



GERs Updates



G E R S
Administrator &
CEO, Austin
Nibbs, was the
guest speaker
at the St.
Thomas
Democratic

District Committee meeting at Victor's Hideout on February 12th. Mr. Nibbs shared an overview of operations of the System, touching on the membership, investments, the Task Force recommendations and explaining "missing contributions". His presentation was very candid and to the point. As such, it generated an excellent discussion. The PIO also shared an overview of the various member outreach programs/efforts that the System is currently engaged in and encouraged members in attendance to create their login to the Member Self-Service as a means of communicating and conducting business with the GERS.

Passing of Victor L. Ebbesen, Sr.



Condolences are extended to the family, friends and loved ones of former Division of Personnel Director, Victor Ebbesen, Sr. who passed away Thursday, February 6th. As the Director of Personnel, he was instrumental in the creation and development of the GERS and was an advocate for the reform and preservation of the System.

LEGISLATION

GERs LEGISLATION

In a Special session of the 30th Legislature held on March 3rd, the Senate unanimously passed Bill No. 30-0318 that allows the GERS to refund retirees the 8 percent contributions withheld on the 2010 retroactive payment made by the Government. The legislation also requires that the GERS pay 9 percent interest per annum on the refund. The Governor approved the Bill, now Act No. 7585 on March 17, 2014

4,168 retirees will be entitled to this refund. The average refund is about \$328.00 with the highest being \$2,581.00 and the lowest being 30 cents. The refund is attributable to 16% of the retroactive wages that the government paid on negotiated salary increases between 1989 and 2002. The refunds will be issued on June 16, 2014.

GOVERNOR SUBMITS PROPOSED PENSION REFORM LEGISLATION



On Tuesday, March 11th, Governor John deJongh submitted the proposed pension reform legislation to the 30th Legislature which represents a collaborative effort between the GERS Board, the Taskforce and the Office of the Governor.

The legislation addresses paying down the existing pension debt by proposing several steps to include:

- 1) Asking employers and employees to contribute a larger amount toward their pension benefits;
- 2) Reducing benefits already being received; increasing the age and years of service

needed before retiring;

- 3) Limiting the annual cost of living increase; and
- 4) Changing the benefit formula used to calculate benefits.

EARN CASH! COMPLETE YOUR ANNUAL HEALTH RISK ASSESSMENT TODAY!

In a press release dated February 24, 2014, the V.I. Division of Personnel (DOP) advised all employees and retirees under the age of 65 who are the primary plan member and maintain health insurance coverage under the executive branch's Group Health Insurance Plan (including those employees/retirees at non-profit organizations) that the GESC Health Insurance Board has established a new rule. This rule requires those members to fully complete their annual Health Risk Assessment (HRA) on CIGNA's Web site (www.mycigna.com).

The HRA must be fully completed to include **actual** biometric numbers for glucose, blood pressure and cholesterol. The deadline for the fiscal year 2014 cycle is **11:59 p.m. Sunday, Sept. 14**. Employees and retirees who fail to complete the HRA by the established deadline will be subjected to a biweekly insurance charge of **\$20.83** in fiscal year 2015 in addition to their regular health insurance premium. *(Please note this requirement is only for the active employees and retirees under 65 who are currently covered by CIGNA, and not their dependents.)*

For more information, call DOP at 340-714-8588 (STT), 340-718-8588 (STX) or visit their Web Site at www.dopusvi.org.



Member Connection

As of today, we have 757 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: tliburd@usvigers.com, 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.

Member Discount Card



Modified hours of operations for members to obtain a GERS Member Discount Card:

- ♦ Tuesday's, 9:00 a.m. to 12:00 noon
- ♦ Thursday's, 9:00 a.m. to 12:00 noon and 2:00 – 4:00 p.m.

***Note:** New St. Croix business joins Member Discount Program. For more information go to www.usvigers.com.

ON AIR GERS Update is now on Focus VI

Tune in to Focus VI on WSTA Radio— 1340 AM.

Get your ten minute update on System Benefits, Investments, New and Pending Legislation and other member-related information.

Airing live Saturday's between 9:00 - 10:00 a.m.

For archived updates, go to www.focusvi.com or www.lucky13wsta.com.

ACTIONS BY THE GERS BOARD OF TRUSTEES

- ✓ Approved a motion to accept the Settlement Agreement between the Government of the Virgin Islands and the GERS. The agreement covers the employer contributions owed for members who retired between October 1, 2010 and December 31, 2012. *(February 13th Regular Business Meeting)*
- ✓ Approved a motion to amend the resolution made January 23, 2013 to authorize the Administrator to enter into a contract not to exceed \$2 million dollars, with Synergy Group, to explore financing options to develop Estate Nullyberg.
- ✓ Approved an offer to WICO of a 6% Management Fee and a term of five years. *(February 26th Special Meeting)*
- ✓ Approved to contract with Jaredian Design Group to conduct site planning studies for repairs and renovations of the old WICO Office Building also known as "The White House."

Note: Renovations will include repairs to portions of the existing metal roof that are deteriorated and causing leakage into the building. Provide handicap access to both floors of the building, refurbishing the interior and constructing a new parking facility south of the second floor. The building will be used as a Training Center for Retirees and office space for GERS and Board personnel.

- ✓ Approved a motion to accept the recommendation of the System's Investment Advisor, Meketa Investment Group, to contract with five small cap managers, funding 4 of the managers (Channing Capital Management, Cove Street Capital, Kayne Anderson Rudnick and Granite Investment Partners) and holding off on 1 manager (Osmium Partners) until that manager has satisfied the employee and officers (E&O) - Error and Omission Insurance requirements. *(March 20th Regular Business Meeting)*

GERS STRATEGIC PLAN UPDATE



The final phase of the GERS Strategic Plan, the Vision and Goals Conference, was held on Tuesday, February 18th. This phase of our Strategic plan brought together all stakeholders to create a shared picture of the System with the objective of drafting a vision statement and creating a broad implementation plan. It was also an

opportunity for the internal stakeholders to determine what actions must be taken under the broad goals for each strategic theme.

On behalf of Administrator, Austin Nibbs, we thank all stakeholders who have voluntarily participated in the focus group meetings and look forward to your continued support.

THE ST. CROIX CAREER AND TECHNICAL EDUCATION CENTER



Bruce Thomas

The St. Croix Career and Technical Education Center recently established an Academy of Finance and launched their first program February 2014, with 14 highly motivated students. Bruce Thomas, GERS' Investment Officer, will sit on the advisory board, whose responsibility it is to help with the development of The National Academy Foundation (NAF) program at St. Croix's Educational Complex.

The National Academy of Finance (NAF) is a leader in the movement to prepare young people for college and career success. "I believe this program is in line with my desire to broaden the awareness of finance within the Virgin Islands. Thus, I am hopeful that students will develop an appreciation for the many opportunities available in this field," said Thomas.

"We are delighted that Mr. Thomas saw fit to become involve in a positive venture such as this. We wish him and the NAF much success," said Mr. Nibbs.

Investment Manager Asset Allocation

As of March 31, 2014 - \$927,941,975

DOMESTIC EQUITY	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
Large Cap Core Equity			
UNION HERITAGE GROUP MORGAN STANLEY	\$ 63,831,767	19.2%	6.9%
BLACKROCK RUSSELL 1000 CORE INDEX FUND	36,312,517	10.9%	3.9%
Large Cap Value Equity			
LSV ASSET MANAGEMENT	53,612,556	16.1%	5.8%
BLACKROCK RUSSELL 1000 VALUE FUND	56,387,040	16.9%	6.1%
Large Cap Growth Equity			
BLACKROCK RUSSELL 1000 GROWTH FUND	123,052,315	36.9%	13.3%
TOTAL LARGE CAP EQUITY	\$ 333,196,195	81.5%	35.9%
Mid Cap Equity			
BLACKROCK MID CAP INDEX FUND	29,142,178	100%	3.1%
TOTAL MID-CAP EQUITY	\$ 29,142,178	7.1%	3.1%
Small Cap Value Equity			
FISHER INVESTMENTS INSTITUTIONAL	46,323,769	100%	5.4%
TOTAL SMALL CAP EQUITY	\$ 46,323,769	11.3%	5.0%
TOTAL DOMESTIC EQUITY	\$ 408,662,141	100%	44.0%

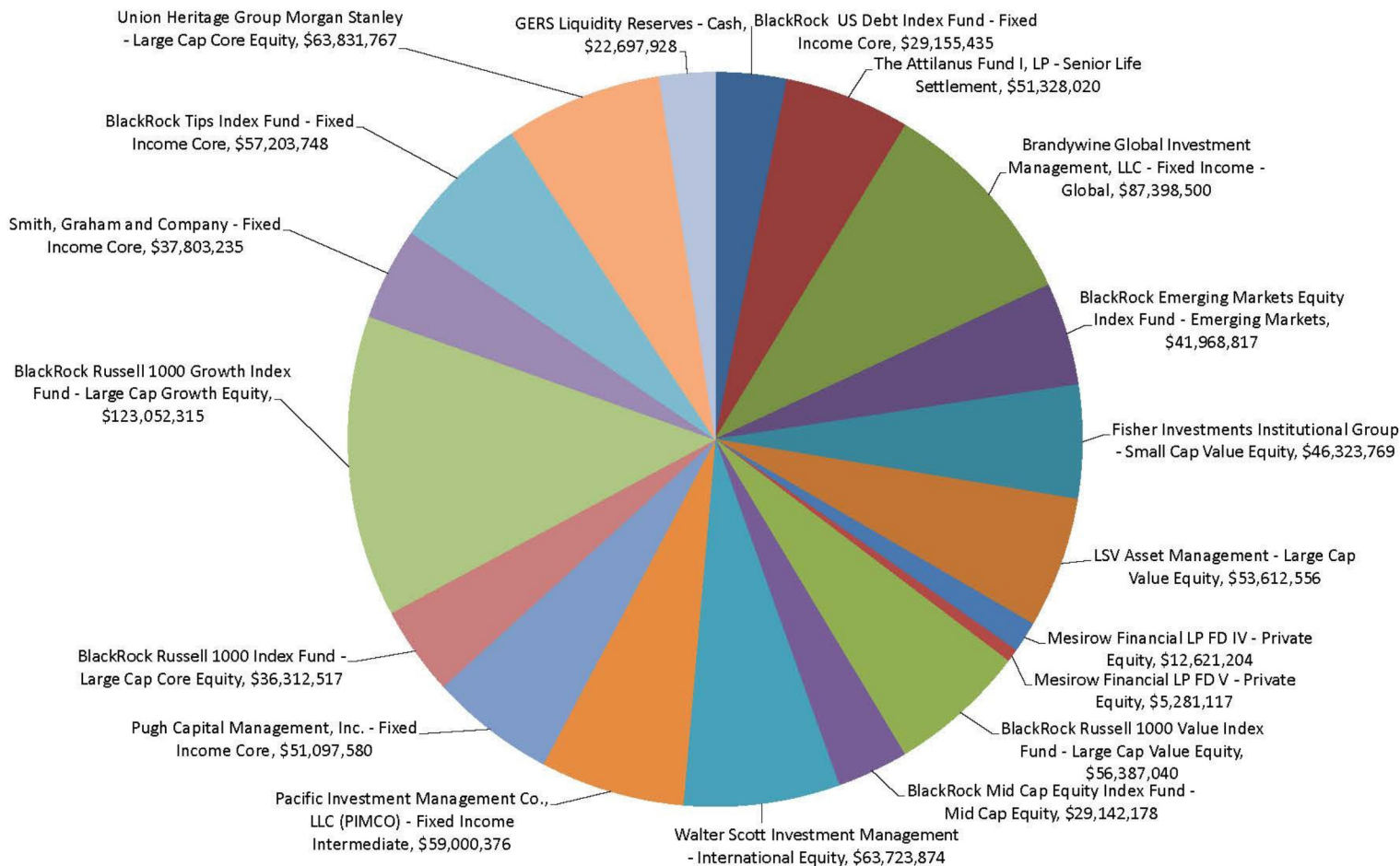
INTERNATIONAL & EMERGING MARKETS EQUITY	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BLACKROCK EMERGING MARKETS INDEX FUND	\$ 41,968,817	39.7%	4.5%
WALTER SCOTT INVESTMENT MGMT.	63,723,874	60.3%	6.9%
TOTAL INTERNATIONAL & EMERGING MARKET EQUITY	\$ 105,692,691	100%	11.4%

DOMESTIC FIXED INCOME	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BLACKROCK U.S. DEBT INDEX FUND	\$ 29,155,435	11.3%	3.1%
BLACKROCK U.S. TIPS FUND	57,203,748	22.3%	6.2%
PUGH CAPITAL MANAGEMENT, INC.	51,097,580	19.9%	5.5%
PIMCO	59,000,376	23.0%	6.4%
SMITH, GRAHAM AND COMPANY	37,803,235	14.7%	4.1%
GER'S LIQUIDITY RESERVES	22,697,928	8.8%	2.4%
TOTAL DOMESTIC FIXED INCOME	\$ 256,958,302	100%	27.7%

GLOBAL FIXED INCOME	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BRANDYWINE GLOBAL INVESTMENT MANAGEMENT	\$ 87,398,500	100%	9.4%
TOTAL GLOBAL FIXED INCOME	\$ 87,398,500	100%	9.4%

ALTERNATIVE INVESTMENTS	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
THE ATTLANUS FUND I, LP	\$ 51,328,020	74.1%	5.5%
MESIROW FINANCIAL FUND IV	12,621,204	18.2%	1.4%
MESIROW FINANCIAL FUND V	5,281,117	7.6%	0.6%
TOTAL ALTERNATIVE INVESTMENTS	\$ 69,230,341	100%	7.5%

ASSET CLASS	TARGET	ACTUAL
DOMESTIC EQUITY	45.0%	44.0%
INTERNATIONAL EQUITY	10.0%	11.4%
DOMESTIC FIXED INCOME	30.0%	27.7%
INTERNATIONAL FIXED INCOME	10.0%	9.4%
ALTERNATIVE INVESTMENTS	5.0%	7.5%



*Unaudited = Have not been audited by our independent Certified Public Accounting Firm as yet.



GERS *Update!*

BOARD OF TRUSTEES

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ST. THOMAS, VI

Financial Planning
April 9 | 8:30 A.M. - 12:30 P.M.

Board Meeting
April 24 | 9:30 A.M.

Board Meeting
May 15th | 9:30 A.M.

Pre-Retirement Workshop
June 12 | All day

Financial Planning Workshop
June 18 | 8:30 A.M. - 12:30 P.M.

ST. JOHN, VI

GERS Member Outreach is held the 3rd Wednesday of every month
10:00 A.M. - 3:00 P.M. at The Battery in Cruz Bay.

[April 16]

[May 21]

[June 18]

Pre-Retirement Workshop
May 29 | 9:00 A.M. - 3:00 P.M.

ST. CROIX

Count Down to Retirement
April 3 | All day

Board Meeting
April 24 | 9:30 A.M.

Pre-Retirement Workshop
May 15 | All day

Financial Planning
May 21 | 8:30 A.M. - 12:30 P.M.

Board Meeting
June 19 | 9:30 A.M.

Count Down to Retirement
June 26 | All day



Contact Us

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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

Update



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

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EMPLOYEES' RETIREMENT SYSTEM OF THE GOVERNMENT OF THE VIRGINISLANDS



March 31, 2014

Dear Retiree:

Since announcing that the software modification for waiving the refinancing requirement for a retiree loan is functional, we have received numerous inquiries regarding the insurance requirements. Thus, this letter is being written to clarify those requirements.

Retiree Personal Loan Requirements

- All retiree loans must be covered by life insurance equal to the value of the loan.
- GERS has signed a Memorandum of Understanding with the Division of Personnel which:
 1. Allows for retirees' life insurance that equals or exceeds the requested loan amount and has been in existence for a period of at least 1 year; or
 2. That the last increase during the Open Enrollment period did not exceed \$5,000.
- The insurance policy will be used as collateral for all personal loans written and will be held as security for the first six (6) months exclusionary period.
- The assignment shall be irrevocable until such time as the GERS confirms that the obligations for the six (6) month period have been satisfied.
- Retirees may also assign to the GERS, a life insurance policy with adequate limits to secure the loan. The policy must have been in existence for at least 2 years and underwritten by a carrier rated B, or better.

When applying for the loan, retirees must have the following documents:

1. Completed health and life insurance benefits enrollment and/or change form, designating GERS as beneficiary for an amount equal to the loan requested. Applicant may present another insurance policy if he/she does not have enough coverage with AETNA insurance or wishes to assign another policy.
2. \$20.00 money order payable to GERS for credit report fee
3. Current government issued picture id
4. Verification of additional income that will be used to support repayment of loan
 - i) Check stubs and job letter stating length of employment, hourly rate, hours worked and frequency of salary
 - ii) Social Security Earnings Statement
 - iii) For rental income - copy of current lease agreement, receipts issued or income tax return
5. Rent payment receipts for last six (6) months or copy of lease agreement, if applicable.

Sincerely,

Austin L. Nibbs, CPA, CGMA
Administrator

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