



SENATOR JOSE "PEDO" TOVES TERLAJE
36th Guam Legislature
I Mina'trentai Sais Na Liheslaturan Guåhan

Chairman - Committee on Public Safety,
Emergency Response, Military and Veteran Affairs,
Mayors Council, and Public Transit

MEMORANDUM

Attention All GovGuam Employees

As the result of an actuarial study commissioned through the Guam Retirement Fund, Senator Jose "Pedo" Terlaje has introduced Bill 346-36 to improve the Defined Benefit 1.75 Retirement Plan for all GovGuam employees AND allow uniformed personnel to retire at age 55. Bill 346-36 does three main things:

Better Accrual Rates For All DB 1.75 Plan Members

Accrual rates will increase to 2.75% a year after 25 years instead of 1.75% a year

Open the new improved DB 1.75 Plan to Existing and New Employees

Existing employees will have a 6 month open enrollment period, while new employees will have the option of electing the new DB 1.75 plan upon employment

Allow Uniformed Personnel to Retire by Age 55

Uniformed Personnel may retire at age 55 with at least 25 years of service and 57 with at least 5 years of service

These improvements in retirement benefits will cost employees no additional contribution compared to the existing DB 1.75 Plan and will cost the employer an actuarially determined cost of 0.14% additional contribution so the plan is fiscally responsible.

The Public Hearing for Bill 346-36 will be at 8:00AM on Friday November 4, 2022 in the Guam Legislature Public Hearing Room. Written testimony may be emailed to senatorpedo@senatorjpterlaje.com.

Improved Accrual Rate Available to All GovGuam Employees

All DB 1.75 Plan members will receive an improved accrual rate. The current DB 1.75 plan accrues at 1.75% per year. The new DB 1.75 plan will accrue at 1.75% until year 25 and from then will accrue at 2.75% a year to a maximum of 85%.

Years Of Service	Existing DB 1.75	NEW DB 1.75 Plan
20	35.00%	35.00%
21	36.75%	36.75%
22	38.50%	38.50%
23	40.25%	40.25%
24	42.00%	42.00%
25	43.75%	43.75%
26	45.50%	46.50%
27	47.25%	49.25%
28	49.00%	52.00%
29	50.75%	54.75%
30	52.50%	57.50%
31	54.25%	60.25%
32	56.00%	63.00%
33	57.75%	65.75%
34	59.50%	68.50%
35	61.25%	71.25%
36	63.00%	74.00%
37	64.75%	76.75%
38	66.50%	79.50%
39	68.25%	82.25%
40	70.00%	85.00%
41	71.75%	85.00%
42	73.50%	85.00%
43	75.25%	85.00%
44	77.00%	85.00%
45	78.75%	85.00%



Uniformed Personnel May Retire at Age 55

All uniformed personnel would be allowed to retire at age 55 with at least 25 years of service.

Or at age 57 with at least 5 years of service.

All for 0% extra employee contribution (compared to the existing DB 1.75 Plan)

And an additional 0.14% GovGuam employer contribution, about \$230,000



For full text of Bill 346-36 please go to the Guam Legislature website at www.guamlegislature.com