

# Press Release

For Immediate Release



## EMPLOYEES' RETIREMENT SYSTEM

OF THE GOVERNMENT OF THE VIRGIN ISLANDS

*"Contributing today for a better tomorrow"*

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ST. THOMAS, VI -

### **GERS BOARD HOSTS RETREAT: ADDRESSES TOUGH ISSUES FACING SYSTEM**

THE GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM BOARD, MANAGEMENT AND STAFF MET, JUNE 28TH – 30TH, 2012 AT THE WESTIN RESORT ON ST. JOHN, TO DISCUSS STRATEGIES TO ADDRESS THE UNFUNDED LIABILITY AND OTHER PROBLEMS FACING THE GERS. ALSO ATTENDING THE 2 ½ DAYS OF MEETINGS WERE OUR ACTUARY, SEGAL COMPANY AND MEKETA INVESTMENT GROUP, OUR NEW INVESTMENT ADVISORS. JOINING THE DISCUSSIONS ON JUNE 28TH AND 30TH WERE MEMBERS OF THE GOVERNOR'S FINANCIAL TEAM, DAVID PAUL, FINANCIAL ADVISOR, DEBRA GOTTLIEB, OMB DIRECTOR AND ANISE HODGE, POLICY ADVISOR. SENATOR LOUIS PATRICK HILL WAS THE ONLY SENATOR TO JOIN IN THE DISCUSSIONS ON JUNE 30TH.

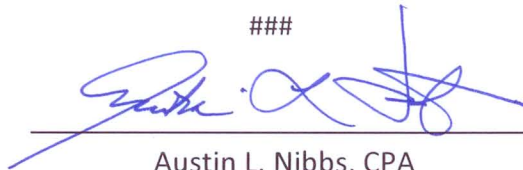
DURING THE FIRST DAY OF DISCUSSIONS, SEGAL PRESENTED THE CURRENT ACTUARIAL RESULTS FOR THE SYSTEM AND CREATED MODELS TO SHOW HOW THE PROPOSED BOARD ACTIONS AND PROPOSED LEGISLATIVE CHANGES WILL HELP TO CORRECT THE SITUATION FACING GERS IN THE SHORT TERM AS WELL AS THE LONG-TERM. ALSO, MEKETA PRESENTED AN UPDATE ON THE CURRENT MARKET PERFORMANCE AS OF MAY 31, 2012 AND FUTURE ASSUMPTIONS/PREDICTIONS BASED ON MARKET TRENDS. SOME OF THE MAJOR TOPICS DISCUSSED AND ACTION TAKEN, IN ADDITION TO THAT OF "MISSING CONTRIBUTIONS", WERE "INCREASING CONTRIBUTION RATES", "CHANGING RETIREMENT ELIGIBILITY", "CAREER AVERAGE EARNINGS INSTEAD OF FINAL 5 YEARS"

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AND "NO SALARY CAP FOR CONTRIBUTIONS". BEFORE WE PROVIDE FULL DETAILS TO OUR MEMBERS ON THESE AND OTHER DISCUSSION TOPICS, ADMINISTRATOR AUSTIN L. NIBBS AND BOARD CHAIRMAN RAYMOND T. JAMES WILL PRESENT THE BOARD'S RECOMMENDATIONS AND THE PROPOSED LEGISLATIVE CHANGES TO THE GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM PENSION JOINT TASK FORCE WHICH WAS RECENTLY ESTABLISHED BY GOVERNOR JOHN P. DEJONGH, JR. THE ADMINISTRATOR AND CHAIRMAN HAVE BEEN APPOINTED TO SERVE ON THE TASK FORCE WHICH IS SCHEDULED TO MEET SOMETIME IN JULY. IN ADDITION, DR. HALDANE DAVIES OF THE UNIVERSITY OF THE VIRGIN ISLANDS PRESENTED A STRATEGIC PLAN OVERVIEW FOR THE SYSTEM AS GERS HAS BEEN COLLABORATING WITH THE UNIVERSITY TO DETERMINE A REALISTIC LONG TERM PLAN FOR THE ORGANIZATION IN DEFINING AND ACHIEVING ITS GOALS.

IT WAS THE CONSENSUS OF MEETING PARTICIPANTS THAT IT WILL TAKE A SHARED SACRIFICE ON THE PART OF ALL STAKEHOLDERS (RETIREES AND BENEFICIARIES, ACTIVE MEMBERS, PLAN SPONSOR) TO SAVE THE RETIREMENT SYSTEM. AFTER THE PRESENTATION TO THE TASK FORCE, GERS WILL COMMUNICATE IN DETAIL THE BOARD ACTIONS AND PROPOSED LEGISLATIVE CHANGES TO THE MEMBERS AND THE GENERAL PUBLIC.

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