



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

**Lourdes A. Leon Guerrero**  
 Governor

**Joshua F. Tenorio**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

*Trustees:*

**Wilfred P. Leon Guerrero, Ed.D.**  
 Chairman

**Antolina S. Leon Guerrero**  
 Vice Chair

**Katherine T.E. Taitano**  
 Secretary  
 Chair, Members and Benefits Committee

**Artemio R.A. Hernandez, Ph.D.**  
 Treasurer  
 Chair, Investment Committee

**Thomas H. San Agustin**  
 Trustee

**David N. Sanford**  
 Trustee

**George A. Santos**  
 Trustee

**BOARD OF TRUSTEES**  
**Regular Meeting**  
 Friday, April 22, 2022, 12:30 P.M.  
 Retirement Fund Conference Room

**MINUTES**

**DEFINED CONTRIBUTION**

**I. ATTENDANCE, QUORUM, AND CALL TO ORDER**

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contribution Plan was called to order at 1:51 p.m. Friday, April 22, 2022, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

**Board of Trustees Present:**

- Wilfred P. Leon Guerrero, Chairman
- Antolina S. Leon Guerrero, Vice Chair
- Katherine T.E. Taitano, Secretary
- Artemio R.A. Hernandez, Treasurer
- Thomas H. San Agustin, Trustee
- David N. Sanford, Trustee (*Via Zoom*)
- George A. Santos, Trustee

**Staff Present:**

- Paula Blas, Director
- Diana Bernardo, Controller
- Jackie Blas, Recording Secretary

**Third Party Administrator Present:**

Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. March 25, 2022 Regular Meeting**

Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the Minutes of the March 25, 2022 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

## **III. CORRESPONDENCE**

None

## **IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY**

**I. Standard Insurance** - An updated summary report as of March 31, 2022 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. Director Paula Blas stated that there are 37 active claims as of March 31, 2022. Vice Chair Antolina Leon Guerrero asked how long could a participant be on LTD. Director Blas stated that it depends on the age of when a participant gets on disability and the type of ailment. It could be up to the age of 65 or 67.

### **Financial Report**

**I. Contributions** - Director Blas stated that as of April 19, 2022, all agencies are current with their Fiscal Year 2022 employee and employer contributions.

**2. Financial Statements** - Director Blas stated that the books for the month ended March 31, 2022 are scheduled to close by April 30, 2022.

## **V. THIRD PARTY ADMINISTRATOR'S REPORT**

### **A. Contribution Report – March 2022**

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended March 31, 2022 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mr. Hauerbach stated that the 401(a) Plan had total assets of \$482,661,157.54. There was an increase of \$800,246.65 or 0.17% from the previous month. Mr. Hauerbach stated that there was no market effect. The 457 Plan had total assets of \$128,787,047.99. There was an increase of \$994,932.88 or 0.78% from the previous month. The market effect was .27%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,541,797.70. There was an increase in contributions of \$511,933.67 or 16.90% from the previous month. The 457 Plan had total contributions of \$1,254,427.86. There was an increase in contributions of \$146,213.79 or 13.19% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$2,323,222.97. The 457 Plan had disbursements totaling \$713,224.72.

Mr. Hauerbach stated that the 401(a) Plan has a total of 7,039 participants receiving employer contributions. The average participant balance on the 401(a) Plan is \$31,576.22. The 457 Plan has

5,850 actively contributing participants. The average participant balance on the 457 Plan is \$16,723.32. The 401(a) Plan has 179 first-time contributors and the 457 Plan has 54 first-time contributors. Mr. Hauerbach stated that there were 6 retirees in the month of March; of the 6 retirees, 3 elected a full withdrawal, 1 took a partial withdrawal and 2 with no distribution taken. Mr. Hauerbach pointed out that there were a total of 1,003 of either walk-ins or participant engagements in March.

Mr. Hauerbach provided the following updates:

- Online Webinar - it's fully posted and advertised in an email to all participants with whom Empower has an email address for.
- New Hire Orientation - the new hire orientation was held on April 21, 2022. "What are my Options" Webinar was held on April 20, 2022.
- Communications Plan - Empower is in the process of developing a communications plan for the next 12 months. Empower has a good email address for about 50% of its participants and Empower wants to increase that to include their work and personal email addresses.
- Empower Communication Engine (ECE) - Empower looks at participants and all of their data so they get targeted emails and text messages on whether they are in Managed Account or not.
- Fund Change - it's set and ready to go. The agreement was signed which is to replace Dimensional Fund Advisors Emerging Markets (DFA) with RBC Global Asset Management. Participant notice will be mailed next week. The fund change will take effect on June 2, 2022.
- Secure Act - legislation was passed in 2019 to enhance the ability for Americans to save for retirement. Congress is proposing that all employers make it mandatory to enroll automatically into the 401(a). Government plans are going to be exempted from this. Director Blas stated that it's already mandatory to automatically enroll into the 401(a). Mr. Hauerbach stated that it is mandatory for Empower. There is also going to be an auto escalation. Empower will keep the Board apprised of the change.
- Rob Dwyer, Vice President, Government Markets, Empower Retirement - will be on island in June 2022
- Prudential Acquisition - this was closed on April 1, 2022 for Empower. Empower now represents 17 Million participants across 71,000 plans and has assets of \$1.4 Trillion. Empower is the number 2 largest record provider. Chairman Leon Guerrero asked who is number 1. Mr. Hauerbach stated that it is Fidelity.
- Fiscal Year 2021 Audit for the 457 Deferred Compensations Plan - Empower worked with Controller Diana Bernardo on the audit. Controller Bernardo stated that she will verify the count of 7,040 of active participants on the 457 audit report. Controller Bernardo thinks that the count is for the DC Plan as Mr. Hauerbach had mentioned.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Artemio Hernandez reported that the Investment Committee Meeting was held on April 14, 2022. The Committee reviewed and approved the Investment Committee Meeting Minutes of March 24, 2022.

***Next Quarterly Performance Meeting*** – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for June 16, 2022.

**B. Members and Benefits Committee**

No report was made at this time.

**VII. OLD BUSINESS**

None

**VIII. NEW BUSINESS**

None

**IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

None

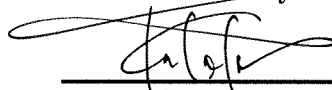
**X. ANNOUNCEMENTS**

None

**XI. ADJOURNMENT**

**There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Treasurer Artemio Hernandez, and without objection, the meeting was adjourned at 2:10 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of April 22, 2022 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on May 20, 2022.**



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**KATHERINE T.E. TAITANO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**