MISSION

The purpose of the Fund is
to provide retirement
annuities and other benefits
for the employees
of the government of Guam
enabling them to
accumulate reserves
for themselves
and their survivors
to meet the hazards of
old age, disability, death &
termination of employment.

About US

The Government of Guam Retirement Fund (the “Fund”) was established and became operative on May 1, 1951 to provide retirement annuities and other benefits to employees of the Government of Guam. Plans administered by the Fund are as follows:

The Defined Benefit (DB) Plan is a single-employer defined benefit pension plan. The DB plan provides for retirement, disability, and survivor benefits to members of the Plan prior to October 1, 1995. All new employees whose employment commences on or after October 1, 1995 are required to participate in the Defined Contribution Retirement System.

The Defined Contribution Retirement System (the “DC Plan”) was created by Public Law 23-42:3 to provide an individual account retirement system for any person who is employed in the Government of Guam. The DC Plan is a single-employer pension plan and shall be the single retirement program for all new employees whose employment commences on or after October 1, 1995. The DC Plan, by its nature, is fully funded on a current basis from employer and member contributions.

The Deferred Compensation Plan (the “457 Plan”) is available to both DB and DC Plan members. It is a retirement savings plan that allows eligible employees to supplement any existing retirement and pension benefits by saving and investing before-tax dollars through a voluntary salary contribution. Contributions and earnings are tax-deferred until money is withdrawn. Distributions are usually taken at retirement, but participants can also take distributions if they terminate employment.

Board of Trustees

The Retirement Fund Board of Trustees (the “Board”) is responsible for the general administration and proper operation of the Fund. With the passage of Public Law 27-43, effective November 14, 2003 the Board comprises seven members. Three are appointed by the Governor with the advice and consent of the Legislature. Four trustees - 2 retirees and 2 active members - are elected by the class of members they represent. The term of office for all Board Members is five years.

The Fund is accounted for as a blended component unit, fiduciary fund type, pension trust fund of the Government of Guam.

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\begin{array}{lrr}
\text{Participant Counts - DB Plan} & \text{FY 2013} & \text{FY 2012} \\
\hline
\text{Active} & 2,872 & 3,090 \\
\text{Retired} & 7,195 & 7,155 \\
\text{Total Actives and Retirees} & 10,067 & 10,245 \\
\text{Inactive and Terminated Members with} & & \\
\text{Accumulated Contributions} & 5,401 & 5,507 \\
& 15,468 & 15,752 \\
\hline
\text{Participant Counts - DC Plan} & & \\
\text{Active} & 7,885 & 7,766 \\
\text{Retired} & 544 & 453 \\
& 8,429 & 8,219 \\
\end{array}
\]
For 2013, the **DB Plan** investment portfolio posted a positive return of 14.36%, compared to 2012’s return of 20.1%, and 2011’s return of negative 2%.

GGRF investment returns averaged 9% percent from 1995 through 2013. Over that period, there have been three years with negative returns, all of which occurred in the last eleven years.

**Defined Contribution Plan**

For 2013, DC Plan investments totaled $340.4M compared to the $295.3M and $234.3M in 2012 and 2011, respectively.

In addition, DC Plan employer and employee contributions increased by 825,627 or 2.9% over 2012. The increase in contributions is due largely to the increase in the number of DC Plan participants during 2013.
An independent audit was conducted, resulting in a clean audit opinion. Complete financial information can be found at our website: www.ggrf.com.
Management continues to recommend that the Guam Legislature fully fund the actuarially determined contribution rate each year. The uncertainties in the investment markets, and the years remaining in the funding period underscores the need for the Guam Legislature to fully recognize the magnitude of the problem and provide full funding each year. A comparison of the “actuarially determined” versus the “statutory” employer contribution rates for 2007 to 2014 are reflected below.