



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

OCT 12 2001

The Honorable Joanne M. S. Brown  
Legislative Secretary  
I Mina Bente Sais na Liheslaturan Guåhan  
Twenty-Sixth Guam Legislature  
Suite 200  
130 Aspinal Street  
Hagåtña, Guam 96910

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	4:40 PM
Date	10/12/01

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 204 (LS) "AN ACT TO AMEND § 8137(f) AND TO ADD § 8137(g) TO TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO APPROPRIATING MONIES TO THE GOVERNMENT OF GUAM RETIREMENT FUND AND FOR OTHER APPROPRIATIONS AND PURPOSES" which I have signed into law as **Public Law No. 26-49**.

This legislation is signed because it eliminates some deficiencies within the budget for the Guam Waterworks Authority. Additionally, it eliminates an impediment to continued employment of numerous positions at the University of Guam and the Guam Community College.

This legislation was referred to the Government of Guam Retirement Fund for analysis concerning the provisions applicable to that entity. I have received information from the Retirement Fund that under the provisions of this legislation, that the Retirement Fund will not be able to pay out for \$4,238 supplemental benefits, \$1,100 COLA, and the \$ 8 Million government share to subsidize insurance premiums and Medicare reimbursements, without a great deal of additional funding.

A study of this situation shows that there are four possible approaches to this problem, which could be implemented:

1. **Lump sum for all benefits.** A new appropriation of \$33 Million, as noted by the Retirement Fund, which would cover all of the benefits that need to be paid;

0523

2. **Pension bond.** Implementation of a pension bond as previously discussed with members of the Legislature;
3. **Modifying the law to pay for medical care immediately, other benefits as soon as possible.** Changing the law to provide that the funding that is contained in this legislation is to be used for the payments of insurance premiums and Medicare reimbursements only, and the payments for the other required benefits should be dealt with as soon as possible by other means. The amount needed for medical care only is approximately \$ 8 Million;
4. **Increasing government's share to at least 26%.** Changing the government's contribution share to be at least 26% and providing the means to pay it.

I am very concerned about the situation concerning our retirees, survivors, and others who are entitled to payments from the Retirement Fund. The inability of the government to pay in the necessary amounts to allow the Fund to make the payments that the beneficiaries are expecting is a serious matter. The government cannot pay in without the necessary legislation authorizing the infusion of cash to the Retirement Fund. The Retirement Fund cannot pay out without the appropriate cash to cover the payment.

I have also had this legislation reviewed for legal sufficiency regarding the provisions concerning the firefighters. The firefighters previously were paid at the base rate of 106 hours per pay period, although factually speaking they are on duty for 122.5 hours per pay period. When the law was changed in Public Law No. 26-36 to repeal the 106 hours, the base rate went back to 80 hours per pay period and all of those who were on duty accrued overtime for time worked above 80 hours. Now that the 106 hours per pay period has been reinstated, it is not possible to apply the retroactive effect to October 1, 2001, despite the language to the contrary. The firefighters already worked based on the previous repeal of this 106 hour provision and already accrued overtime above the 80 hours during this time period.

The attached letter from the Civil Service Commission indicates that now there are two scales of payment for firefighters, and that new firefighters coming in will be paid at a lower rate than those already on board. Also, with two scales of payment, when current firefighters are up for promotion, will they be subjected to the new, lower pay scale? This question is unanswered.


In the future, according to the provisions of Substitute Bill No. 204, the firefighters will be paid on the base rate of 106 hours per pay period, however, due to the provisions of the Fair Labor Standards Act, all time on duty above 106 hours must be compensated as overtime. Since all firefighters are on duty an actual time of 122.5 hours per pay period, another appropriation of approximately \$2.5 Million is needed to cover overtime for this Fiscal Year.

Legislative Secretary  
SB204;PL26-49  
October, 2001  
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In the future, any proposed legislation concerning salaries or benefits of government employees should be first referred to the Civil Service Commission for analysis and should also be subject to a public hearing for all of the affected employees.

The additional needs of the government projected as a result of the provisions of Substitute Bill No. 204 and previous legislation must be addressed as soon as possible.

Very truly yours,



Carl T. C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam

Attachments: original bill for vetoed legislation or  
copy of bill for signed or overridden legislation  
and legislation enacted without signature

copy of correspondence to and from Government of  
Guam Retirement Fund


copy of correspondence from Civil Service Commission  
copy of Attorney General's opinion

cc: The Honorable Antonio R. Unpingco  
Speaker


**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

**CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN**

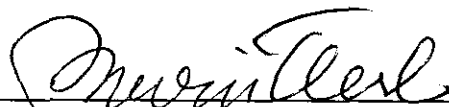
This is to certify that Substitute Bill No. 204 (LS) "AN ACT TO AMEND § 8137(f) AND TO ADD § 8137(g) TO TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO APPROPRIATING MONIES TO THE GOVERNMENT OF GUAM RETIREMENT FUND AND FOR OTHER APPROPRIATIONS AND PURPOSES," was on the 10<sup>th</sup> day October 2001, duly and regularly passed.

  
\_\_\_\_\_  
**ANTONIO R. UNPINGCO**  
Speaker

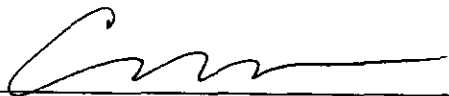
Attested:

  
**JOANNE M.S. BROWN**  
Senator and Legislative Secretary

-----  
This Act was received by *I Maga'lahaen Guåhan* this 11<sup>th</sup> day of October, 2001,  
at 11:15 o'clock 9 .M.

  
\_\_\_\_\_  
Assistant Staff Officer  
*Maga'laha's Office*

APPROVED:

  
\_\_\_\_\_  
**CARL T. C. GUTIERREZ**  
*I Maga'lahaen Guåhan*

Date: 10-12-01

Public Law No. 26-49

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

**Bill No. 204 (LS)**

As substituted in the Committee  
of the Whole and amended.

Introduced by:

A. R. Unpingco  
V. C. Pangelinan  
K. S. Moylan  
J. F. Ada  
T. C. Ada  
F. B. Aguon, Jr.  
J. M.S. Brown  
E. B. Calvo  
F. P. Camacho  
M. C. Charfauros  
Mark Forbes  
L. F. Kasperbauer  
L. A. Leon Guerrero  
A. L.G. Santos  
J. T. Won Pat

**AN ACT TO AMEND § 8137(f) AND TO ADD §  
8137(g) TO TITLE 4 OF THE GUAM CODE  
ANNOTATED, RELATIVE TO APPROPRIATING  
MONIES TO THE GOVERNMENT OF GUAM  
RETIREMENT FUND AND FOR OTHER  
APPROPRIATIONS AND PURPOSES.**

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

2           **Section 1.** Section 8137(f) of Article 1, Chapter 8 of Title 4 of the Guam  
3 Code Annotated, as added by § 24 of Public Law Number 26-36, is hereby  
4 *amended* to read as follows:

1           “(f) The debt service relative to the Thirty Million Dollars  
2           (\$30,000,000) for Fiscal Year 2002 for the supplemental annuity benefits;  
3           cost of living allowance; *I Maga’lahen Guåhan* and *I Segundu na*  
4           *Maga’lahen Guåhan’s* pensions; retiree group health, dental and life  
5           insurance premiums; retiree life insurance subsidy; and Medicare  
6           premiums shall be paid from the 1.2016% increase in Employer  
7           Contributions for Fiscal Year 2002 over the FY2001 contribution rate of  
8           18.6% for positions funded by Public Law Number 26-35, as amended  
9           by Public Law Numbers 26-36 and 26-47.”

10          **Section 2.** Section 8137(g) is hereby *added* to Article 1, Chapter 8 of Title  
11 4 of the Guam Code Annotated to read as follows:

12           “(g) For Fiscal Year 2002, separately, the Guam Power Authority,  
13           the Guam Telephone Authority, the Guam Waterworks Authority, the  
14           A. B. Won Pat Guam International Airport Authority, the Guam  
15           Economic Development Authority, the Guam Housing Corporation, the  
16           Government of Guam Retirement Fund, the Port Authority of Guam,  
17           the Guam Memorial Hospital Authority and the Guam Visitors Bureau  
18           shall remit to the Government of Guam Retirement Fund an amount  
19           equal to the number of employees which are retired from each entity  
20           multiplied by the amounts of: (1) Four Thousand Two Hundred Thirty-  
21           eight Dollars (\$4,238.00), known as the sum of the One Thousand Two  
22           Hundred Dollar (\$1,200.00), One Thousand Five Hundred Dollar  
23           (\$1,500.00), Seven Hundred Dollar (\$700.00) and Eight Hundred Thirty-  
24           eight Dollar (\$838.00) supplemental annuity benefits formerly contained

1 in various General Appropriation Acts; *and* (2) One Thousand One  
2 Hundred Dollars (\$1,100.00), known as the latest cost of living  
3 adjustment. Each of the above listed entities shall also remit to the  
4 Government of Guam Retirement Fund the amounts necessary to defray  
5 the cost of Medicare premiums for Retirees of those agencies and their  
6 survivors who are eligible to receive social security income benefits and  
7 are required under the government of Guam group health insurance  
8 program to pay such premiums to continue to participate in such health  
9 insurance program, failing which they are excluded therefrom (to  
10 continue existing programs contained in the monthly payments).

11 The remittances required herein shall be made in two (2) equal  
12 installments and shall be due on or before December 31<sup>st</sup> and March 31<sup>st</sup>,  
13 respectively. The Government of Guam Retirement Fund shall  
14 promulgate, continue and amend, *if necessary*, previous administrative  
15 procedures to ensure the proper submission, receipt and accounting of  
16 all sums remitted in conformance with this Section."

17 **Section 3.** Section 26 of Public Law Number 26-36 is hereby *amended* to  
18 read as follows:

19 **"Section 26.** The sum of Eight Hundred Thousand  
20 Dollars (\$800,000.00) is hereby appropriated from the General Fund to  
21 the Government of Guam Retirement Fund to be used for the increase in  
22 government contributions pursuant to § 8137(e) of Title 4 of the Guam  
23 Code Annotated."

1           **Section 4.** Section 1 of Chapter II of Public Law Number 26-35 is  
2 hereby *amended* to read as follows:

3           **"Section 1.           Government Appropriations.**           The sum  
4 of Four Hundred Ninety-six Million Five Hundred Sixty-four Thousand  
5 Three Hundred Thirty-nine Dollars (\$496,564,339) is hereby  
6 appropriated for the operations of the Executive, Judicial and  
7 Legislative Branches for fiscal year ending September 30, 2002, which  
8 shall be expended as contained in **APPENDIX B** and Chapter III,  
9 *Miscellaneous Appropriations & Other Purposes*, of this Act. This sum is  
10 composed of Four Hundred Twenty Million Eight Hundred Ninety-two  
11 Thousand Nine Hundred Sixty-two Dollars (\$420,892,962) from the  
12 General Fund; Forty-nine Million Nine Hundred Seventy Thousand  
13 Seven Hundred Fifty Dollars (\$49,970,750) from Special Funds; and  
14 Twenty-five Million Seven Hundred Thousand Six Hundred Twenty-  
15 seven Dollars (\$25,700,627) from Federal Matching Grants-in-Aid."

16           **Section 5.** Section 5 of Chapter IV of Public Law Number 26-35 is  
17 hereby *amended* to read as follows:

18           **"Section 5.           Limited Term Appointment Moratorium.**  
19 Notwithstanding the provisions of § 4103 of Title 4 of the Guam Code  
20 Annotated, or any other provisions of law, no person may be employed  
21 on a temporary or limited-term basis by any instrumentality of the  
22 government of Guam during this Fiscal Year, *except* for the following:

- 23                   (1) teachers and on-call substitutes (within staffing  
24                   pattern funding levels);



1 (2) attorneys at the Department of Law (within staffing  
2 pattern funding levels);

3 (3) nurses and doctors (within staffing pattern funding  
4 levels);

5 (4) *temporary* survey workers employed by the  
6 Department of Labor ('DOL') for the purpose of conducting  
7 employment surveys (within staffing pattern funding levels);

8 (5) licensed healthcare professional ancillary service  
9 personnel employed at the Guam Memorial Hospital Authority  
10 ('GMHA'), the Department of Mental Health and Substance  
11 Abuse ('DMH&SA') and the Department of Public Health and  
12 Social Services ('DPH&SS') (within staffing pattern funding  
13 levels);

14 (6) faculty positions for the University of Guam ('UOG')  
15 and the Guam Community College ('GCC'); research, teaching  
16 and extension service assistants at UOG; and personnel employed  
17 by UOG under the Chamorro Teaching Degree Institute, the  
18 Guam Hydrologic Survey and Comprehensive Water Resource  
19 Monitoring Program and the Dr. Antonio C. Yamashita Educator  
20 Corps within their appropriated funding levels;

21 (7) (a) Temporary Solid Waste Technicians employed  
22 by the Division of Solid Waste Management of the  
23 Department of Public Works ('DPW') for the purpose of  
24 collecting residential solid waste;

1 (b) such sums as are necessary are hereby  
2 appropriated from the Solid Waste Operations Fund to fund  
3 the temporary positions contained within this Section; *and*

4 (8) (a) Federally funded positions (matching and 100%);  
5 *and*

6 (b) for GCC and UOG *only*, non-General Fund  
7 funded positions.

8 *Except for employees in Items (1), (6) and (8) of this Section, no*  
9 *person employed on the basis of these exceptions can be employed for a*  
10 *period of more than ninety (90) days, subject to no more than two (2)*  
11 *renewals. No more than seven (7) days after the hiring of any individual*  
12 *subject to the exceptions contained within this Section, the head of the*  
13 *government instrumentality where such hiring has occurred shall report*  
14 *in writing such hiring to the Speaker of I Liheslaturan Guåhan."*

15 **Section 6.** Section 34 of Public Law Number 26-36 is hereby *amended to*  
16 *read as follows:*

17 **"Section 34. Indemnification. The**  
18 *government of Guam shall indemnify and hold harmless any Trustee,*  
19 *Director, officer, staff person, or former Trustee, Director, officer or staff*  
20 *person who may have served as a Trustee, Director or officer of the*  
21 *Fund, in whole or in part, for any liability, loss, damage, costs and*  
22 *expenses arising out of payment of funds pursuant to this Act for*  
23 *FY2002 supplemental annuity benefits; cost of living allowance; I*  
24 *Maga'lahaen Guåhan and I Segundu na Maga'lahaen Guåhan's pensions;*

1 retiree group health, dental and life insurance premiums; retiree life  
2 insurance subsidy; and Medicare premiums, *except* in relation to matters  
3 as to which the person is adjudged to be liable for criminal misconduct  
4 in the performance of duty to the Fund.”

5 **Section 7. GFD Firemen’s 106 Hour Salary.**

6 (a) **Legislative Findings and Intent.** *I Liheslaturan Guåhan*  
7 finds that the appendixes of Bill Number 185 provided for and  
8 continued the funding for the firefighters at their existing one hundred  
9 six (106) hours per pay period salary. *I Liheslaturan Guåhan* further finds  
10 that in § 11 of Chapter V of Bill Number 185, now Public Law Number  
11 26-35, *I Liheslaturan Guåhan* only excluded by amendment to § 6219(a) of  
12 Title 4 of the Guam Code Annotated the Deputy Fire Chief from the  
13 Guam Fire Department (“GFD”) firefighters one hundred six (106)  
14 hours per pay period salary.

15 In § 35 of Bill Number 98, now Public Law Number 26-36, *I*  
16 *Liheslaturan Guåhan* only repealed § 11 of Chapter V of Public Law  
17 Number 26-35, which amended 4 G.C.A. § 6219(a). *I Liheslaturan*  
18 *Guåhan* did *not* change the funding provided for GFD firemen’s one  
19 hundred six (106) hours per pay period salary. *I Liheslaturan Guåhan’s*  
20 intent was to revive § 6219(a) as it existed *prior* to the passage of Public  
21 Law Number 26-35.

22 *Subsequent* to the passage of Bill Number 98, *I Maga’lahen Guåhan*  
23 contended that *I Liheslaturan Guåhan* repealed 4 G.C.A. § 6219(a) in its  
24 entirety by the passage of Bill Number 98. However, *I Liheslaturan*

1 *Guåhan* never repealed § 6219(a) in its entirety, as manifested by the  
2 funding for the firemen remaining at one hundred six (106) hours per  
3 pay period, and the repeal only of § 11 of Chapter V of Public Law  
4 Number 26-35, not 4 G.C.A. § 6219(a). It was the intent that § 6219(a) be  
5 restored to the law existing *prior* to the passage of § 11 of Chapter V of  
6 Public Law Number 26-35. *I Maga'laken Guåhan* was incorrect in his  
7 interpretation of the GFD firemen legislation, and continues his  
8 intention *not* to pay firemen at their one hundred six (106) hours per pay  
9 period salary, causing a substantial and detrimental impact upon them  
10 and their families. This is unacceptable and an incorrect reading of the  
11 intent and language of Public Law Number 26-35, all to the detriment of  
12 the firemen and their families.

13 In order to assist the firemen and their families, and to avoid a  
14 prolonged judicial contest over this matter, *I Liheslaturan Guåhan* intends  
15 this Section to remove all perceived impediments *I Maga'laken Guåhan*  
16 has constructed to paying the firemen their just compensation.  
17 Noteworthy is the fact and finding that on Friday, October 5, 2001  
18 before the Committee of the Whole, Fire Chief Felix Sablan informed the  
19 Body that he was mistaken in his interpretation of § 11 of Chapter V of  
20 Public Law Number 26-35, and would compensate the firemen at their  
21 one hundred six (106) hours per pay period salary. Subsequently, *I*  
22 *Maga'laken Guåhan* stopped, or prevented his Administration from  
23 processing, the GFD firemen's salary at their rightful one hundred six  
24 (106) hours per pay period salary level.

1 (b) Notwithstanding any other provisions of law, Section  
2 6219(a) of Title 4 of the Guam Code Annotated shall read as follows:

3 “(a) Notwithstanding any other law, rule, or regulation, all  
4 firefighters within the Guam Fire Department, *except* the Fire  
5 Chief, shall be compensated at the regular hourly rate of pay at  
6 one hundred six (106) hours per pay period, and shall be  
7 compensated at one and one-half (1 1/2) times the regular hourly  
8 rate for hours worked in excess of one hundred six (106) hours per  
9 pay period.

10 The Civil Service Commission shall adjust the pay schedule  
11 for firefighters to a schedule based upon a standard pay period of  
12 one hundred six (106) hours.”

13 (c) The above Subsection (b) shall be applied retroactively as of  
14 October 1, 2001 forward.

15 **Section 8. Additional GWA Positions.** The positions contained in  
16 **Exhibit A** are hereby *added* to the Guam Waterworks Authority  
17 (“GWA”) Staffing Pattern contained within Public Law Number 26-34.

18 **Section 9. Wastewater Manager.** Notwithstanding any other  
19 provisions of law, *I Liheslaturan Guåhan* hereby authorizes the filling of a  
20 “*Wastewater Manager*” by the Guam Waterworks Authority (“GWA”), as  
21 contained and identified within the attached **Exhibit A**. The position has  
22 been identified by GWA as a critically necessary position that be immediately  
23 filled.

1           **Section 10. Deletion of GWA Positions.**           The position contained in  
2 **Exhibit B** is hereby *deleted* from the Guam Waterworks Authority  
3 (“GWA”) Staffing Pattern, as contained within Public Law Number 26-34.

4           **Section 11.** Section 8(b) of Public Law Number 26-34 is hereby *amended*  
5 to read as follows:

6                   “(b) GWA shall reserve the sum of Five Hundred Twenty-nine  
7 Thousand One Hundred Seventy-one Dollars (\$529,171.00) from  
8 revenues for FY2002 into the GWA Budget Reserve Account. Said  
9 amount is reflected within Exhibit B under the ‘*Special Reserve*’ category.  
10 In addition to this amount, the funding listed in Exhibit A for all  
11 positions vacant on October 1, 2001, or becoming vacant thereafter, shall  
12 revert to the GWA Budget Reserve Account.”

13           **Section 12.** Section 4 of Public Law Number 26-34 is hereby  
14 *amended* to read as follows:

15                   “**Section 4. Estimated Revenues.** *I Liheslaturan Guåhan*  
16 adopts Thirty-seven Million Seven Hundred Twelve Thousand One  
17 Hundred Nine Dollars (\$37,712,109) as the revenue forecast for the  
18 Guam Waterworks Authority (‘GWA’) for Fiscal Year 2002. Any  
19 FY2002 revenues in excess of said amount shall *not* be expended  
20 without the prior consent and appropriation of *I Liheslaturan Guåhan*,  
21 but shall be transferred into the GWA Budget Reserve Account as  
22 mandated in § 8 of this Act.

23                   *I Liheslaturan Guåhan* also recognizes cash collections will be  
24 received by GWA from prior year revenues. Said prior year collections

1 may be used to pay obligations of GWA incurred *prior* to October 1,  
2 2001, and the General Manager of GWA shall provide a report to *I*  
3 *Liheslaturan Guåhan* within thirty (30) days of any expenditures paid.”

4 **Section 13.** Section 19 of Chapter III of Public Law Number 26-35  
5 is hereby *amended* to read as follows:

6 **“Section 19. Appropriation for Aquaculture**  
7 **Development.**

8 There is hereby appropriated from the General Fund the sum of Two-  
9 hundred Sixty Thousand Dollars (\$260,000.00) to the University of  
10 Guam (‘UOG’) for the personnel, operations, maintenance and other  
11 costs of the Guam Aquaculture Development and Training Center for  
12 Fiscal Year 2002 established pursuant to § 10 of Chapter IV of this Act.  
13 UOG shall fund the personnel, operations, maintenance and other costs  
14 of the Guam Aquaculture Development and Training Center effective  
15 October 1, 2001.”

16 **Section 14.** Section 6219(e) of Article 2, Chapter 6 of Title 4 of the  
17 Guam Code Annotated is hereby *amended* to read as follows:

18 “(e) This Section shall *not* be construed to limit the authority of  
19 the Civil Service Commission to adjust the rate of compensation for  
20 firemen, so long as the regular hourly rate of compensation is *not*  
21 adjusted to an amount *less* than that in effect on September 1, 2001.”

22 **Section 15.** Section 6(a) of Public Law Number 26-34 is hereby  
23 *amended* to read as follows:

1           “(a) GWA is authorized three hundred thirty-five (335) positions  
2           with sixteen (16) un-funded vacancies, for a total of *only* three hundred  
3           fifty-one (351) full time equivalency (‘FTE’) positions.”

4           **Section 16. Severability.** *If* any provision of this Law or its  
5           application to any person or circumstance is found to be invalid or contrary to  
6           law, such invalidity shall *not* affect other provisions or applications of this  
7           Law which can be given effect without the invalid provisions or application,  
8           and to this end the provisions of this Law are severable.



# EXHIBIT A

## GUAM WATERWORKS AUTHORITY AUTHORIZED STAFFING PATTERN FY 2002

BU#	Section	Division	No	EMP#	EMPLOYEE NAME	TITLE	PAY GRADE	STEP	ANNUAL SALARY	Medical	Dental	Life	Retirement	Medicare	Total Benefits	Total Payroll
5245	Transmission & Distrib	Water	1	443	Sanchez John A.	PUMPING STATION OPERATOR I	H	8	\$ 27,964	\$ 1,253	\$ 148	\$ 106	\$ 5,201	\$ 405	\$ 7,114	\$ 35,078
5285	Meter Service	Water	1		Taitague Anthony E.	TRADES HELPER	D	1	\$ 15,840	\$ 1,253	\$ 148	\$ 106	\$ 2,946	\$ 230	\$ 4,683	\$ 20,523
5305	Admin - Wastewater	Wastewater	1		Pending Drug Test	WASTEWATER MANAGER	Q	2	\$ 42,874	\$ 1,253	\$ 148	\$ 106	\$ 7,975	\$ 622	\$ 10,103	\$ 52,977
									\$ 86,678	\$3,758	\$ 445	\$ 318	\$ 16,122	\$ 1,257	\$ 21,900	\$ 108,578

# EXHIBIT B

BU#	Section	Division	No EMP#	EMPLOYEE NAME	TITLE	PAY GRADE	STEP	ANNUAL SALARY	Medical	Dental	Life	Retirement	Medicare	Total Benefits	Total Payroll
5331	Central District	Wastewater	0	Tajalle, Kenneth C.	Community Maintenance Worker	F	4	\$ 20,942	\$ 1,253	\$ 148	\$ 106	\$ 3,895	\$ 304	\$ 5,706	\$ 26,648



**MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN**  
TWENTY-SIXTH GUAM LEGISLATURE  
155 Hesler Street, Hagåtña, Guam 96910

**2001 (FIRST) Regular Session**

I, Antonio R. Unpingco, Speaker of *I Mina'Bente Sais Na Liheslaturan Guåhan*, hereby certify, in conformance with Title 2 Guam Code Annotated §2103, *Public Hearings Mandatory*, as amended, that an emergency condition exists involving danger to the public welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 204 (LS), "AN ACT TO *AMEND* SECTION 8137(f) AND TO *ADD* SUBSECTION (g) TO ARTICLE 1 OF CHAPTER 8 OF TITLE 4 OF THE GUAM CODE ANNOTATED AND TO APPROPRIATE MONIES TO THE GOVERNMENT OF GUAM RETIREMENT FUND *AND* FOR OTHER APPROPRIATIONS AND PURPOSES," which was introduced on this date, October 9, 2001, and therefore waive the statutory requirements for a public hearing on Bill Number 204 (LS).

Dated: October 9, 2001

  
\_\_\_\_\_  
**ANTONIO R. UNPINGCO**  
Speaker and Presiding Officer



CARL T.C. GUTIERREZ  
GOVERNOR OF GUAM

ACKNOWLEDGMENT OF RECEIPT

DATE: 10/11/01  
TIME: \_\_\_\_\_  
BY: [Signature]

OCT 11 2001

Mr. John A. Rios  
Director  
Government of Guam Retirement Fund  
424-Route 8  
Maite, Guam 96927

IN RE: SUBSTITUTE BILL NO. 204, ATTACHED

Dear Director Rios:

Enclosed please find a copy of Substitute Bill No. 204, received by the Governor's Office this morning, Thursday, October 11, 2001.

As a separate entity from the government, please review the attached bill and advise the Governor whether the provisions of this legislation are adequate to allow the payment of all the expected benefits to our retirees, survivors, and beneficiaries, including the supplemental benefits, COLA, and insurance premiums. Also, please advise concerning the effect concerning retirees, survivors and beneficiaries of both line agencies and autonomous agencies, as there seems to be a differentiation in this legislation.

As I am very concerned about the retirees, survivors, and all those who depend on retirement payments, I would appreciate your review as soon as possible. I want to take action on this bill as soon as possible if the needs of our retirees, survivors, and beneficiaries can be taken care of.

Thank you very much for your assistance in this most important matter.

Very truly yours,

Carl T. C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam

enclosure

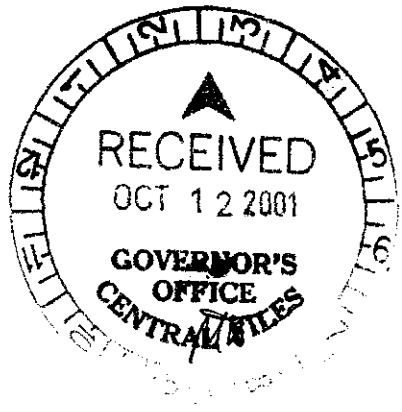
C-01-2820



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
STABILITY · SECURITY · REWARDS

October 11, 2001

Honorable Carl T.C. Gutierrez  
I Maga'Lahen Guåhan  
Governor of Guam  
Ricardo J. Bordallo Complex  
Adelup, Guam 96910



- Carl T.C. Gutierrez**  
*Governor*
- Madeleine Z. Bordallo**  
*Lieutenant Governor*
- Gerald S.A. Perez**  
*Board Chairman*
- Paul D. Untalan**  
*Vice Chairman*
- Frank J.C. Camacho**  
*Trustee*
- Rolenda Lujan Faasumalie**  
*Trustee*
- Antoinette "Toni" D. Sanford**  
*Trustee*
- John A. Rios**  
*Director*
- Teresita S. Flores**  
*Deputy Director*

IN RE: SUBSTITUTE BILL NO. 204

Dear Governor:

In response to your letter dated October 11, 2001 regarding Substitute Bill No. 204, the Retirement Fund's position remains status quo. This Bill does not provide the adequate funding to provide the \$4,238 supplemental, \$1,100 COLA, the government share of insurance premiums and Medicare reimbursements. In previous legislation, P.L. 26-36, appropriated \$2.5 million to cover the increase in the government contribution rate from 18.6% to 19.8016%. Bill No. 204 increases the appropriated amount from \$2.5 million to \$2.8 million. This appropriation is still inadequate to fund the additional benefits.

In addition, Bill No. 204 separates autonomous agencies making them financially responsible for the funding of the additional benefits for retirees of their respective agencies. This amounts to approximately \$7.9 million (please see attached spreadsheet). Although, there are still concerns regarding autonomous agencies who have outstanding government contributions due to the Fund. The agency's ability to pay for the additional obligation needs to be addressed. Unfortunately, this shift of responsibility for payments for retirement costs of former employees of the autonomous agencies will not result in covering the costs involved. The agencies that must undertake this burden under Substitute Bill No. 204 are already heavily in arrears on payment of past costs and their current financial situations obviously will not allow them to undertake this additional financial responsibility. A prime example is the Guam Memorial Hospital, which owes approximately \$16.5 in arrears to the Retirement Fund. If they cannot make their usual payments, how much more will they be unable to make an additional \$2 Million payment under this legislation?

Also, we are receiving numerous calls from concerned retirees regarding their health insurance coverage. The liabilities for nonpayment of the government contribution's for their health insurance may be multiple to the government of Guam.

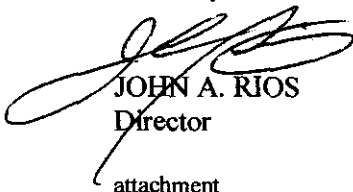
With respect to your decision on Bill No. 204, the Fund will not be able to pay for these benefits without the adequate funding. I realize how much that you want to make the

424 Route 8  
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necessary payments to the retirees and others entitled under the Retirement Fund, yet even if Substitute Bill No. 204 becomes law, adequate funding is not there. I must tell you the same thing that was conveyed to the Senators during consideration of this bill: the Retirement Fund will not be able to make the payments for \$4,238 supplemental, \$1,100 COLA, and the government share of insurance premiums and Medicare reimbursements without funding. In order to make the payments, a new bill needs to be passed by the senators with an additional appropriation of \$33 Million.

If you need additional information I will be available at your convenience.

Sincerely,



JOHN A. RIOS  
Director

attachment

**COLA & Gov't Share for Med/Den/Life Insurance for Autonomous Agency Retirees**

Agency Name	Agency Code	Count	Amount for COLA	Gov't Share Med Ins. (Annual)	Gov't Share Den Ins. (Annual)	Gov't Share Life Ins. (Annual)	Total Annual COLA & Gov Share
Retirement Fund	7200	19	20,900.00	14,688.00	1,337.04	2,006.40	38,931.44
Guam Waterworks Authority	7800	247	271,700.00	380,240.16	34,465.92	25,766.40	712,172.48
Port Authority of Guam	7900	283	311,300.00	369,029.76	27,037.92	29,462.40	736,830.08
Guam Airport Authority	8200	54	59,400.00	61,793.76	5,496.72	5,596.80	132,287.28
Guam Housing Corp	8700	12	13,200.00	20,245.20	2,079.84	1,267.20	36,792.24
Guam Memorial Hospital	8900	375	412,500.00	471,571.20	31,940.40	39,388.80	955,400.40
Guam Power Authority	9000	292	321,200.00	442,284.72	33,723.12	30,624.00	827,831.84
Guam Telephone Authority	9100	185	203,500.00	259,951.68	25,255.20	19,324.80	508,031.68
Guam Visitors Bureau	9200	6	6,600.00	11,755.68	891.36	633.60	19,880.64
Guam Economic Development	9600	6	6,600.00	7,344.00	742.80	633.60	15,320.40
<b>Total</b>		<b>1479</b>	<b>1,626,900.00</b>	<b>2,038,904.16</b>	<b>162,970.32</b>	<b>154,704.00</b>	<b>3,983,478.48</b>

**\$4238 Benefits for Autonomous Agency Retirees**

Agency Name	Agency Code	Count	Amount for \$4238
Retirement Fund	7200	13	55,094.00
Guam Waterworks Authority	7800	133	563,654.00
Port Authority of Guam	7900	190	805,220.00
Guam Airport Authority	8200	27	114,426.00
Guam Housing Corp	8700	9	38,142.00
Guam Memorial Hospital	8900	257	1,089,166.00
Guam Power Authority	9000	170	720,460.00
Guam Telephone Authority	9100	119	504,322.00
Guam Visitors Bureau	9200	1	4,238.00
Guam Economic Development	9600	5	21,190.00
<b>Total</b>		<b>924</b>	<b>3,915,912.00</b>

Revised to include changes as per Bill 204

C-01-2816



**GOVERNMENT OF GUAM**

**CIVIL SERVICE COMMISSION  
KUMISION I SETBISION SIBIT**

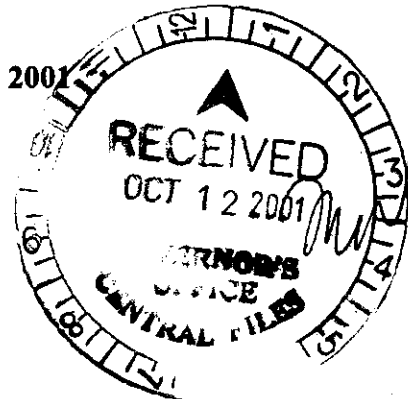
Century Plaza, 2nd Floor, Upper Tamuning  
P.O. Box 3156, Agana, Guam 96910  
Tel: (671) 649-4272, 649-7955/57 • Fax: (671) 649-1272



**CSC NO. 2002-009**

**October 12, 2001**

**HONORABLE CARL T.C. GUTIERREZ**  
**Office of the Governor/ Lieutenant Governor**  
**P.O. Box 2950**  
**Hagatna, Guam 96932**



Hafa Adai Governor:

The Commission acknowledges receipt of Bill 204, specifically Sections 7 and 14 regarding Firefighters Compensation, and provides the following comments.

Bill 204, as proposed by the 26th Guam Legislature would protect current firefighter hourly rates while subjecting any new appointments to the firefighter series to a reduced pay schedule, thereby creating a dual compensation scheme for firefighters. To be more specific, a firefighter who currently earns \$10.28 per hour will be protected. However, effective October 1, 2001, a newly appointed firefighter will only receive \$7.76 per hour (a 24.5% reduction of pay per hour).

Also, with this dual compensation scheme, would current firefighters, upon promotion, be included in the current pay schedule or must they now be subjected to the new pay schedule. The bill is not clear as to the administration of advancing firefighters since the bill only protects current rates of pay for firefighters. Consequently, the Legislature will have to revisit this firefighter compensation matter. Implementing two separate salary schedules for firefighters will create pay inequity and morale among these employees.

Therefore, be advised that the Commission will be faced with this dilemma should this bill be passed. Should you need further clarification, I will be available anytime to discuss this matter. Si Yu'os Ma'ase!

Senseramente,

*Luis R. Baza*  
**LUIS R. BAZA**

Cc: Chairman, CSC



**Commonwealth Now!**



C-01-2819



Carl T.C. Gutierrez  
Maga'láhi  
Governor

Robert H. Kono  
Hinirát Abugao, Atko  
Attorney General, Acting

Ufisinan Hinirát Abugao  
Guåhan

Madeleine Z. Bordallo  
Tiñente Gubetnadora  
Lt. Governor

Office of the Attorney General  
Guam

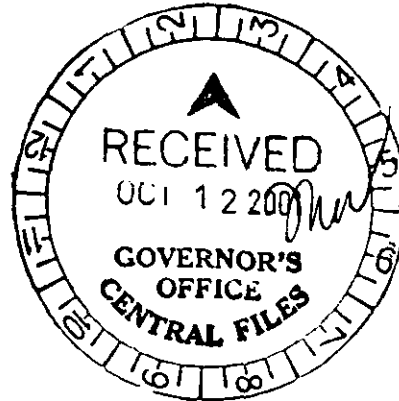
October 12, 2001

Memorandum

To: The Honorable Carl T.C. Gutierrez  
Governor of Guam

From: Attorney General, Acting

Subject: Fair Labor Standards Act requirements for Guam Law with respect to "work periods"  
for Guam's firefighters



Hafa Adai!

The Fair Labor Standards Act ("FLSA") 29 U.S.C. §207(a), sets standards for pay for American workers who work a non-standard week, such as firefighters. Because they work for a public entity, Guam's firefighters are governed by the FLSA laws on overtime for firefighters.

The FLSA requires the employer to pay overtime for hours worked in excess of 40 hours per week. But firefighters fall within the §207(k) exemption, where the overtime is not calculated on the basis of a 40 hour work week, but on the basis of 212 hours worked in a 28 day period. Under the FLSA, local governments are required to declare the "work period" for firefighters. This work period need not be any particular length as long as it fits within the FLSA requirements.

The most recent budget bill chose (after some legislative permutations) a "work period" for firefighters of 80 hours per pay period. At the present time, firefighters are paid on the basis of 80 hours per fourteen days, and all hours in excess of 80 hours is paid at an overtime rate. Subsequently, the Guam Legislature has now passed a bill (not yet signed into law), Bill No. 204,



Commonwealth Now!

that declares that the "work period" for Guam's firefighters is 106 hours per every pay period. If and when Bill No. 204 is put into effect, it will have retroactive application to October 1, 2001, however it cannot be applied. Bill No. 204 has not yet become law, pay for firefighters is calculated at an 80 hour work period. All hours on duty in excess of 80 per pay period are overtime.

Regardless of the attempt for retroactive application of Bill No. 204, the fact remains that it has not yet become law and firefighters' pay must be calculated according to the law as it presently exists. Further, despite the retroactive application of Bill No. 204, the firefighters have an existing vested right in the overtime as calculated under the current law, and retroactive application of Bill No. 204 will not generate a liability on behalf of the firefighters, because they have a right to the overtime earned under the law as it currently exists.

Currently on Guam, most firefighters are on duty for a "work period" of 122.5 hours per pay period. Therefore, under the law as it currently stands, they are paid for a regular work week of 80 hours per 14 days, resulting in a total of 42.5 hours of overtime per pay period. When and if Bill No. 204 becomes law, firefighters will be paid 106 hours per 14 days, and 16.5 hours of overtime.

As to sleep time and meal time, when an agency has elected to use the §207(k) exception to the 80 hour work week exception, sleep and meal time cannot be excluded from compensable time if the employee is on duty for less than 24 hours or exactly 24 hours. Also, of course, there must be an express or implied agreement between the employer and employee that such sleep or meal time is excludable.

At an average pay scale for firefighters of \$15/hour, with 295 firefighters, with benefits, it is calculated that an additional \$2.5 million per year will be necessary to fund the overtime which will become necessary as a result of Bill No. 204, when and if it becomes law.

Put Respetu.

  
**ROBERT H. KONO**

6

# I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2001 (FIRST) Regular Session

Date: 10/10/01

## VOTING SHEET

Bill No. 204 (LS)

Resolution No. \_\_\_\_\_

Question: \_\_\_\_\_ 26-49

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.					✓
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL

14 \_\_\_\_\_ \_\_\_\_\_ \_\_\_\_\_ 1

CERTIFIED TRUE AND CORRECT:

\_\_\_\_\_  
Clerk of the Legislature

\* 3 Passes = No vote  
EA = Excused Absence

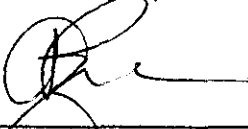


**MINA' BENTE SAIS NA LIHESLATURAN GUÅHAN**  
TWENTY-SIXTH GUAM LEGISLATURE  
155 Hesler Street, Hagåtña, Guam 96910

**2001 (FIRST) Regular Session**

I, Antonio R. Unpingco, Speaker of *I Mina'Bente Sais Na Liheslaturan Guåhan*, hereby certify, in conformance with Title 2 Guam Code Annotated §2103, *Public Hearings Mandatory*, as amended, that an emergency condition exists involving danger to the public welfare of the People and therefore waive the statutory requirements for a public hearing on Bill Number 204 (LS), "AN ACT TO *AMEND* SECTION 8137(f) AND TO *ADD* SUBSECTION (g) TO ARTICLE 1 OF CHAPTER 8 OF TITLE 4 OF THE GUAM CODE ANNOTATED AND TO APPROPRIATE MONIES TO THE GOVERNMENT OF GUAM RETIREMENT FUND *AND* FOR OTHER APPROPRIATIONS AND PURPOSES," which was introduced on this date, October 9, 2001, and therefore waive the statutory requirements for a public hearing on Bill Number 204 (LS).

Dated: October 9, 2001

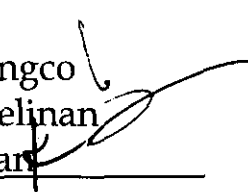
  
\_\_\_\_\_  
**ANTONIO R. UNPINGCO**  
Speaker and Presiding Officer

**MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN**  
**2001 (FIRST) Regular Session**

Bill No. *204(15)*

Introduced by:

A. R. Unpingco  
V. C. Pangelinan  
K. S. Moylan



**AN ACT TO AMEND SECTION 8137(f) AND TO  
ADD SUBSECTION (g) TO ARTICLE 1 OF  
CHAPTER 8 OF TITLE 4 OF THE GUAM CODE  
ANNOTATED AND TO APPROPRIATE MONIES  
TO THE GOVERNMENT OF GUAM RETIREMENT  
FUND AND FOR OTHER APPROPRIATIONS AND  
PURPOSES.**

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

2        **Section 1. Amendment to Section 8137(f) of Article 1, Chapter 8 of**  
3        **Title 4 of the Guam Code Annotated enacted by Section 24 of Public Law**  
4        **26-36 is further *amended* to read as follows:**

5                “(f) The debt service relative to the Thirty Million Dollars  
6                (\$30,000,000) for Fiscal Year 2002 for the supplemental annuity benefits;  
7                cost of living allowance; *I Maga'lahen Guåhan* and *I Segundu na*  
8                *Maga'lahen Guåhan's* pensions; retiree group health, dental and life  
9                insurance premiums; retiree life insurance subsidy; and Medicare  
10                premiums shall be paid from the 1.2016% increase in Employer  
11                Contributions for Fiscal Year 2002 over the FY2001 contribution rate of

1 18.6%: for positions funded by Public Law Number 26-35, as amended  
2 by Public Law Numbers 26-36 and 26-47."

3 **Section 2. Subsection (g) is hereby *added* to Section 8137 of**  
4 **Article 1, Chapter 8 of Title 4 of the Guam Code Annotated to read as**  
5 **follows:**

6 "(g) For Fiscal Year 2002, separately, the Guam Power  
7 Authority, the Guam Telephone Authority, the A. B. Won Pat Guam  
8 International Airport Authority, the Guam Economic Development  
9 Authority, the Guam Housing Corporation, the Government of Guam  
10 Retirement Fund, the Port Authority of Guam and the Guam Visitors  
11 Bureau shall remit to the Government of Guam Retirement Fund an  
12 amount equal to the number of employees which are retired from each  
13 entity multiplied by the amounts of (1) Four Thousand Two Hundred  
14 Thirty-eight Dollars (\$4,238.00), known as the sum of the One Thousand  
15 Two Hundred Dollar (\$1,200.00), One Thousand Five Hundred Dollar  
16 (\$1,500.00), Seven Hundred Dollar (\$700.00), and Eight Hundred Thirty-  
17 eight Dollar (\$838.00) supplemental annuity benefits formerly contained  
18 in various General Appropriation Acts; and (2) One Thousand One  
19 Hundred Dollars (\$1,100.00), known as the latest cost of living  
20 adjustment. Each of the above listed entities shall also remit to the  
21 Government of Guam Retirement Fund the amounts necessary to defray  
22 the cost of Medicare premiums for Retirees of those agencies and their  
23 survivors who are eligible to receive social security income benefits and  
24 are required under the government of Guam group health insurance  
25 program to pay such premiums to continue to participate in such health

1 insurance program failing which they are excluded therefrom (to  
2 continue existing programs contained in the monthly payments) The  
3 remittances required herein shall be made in two (2) equal installments  
4 and shall be due on or before December 31<sup>st</sup> and March 31<sup>st</sup>,  
5 respectively. The government of Guam Retirement Fund shall  
6 promulgate, continue and amend, if necessary, previous administrative  
7 procedures to ensure the proper submission, receipt and accounting of  
8 all sums remitted in conformance with this Section.”

9 **Section 3. Section 26 of Public Law Number 26-36 is hereby**  
10 ***amended to read as follows:***

11 “Section 26. The sum of ~~Five Hundred Thousand Dollars~~  
12 ~~(\$500,000.00)~~ Eight Hundred Thousand Dollars (\$800,000) is hereby  
13 appropriated from the General Fund, ~~specifically from the expected~~  
14 ~~increase of Four Million Dollars (\$4,000,000) in Section 30 Funds in~~  
15 ~~FY2002,~~ to the Government of Guam Retirement Fund to be used for the  
16 increase in government contributions pursuant to §8137(e) of Title 4 of  
17 the Guam Code Annotated.”

18 **Section 4. Section 1 of Chapter II, Appropriations for Government**  
19 **Operations, of Public Law Number 26-35 is hereby *amended to read as***  
20 ***follows:***

21 “Section 1. **Government Appropriations.** The sum of  
22 Four Hundred Ninety-six Million Five Hundred Sixty-four Thousand  
23 Three Hundred Thirty-nine Dollars (\$496,564,339) is hereby  
24 appropriated for the operations of the Executive, Judicial and  
25 Legislative Branches for fiscal year ending September 30, 2002, which

1 shall be expended as contained in **APPENDIX B** and  
2 **Chapter III., Miscellaneous Appropriations &**  
3 **Other Purposes,** of this Act. This sum is composed of Four  
4 Hundred Twenty Million Eight Hundred Ninety-two Thousand Nine  
5 Hundred Sixty-two Dollars (\$420,892,962) from the General Fund;  
6 Forty-nine Million Nine Hundred Seventy Thousand Seven Hundred  
7 Fifty Dollars (\$49,970,750) from Special Funds; and Twenty-five Million  
8 Seven Hundred Thousand Six Hundred Twenty-seven Dollars  
9 (\$25,700,627) from Federal Matching Grants-in-Aid.”

10 **Section 5. Section 5 of Chapter IV of Public Law Number 26-35 as**  
11 **amended by Public Law Number 26-36 is further *amended* to read as**  
12 **follows:**

13 **“Section 5. Limited Term Appointment Moratorium.**

14 Notwithstanding the provisions of § 4103 of Title 4 of the Guam Code  
15 Annotated, or any other provision of law, no person may be employed  
16 on a temporary or limited-term basis by any instrumentality of the  
17 government of Guam during this Fiscal Year, *except* for the following:

18 (1) teachers and on-call substitutes (within staffing  
19 pattern funding levels);

20 (2) attorneys at the Department of Law (within staffing  
21 pattern funding levels);

22 (3) nurses and doctors (within staffing pattern funding  
23 levels);



1           (4) temporary survey workers employed by the  
2 Department of Labor for the purpose of conducting employment  
3 surveys (within staffing pattern funding levels);

4           (5) licensed health care professional ancillary service  
5 personnel employed at the Guam Memorial Hospital Authority  
6 ("GMHA"), the Department of Mental Health and Substance  
7 Abuse ("DMH&SA") and the Department of Public Health and  
8 Social Services ("DPH&SS") (within staffing pattern funding  
9 levels);

10          (6) faculty positions for the University of Guam ("UOG")  
11 and the Guam Community College ("GCC"); research, teaching  
12 and extension service assistants at UOG; and personnel employed  
13 by the University of Guam under the Chamorro Teaching Degree  
14 Institute, Guam Hydrologic Survey and Comprehensive Water  
15 Resource Monitoring Program and the Dr. Antonio C. Yamashita  
16 Educator Corps within their appropriated funding level;

17          (7) (a) Temporary Solid Waste Technicians employed  
18 by the Division of Solid Waste Management of the  
19 Department of Public Works ("DPW") for the purpose of  
20 collecting residential solid waste;

21               (b) Such sums as are necessary are hereby  
22 appropriated from the Solid Waste Operations Fund to fund  
23 the temporary positions contained in this Section; *and*

24          (8) (a) Federally funded positions (matching and 100%)

1 and,

2 (b) for the Guam Community College and the  
3 University of Guam only, non-General Fund funded  
4 positions.

5 ~~In any case,~~ Except for employees in Items (1), (6), and (8)(b) of  
6 this Section, no person employed on the basis of these exceptions can be  
7 employed for a period of *more than* ninety (90) days, *subject to no more*  
8 *than* two (2) renewals. *No more than* seven (7) days after the hiring of  
9 any individual subject to the exceptions contained in this Section, the  
10 head of the government instrumentality where such hiring has occurred  
11 shall report in writing such hiring to the Speaker of *I Liheslaturan*  
12 *Guåhan.*

13 **Section 6.** **Section 34 of Public Law Number 26-36 is hereby**  
14 ***amended to read as follows:***

15 **"Section 34. Indemnification.** The government of Guam  
16 shall indemnify and hold harmless any Trustee, Director, officer, staff  
17 person, or former Trustee, Director, officer or staff person who may  
18 have served as a Trustee, Director, or officer of the Fund, in whole or in  
19 part, ~~in connection in the defense of any action, suit, proceedings, civil~~  
20 ~~or criminal, in which the person is made a party by reason of affiliation~~  
21 ~~with the Fund in the expenditure of Funds as mandated by this Act, for~~  
22 any liability, loss, damage, costs and expenses arising out of payment of  
23 funds pursuant to this Act for FY 2002 supplemental annuity benefits;  
24 cost of living allowance; I Maga'lahren Guåhan and I Segundu na

1        Maga'lahañ Guãhan's pensions; retiree group health, dental and life  
2        insurance premiums; retiree life insurance subsidy; and Medicare  
3        premiums, except in relation to matters as to which the person is  
4        adjudged ~~in the action, suit or proceeding~~ to be liable for criminal  
5        misconduct in the performance of duty to the Fund."

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