



GERS Updates

In Memory of Leslie A. Millin, Sr.



G E R S
Management
and Staff
extend heartfelt
condolences to
the family and
friends of Leslie

A. Millin, Sr., former
Director of the Division of
Personnel who passed on
December 2nd after a
period of illness.

Mr. Millin was the last
Personnel Director to
simultaneously administer
the functions of the GERS.
Sitting in this position for
fourteen years, he was the
longest serving
Administrator to date. He
will be remembered most
notably as the
Administrator who
spearheaded the
conversion of the Pott Rum
Distillery to what is now the
headquarters of the GERS.

Undoubtedly, he was a
dedicated public servant
who contributed immensely
to the development of the
GERS and effective
government services to the
people of the Virgin
Islands.

To his family, friends and
many admirers, we are
terribly sorry for your loss
and pray that God will
continue to bless and
comfort you during your
time of bereavement.



Happy New Year

NEW YEAR! NEW YOU! NEW BEGINNINGS!

ADMINISTRATOR'S MESSAGE



*A*s we usher in a New
Year and pause
momentarily to reflect on the
past, it is noteworthy to
mention that 2013 was a
banner year for the
GERS. Faced with many
challenges, we kept our
focus and were able to make
significant strides within our
operations, while addressing
the needs and concerns of

our members.

Our emphasis over the next twelve months will be
to continue serving our members and ensuring that
annuities are paid, pushing for pension reform and
addressing the unfunded liability. This will take the
collective efforts of all stakeholders – to include our
staff, trustees, investment managers, consultants,
Legislators and the Plan sponsor. It will not be
easy, but I feel confident that 2014 will be a year of
progress and achievement for our Retirement
System.

To our members, I appreciate your feedback and
well wishes. Even though you did not always agree
with everything we did, most acknowledged that
some changes had to be made in order for us to
progress along the path of sustainability. One
thing for sure is that change is inevitable as it is
constant. We will continue to take the necessary
steps to grow our asset base as well as keep pace
with the continuous technology
improvements. These measures will certainly help
in steering our course.

Continue to stay informed and to advocate for the
fiscal health of our System. We will do our part to

ensure that this System remains viable in these
beautiful Virgin Islands.

On a final note, I wish you God's blessings and a
New Year filled with peace, happiness and good
health.

Austin L. Nibbs, CPA, CGMA

System Snap Shot

Membership of the System as of September 30, 2013, 2012 and 2011

	2013	2012	2011
Retirees and beneficiaries	8,362	8,151	7,868
Current Employees	9,240	9,935	10,731
Total	17,602	18,086	18,599
Ratio of Actives to Retirees	1.10	1.22	1.36

Note: 309 retirees were added to the Annuity Payroll in 2013 bringing the annuity payroll to \$230,517,342 as of December 31, 2013.

Strategic Plan Update

We are currently on Phase IV, *The Vision & Goals Conference*. This entails the review and drafting of the Vision Statement and goals based on input from the various Focus Group meetings. It is anticipated that the Strategic Plan will be completed June 2014.



Member Connection



As of today, we have 680 subscribers and counting. The GERS Member Connection email service is your trusted source for personal and direct communications affecting your retirement.

Emails include notifications with links to important, time sensitive information, electronic publications, meeting notices, and legislative updates.

Send us your email address to: tlburd@usvig.org, with the word "subscribe" in the subject line and your first and last name. When subscribing, please indicate whether or not you are a GERS member.

Social Mention

Follow us

We have different ways that you can follow us online to stay up to date with news, jobs, events and information about our System.



"Like Us" on Facebook to get involved at www.facebook.com/GERS1959.



We 'tweet' a few times a day with the latest news, jobs, events and more. You can follow us at www.twitter.com/GERS1959.



We are committed to listening to what you have to say and now it's even easier to get in touch. If you've ever wanted to speak out about something, influence the decisions that are made about our System or simply want a question answered then here is your chance to do it. Go to www.usvig.org/About/GERS/Blog.aspx.

SEABORNE AIRLINES



The GERS no longer has a financial interest in Seaborne Airlines. In April 2013, Seaborne defaulted on its loans. GERS could have forced the company into bankruptcy and take over the management of the company, but chose to work with the management to restructure the loans and the company.

In July 2013, there were changes in Seaborne's senior leadership and negotiation continued over the next six months with the new management regarding the restructuring of the loans and company. GERS was committed to invest an additional \$3,000,000 in the form of equity and receive a 42.3% share of the company, with three of the main conditions that Seaborne would not relocate its corporate headquarters outside of the U.S. Virgin Islands, cease operations of the seaplane route between St. Thomas and St. Croix and make payment in excess of \$1,000,000 to the V.I. Port Authority in unpaid landing fees.

In early December 2013 after we learned that Seaborne was negotiating with the Government of Puerto Rico to move its corporate headquarters from St. Croix to Puerto Rico, we demanded and received December 19th the outstanding principal, regular interest and default interest in the amount of \$4,104,324.88.

GERS DELAYS REFINANCING REQUIREMENT WAIVER FOR RETIREE LOAN

In the November 2013 Board meeting, GERS trustees, upon the recommendation of the Administrator, waived the refinancing requirement for a retiree loan which is that a retiree loan must have been paid down by 50 percent of the original loan before it could be refinanced.

We have been informed by our software provider, Vitech, that in order to eliminate the 50 percent requirement, a software modification must be made to our system. We have been further advised that the required changes would be completed on or before March 2014. Notwithstanding, retirees who fall under the categories below, may apply for a loan for which they are eligible up to the maximum of \$50,000.

- Retirees who have never had a loan.
- Retirees who had a previous loan and there is no outstanding balance.
- Retirees who have paid down their loan by 50 percent or more of the original loan.

GERS makes every effort to provide the best possible service to our retirees and regrets any inconvenience caused.

ORGANIZE NOW FOR TAX SEASON

Did you know that it is not too early to prepare for filing your taxes? To minimize the anxiety and stress sometimes associated with filing taxes, you should start organizing your paperwork now. Hopefully you kept your personal information (children and or spouses SSN, birthdates, etc.) in a secure, appropriate place; this will help you in getting started.

- Secure your Form W-2 (Actives) or Form 1099 (Retirees)
- Ensure that you have the proper ID for all persons listed on your return
- Gather expense receipts:
 - charitable contributions (cash amounts of \$250 or more – must be a qualified charity)
 - medical/dental expenses
 - education tuition and fees
 - student loan interest
 - non-reimbursed work-related expenses
 - personal property taxes
 - miscellaneous deductions such as job search expenses or tax preparation fee
- Secure your interest statements (mortgage – Form 1098, real estate, etc...)

Now that you've gathered your documents, contact your tax preparer and get the process started - the earlier the better!

Investment Manager Asset Allocation

As of December 31, 2013 - \$951,443,526

DOMESTIC EQUITY	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
<i>Large Cap Core Equity</i>			
UNION HERITAGE GROUP MORGAN STANLEY	\$ 63,011,335	18.6%	6.6%
BLACKROCK RUSSELL 1000 CORE INDEX FUND	35,585,627	10.5%	3.7%
<i>Large Cap Value Equity</i>			
LSV ASSET MANAGEMENT	52,121,052	15.4%	5.5%
BLACKROCK RUSSELL 1000 VALUE FUND	54,742,639	16.1%	5.8%
<i>Large Cap Growth Equity</i>			
BLACKROCK RUSSELL 1000 GROWTH FUND	134,082,649	39.5%	14.1%
TOTAL LARGE CAP EQUITY	\$ 339,543,303	80.3%	35.7%
<i>Mid Cap Equity</i>			
BLACKROCK MID CAP INDEX FUND	28,284,427	100%	3.0%
TOTAL MID-CAP EQUITY	\$ 28,284,427	6.7%	3.0%
<i>Small Cap Value Equity</i>			
FISHER INVESTMENTS INSTITUTIONAL	54,996,900	100%	5.4%
TOTAL SMALL CAP EQUITY	\$ 54,996,900	13.0%	5.4%
TOTAL DOMESTIC EQUITY	\$ 422,824,630	100%	44.1%

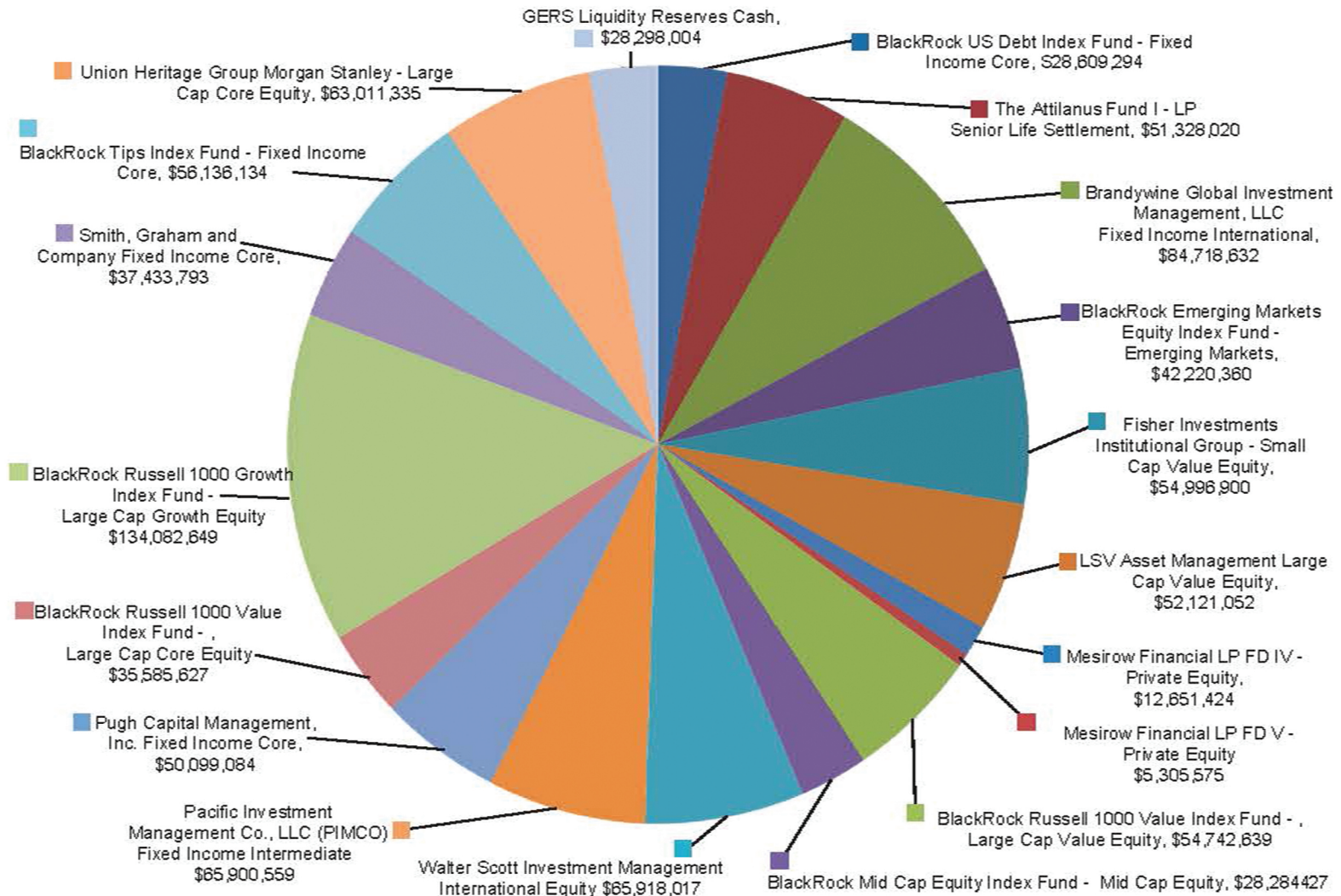
INTERNATIONAL & EMERGING MARKETS EQUITY	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BLACKROCK EMERGING MARKETS INDEX FUND	\$ 42,220,360	39.0%	4.4%
WALTER SCOTT INVESTMENT MGMT.	65,918,017	61.0%	6.9%
TOTAL INTERNATIONAL & EMERGING MARKET EQUITY	\$ 108,138,377	100%	11.4%

DOMESTIC FIXED INCOME	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BLACKROCK U.S. DEBT INDEX FUND	\$ 28,609,294	10.7%	3.0%
BLACKROCK U.S. TIPS FUND	56,136,134	21.1%	5.9%
PUGH CAPITAL MANAGEMENT, INC.	50,099,084	18.8%	5.3%
PIMCO	65,900,559	24.7%	6.9%
SMITH, GRAHAM AND COMPANY	37,433,793	14.0%	3.9%
GER'S LIQUIDITY RESERVES	28,298,004	10.6%	3.0%
TOTAL DOMESTIC FIXED INCOME	\$ 266,476,869	100%	28.0%

GLOBAL FIXED INCOME	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BRANDYWINE GLOBAL INVESTMENT MANAGEMENT	\$ 84,718,632	100%	8.9%
TOTAL GLOBAL FIXED INCOME	\$ 84,718,632	100%	8.9%

ALTERNATIVE INVESTMENTS	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
THE ATTILANUS FUND L.P.	\$ 51,328,020	74.1%	5.4%
MESIROW FINANCIAL FUND IV	12,651,424	18.3%	1.3%
MESIROW FINANCIAL FUND V	5,305,575	7.7%	0.6%
TOTAL ALTERNATIVE INVESTMENTS	\$ 69,285,019	100%	7.3%

ASSET CLASS	TARGET	ACTUAL
DOMESTIC EQUITY	45.0%	44.1%
INTERNATIONAL EQUITY	10.0%	11.4%
DOMESTIC FIXED INCOME	30.0%	28.0%
INTERNATIONAL FIXED INCOME	10.0%	8.9%
ALTERNATIVE INVESTMENTS	5.0%	7.3%



*Unaudited = Numbers have not been audited by our independent Certified Public Accounting Firm.



GERs Update!

BOARD OF TRUSTEES

Vincent G. Liger, *Chairman*

Wilbur K. Callender, M.D.

Carol Callwood

Raymond T. James, Esq.

Desmond L. Maynard, Esq.

Edgar D. Ross, Esq.

Leona E. Smith

ADMINISTRATOR

Austin L. Nibbs, CPA, CGMA

GENERAL COUNSEL

Cathy M. Smith, Esq.

EDITOR-IN-CHIEF

Lorraine G. Morton

GRAPHIC DESIGNER/ILLUSTRATOR

Tia T. Liburd

DISTRIBUTION COORDINATOR

Dorothy B. Smith

MAIL DISTRIBUTION

Khoy D. Rezarie

UPCOMING EVENTS

This Month



ST. THOMAS, VI

Board Meeting

Thursday, January 23rd

9:30 A.M.

Board Meeting

Thursday, March 20th

9:30 A.M.

Financial Planning Workshop

Wednesday, February 26th

8:30 A.M. - 12:00 P.M.

Pre-Retirement Workshop

Thursday, February 27th

8:30 A.M. - 4:30 P.M.

ST. JOHN, VI

GERs Member Outreach will be held the 3RD Wednesday of every month beginning February 19TH, 10:00 A.M. - 3:00 P.M. at The Battery in Cruz Bay.

ST. CROIX, VI

Board Meeting

Thursday, February 20th

9:30 A.M.

Board Meeting

Thursday, April 17th

9:30 A.M.



Contact Us

3438 Kronprindsens Gade

STE 3

St. Thomas, VI 00802-5751

#3004 Orange Grove

Christiansted

St. Croix, VI 00820-4313

STT: 340.776.7703

340.776.4499 (fax)

STX: 340.718.5480

340.718.5498 (fax)

www.usvigiers.com

24 hours a day

Loans

Mon. - Thurs. 8 A.M. - 3 P.M.

Fri. 8 A.M. - 12 noon

Member Services

Mon. - Fri. 8 A.M. - 5 P.M.

ADDRESS SERVICE REQUESTED



3438 Kronprindsens Gade
GERS Complex, 3RD Floor
St. Thomas, VI 00802-5750

PRSR STD
US POSTAGE PAID
ST. THOMAS, USVI
PERMIT NO. 71