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Updates from the Administrator

Contributions Status

The Government of the Virgin Islands (GVI) has now largely brought employee and employer contributions payments current. As of June 22, 2018, payment for pay period February 1, 2018 was still outstanding. At the evidentiary hearing held on June 13, 2018, the GVI advised District Court Judge Gomez that all outstanding employee/employer contributions and loan deductions will be paid in July 2018. GERS’ benefits administration system is programmed for chronological posting only. Therefore, any missing payments delay the posting of later contributions payments. The last payment received was from pay period 6/7/2018. Any delay in receiving employee and employer contributions from plan sponsors, would delay the processing of the retiree’s initial annuity.

Legal Update

GERS vs. Government of the Virgin Islands, Val Collens

During the hearing on June 13, 2018, Mrs. Grace Fahie-Lindo, the Director of Payroll at the Virgin Islands Department of Finance, stated that after the March hearing

Commissioner Valdamier Collins made the payments to GERS a priority. Judge Gomez requested that the Commissioner of Finance and/or the Director of the Treasury, be present at the next hearing concerning GVI’s liquidity and ability to continue to make the payments on time. The judge expressed concern about how long this priority status will last given the GVI’s liquidity and queried whether the GERS’ suggestion that a separate account be set up. If the GVI should fail to make payments on time, the GERS would be able to deduct the payments from the account as this would be in the best interest of the parties. The GVI argued against such a fund, but the Judge was not swayed by those arguments. In addition to testimony by the GVI on the liquidity issue, the Judge wants testimony as to the effect the GVI’s failure to make timely payments has had on the GERS and its members. The next hearing has been tentatively set for August 27, 2018.

Upcoming Forum with NCPERS (National Conference on Public Employees Retirement System)

The GERS will be holding a Forum at the end of August 2018. The goal of the Forum is to discuss the status of the System, and gather recommendations from all stakeholders, to present to the plan sponsors and legislators to bring the plan back to solvency. Presentations will be made by the National Conference on Public Employee Retirement Systems (NCPERS), which is the largest trade association for public sector pension funds, representing more than 500 funds throughout the United States and Canada. It is a unique non-profit network of trustees, administrators, public officials and investment professionals who collectively manage nearly \$3 trillion in pension assets held in trust for approximately 21 million

(Continued on page 2)





The GERS funded status, which is the level of accumulated assets that have been set aside for the payment of retirement benefits to employees, is currently at about 22%.

With a declining active membership and more benefits being paid out, GERS has been taking in far less contributions on both the employer and employee side. If this trend continues, and if GERS does not receive a large infusion of cash, it could hasten the insolvency of the System which is projected to be sometime around 2023/2024. This could however, be sooner depending on market and economic conditions.

TOTAL RETIREES (AS OF 6/30/18)
8,493
YTD FY 2018 RETIREE PAYROLL 10/1/17 - 6/30/18
\$183.4 M
TOTAL PORTFOLIO ASSETS (QUARTER ENDING 3/31/18)
\$775 M
Assets include stocks, bonds, alternatives.
TOTAL RETURN FOR QUARTER ENDING 3/31/18
2.27%

Note: Return numbers exclude the GERS office buildings. They are however included in the total portfolio assets. All figures are estimates.

public employees and retirees — including firefighters, law enforcement officers, teachers, and other public servants. Founded in 1941, NCPERS is the principal trade association working to promote and protect pensions by focusing on Advocacy, Research and Education for the benefit of public sector pension stakeholders.

Wrap up

Through online engagement, our Quarterly Newsletter, Radio Update Program, Town Hall Meetings, publications and other appropriate means, we will continue to inform, educate and empower our members. **Stay tuned!**

Updates from the Division of Personnel - GHI Office

Health Expo

July 17 10:00 am - 2:00 pm - David C. Canegata Ballpark; St. Croix, VI
July 20 10:00 am - 2:00 pm - Tutu Park Mall; St. Thomas, VI

HRA Deadline for the 2018 Fiscal Year - September 30

Who is required to complete the Health Risk Assessment?

- Retirees under age 65 (if you are turning 65 prior to the deadline, this does not apply to you)
- Active employees regardless of age and who are the primary insured member

Note that the HRA must be completed online at www.MyCigna.com by the September 30 deadline.

Open Enrollment - *Just Around the Corner!*

This is the time when you can make changes (add/increase life insurance; remove/add dependents, etc.) to your insurance policy. For dates and more information, call the Group Health Insurance Office at 340-714-5000 or email gvihealth@dop.vi.gov.

GERS Service Fees Effective June 1, 2018

Type of Service	Fee
Amortization Schedule	\$5.00
Certified Photocopies	\$5.00
Copy of Check Stub	\$5.00
Copy of 1099/1098	\$5.00
Credit Letter	\$5.00
Photocopy	\$1.00 p/p
Benefits Verification Letter	\$5.00
Verification of Service	\$10.00
Change Bank Account	\$50.00

Approved by the Board of Trustees May 24, 2018

Provisions of Act No. 8029 (enacted 4/4/18)
CAN THIS RETIREE RETURN TO WORK?*

TIER I

YES - Any classification, Any position

- For only 600 hours annually through August 30, 2019
- Salaries may not exceed \$55,000 per year
- Retains retirement benefit, no contributions are required during the specified time.

TIER II

NO

**TIER I &
TIER II**

NURSES, TEACHERS & POLICE OFFICERS ONLY

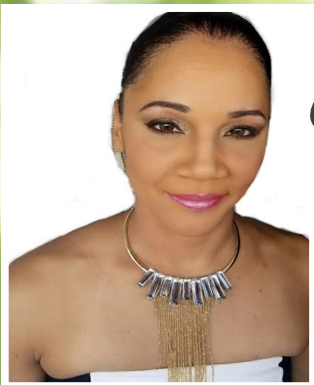
YES - EFFECTIVE AUGUST 30, 2019

- Full-time for a maximum of two (2) years (lifetime cap)
- Salaries may not exceed \$55,000 per year
- Retains retirement benefit no contributions are required during the specified time.

If the retiree works more than the prescribed hours or after the date specified, their retirement benefit will cease and contributions to the System will resume as an active employee.

***POTENTIAL PENALTIES**

Any individual or employer who makes a false statement or falsifies any record, or attempts to defraud the System may be imprisoned for not less than five (5) years and be fined not less than \$25,000 or more than \$100,000.00. Should a member's record be falsified in any manner, causing any loss to the System, the member shall have future payments adjusted in a manner to the actuarial equivalent of the annuity or benefit that the member or beneficiary was correctly entitled to receive.



Elizabeth A. Rivera (14.5 Years)
Payroll Technician, St. Thomas



Yaneria M. Knight (3 Years)
Customer Service Rep., St. Croix



Congratulations!



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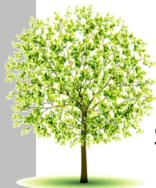
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Upcoming Events

JUL	11	ST. THOMAS	COUNT DOWN WORKSHOP
	13	---	RETIREE PAY DAY
	18	St. Croix	COUNT DOWN WORKSHOP
	24 - 27	St. Croix	BOARD RETREAT
AUG	31	---	RETIREE PAY DAY
	15	---	RETIREE PAY DAY
	23	St. Croix	BOARD BUSINESS MEETING
	31	---	RETIREE PAY DAY
SEPT	14	---	RETIREE PAY DAY
	27	St. Thomas	BOARD BUSINESS MEETING
	28	---	RETIREE PAY DAY

PLEASE NOTE THAT OUR RETIREMENT EDUCATION PROGRAM (WORKSHOPS)
WILL RESUME JANUARY 2018.

SAVE THE TREES...RECEIVE YOUR NEWSLETTER ELECTRONICALLY

Send an email to jabramson@usvigiers.com...type **SIGN ME UP** in the subject line. Please include your name in the email.

CONTACT Us...

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Ste. 1

Christiansted

St. Croix, VI 00820-4260

Phone: (340) 718-5480

Fax: (340) 718-5498

8am - 5pm

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UPDATE



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