

THE THIRTY-SEVENTH LEGISLATURE OF AMERICAN SAMOA

Third Regular Session

Begun and held at Fagatogo, Tutuila, American Samoa
on Monday, the tenth day of January
two thousand and twenty two

AN ACT INCREASING THE GOVERNMENT'S AND MEMBER'S CONTRIBUTION TO THE AMERICAN SAMOA GOVERNMENT EMPLOYEES' RETIREMENT FUND; AMENDING SECTIONS 7.1433 AND 7.1434 A.S.C.A.

Preamble:

WHEREAS, American Samoa Government's (ASG) contribution rate for the American Samoa Government Employees' Retirement Fund (ASGERF) has remained at 8.00% for at least the past decade; and

WHEREAS, ASGERF reported the fund had a \$9.4 million shortfall for Fund-year 2019;

WHEREAS, ASGERF leaders have reported the total of the ASG's (8.00%) and Employee's (3.00%) contribution rates must increase from 11.00% to 20.37% in order to reduce the shortfall; and

WHEREAS, it is imperative to increase the Government's contribution rate to prevent the Fund from becoming insolvent in the next decade.

BE IT ENACTED BY THE LEGISLATURE OF AMERICAN SAMOA:

Section 1. 7.1433 is amended to read:

"7.1433 Government contributions to Fund.

(a) ~~The government shall make contributions to the Fund for each member as follows: each year on an actuarially funded basis as determined by the Board. Based on actuarial assumptions adopted by the Board, the actuary, with approval of the Board, will determine the normal cost contribution percentage payable and accrued benefit cost contribution percentage payable by the government during each Fund-year as follows:~~

~~(1) The normal cost contribution percentage for each Fund-year after 30 September 1981, is the percentage of aggregate compensation of all current~~

members which, if contributed over each member's prospective period of service and added to aggregate member contributions, will be sufficient, with addition of the accrued benefit cost, to provide for payment of all future benefits from the Fund.

(1) 10 percent of compensation earned and accruing to each member from October 1, 2022 through September 30, 2023;

~~(2) The accrued benefit cost contribution percentage for each Fund year after 30 September 1981, is the percentage of expected aggregate compensation of members for that Fund year which, if contributed during that fund year, will be equivalent, as determined by the actuary with approval of the Board, to the accrued benefit cost contribution for that Fund year. The accrued benefit cost contribution for each fund year after 30 September 1981, is the level annual payment required to liquidate the unfunded accrued benefit cost at the beginning of that fund year over the remainder of the period of 30 years beginning 1 October 1981; the accrued benefit cost contribution may not, however, be less than interest for one year on the unfunded accrued benefit cost at the beginning of such Fund year.~~

(2) 12 percent of compensation earned and accruing to each member from October 1, 2023 through September 30, 2024; and

~~(3) The unfunded accrued benefit cost at 1 October 1981, shall be \$10,982,083.00.~~

(3) 14 percent of compensation earned and accruing to each member after September 30, 2024.

~~(4) The unfunded accrued benefit cost at the beginning of a Fund year may, at the discretion of the Board, be adjusted to take account of changes in actuarial assumptions or of changes in cost attributed to service rendered prior to that Fund year. The adjustment resulting from changed actuarial assumptions is liquidated over a period not to exceed 15 years from the date of the adjustment. The adjustment resulting from changes in cost attributed to service rendered prior to the date of such adjustment is liquidated over a period not to exceed 30 years from the date of the adjustment. Liquidation of any adjustment is by level contributions made each Fund year by the government, however, no contribution may be less than interest for one year on the unfunded portion at the beginning of that Fund year.~~

~~(b) The amount of contribution for each Fund year by the government is determined by applying the sum of the normal cost contribution percentage and the accrued benefit cost contribution percentage for that Fund year prescribed by this section to the total salaries paid to members during each payroll period that Fund year, and all these amounts are paid into the Fund following the close of such payroll period concurrently with the member contributions to the Fund for that payroll period.~~

~~(e)(b) All contributions to the Fund, income from investments of the Fund, and any other income accruing to the Fund is held in the Fund and used solely to~~

provide benefits to members of the Fund and to pay administrative expenses of the Fund.”

Sec 2. 7.1434 is amended to read:

“7.1434 Members’ contributions to the Fund.

(a) Each member of the Fund shall contribute: ~~2.85 percent of the salary earned and accruing to such member subsequent to the operative date. Beginning 1 October 1981, each member of the Fund shall contribute to the Fund each fund year 3 percent of compensation earned and accruing to each member during that year.~~

(1) 4 percent of compensation earned and accruing to each member from October 1, 2022 through September 30, 2023;

(2) 5 percent of compensation earned and accruing to each member from October 1, 2023 through September 30, 2024;

(3) 6 percent of compensation earned and accruing to each member after September 30, 2024. This contribution shall be made as a deduction from salary, and applies only to income earned during regular working hours. Income earned on overtime is not subject to this contribution.

(b) Every employee who is a member of the Fund shall be deemed to consent and agree to the deduction from salary, and payment to such employee of salary less such deduction shall constitute a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such employee during the period covered by such payments, except as to the benefits herein provided.”

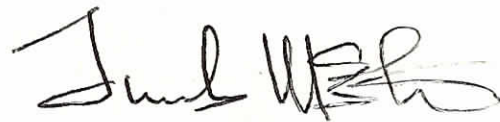
Sec 3. Source of funding

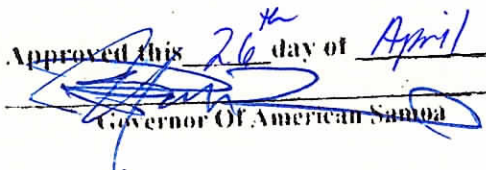
Funds for the government’s contributions shall be provided for in the annual appropriation of the American Samoa Government budget for the fiscal year in which the contributions are due.

Sec 4. Effective date.

This bill shall become effective October 1, 2022.


SAVALI TALAVOU ALE
Speaker, House of Representatives


TUAOLO MANAIA FRUEAN
President of the Senate

Hereby Approved this 26th day of April 2022

Governor Of American Samoa

NOFOA'IGA TOLUSEFULU-FITU FONOFAITULAFONO AMERIKA SAMOA

Fono Tele Lona Tolu

Nofoa ma usuia i Fagatogo, Tutuila, Amerika Samoa
Aso Gafua, aso sefulu o Ianuari
Lua afe luasefululua

O SE TULAFONO E FAAOPOOPO AI LE VAEGA A LE MALO FAAPENA FOI MA
TOTINO E TUU I TOTONU O LE TUPE O LE LITAEA A TAGATA FAIGALUEGA
A LE MALO; SUIA AI MAGA 7.1433 MA LE 7.1434 TTAS.

Faatomuaga:

TALUAI, a ititi mai e 10 tausaga o tumau-pea i le 8% le fua o le tupe e tuuina i totonu
o le Tupe o le Litaea a Tagata Faigaluega a le Malo (ASGERF); ma

TALUAI, na lipotia mai e le ASGERF e \$9.4 miliona le aofai o loo aitalafu ai le tupe i
le tausaga faatupe 2019; ma

TALUAI, ua lipotia e ta'ita'i o le Litaea o le aofai lea e 8% a le Malo ma le 3% a
tagata faigaluega ua tatau lava ona sii mai le 11% i le 20.37% ina ia tuuititia
ai le tupe o loo faa'aitalafu nei; ma

TALUAI, e taua tele le sii o le fesoasoani a le Malo ina ia taofia ai le afaina o le tupe i
le isi 10 tausaga o i luma.

IA FAATULAFONOINA E LE FONOFAITULAFONO A AMERIKA SAMOA:

Maga 1. 7.1433 ua suia e faitauina faapea:

"7.1433 Tupe lafo a le malo i le teugatupe.

(a) O le malo ia faia le tusaga lafo i le teugatupe mo totino taitasi uma e
faapenei: i tausaga taitasi i se tulaga faatupeina fuafua i le inisiua faapitoa e pei ona
fuafua e le komiti. Mai luga o fuafuaga inisiua ua taliaina e le Komiti, o le fuafuaga
inisiua, ma le faamaoniga a le Komiti, o lea fuafuaina le tau masani o le pasene o
tupe lafo e totogi atu e le malo i tausaga taitasi o le teugatupe e pei ona faailoa i lalo:

(1) O le tau masani o le pasene o tupe lafo mo tausaga teugatupe taitasi pe a
mavae le aso 30 Setema 1981, o le pasene o le tupe faaputu e totogi o totino uma o iai
nei, afai e lafoina i tausaga tautua o totino taitasi ma faaopoopo i le tupe faaputu a
totino, o le a lava ma totoo, faatasi ma faaopoopoga o faaoloaga, e saunia mo le
totogi atu o faaoloaga uma i le lumanai mai le teugatupe.

(1) 10% o le tofogi na galue ai ma faaopoopoga i totino taitasi mai ia Oketopa 1, 2022 e oo ia Setema 30, 2023;

~~(2) O le pasene o le tau faaputu o faaoloaga tupe lafo mo tausaga teugatupe taitasi pe a mavae le aso 30 Setema 1981, o le pasene o tupe faaputu faaoloaga o totino mo lena tausaga teugatupe, afai e lafoina i le tausaga teugatupe, o le a tusa, e pei ona fuafua e le inisiua mai le faamaoniga a le komiti, i le faaoloaga faaputu o le tau o tupe lafo o lena tausaga teugatupe. O le tupe lafo faaoloaga faaputu mo tausaga teugatupe taitasi pe a mavae le aso 30 Setema 1981, o le tulaga lea o le tupe tausaga taitasi e manaomia e tofogi ai tupe e lei tofogia i le amataga o le tausaga teugatupe i aso o totoe e 30 tausaga e amata i le aso 1 Oketope 1981; o le tau o faaoloaga faaputu e le mafai, e ui i lea, e itiiti i le tului mo le tasi tausaga o le tau le faatupeina faaputu i le amataga o lea tausaga teugatupe.~~

(2) 12% o le tofogi na galue ai ma faaopoopoga i totino taitasi mai ia Oketopa 1, 2023 e oo ia Setema 30, 2024; ma

~~(3) O le tau o le faatupeina o faaoloaga faaputu e lei faatupeina i le aso 1 Oketopa 1981, e \$10,982,083.00.~~

(3) 14% o le tofogi na galue ai ma faaopoopoga i totino taitasi pe a mavae Setema 30, 2024.

~~(4) O le tau o le tupe e lei tofogia o faaoloaga faaputu i le amataga o le tausaga Faaletupe e mafai, i le filifiliga a le komiti, ona fuafua i suiga o tulaga o inisiua faa atuale (*actuarial assumptions*) po o suiga i le tau o galuega sa faia ae lei oo i lena tausaga faaletupe. O le fetuutuuna'iga na mafua ona o suiga faaatuale e tofogia i se taimi e le silia le 15 tausaga mai le aso o le fetuuna'iga. O le fetuuna'iga na mafua mai le suiga o le tau e tusa o le tautua sa faia ao lei oo i le aso o lea suiga e tofogi i se taimi e le silia le 30 tausaga mai le aso o le fetuuna'iga. O le tofogia o se o se fetuuna'iga e faia i le tulaga o tupe lafo e faia i tausaga faaletupe taitasi e le malo, ae peitai, e leai se tupe lafo e itiiti i lo le tului mo le tausaga e tasi i le vaega e lei faatupeina i le amataga o lena tausaga.~~

~~(e) O le aofai o tupe lafo mo tausaga faaletupe taitasi i le malo e fuafuaina i le fa'aaoga o le aofai o le tau masani o le pasene o tupe lafo ma le pasene faaputu tau tupe lafo o faaoloaga faaputu mo lena tausaga faaletupe ua faatonuina i lena maga i le aofai atoa o tofogi e tofogi atu i totino i aso tofogi taitasi i lena tausaga faaletupe, ma o nei aofai atoa e tofogi i totonu o le teugatupe pe a uma le vaiaso tofogi e talafeagai ma tupe lafo a le totino i le teugatupe mo lena vaiaso tofogi.~~

~~(f) O tupe lafo uma i le teugatupe, tupe mai tupe galue o le teugatupe (inivesi), ma so o se isi lava tupe maua e fatau ona maua i le teugatupe e taofia i le teugatupe ma fa'aaoga na o penefiti mo totino o le teugatupe ma tofogia ai tupe fa'aaoga o galuega a le teugatupe."~~

Maga 2. 7.1434 ua suia e faitauina faapea:

"7.1434 Tupe tofogi atu e Totino i totonu o le Tupe o le Litaea.

(a) O totino taitasi uma o le Tupe o le a tuuina atu le: ~~2.85% o lona totogi o loo maua e mulimuli mai lava i le aso e amata ai. Amata ia Oketopa 1, 1981, o totino taitasi uma lava e tuuina atu le 3% o lona totogi na maua i lona tausaga.~~

(1) 4% o le totogi na galue ai ma faaopoopoga i totino taitasi mai ia Oketopa 1, 2022 e oo ia Setema 30, 2023;

(2) 5% o le totogi na galue ai ma faaopoopoga i totino taitasi mai ia Oketopa 1, 2023 e oo ia Setema 30, 2024;

(3) 6% o le totogi na galue ai ma faaopoopoga i totino taitasi pe a mavae Setema 30, 2024. O lenei fesoasoani o le a faia e ala i le to'ese mai le totogi ma e faia lea na o le tupemaua lava mai le totogi o itula faigaluega masani. E le faitaulia ai le totogi o ovataimi.

(e) O tagata faigaluega taitasi o loo avea ma totino o le Tupe o le a faitauina ua malilie i latou ma faataga le tipiina mai o le tupe mai e latou totogi, ma o le totogi o le a maua ina ua uma ona aveese o le tupe mo le litaca, o lona uiga ua atoa ai iina mea uma e faatatau i auunaga a le tagata galue i le taimi o loo aafia i peimeni nei sei vagana ai penefiti o loo ua aiaia nei."


Maga 3. Puna'oa.

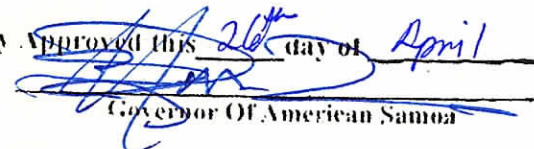
O Tupe mo le fesoasoani a le Malo e sau i le tupe faasoasoa faaleiausaga o le Paketi a le Malo o Amerika Samoa mo le tausaga faaletupe o loo mana'omia ai le fesoasoani.

Maga 4. Aso e taualoha ai.

O le a taualoha lenei pili ia Oketopa 1, 2022.


SAVALI TALAVOU ALE
Fofoga Fetalai, Maota o Sui


TUAOLO MANAIA FRUEAN
Peresetene, Maota Maualuga

Hereby Approved this 26th day of April 2022.

Governor Of American Samoa