

For Official Release  
PR 001-04282022  
Office of the Governor  
Utulei, American Samoa  
April 28, 2022



## “Governor Lemanu Signs Legislation to Increase Contributions to Retirement Fund”

*“This legislation aims to fulfill the critical need of the ASGERF, while not causing too much strain on employees all at once.”*

On April 26, 2022, the Honorable Governor Lemanu P.S. Mauga signed into law a bill to Increase Government’s and Member’s contribution to the American Samoa Government Employees’ Retirement Fund (ASGERF).

The ASGERF leaders have reported that there is a shortfall to the Fund Year of 2019. In order to resolve this matter, the Lemanu-Talauega Administration together with ASGERF leaders, have concluded, as stated in the Preamble of the newly signed law, “that an increase to government [and member] contribution rate would prevent the fund from becoming insolvent in the future.”

The current contribution to the Retirement Fund is at eleven percent (11%), whereas eight percent (8%) is contributed by the government, and three percent (3%) is contributed by employees. The new increase will be fourteen percent (14%), whereas ten percent (10%) is contributed by the government and four percent (4%) is from the employees. This increase will begin October 1, 2022, and will be incremental up to year 2024.

In 2021, a similar Senate bill proposed to increase contributions to ASGERF to collect eleven percent (11%) from the government, and five percent (5%) from employees. Governor Lemanu did not sign this bill, and informed the Legislature that the proposed contributions were too high. “I will propose an alternative bill, a legislation that is in the best interest of the people; at the same time aim to fulfill the critical need of reducing the shortfall reported by ASGERF leaders,” stated Governor Lemanu.

One of the main focuses of the Lemanu-Talauega Administration is to ensure employees their appropriate income, and minimizing government strains on their paycheck. In 2021, the Administration improved the pay scale for its entire workforce, and revived annual increments for all employees. The Administration also repealed the two percent (2%) Wage Tax after thirteen years of deductions from workers’ biweekly pay.

After October 01, 2022, the deductions for employees will be four percent (4%) of compensation earned and accruing to each member through September 30, 2023; five percent (5%) from October 01, 2023 through September 30, 2024; and six percent (6%) after September 30, 2024.

To view a full copy of the new Public Law No. 37-10, please visit the American Samoa Government website at [www.americansamoa.gov](http://www.americansamoa.gov).

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