

**AMENDMENT NO. 2017-1 TO THE
GOVERNMENT OF GUAM
DEFINED CONTRIBUTION RETIREMENT SYSTEM
PLAN AND TRUST AGREEMENT
(EFFECTIVE JANUARY 1, 2018)**

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GOVERNMENT OF GUAM
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PLAN AND TRUST AGREEMENT**

In accordance with Resolution No. 2017-02 of the Board of Trustees of the Government of Guam Retirement Fund, the Government of Guam Defined Contribution Retirement System Plan and Trust Agreement (“Plan”) is amended as described below.

1. The Plan is amended, effective as of January 1, 2018, by inserting the following new Article IA immediately following Article I:

ARTICLE IA

**COORDINATION WITH PARTICIPATION IN
GOVERNMENT OF GUAM
DEFINED BENEFIT 1.75 RETIREMENT SYSTEM**

IA.1 Election to Participate in Alternative Plan

Public Law No. 33-186, approved on September 14, 2016, establishes the “Defined Benefit 1.75 Retirement System” or “DB 1.75 Plan” as codified in Article 5, Chapter 8, Title 4 of the Guam Code Annotated (“GCA”) and the “Guam Retirement Security Plan” (“GRSP Plan”), both Plans which have been approved effective as of April 1, 2017. In accordance with GCA Article 5, certain Participants under this Government of Guam Defined Contribution Retirement System may elect to participate in the DB 1.75 Plan or the GRSP Plan effective as of various participation dates, at which time the Participants shall concurrently terminate active participation in this Defined Contribution System Plan and transfer a specified portion of their Accounts to the relevant DB 1.75 Plan or GRSP Plan.

(a) Election to Participate in Defined Benefit 1.75 Plan

In accordance with Article I of the DB 1.75 Plan, a Participant may elect to participate in the DB 1.75 Plan and terminate active participation in this Defined Contribution System as follows:

(1) New Employee Election. An Employee whose employment commences with the Government of Guam between April 1, 2017, and December 31, 2017, who would otherwise be treated as a Participant under this Defined Contribution System Plan and who makes a New Member Election as described in Article I of the DB 1.75 Plan, shall be eligible to participate in the DB 1.75 Plan effective as of January 1, 2018, and shall terminate active participation under this Defined Contribution System Plan as of January 1, 2018.

(2) Active Member Election. An Employee who is an active Participant in this Defined Contribution Retirement System Plan on March 31, 2017, and who makes an Active Member Election as described in Article I of the DB 1.75 Plan, shall be eligible to participate in the DB 1.75 Plan effective as of January 1, 2018, and shall terminate

active participation under this Defined Contribution Retirement System Plan as of January 1, 2018.

(3) Reemployed Member Election. An Employee who is reemployed by the Government of Guam during the period commencing April 1, 2017, and ending on September 30, 2017, and who makes a Reemployed Member Election as described in Article I of the DB 1.75 Plan, shall be eligible to participate in the DB 1.75 Plan effective as of January 1, 2018, and shall terminate active participation under this Defined Contribution Retirement System Plan as of January 1, 2018.

(4) Late Reemployed Member Election. An Employee who is reemployed by the Government of Guam during the period commencing October 1, 2017, and ending on December 31, 2017, and who makes a Reemployed Member Election as described in Article I of the DB 1.75 Plan, shall be eligible to participate in the DB 1.75 Plan effective as of January 1, 2018, and shall terminate active participation under this Defined Contribution Retirement System Plan as of January 1, 2018.

(5) Reemployed Disability Member Election. An Employee who receives disability benefits under GCA 8213 or GCA Article 4, Chapter 8, on or before September 30, 2017, and is reemployed by the Government of Guam or terminates employment from the Government of Guam on or after January 1, 2018, and who makes a Reemployed Disability Member Election as described in Article I of the DB 1.75 Plan, shall be eligible to participate in the DB 1.75 Plan effective as of the date of his or her reemployment or retirement or other termination of employment as applicable, and shall terminate active participation under this Defined Contribution Retirement System Plan as of the applicable date.

(b) Election to Participate in the Guam Retirement Security Plan

In accordance with Article I of the GRSP Plan, a Participant may elect to participate in the GRSP Plan and terminate active participation in this Defined Contribution System as follows:

(1) New Employee Election. An Employee whose employment commences with the Government of Guam between April 1, 2017, and December 31, 2017, who would otherwise be treated as a Participant under this Defined Contribution System Plan and who makes a New Member Election as described in Article I of the GRSP Plan, shall be eligible to participate in the GRSP Plan effective as of January 1, 2018, and shall terminate active participation under this Defined Contribution System Plan as of January 1, 2018.

(2) Active Member Election. An Employee who is an active Participant in this Defined Contribution Retirement System Plan on March 31, 2017, and who makes an Active Member Election as described in Article I of the GRSP Plan, shall be eligible to participate in the GRSP Plan effective as of January 1, 2018, and shall terminate active participation under this Defined Contribution Retirement System Plan as of January 1, 2018.

(3) Reemployed Member Election. An Employee who is reemployed by the Government of Guam during the period commencing April 1, 2017, and ending on September 30, 2017, and who makes a Reemployed Member Election as described in Article I of the GRSP Plan, shall be eligible to participate in the GRSP Plan effective as of January 1, 2018, and shall terminate active participation under this Defined Contribution Retirement System Plan as of January 1, 2018.

(4) Late Reemployed Member Election. An Employee who is reemployed by the Government of Guam during the period commencing October 1, 2017, and ending on December 31, 2017, and who makes a Reemployed Member Election as described in Article I of the GRSP Plan, shall be eligible to participate in the GRSP Plan effective as of the date of January 1, 2018, and shall terminate active participation under this Defined Contribution Retirement System Plan as of January 1, 2018.

(5) Reemployed Disability Member Election. An Employee who receives disability benefits under GCA 8213 or GCA Article 4, Chapter 8, on or before September 30, 2017, and is reemployed by the Government of Guam or terminates employment from the Government of Guam on or after January 1, 2018, and who makes a Reemployed Disability Member Election as described in Article I of the GRSP Plan, shall be eligible to participate in the GRSP Plan effective as of the date of his or her reemployment or retirement or other termination of employment as applicable, and shall terminate active participation under this Defined Contribution Retirement System Plan as of the applicable date.

(c) Account Transfers to Defined Benefit 1.75 Plan or Guam Retirement Security Plan

(1) New Employee Election. In the case of an Employee who makes a New Employee Election to participate in the DB 1.75 Plan or the GRSP Plan as described in the above in this Section IA.1, the Member's Account in this Defined Contribution Retirement System shall be transferred to the Retirement Fund or the GRSP, as the case may be, as of January 1, 2018.

(2) Active Member Election. In the case of a Participant who makes an Active Member Election to participate in the DB 1.75 Plan or the GRSP Plan as described in the above in this Section IA.1, the Member's Account in this Defined Contribution System shall be transferred to the Retirement Fund or the GRSP Plan, as the case may be, in the amount equal to: (a) the Member's Account balance as described in GCA Section 8209 (Employer Contribution Account); plus (b) the lesser of (i) the Member's Account balances as described in GCA Sections 8208 (i.e., Member Pick Up Contribution Account) and 8209.1(a) (i.e., Rollover Account of Member Contribution Reserve from Existing Retirement System), or (ii) the "Actuarial Cost of Credited Service". (However, for purposes of determining the transfer to the GRSP Plan, the Actuarial Cost of Credited Service component in (c)(2)(b)(ii) of the preceding sentence shall not apply, and thus the GCA Sections 8209, 8208 and 8209.1(a) Account balances shall fully transfer.)

In the case that the Actuarial Cost of Credited Service is less than the Member's Account balances as described in GCA Sections 8208 (i.e., Member Pre-Tax Pick-Up Contribution Account) and 8209.1(a) (i.e., Rollover After-Tax Account of Member Contribution Reserve from Existing Retirement System), then the "Actuarial Cost of Credited Service": (a) first shall be funded from the Member's GCA Section 8209.1(a) Account (i.e., Rollover After-Tax Account of Member Contribution Reserve from Existing Retirement System); and (b) second any further amounts needed to fund up to the Actuarial Cost of Credited Service shall be funded from the Member's GCA Section 8208 Account (i.e., Member Pre-Tax Pick-Up Contribution Account).

For purposes of this Defined Contribution System, the term "Actuarial Cost of Credited Service" shall be defined in accordance with the DB 1.75 Plan and, as so defined, such term means a percentage of historical base salary corresponding to the service for which a Participant's Account is credited with Employer Contributions under the Defined Contribution Retirement System through the date preceding the Participant's effective date of participation in the Defined Benefit 1.75 Retirement System. The applicable percentage shall be specified by the Board based on an actuarial review of the cost of credited service. The same percentage shall apply to all members within categories of similarly situated members, which categories may be determined at the sole and complete discretion of the Board.

(3) Reemployed Member Election. In the case of a Participant who makes a Reemployed Member Election to participate in the DB 1.75 Plan or the GRSP Plan as described above in this Section IA.1, the Member's Account in this Defined Contribution System shall be transferred to the Retirement Fund or GRSP Plan, as the case may be, in the amount equal to that described in the above IA.1(c)(2) relating to the transfer applicable to an Active Member Election.

(4) Late Reemployed Member Election. In the case of a Participant who makes a Late Reemployed Member Election to participate in the DB 1.75 Plan or the GRSP Plan as described above in this Section IA.1, the Member's Account in this Defined Contribution System shall not be subject to any transfer to the Retirement Fund or GRSP Plan.

(5) Reemployed Disability Member Election. In the case of a Participant who makes a Reemployed Disability Member Election to participate in the DB 1.75 Plan or the GRSP Plan as described above in this Section IA.1, the Member's Account in this Defined Contribution System shall be transferred to the Retirement Fund or GRSP Plan, as the case may be, in the amount equal to that described in the above IA.1(c)(2) relating to the transfer applicable to an Active Member Election.

2. The Plan is amended effective as of January 1, 2018, by inserting the attached new Appendix A, "Current Employee and Employer Contribution Rates", immediately following the end of the Plan document.

**GOVERNMENT OF GUAM
DEFINED CONTRIBUTION RETIREMENT SYSTEM PLAN
AND TRUST AGREEMENT**

**APPENDIX A
CURRENT EMPLOYEE AND EMPLOYER CONTRIBUTION RATES
(As of January 1, 2018)**

Effective as of January 1, 2018, the required Employee Contributions and Employer Contributions under Article II of the Plan shall be as follows:

Employee Contribution Rate (As a percentage of base salary)	Employer Contribution Rate (As a percentage of base salary)
6.2%	6.2%