



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, November 19, 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 12:05 p.m. Friday, November 19, 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
 Thomas H. San Agustin, Trustee
 David N. Sanford, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary (*Excused*)

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

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

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. October 15, 2021 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to approve the Minutes of the October 15, 2021 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 October 31, 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 40 active claims as of October 31, 2021.

Financial Report

I. Contributions - Director Blas stated that as of November 16, 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 September 30, 2021 are scheduled to close today and the books for Fiscal Year Ending September 30, 2021 will be closed tomorrow. Director Blas stated that the auditors will now start with the Fiscal Year Ending September 30, 2021 audit.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – October 2021

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended October 31, 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 \$504,145,588.43. There was an increase of \$16,876,381.43 or 3.46% from the previous month. The market effect was 2.83%. The 457 Plan had total assets of \$133,058,686.38. There was an increase of \$4,466,592.40 or 3.47% from the previous month. The market effect was 2.67%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,096,177.02. There was a decrease in contributions of \$233,147.30 or -7.00% from the previous month. The 457 Plan had total contributions of \$1,038,570.08. There was a decrease in contributions of \$39,638.81 or -3.68% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$2,655,402.27, of which \$1,706,940.73 or 65% represented retirements. The 457 Plan had disbursements totaling \$1,386,233.15, of which \$930,073.29 or 70% were retirement related.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,698 participants receiving employer contributions. The 457 Plan has 5,750 actively contributing participants. The 401(a) Plan has 110

first-time contributors and the 457 Plan has 53 first-time contributors. Mr. Hauerbach stated that there were 5 retirees in the month of October; of the 5 retirees, 3 took a full withdrawal and 2 with no withdrawal at all.

Mr. Hauerbach provided the following updates:

- November and December Webinar schedule are posted online. In addition to the New Hire Orientations, there was a Webinar conducted on November 17 which was the 457 Plan Overview and a Webinar on Budgeting Basics will be held later this month. In December, there will be a Webinar on Distribution Options and there will be one on Saving Early in Your Career.
- The Internal Revenue Service released the 2022 new contribution rates.
- The Annual Participant Survey will be launched today. The results should be presented by January or February 2022.
- Empower continues to work with implementing some of the enhancements related to the Behind the Scenes Technology. There have been some positive feedbacks from the Guam Memorial Hospital Authority and the University of Guam.
- Power Institute recently published a white paper called "Financial Wellness is a Revolving Journey." An electronic copy of the white paper will be provided to the Board.
- Secure Foundation Funds - consolidation has occurred. The Funds with Target Dates 2035 to 2055 has been merged to the Secure Foundation Balanced Fund.
- Average Participant Balance by Age Group - a copy of the report was provided to the Board on the Average Participant Balance by Age Group as requested by Treasurer Artemio Hernandez. Mr. Hauerbach stated that he will include this in his TPA report. Chairman Leon Guerrero asked Mr. Hauerbach if he is comfortable with the figures in the report. Mr. Hauerbach replied, "Yes he is and he has confidence in the numbers." Vice Chair Antolina Leon Guerrero inquired about what would be a good balance amount. Mr. Hauerbach stated that comparing Guam to the nation averages, account balances on Guam are significantly lower. Vice Chair Leon Guerrero asked whether plan sponsors should be looking at helping participants move forward in the aggregate. Mr. Hauerbach stated that everyone has a different situation. Mr. Hauerbach stated that plan sponsors could encourage greater engagement and increase education. Treasurer Hernandez asked whether participants are informed of how withdrawals may impact their future retirement. Mr. Hauerbach stated that he asked Grace Atalig, Retirement Plan Counselor, to make sure that her ongoing Webinars address that issue that they could still access their account and they could continue to stay in the plan. Mr. Hauerbach stated that Empower will do a one-to-one to inform participants of the impact of withdrawing.

Maggie Ralbovsky of Wilshire Associates mentioned that there is legislation that is very likely to be passed by Congress that has a provision for a mandatory contribution which will push for an automatic enrollment and automatic increase in contributions. Chairman Leon Guerrero inquired about the percentage of the participants' salary going into retirement. Mr. Hauerbach stated that the average for the 457 Plan is 4%. Director Blas stated that with the 401(a) Plan, the participants are contributing 6.2% with a 6.2% government match. Mr. Hauerbach asked whether to include the 457 Plan figures in his monthly report. Vice Chair Leon Guerrero stated that if he could to go ahead and include the 457 Plan side by side by age group. Vice Chair Leon Guerrero asked if Mr. Hauerbach could do a comparison prior to the increased percentage. Mr. Hauerbach stated that he could go back and do a comparison.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Investment Committee Meeting was held on November 18, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of October 12, 2021.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for December 16, 2021. Mr. Hauerbach asked whether Robert Dwyer and Jonathan Kreider from Empower Retirement will be participating in next month's due diligence meeting. Director Blas replied, "Yes."

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

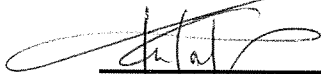
X. ANNOUNCEMENTS

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 12:31 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 19, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 17, 2021.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas