



GERs Updates

BOARD OF TRUSTEES ANNUAL RETREAT MEETING RECAP

The annual retreat of the GERS Board of Trustees was held on Tortola, B.V.I., at the H. Laverty Stoutt Community College from Wednesday, June 11 through Friday, June 13. During these meetings, Trustees met with the Investment Consultant, Actuary, and several vendors and advisors on topics related to the administration and Governance of the System.

On the first day of meetings, our Investment Consultant presented an overview of Macroeconomics and Capital Markets, System Performance and Manager Reviews. They also made presentations and held discussions on the Asset Liability Study and Asset Allocation. Additionally, there were considerations and discussions on the Alternative Investments and Custodian bank Options.

During the second day of meetings, the Systems' Actuary presented the preliminary Actuarial Valuations Results for 2013, updated projections from the 2011 Valuation and proposed plan changes. The Actuary also gave an update on the future of retirement in America, AGES principles and Secure Choice Plans.

Finally on day three, there were presentations and discussions on Securities Litigation, Ethical and



CONDUCTING BUSINESS AT THE GERS WITH A POWER OF ATTORNEY



A power of attorney (POA) is a written authorization to represent a person or act on their behalf in private affairs, business, or some other legal matter. The person authorizing the other to act is the principal or grantor (of the power). The one authorized to act is the agent or the attorney-in-fact.

As an agent, an attorney-in-fact is a fiduciary for the principal. The law requires an attorney-in-fact to be completely honest with and loyal to the principal in their dealings with each other. In order for a power of attorney to be a legal document it must be signed and dated by the principal, as well as witnessed and notarized by a notary public. An individual executing a document, pursuant to a power of attorney should sign as "Jane Doe, attorney in fact for John Doe."

The "grantor" who creates a power of attorney can only do so when he/she has the requisite mental capacity. If the grantor loses capacity to grant permission after the power of attorney has been created (for example, from Alzheimer's or a head injury), then the power is no longer effective, unless the grantor stated that he/she wishes the document to remain in effect even after he/she becomes incapacitated. This is known as a Durable Power of Attorney (DPA), which authorizes the attorney-in-fact to act and/or make decisions on behalf of the grantor until the grantor's death. If someone is already incapacitated, it is not possible for that person to execute a valid power of attorney. If a person does not have the capacity to execute a power of attorney (and does not already

this issue

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have a durable power in place), the only way for another party to act on their behalf is to have a court impose a conservatorship or a guardianship. Additionally, a power of attorney becomes ineffective when the grantor dies.

A power of attorney may be: special or limited, general, or temporarily limited. A special power of attorney is one that is limited to a specified act or type of act. A general power of attorney is one that allows the agent to make all personal and business decisions. A grantor should carefully review the powers being granted by a general power of attorney, which is often very broad. A temporarily limited power of attorney is one with a limited time frame.

Standardized forms are available for various kinds of Powers of Attorney on the internet; however, the grantor should exercise caution when using a standardized Power of Attorney form obtained from a source other than a lawyer because there is considerable variation in formats. Further, it is important that a grantor exercise considerable care in using these standardized forms because some agents have used their authority to steal the assets of vulnerable individuals, such as the elderly.

The GERS will allow the use of a Power of Attorney for numerous functions, however, it should be noted that GERS policy does not allow for a **member loan to be processed or a change of beneficiary** using the Power of Attorney. When conducting business with the GERS, a power of attorney shall be reviewed and approved by the GERS legal counsel before use by the agent or attorney-in-fact.

From the Desk of the General Counsel



St. Thomas/St. John & St. Croix

USVI



GERS Update!

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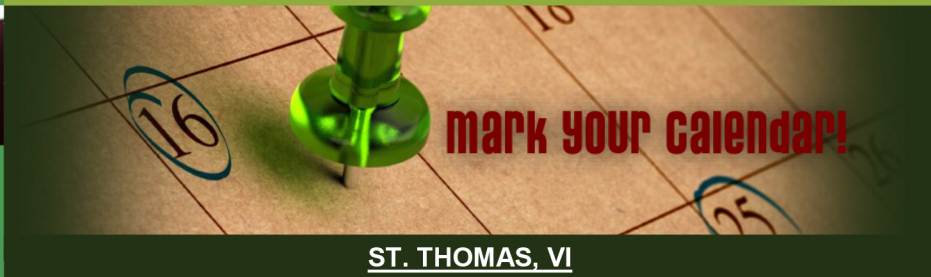
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ST. THOMAS, VI

Pre-Retirement Workshop
August 14 | All day

Board Meeting
July 17 | 9:30 A.M.

Count Down to Retirement
September 11 | All day

Financial Planning Workshop
September 17 | 8:30 A.M. - 12:30 P.M.

GERS Annual Overview to Committee on Finance | September 10

ANNUAL INVESTMENT MEETING

August 27 - 29 | 9:00 A.M.
Carambola Beach Resort & Spa
St. Croix, Virgin Islands

ST. CROIX

Count Down to Retirement
August 7 | All day

Financial Planning
August 20 | 8:30 A.M. - 12:30 P.M.

Board Meeting
September 18 | 9:30 A.M.

Pre-Retirement Workshop
September 25 | All day



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Mon. - Thurs. 8 A.M. - 3 P.M.
Fri. 8 A.M. - 12 noon

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



BOT ANNUAL RETREAT MEETING RECAP (CONT'D)

Compliance issues, Governance and Prudent Investor Standard vs. Prudent Man Rule, by class action attorneys, Robbins Geller Rudman and Dowd. Rounding out the discussions, William Wright, Esq. of Fisher & Phillips, LLP, made a presentation on Best practices and Governance and, Ethical & Compliance Issues.

Trustees and staff walked away energized and better equipped to tackle the work ahead.

RETRO REFUND OF CONTRIBUTION CHECK ISSUANCE



As required by law, retro contribution refund checks were processed and distributed to retirees on June 16, 2014.

These monies represented the partial amounts that were deducted from retroactive negotiated salary increases paid to members on October 14, 2010. A listing of all entitled deceased members appeared in the Virgin Islands Daily News, The St. Croix Avis and the VI Source during the period June 27 – July 8. The listing may also be found on the GERS website at www.usvigiers.com.

GERS has retained the refund checks payable to deceased members. If you are the Administrator, Executor or Executrix of the Estate of a deceased member, please contact our office.

CONGRATULATIONS TO THE 2014 GERS SCHOLARSHIP RECIPIENTS

St. Croix
• Denzel Clifton

St. Thomas
• Soraya Benjamin

St. John
• Jah'sheada Griffith

ST. CROIX GOVERNMENT RETIREES INC. TO HOST POLITICAL FORUM

The St. Croix Government Retirees Inc. (SCGR) will host a forum to interview the candidates of the 2014 Election on Saturday, August 9, 2014 at John Woodson Jr. H.S. Auditorium from 1:00 pm to 6:30 pm.

The main purpose of the St. Croix Government Retirees Inc. is to ensure the perpetuity of the GERS and to work towards the reduction and elimination of the GERS unfunded liability.

The two issues of specific importance to the Retirees are:

1. The employee and employer contributions must be paid to GERS before the assignment of an annuity. Payment of annuity without the complete payment of the employer's contributions or employee's contributions is the reason the System has an unfunded liability. Such action must not be allowed.
2. There can be no reduction of Retirees' annuity. Retirees have already made sacrifices to help save this economy and are struggling to survive on a fixed-income. Too many Retirees are experiencing catastrophic, financial challenges due to the rising cost of living and medical challenges.

In addition to pension issues, SCGR is very concerned about quality, growth and development of our Virgin Islands.

The SCGR meets monthly at the former GERS office building in Orange Grove, Christiansted on the third Tuesday of every month. The organization has been registered in the Lieutenant Governor's office since February 2013.

TRUSTEE RECEIVES CERTIFICATE OF ACHIEVEMENT



Trustee Carol Callwood recently received a Certificate of Achievement for successfully completing eight hours of continuing education as part of the National Conference on Public Employee Retirement System Trustee Educational Development Seminar.

The Trustee Educational Seminar (TEDS) is a pre-conference program held in conjunction with the Annual Conference and Exhibition. It is intended for new and novice trustees who are seeking a better understanding of their role and responsibilities as trustees of their pension fund. It also serves as a refresher for experienced trustees interested in staying up-to-date.

The two-day program provides an introduction to fiduciary responsibilities, creating a solid foundation of knowledge for those who have limited experience in pension plan trusteeship. The program content is designed to address the critical elements of trust fund management including, important topics such as investing, legal requirements and trustee ethics.

The 73rd annual conference and exhibition was held April 27 – May 1 in Chicago, Illinois.

MEMBER SELF-SERVICE ... ONE PLACE. NO LINES. NO WAITING. 24/7 ACCESS

Since March 2013 when GERS implemented its new line of business system, active and retired members as well as employers have been able to obtain account information using self-service via the GERS website.

Our records however, indicate that only a little more than 30% of the membership is currently utilizing the self service. As such, we designated the month of July as MSS "Member Assistance Month." We are asking members who are familiar with the Member Self-Service and who are registered, to assist a colleague, friend or family member with their registration – *each one, teach one!* For your convenience, there is an instructional video located on the homepage of the GERS website.

GERS staff has also been out and about at various locations to include viNGN Public Computer Centers on all three islands, to assist members. The use of this tool can be very empowering as it presents members with the opportunity to view and update their records to include providing the System with any missing documentation or information that they may have. Ultimately, this exchange will help in facilitating the retirement process as well as assist members when conducting business with the GERS.

Registering gives members access to their GERS account information 24/7, by using their PC, PDA cell phone or tablet. Please help us to help you – Register Today!

Investment Manager Asset Allocation

As of June 30, 2014 - \$902,849,569*

DOMESTIC EQUITY	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
Large Cap Core Equity			
UNION HERITAGE GROUP MORGAN STANLEY	\$ 54,962,877	17.8%	6.1%
BLACKROCK RUSSELL 1000 CORE INDEX FUND	38,166,175	12.4%	4.2%
Large Cap Value Equity			
LSV ASSET MANAGEMENT	55,847,423	18.1%	6.2%
BLACKROCK RUSSELL 1000 VALUE FUND	51,270,206	16.7%	5.7%
Large Cap Growth Equity			
BLACKROCK RUSSELL 1000 GROWTH FUND	107,679,021	35.0%	11.9%
TOTAL LARGE CAP EQUITY	\$ 307,925,701	80.0%	34.1%
Mid Cap Equity			
BLACKROCK MID CAP INDEX FUND	30,405,198	100%	3.4%
TOTAL MID-CAP EQUITY	\$ 30,405,198	7.9%	3.4%
Small Cap Value Equity			
FISHER INVESTMENTS INSTITUTIONAL	46,477,166	100%	5.4%
TOTAL SMALL CAP EQUITY	\$ 46,477,166	12.1%	5.4%
TOTAL DOMESTIC EQUITY	\$ 384,808,065	100%	42.9%

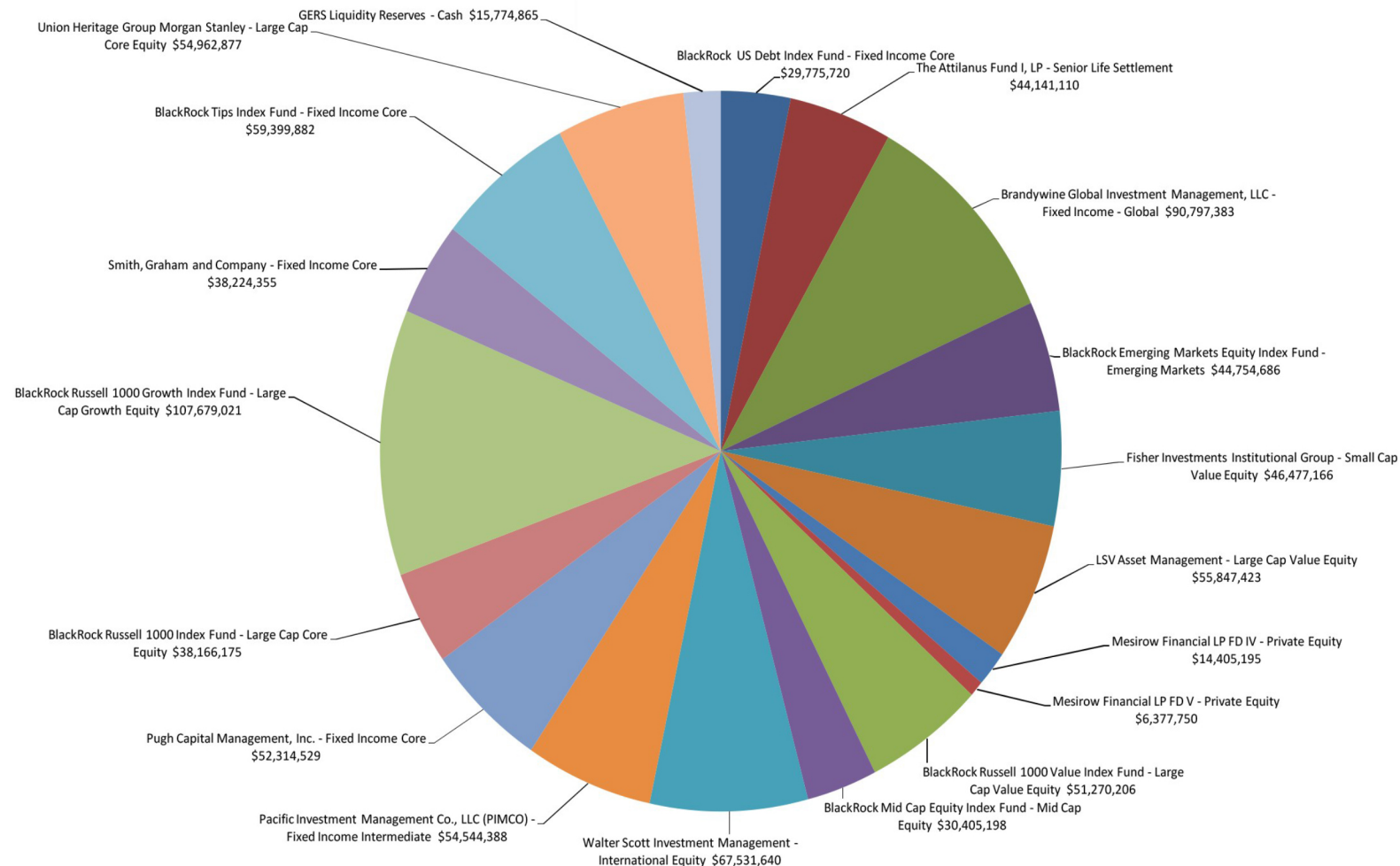
ASSET CLASS	TARGET	ACTUAL
DOMESTIC EQUITY	45.0%	42.9%
INTERNATIONAL EQUITY	10.0%	12.4%
DOMESTIC FIXED INCOME	30.0%	27.7%
INTERNATIONAL FIXED INCOME	10.0%	10.1%
ALTERNATIVE INVESTMENTS	5.0%	7.2%

INTERNATIONAL & EMERGING MARKETS EQUITY	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BLACKROCK EMERGING MARKETS INDEX FUND	\$ 44,754,686	39.9%	5.0%
WALTER SCOTT INVESTMENT MGMT.	67,531,640	60.1%	7.5%
TOTAL INTERNATIONAL & EMERGING MARKET EQUITY	\$ 112,286,326	100%	12.4%

DOMESTIC FIXED INCOME	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BLACKROCK U.S. DEBT INDEX FUND	\$ 29,775,720	11.9%	3.3%
BLACKROCK U.S. TIPS FUND	59,399,882	23.8%	6.6%
PUGH CAPITAL MANAGEMENT, INC.	52,314,529	20.9%	5.8%
PIMCO	54,544,388	21.8%	6.0%
SMITH, GRAHAM AND COMPANY	38,224,355	15.3%	4.2%
TERS LIQUIDITY RESERVES	15,774,865	6.3%	1.7%
TOTAL DOMESTIC FIXED INCOME	\$ 250,033,739	100%	27.7%

GLOBAL FIXED INCOME	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
BRANDYWINE GLOBAL INVESTMENT MANAGEMENT	\$ 90,797,383	100%	10.1%
TOTAL GLOBAL FIXED INCOME	\$ 90,797,383	100%	10.1%

ALTERNATIVE INVESTMENTS	AMOUNT	PERCENT OF ASSET CLASS	PERCENT OF TOTAL FUND
THE ATILANUS FUND I, LP	\$ 44,141,110	68.0%	4.9%
MESIROW FINANCIAL FUND IV	14,405,195	22.2%	1.6%
MESIROW FINANCIAL FUND V	6,377,750	9.8%	0.7%
TOTAL ALTERNATIVE INVESTMENTS	\$ 64,924,056	100%	7.2%



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