



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, October 15, 2021, 12:00 Noon
 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 12:06 p.m. Friday, October 15, 2021, 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
 Artemio R.A. Hernandez, Treasurer (*Via Zoom*)
 Thomas H. San Agustin, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary (*Excused*)
 David N. Sanford, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 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. September 17, 2021 Regular Meeting

Trustee George Santos, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the September 17, 2021 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. Standard Insurance - An updated summary report as of September 30, 2021 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 42 active claims as of September 30, 2021.

Financial Report

1. Contributions - Director Blas stated that as of October 12, 2021, 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 August 31, 2021 were closed on October 14, 2021. The books for the month ended September 30, 2021 are scheduled to close in early November.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – September 2021

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended September 30, 2021 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 \$487,269,207.00. There was a decrease of \$14,108,849.72 or -2.80% from the previous month. The market effect was 3.5%. The 457 Plan had total assets of \$128,592,093.98. There was a decrease of \$3,379,112.39 or -2.56% from the previous month. The market decrease was 3.5%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,329,324.32. There was an increase in contributions of \$730,966.22 or 28.13% from the previous month. The 457 Plan had total contributions of \$1,078,208.89. There was an increase in contributions of \$64,837.83 or 6.40% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$2,045,477.15. The 457 Plan had disbursements totaling \$422,213.58.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,657 participants receiving employer contributions. The 457 Plan has 5,760 actively contributing participants. The 401(a) Plan has 192 first-time contributors and the 457 Plan has 73 first-time contributors. Mr. Hauerbach stated that there were 15 retirees in the month of September; of the 15 retirees, 8 elected a full withdrawal, 4 elected no distribution, and 3 elected some sort of annuitized payment form.

Mr. Hauerbach stated that there were 300 walk-ins and 482 participant engagements. The combined total of the local office participant engagements is 782.

Mr. Hauerbach provided the following updates:

- Payroll Modernization Project - this will allow participants to do more transactions online. The participants will be able to make contribution changes online, update their beneficiary information, and initiate withdrawal requests. Forms were also added onto the Website. Director Blas pointed out that the contributions on the 401 (a) Plan is a fixed amount so access to change contribution amounts online would only apply to the 457 Plan. Mr. Hauerbach stated that it does not apply to the 401(a) Plan.
- Expanded Call Center Services - the team is available to help participants.
- October 2021 is National Retirement Security Month - Empower is in the process of sending weekly communications to participants that talk about financial planning and the importance of saving for retirement. In connection with the National Retirement Security Month, Grace Atalig, Retirement Plan Counselor, is conducting her normal new hire orientation and Empower is also hosting a series of Webinars. Ms. Atalig hosted a Webinar called "Retirement Planning for Women." On October 19, 2021, she will be hosting one called "Retirement Readiness," and on October 28, 2021 there will be a Webinar called "Myth vs. Reality." This will help educate and explain the differences between the different types of plans to participants to include new hires.
- Starting April or May 2022, there will be a change on the participant experience online. The participant Website will be redesigned, but some things will be a little similar to the current one. Participants will be able to link/aggregate their information. Participants will be made aware of where they stand as far as their net worth. Treasurer Artemio Hernandez inquired about the level of protection of data collected from participants. Mr. Hauerbach stated that Empower places a high priority on protecting the participants' data. There are sophisticated layers of security and Empower is going to keep all the information collected private. The information will be used exclusively to help paint the full financial picture so Empower can provide early retirement planning for participants. Treasurer Hernandez inquired about the timeline for implementation. Mr. Hauerbach stated that implementation for Government of Guam plans is scheduled for April or May 2022.

Treasurer Hernandez suggested that the participant balances be included in the monthly or quarterly TPA report showing the average participant balance depending on the tenure of service, the salary ranges and by age. Mr. Hauerbach stated that he will include the average participant balance in their next quarterly report.

Trustee Thomas San Agustin inquired about the 401(a) Plan asset summary on Page 2 of the report that indicates that the August 31, 2021 total is \$501,288,056.72, but the total on Page 3, also for August 31, 2021, is showing \$442,124,058.97. Mr. Hauerbach stated that it looks like something was left out, but he will check on it and report back to the Board.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Investment Committee Meeting was held on October 12, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of September 16, 2021 and the Minutes of the September 16, 2021 Due Diligence Meeting for the Quarter Ended June 30, 2021.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for December 16, 2021.

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 Trustee Thomas San Agustin, and without objection, the meeting was adjourned at 12:34 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of October 15, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on November 19, 2021.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas