

Government of Guam

Defined Contribution Retirement System (DCRS)

DB 1.75 Retirement Plan

457 Deferred Compensation Plan

Presentation Outline

- Who is Empower?
- 401(a) Defined Contribution Plan
 - Other Benefits
- Defined Benefit 1.75
 - Other Benefits
- 457(b) Deferred Compensation Plan
 - Contribution Options
 - Loans
 - Withdrawals
- Customized Participant Website
- Roll-In Services
- Empower's Local office and Team
- Questions



WHAT WE BELIEVE

Our **vision** is to
revolutionize workplace
retirement savings.



We believe in retirement

Empower is the second-largest retirement services company in the country.¹ We are committed to helping you live for today while saving for tomorrow.

Pensions & Investments DC Recordkeeper Survey (2025). Ranking measured by total number of participants as of December 2024.



What we do and why we do it

- Our goal is to help you replace — for life — the income you made while working.

As your partner, we're here to:

- Help you plan for the retirement you imagine
- Give you a better view of your retirement picture
- Help you reach your financial goals
- Offer ongoing support and guidance

Your security is our top priority

- We are committed to account security and maintaining a high level of online security and protection.
- Multi-factor authentication at sign-on
- Key security practices
- Regular reviews of your account
- Trusted contact information (email and phone number)
- Automatic updates



401(a) Defined Contribution



Government of Guam DCRS 401(a) Plan

What is a 401(a)?

- A 401(a) plan is a retirement savings plan designed to allow employers to supplement their employees' existing retirement and pension benefits by contributing to the plan on the employees' behalf.
- Eligibility Requirements:
 - All Government of Guam Employees certified as eligible under the Defined Contribution Plan by the Government of Guam Retirement Fund



401(a) Defined Contribution Plan

Enrollment

- Enrollment and participation is mandatory
- Required 6.2% employee contribution
- The Government of Guam will match 100% of your 6.2% contribution in the form of an employer contribution
- 100% vesting in employer contributions is achieved upon reaching 5 years of Government of Guam service – less than 5 years of service results in 0% vesting – however, you are always 100% vested in your own contributions
- Contributions and potential earnings are tax deferred until withdrawn, usually at retirement

Withdrawals from the 401(a)

Withdrawal triggering events:

- Retirement
- Termination (as defined by the Internal Revenue Code and your Plan)
- Death

Distribution options:

- Guaranteed Lifetime Withdrawal Benefit
- Rollover to an IRA or other retirement plan
- Lump sum
- Periodic payments
- Partial lump sum with the remainder as a series of periodic payments

Consider all your options, including taxes, fees and expenses, before moving money between accounts. Assess all benefits of current accounts before moving money.



Other benefits

Other benefits

- **Life Insurance**

- ✓ \$40,000 death benefit (active, vested employees)
- ✓ Provided by The Standard Insurance Company (not affiliated with Empower)

- **Long Term Disability Insurance**

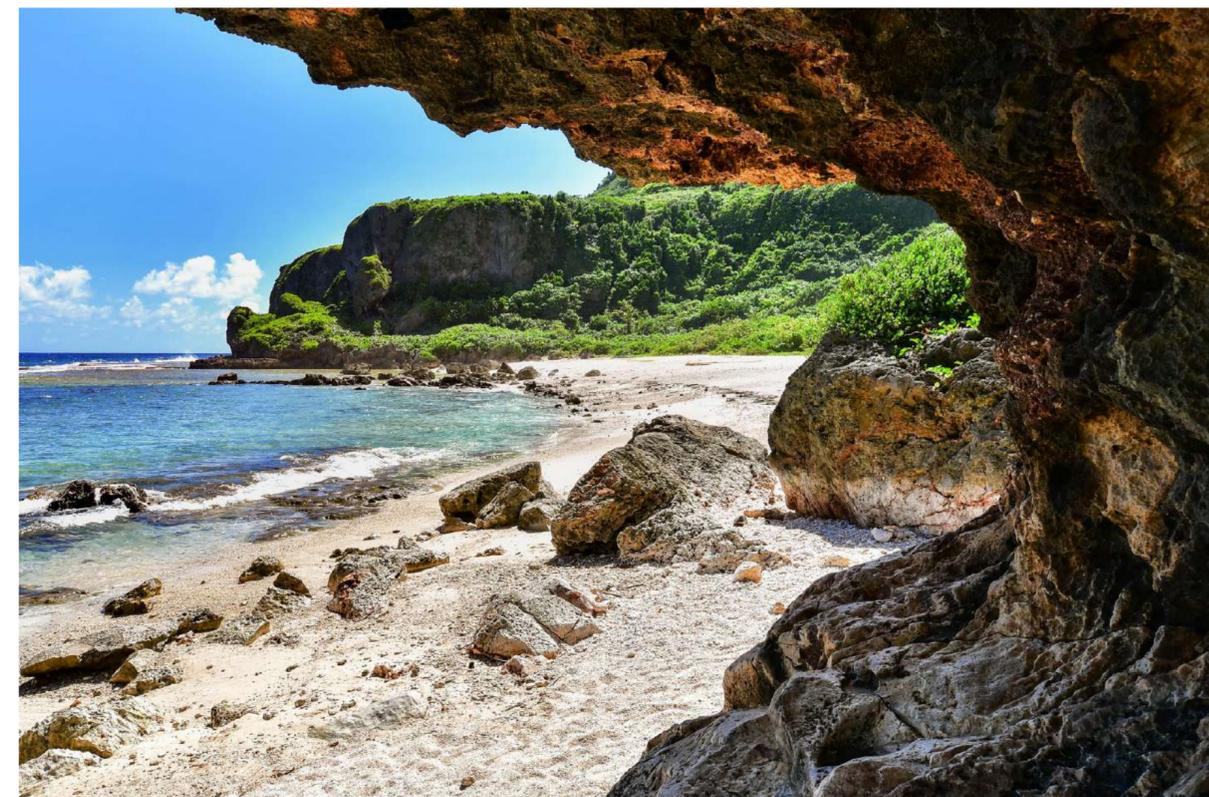
- ✓ Eligible after 6 years of service

- **Hardships**

- ✓ Medical Expenses (reimbursement of amount that exceeds 7.5% of adjusted gross income)
- ✓ Funeral Expenses (for spouse or dependents)
- ✓ To prevent a Foreclosure/Eviction on your primary residence (allowed only once while employed)

Retirement Eligibility

- ✓ Attainment of age 55 AND
- ✓ 5 or more years of service with the Government of Guam



Empower Retirement, LLC and its affiliates are not affiliated with or provide services for the long-term disability insurance or life insurance. **No endorsement, sponsorship, or affiliation is implied.**



Defined Contribution Retirement Benefits

- **50% accrued sick leave payout**
 - Your agency is responsible for payment upon retirement (not available for deferred retirees)
- **Health Insurance Coverage** (optional)
- **\$10,000 Basic Life Insurance Coverage** (no cost to retiree)
- **COLA**
 - Annual Lump Sum Payment subject to the availability of funds
 - Amount determined by the Guam Legislature
- **Death Benefits**
 - Vested balance paid out to listed beneficiary
 - IF retiree opts for a joint GLWB, surviving spouse will receive 100% of the retiree's monthly periodic payment for their lifetime



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Defined Benefit 1.75



DB 1.75 Retirement Plan

Enrollment

- As of January 1, 2024, all new and reemployed Government of Guam employees will have a 30-day window from date of hire to remain in the DCRS 401(a) Plan or transfer to the Defined Benefit 1.75 Plan
- Required 9.5% pre-tax employee contribution

Defined Benefit 1.75

Retirement Eligibility

- Age 55 with 25yrs of service
 - Retirement annuity reduced by 0.5% per month for each month employee is under age 62
- Age 60 with five or more years of service, no survivor benefits
- Age 62 normal retirement age, with survivor benefits

Retirement Eligibility - Public Safety & Law Enforcement Officers

- Age 55 with 25yrs of service
 - Unreduced benefits
- Age 57 with 5 years of service
 - Unreduced benefits

Defined Benefit 1.75

Retirement Benefit Calculation

- Calculated based on the employee's Average Annual Salary (AAS)
 - AAS means the average of the highest three Plan Years of Salary during the Member's Years of Credited Service
- 1.75% of AAS for each year of credited service, up to 25 years
- 2.75% of AAS for each additional year of credited service at 26 years
- Unused sick leave is calculated and converted for years of service upon retirement
 - 96 hours = 1 month
 - 1,152 hours = 1 year of service

Other benefits

DB 1.75 Retirement Benefits

- **Accrued Sick Leave**
 - Converted into years in service:
 - 96 hours = 1 month
 - 1,152 hours = 1 year of service
- **Health Insurance Coverage** (optional)
- **\$10,000 Basic Life Insurance Coverage** (no cost to retiree)
- **COLA**
 - Annual Lump Sum Payment subject to the availability of funds
 - Amount determined by the Guam Legislature



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DB 1.75 Retirement Benefits

- **Death Benefits**

- Legal Spouse is entitled to 60% of retiree's annuity; provided remarriage occurs at age 40 or over
- If no legal spouse or minor child, member's contributions are refunded to listed beneficiary
- \$1,000 lump sum death benefit
- Child stipend: Up to \$2,880 per year for each dependent child
 - (up to age 18; or 24 if full-time student)
 - Up to 5 children
- \$1,000 lump sum death benefit

- **Disability Benefits**

- 50% of employee's average annual salary



457(b) Deferred Compensation



Getting started with Deferred Compensation

What is a 457(b) Deferred Compensation plan?

- 457(b) refers to the Internal Revenue Code covering Deferred Compensation Plans
- Deferred compensation plans help you save and invest extra retirement money on a tax-deferred basis by allowing you to voluntarily set aside (defer) a portion of your income before paying taxes.
- In 2026, you can contribute the lesser of 100% of your compensation or \$24,500.
- Catch-up Provision: An additional \$8,000 for participants age 50 and older
- Super Catch-up: Higher catch-up contribution amount of \$11,250 for participants ages 60-63
- Special Catch-up: You may be able to contribute up to \$49,000 per year for the last three years prior to eligible retirement age, based on contributions not made in previous years.
- Age 50+ Catch-up and Special 457 Catch-up cannot be used in the same year.

SECURE 2.0 Act

Age 50 Catch-up rules

- The SECURE 2.0 Act is legislation aimed at helping Americans better prepare for their financial future while strengthening the retirement system.
- One impact of the legislation is that catch-up contributions made by those making over \$150,000 in FICA compensation for 2025 must be made as Roth contributions. This goes into effect at the beginning of 2026.
 - You may contribute an additional \$ 8,000 in 2026.
 - For employees aged 60, 61, 62 and 63, a higher catch-up contribution limit applies. For 2026, this higher catch-up contribution limit is \$11,250 instead of \$8,000.
- If you are already making Roth contributions throughout the year, those contributions will count towards satisfying the Roth catch-up requirement.

Deferred Compensation Plan 457(b)

- **Eligibility**

- All Government of Guam employees participating in any of the following plans may enroll in the 457(b) Deferred Compensation Plan:
 - Pre-1995 Defined Benefit Plan
 - Defined Contribution Retirement System 401(a) Plan (DCRS 401(a))
 - Defined Benefit 1.75 plan

- **Contributions**

- Pre-1995 Defined Benefit Plan and Defined Contribution Retirement System 401(a) Plan members do not have a required minimum contribution amount
- Defined Benefit 1.75 members have a mandatory 1% pre-tax contribution

- **Contribution Changes**

- Participants can make contribution changes online through the Participant website or the Empower app

Automatic enrollment in the 457(b)

- Since October 1, 2018, all new and reemployed Government of Guam employees are automatically enrolled in the 457(b) (opt out provision available)
- Automatically enrolled participants contribute a 3% pre-tax rate
- Participants may elect to change contribution rates. Contributions may be made at a percentage or a flat dollar amount.



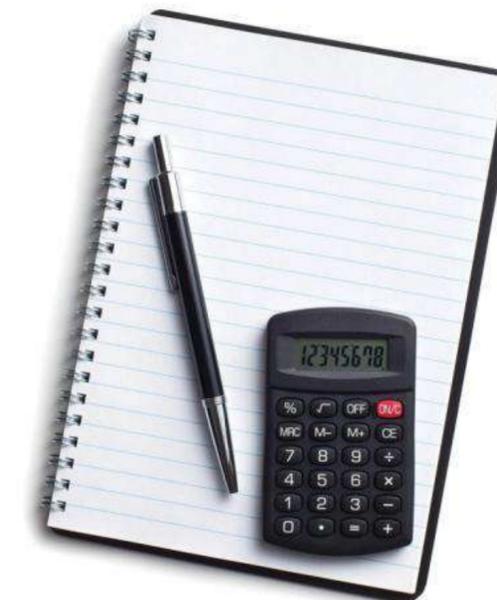
Contribution options

- Your contributions can be made as before-tax or Roth (after-tax)
- Flexibility
- Designate all or a portion of your elective contributions

After-Tax Roth Account	Before-Tax Traditional Account
“Locks in” today’s tax rates on all contributions	Contributions and any earnings on contributions are tax-deferred until you take a distribution
Suitable for higher tax bracket at retirement	Suitable for lower tax bracket at retirement

Loans

- Your plan allows you to borrow up to 50% of your account balance
- The minimum loan amount is \$1,000
- The maximum loan amount is \$50,000
- **Loan Fees**
 - \$50 origination fee per loan, deducted from the loan proceeds
 - \$25 annual account maintenance fee, \$6.25 deducted quarterly from your account
- **Loan Repayment**
 - 1 to 5 years for a General-Purpose loan
 - 1 to 15 years if loan purpose is for the purchase of your primary residence - documents are required



Withdrawals from the 457(b)

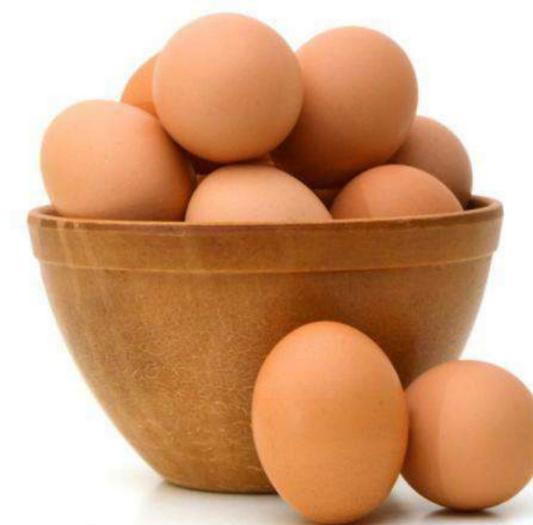
Withdrawal triggering events:

- Retirement
- Terminate employment (as determined by the Internal Revenue Code and your plan's specific provisions)
- Death

Note: Withdrawals may be subject to ordinary income tax

Distribution options:

- Guaranteed Lifetime Withdrawal Benefit
- Rollover to an IRA or other suitable plan. Consider all your options, including taxes, fees and expenses, before moving money between accounts. Assess all benefits of current accounts before moving money.
- Lump sum
- Periodic payments
- Partial lump sum with remainder as a series of periodic payments



You can get started today!

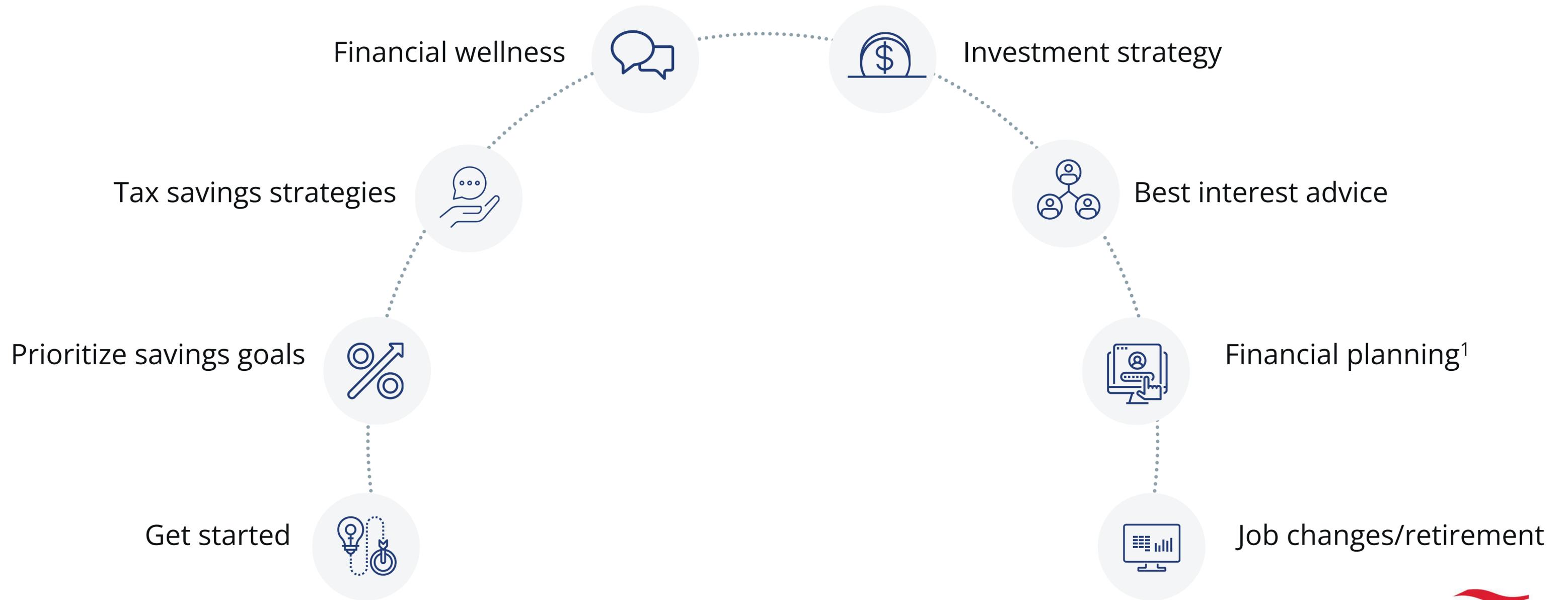
- Start with an amount you can afford
- Consider increasing your contribution amount periodically
- Think long term – maintain focus on your goals
- Help build a nest egg for yourself



Tools and Resources



Guidance and advice through the entire journey



¹ Empower Advisory Group, LLC, a registered investment adviser, provides financial planning services using the MoneyGuidePro tool. MoneyGuidePro is not affiliated with Empower Retirement, LLC and its affiliates. Empower Retirement, LLC and its affiliates are not responsible for the third-party content provided.



guamretire.com / Empower app

THE GOVERNMENT OF GUAM
DCORS
DEFINED CONTRIBUTION RETIREMENT SYSTEM

GUAM DEFINED CONTRIBUTION PLAN
PARTICIPANT LOGIN

About your plan ▾ Investing ▾ Learning Center ▾

Attend a webinar
Register now! »

Participant Login

Username

Password

Forgot username/password?

SIGN IN

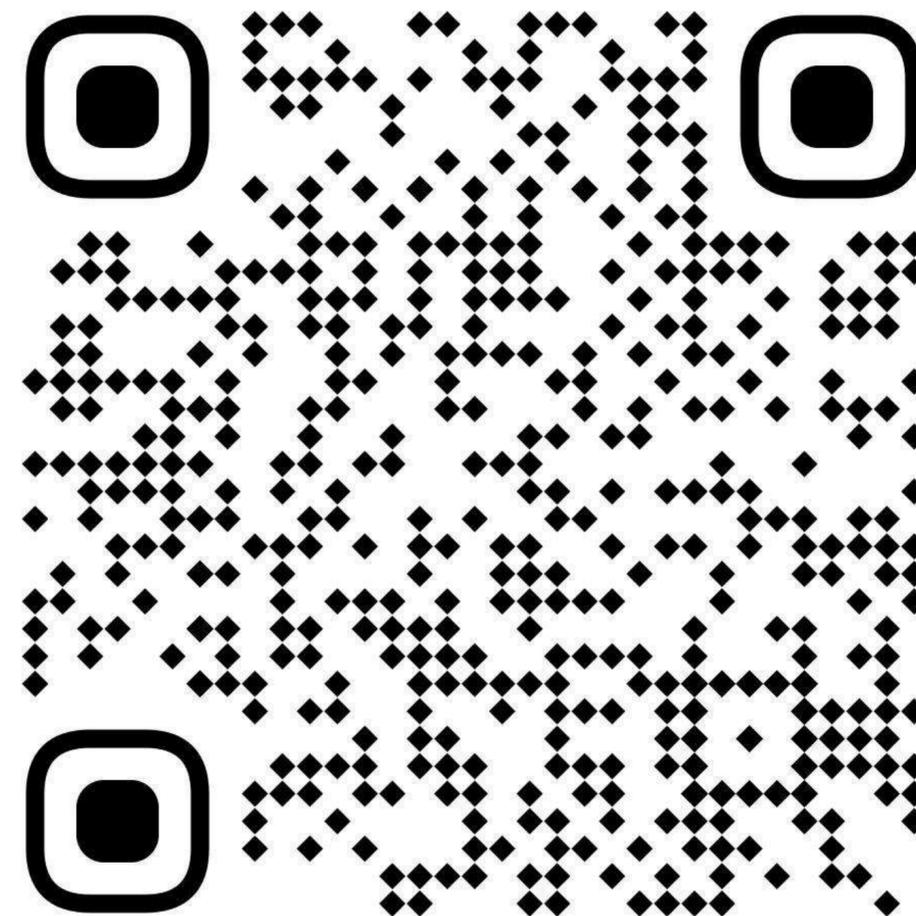
REGISTER

New Employee Orientation
Government of Guam
Defined Contribution Retirement System (DCRS)
and Deferred Compensation Plan

Watch the video
Learn about your Government of
Guam Retirement Plans

Sign up for email updates
Never miss an important message
about your financial future.

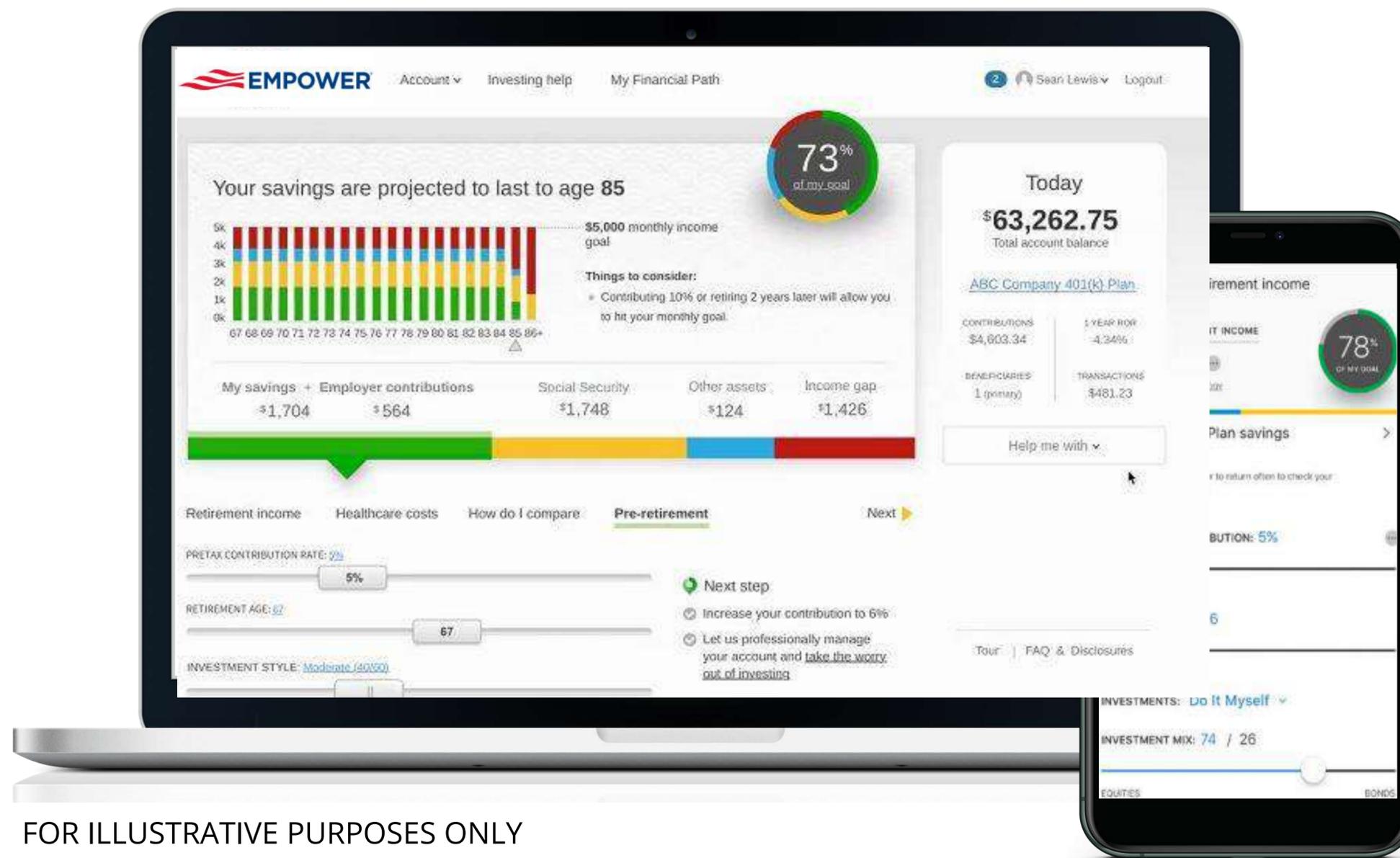
Meet your plan
representatives
Get to know the knowl
professionals here to l



FOR ILLUSTRATIVE PURPOSES ONLY.



Knowing where you stand



FOR ILLUSTRATIVE PURPOSES ONLY

Roll-in Services



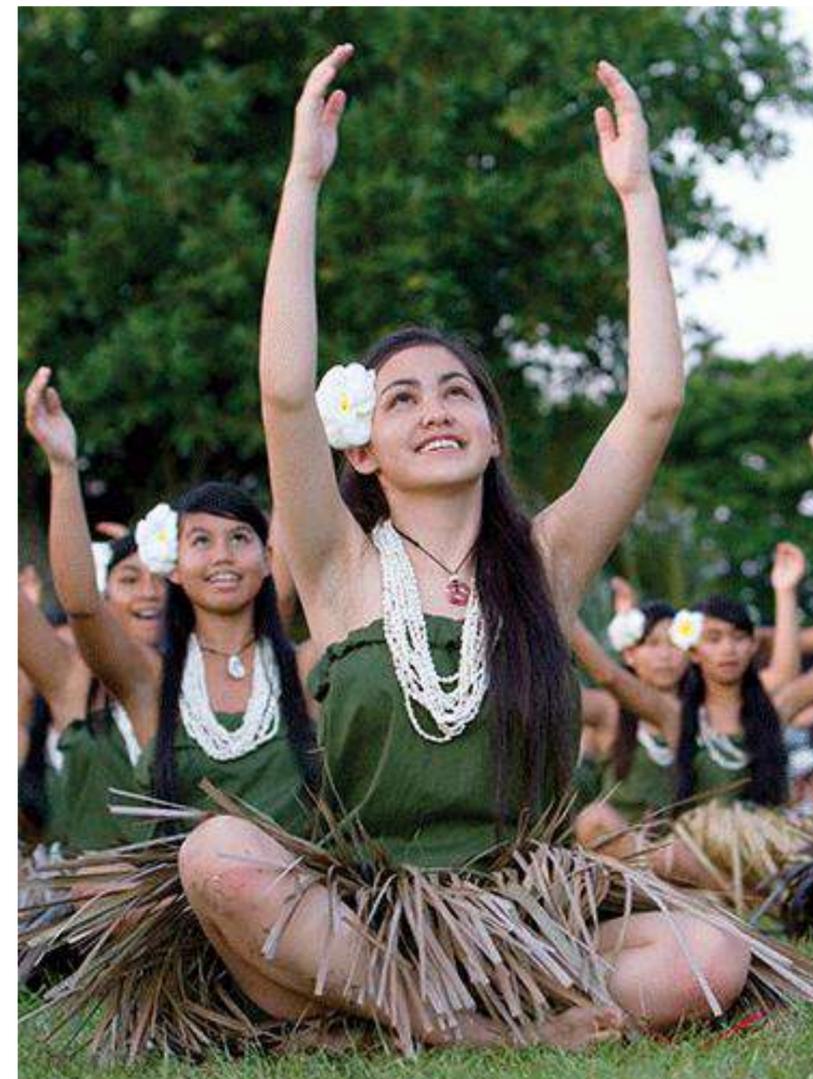
Roll-in Services

- Get the professional help you need when you're considering consolidating your retirement assets into your Empower plan

One goal. One focus. One plan.

- Consolidating your outside retirement accounts into a single qualified retirement plan may save you time and make it easier to achieve the future you want

Consider all your options, including taxes, fees and expenses, before moving money between accounts. Assess all benefits of current accounts before moving money.



Roll-in Services

Benefits include:

- A more holistic view of your retirement readiness through access to our online calculators and resources
- The convenience of having a diversified portfolio in one place
- Peace of mind from having fewer accounts to manage
- Reduced clutter and paper waste with one statement
- A team of experienced retirement consultants who are available to help make consolidating your assets as easy as they can



Consider all your options, including taxes, fees and expenses, before moving money between accounts. Assess all benefits of current accounts before moving money.

Roll-in Services

Rolling in your assets is:

- **Convenient** — Review, access and adjust your account via a single statement and one website
- **Holistic** — Use our innovative income projection calculator to get a more accurate view of where you stand in reaching your retirement income replacement goal
- **Simple** — Easily manage your assets and reduce the need for multiple accounts

***Contact your Guam Retirement Plan
Advisor/Retirement Plan Counselor at
guamempoweroffice@empower.com***

We are here to help!



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Whether you're looking for general information related to your retirement plan, want to learn more about ways you can save for retirement, or just want to go over the benefits of your plan, these are the folks who can help you!

If have any questions, please contact your dedicated Empower Plan Counselor or visit www.guamretire.com.

Reach us at 671-475-8945.



BUILDING A PARTNERSHIP

DISCLOSURES

Important information regarding your meeting with a retirement plan counselor (RPC) of Empower

Your Empower representative is a retirement plan counselor (RPC) acting on behalf of Empower Financial Services, Inc. (EFSI), a member of the Empower family of companies. EFSI is a broker-dealer registered with FINRA and the U.S. Securities and Exchange Commission. EFSI primarily provides broker-dealer services to employer-sponsored retirement plans. All Empower RPCs are registered representatives of EFSI.

Empower's RPC can provide information and guidance about a variety of topics, including plan enrollments, distribution and rollover options, consolidation, investment conversations, and savings and contributions strategies by educating you about available options. During your interaction with your RPC, you will engage in an informational dialogue intended to help you understand basic concepts about investing, distribution options available to you, and the advantages of participating in your employer-sponsored retirement plan or an individual retirement account. Although your RPC cannot provide you with advice on your tax situation, they will share information related to the potential tax implications of taking receipt of the proceeds from your retirement investments.

In their capacity as RPCs, the representatives may provide you with retirement counseling services that include education related to various investment options available to you and enrollment processes related to products and services offered or serviced by EFSI or its affiliates. Services provided by your RPC do not include providing securities recommendations or investment advice. If you feel that you need specific securities recommendations, investment advice or tax advice, please consult with your personal investment and/or tax advisor.

To obtain the EFSI Form CRS, or for more information about Empower representatives, visit empower.com





BUILDING A PARTNERSHIP

DISCLOSURES

Carefully consider the investment option's objectives, risks, fees, and expenses. Contact Empower for a prospectus, summary prospectus for SEC-registered products, or disclosure document for unregistered products, if available, containing this information. Read each carefully before investing.

Investing involves risk, including possible loss of principal.

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