1999
Joseph E. Rivera, Acting	

Footnotes: The impact on the general fund will be minimal based on the 30 days extension.

NOV 24 1999

**MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session**

Bill No. 303 (COR)

Introduced by:

Mark Forbes 

**AN ACT TO EXTEND THE DEADLINES FOR THE
EARLY RETIREMENT AND VOLUNTARY
SEPARATION WITH COMPENSATION PROGRAMS
UNTIL JANUARY 1, 2000.**

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

2 **Section 1. Deadline for Voluntary Separation with Compensation**
3 **Program Extended.** Section 1 of Public Law 25-74 is hereby amended to
4 read as follows:

5 **"Section 1.** Section 17 of Chapter IV of Public Law 25-72 is
6 hereby amended to read as follows:

7 **"Section 17. Voluntary Separation with Compensation.**

8 Notwithstanding any other provision of law, and for a
9 period beginning October 1, 1999 and ending January 1, 2000
10 ~~November 30, 1999~~, any employee other than department heads
11 and their deputies who voluntarily separates from government
12 service and who is not eligible for retirement shall receive a one

1 (1) - time lump-sum payment equal to fifty percent (50%) of that
2 employee's base salary at the time of separation, with the
3 following provisions. This Section applies to the Executive Branch
4 supported by the General Fund, Territorial Highway Fund and
5 Solid Waste Operations Fund, except all autonomous agencies,
6 but including the Judiciary and the Legislative Branches.

7 (1) That the employee shall voluntarily stipulate
8 that the employee shall not be eligible for re-employment in
9 any position in the government of Guam, inclusive of
10 personal service contracts, for a period of no less than three
11 (3) years following the date of separation.

12 (2) That the hiring authority or the director of the
13 agency or department in which the employee works shall be
14 notified in writing of such intended separation at the time of
15 application by the employee.

16 (3) The provisions of this Section shall not apply to
17 people employed by limited term appointment.

18 An application for such voluntary separation shall be
19 forwarded to the Director of Administration, who shall then
20 process such separation and award such compensation to the
21 employee who is voluntarily separating, as is detailed in this
22 Section.

23 An employee shall qualify under this Section only if one (1)
24 of the following is met:

1 (a) the employee must have been on active paid
2 status for a period of no less than six (6) months prior to the
3 time of application for voluntary separation; or

4 (b) the employee must have been on a combination
5 of paid work status and/or paid annual and/or sick leave in
6 the three (3) months immediately preceding enactment of
7 this Act.

8 An employee who has a termination appeal pending before
9 the Civil Service Commission must prevail in the appeal ruling in
10 order to qualify under this Section. Any person receiving a lump
11 sum payment under this Section who is subsequently convicted of
12 a local or Federal, misdemeanor or felony, crime involving
13 government of Guam corruption for the period of prior
14 employment shall have been deemed ineligible for the lump sum
15 payment, and the person shall immediately reimburse the
16 government of Guam for the full lump-sum amount received
17 under this Section. The employee shall not be automatically
18 eligible for reemployment upon repayment of the lump sum
19 amount, but will have to reapply for employment as any other
20 person under existing law." "

21 **Section 2. Deadline for Early Retirement Program Extended.** Section
22 13 of Public Law 25-74 is hereby amended to read as follows:

23 "Section 13. Section 21 of Chapter IV of Public Law Number
24 25-72 is hereby amended to read as follows:

1 **"Section 21. Early Retirement Incentive.**

2 Notwithstanding any other provision of law or terms and
3 conditions set by the Board of Trustees of the Government of
4 Guam Retirement Fund pursuant to §8130 of Title 4 of the Guam
5 Code Annotated, and for a period between the effective date of
6 this Act and January 1, 2000 ~~December 1, 1999~~, any active, non-
7 uniformed member of the Government of Guam Retirement Fund
8 who has a minimum of twenty (20) years of creditable service, or
9 any uniformed active member of the Retirement Fund who has a
10 minimum of fifteen (15) years of creditable service, or any active
11 member of the Retirement Fund of sixty (60) or more years of age
12 who has a minimum of five (5) years of creditable service, may
13 retire and receive the following additional benefits:

14 **1. Up to Five (5) Years of Additional Creditable**
15 **Service Upon Application.** The member wishing to retire
16 shall pay for the additional employee's contribution to the
17 Retirement Fund required for such additional service by
18 paying in full such contributions by the time of retirement,
19 or by executing a promissory note with the Retirement Fund
20 for the full payment of the amount of such contributions.
21 The term of any such promissory note shall not exceed
22 fifteen (15) years at an interest rate of eight percent (8%) per
23 annum. The Retirement Fund shall allow those electing to
24 execute promissory notes to have payments deducted from

1 each annuitant's semi-monthly check to be used to pay the
2 Retirement Fund Promissory Note.

3 If for some unforeseen reason, the deductions
4 authorized for repayment of the promissory note should
5 cease, then the payment of the annuity benefits that arise
6 from the provisions of Subsection 1 of this Section shall
7 likewise cease.

8 Except in the case of the death of the retiree, the
9 Retirement Fund is authorized to place a 'Request for
10 Proposal' for group life insurance to cover the unpaid
11 balance of the promissory note. The premium for this group
12 life insurance shall be paid by the Retirement Fund. Such
13 premium contribution by the Fund shall not exceed the
14 premium amount currently paid by the government for the
15 basic life insurance under the government of Guam group
16 life plan. If there is a difference between the premium
17 amount maximum that the retirement can pay versus the
18 total premium, that difference shall be paid by the retiree.

19 1. The member retiring, notwithstanding any other
20 provision of law, shall suffer no penalty or diminishing of
21 the amount of annuity to be received on account of the age
22 of the member retiring upon the date of retirement. *I*
23 *Liheslaturan Guåhan* recognizes the responsibility of the
24 General Fund to reimburse the Retirement Fund for the

1 additional costs directly associated with the granting of
2 additional creditable service to members retiring under the
3 provisions of this Section, with respect to those costs directly
4 associated with what would be both the employer's and
5 employee's contributions for additional years of service
6 credited. Of the current billing rate of 18.6% of gross payroll
7 for active members of the Retirement Fund, 17.48% shall be
8 allocated to payment of the bi-weekly employer's
9 contribution of active employees and to the repayment of
10 supplemental annuity benefits and COLA, as provided in
11 §§2-9 of this Chapter. The remaining 1.12% shall be applied
12 to pay for the employer's contributions for those members
13 electing to retire under the provisions of this Section. As the
14 percentage amount set aside for the payment of the
15 government's share of: (a) the normal cost; (b) the un-
16 funded accrued liability cost; and (c) the repayment of
17 supplemental annuity benefits and COLA, as provided in
18 §§2-9 of this Chapter decreases annually, the balance made
19 available will be applied to the payment of employer's
20 contributions for persons electing to retire pursuant to the
21 provisions of this Section. The members of the Retirement
22 Fund Board of Trustees are indemnified against any
23 personal liability in any matter relative to the
24 implementation of this Section. The Board of Trustees of the

1 government of Guam Retirement Fund shall implement the
2 provisions of this Section immediately upon the effective
3 date of this Act, notwithstanding any other provision of law.
4 In the event that it is required to implement this Section, *I*
5 *Maga'lahaen Guåhan* is authorized to borrow no more than
6 Twenty Million Dollars (\$20,000,000) with banks or other
7 lending institutions licensed to do business on Guam, for a
8 term of no more than twenty (20) years in order to fulfill the
9 purposes of §21 of this Chapter. Such loan shall be used
10 exclusively for the purposes of funding the voluntary
11 separation payments authorized by §21 of this Act. Such
12 loan is to be secured by the General Fund. All terms of the
13 loan shall be negotiated by *I Maga'lahaen Guåhan* in the best
14 interests of the people of Guam.

15 The loan shall be upon such terms and conditions as
16 established by an agreement, and such other documents and
17 instruments as are executed by *I Maga'lahaen Guåhan*
18 containing such terms as are consistent with this Section. *I*
19 *Maga'lahaen Guåhan*, on behalf of the government of Guam,
20 is authorized to guaranty the loan and to grant the pledge of
21 §30 revenues or the General Fund, as provided below, as
22 security for repayment of the loan.

23 (1) The loan shall be for such term, not to be
24 more than twenty (20) years. The rate of interest upon

1 the loan shall be as negotiated between the lender and
2 *I Maga'lahaen Guahan*.

3 (2) Interest shall be computed upon the
4 declining balance of principal outstanding from time
5 to time upon the loan.

6 (3) The lender for making the loan may levy
7 prepaid charges. The lender may charge and be paid
8 either from the loan funds, or other funds of the
9 government of Guam, its expenses incurred in making
10 the loan, including legal fees, recording, title insurance
11 and appraisal fees, and like expenses.

12 (4) Interest earned by the lender shall be
13 exempt from taxation by the government of Guam,
14 including without limitation taxation under the Guam
15 Gross Receipts Tax and Guam Territorial Income Tax.

16 (5) The loan may be secured by:

17 (i) pledge of §30 revenues or the
18 General Fund;

19 (ii) a guaranty of the government of
20 Guam; or

21 (iii) pledge of all or any part of the
22 revenues derived by the government of Guam
23 under §30 of the Organic Act. Any such pledge
24 shall be made by a certificate of approval by I

1 *Maga'lahren Guahån* authorizing the pledge and
2 the terms and conditions thereof. Any such
3 pledge shall be valid and binding from the time
4 the pledge is made, subject to prior pledges upon
5 such revenues. The revenues pledged and
6 thereafter received by the government of Guam,
7 or by any trustee appointed pursuant hereto,
8 shall upon receipt immediately be subject to the
9 lien of the pledge without any physical delivery
10 thereof or further act, and the lien of such pledge
11 shall be valid and binding against the
12 government of Guam, irrespective of whether
13 the parties have notice thereof.

14 *I Magalahen Guahån* may also pledge as a source
15 of repayment for any such loan the balance remaining
16 from the government's employer contribution to the
17 Retirement Fund after payment for the normal costs,
18 the un-funded accrued liability cost and the repayment
19 of supplemental annuity benefits, and COLA, as
20 provided in §§2-9 of this Chapter, subject to legislative
21 approval.

22 Should an annuitant who retires under the provisions
23 of this Section choose to seek reemployment with the
24 government of Guam, inclusive of personal services

1 contracts, the annuitant shall continue to owe and pay the
2 Government of Guam Retirement Fund any balance of sums
3 remaining from the purchase of the annuitants additional
4 credit service allowed by this Section. Upon reentering the
5 government of Guam, the member may be reinstated into
6 the Defined Contribution Plan.” “

7 **Section 3. Severability.** If any provision of this Act or its application to
8 any person or circumstance is found to be invalid or contrary to law, such
9 invalidity shall not affect other provisions or applications of this Act which
10 can be given effect without the invalid provisions or application, and to this
11 end the provisions of this Act are severable.