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Updates from the Administrator

What are Contributions?

The composition of contributions to the system are:

- Bi-weekly Employee Contributions
- Bi-weekly Employer Contributions
- Actuarially Determined Employer Contributions (ADEC): represents the amount needed to fund benefits over time.

The plan sponsors are delinquent in remitting to the GERS:

- Prior period missing employer contributions prior to 2011 of approximately \$35.5 million.
- Act No. 7261 – which is direct contributions payments from the Internal Revenue Matching Fund, in the amount of \$14 million.
- Actuarially Determined Employer Contributions (ADEC) in the amount of \$1.6 billion.

Note: As of September 30, 2018, the GVI is current with the bi-weekly payroll deductions (employee contributions and loans) and employer contributions through September 13, 2018.

All contributions are statutory – meaning that they are all required.

Retiree Bonus Update

GERS Administrator Austin Nibbs recently provided Governor Mapp with a full accounting of the annual VI Lottery bonus payments to retirees. This accounting covers all payments since the inception in fiscal year 2009 through fiscal year 2017, and for the three quarters in fiscal year 2018.

For your information, the VI Lottery in accordance with Act No. 7070, is required to transfer not less than \$2.2 million dollars (\$2,270,000) from the net income of the lottery from all games as authorized, to the Government Employees' Retirement System before July 15 each year to be used exclusively as an annual bonus payment for annuitants and pensioners (pursuant to title 3, chapter 27, section 729b of this code). This sum may be paid in quarterly installments to the retirement System so long as the total amount is received before July 15.

Since inception, the GERS has made annual payments to eligible retirees based on the amount of funds received from the Lottery. We have received funds through the third quarter of FY 2018 and anticipate that this year's payment will be made to eligible retirees by November 30th. Note that there has been a deficiency of approximately \$5 million (between the \$2.2 million that is expected to be received by the GERS, and what was actually received) from fiscal year 2015 through the third quarter fiscal year 2018. (see below)

Required	Received	Shortfall
2,270,000.00	1,015,868.44	1,254,131.56
2,270,000.00	1,086,331.44	1,254,131.56
2,270,000.00	1,046,643.82	1,223,356.18
2,270,000.00	905,509.83	1,364,490.17
9,080,000.00	4,054,354.01	5,025,645.99



GERs/NCPERS 2018 VI Public Pension Forum

The 2018 VI Public Pension Forum was held on August 29th and 30th at Renaissance Carambola Beach Resort and Spa. The purpose of the forum was to bring together all stakeholders and the Government Employee's Retirement System (GERs) and the National Conference on Public Employee Retirement Systems (NCPERS) and other national pension advocacy groups to discuss solvency initiatives that GERs and other public pension systems have implemented to address their pension issues.



We would like to thank the presenters who made very informative presentations and answered candid questions from the stakeholders. Thanks to Hank Kim, Esq., Executive Director and Counsel, NCPERS, Diane Oakley, Executive Director, National Institute for Retirement Security (NIRS), Bridget Early, Executive Director, National Public Pension Coalition (NPPC), Alex Brown, Research Assistant, National Association of State Retirement Administrators (NASRA), Lydia Lee, Esq., Lieff Cabraser Heimann & Bernstein, LLP, The Segal Company - Andrew Sherman, SVP, National Director, Public Sector Market, Leon F. (Rocky) Joyner, Jr., Vice President & Actuary, Aldwin Frias, Senior Vice President & Actuary, Johnathan Scarpa, Actuary, Lizzette Ortiz, Actuary, and AARP - Diane T. Capehart, Associate State Director of Advocacy/Community Outreach and Nathan Simmonds, Advocacy Lead Volunteer.

We also thank the stakeholders who attended the Forum, and participated in the discussions, and offered recommendations and thought-provoking statements.

Office of the Delegate to Congress-Pamela Richards Samuel. **Senators**-Marvin A. Blyden, Dwayne M. DeGraff, Jean A. Forde, Novelle E. Francis, Jr., Alicia "Chuck" Hansen, Myron D. Jackson, Positive T.A. Nelson, Tregenza A. Roach, LT Governor Democratic Candidate, Kurt A. Violet, and Neville James. **Senatorial Aspirants**-At-Large-Angel L. Bolques Jr. and Sherry-Ann Francis. **St. Croix District**-Lilliana Belardo de O'Neal, Allison DeGazon, Carew Felix, Daren R. Stevens, Genevieve Whitaker, and Malik Stridiron. **St. Thomas District**-Stephen "Smokey" Frett, Athneil "Bobby" Thomas, Carla Joseph, and Dolores Todmann. **Gubernatorial Candidates**-Albert Bryan, Democrat, Soraya Diase-Coffelt, Esq., Independent, Moletto A. Smith, Independent. **Lt. Governor Candidate**-Edgar Bengoa, Independent. **Plan Sponsors (Employers)**-Department of Finance-Clarina Modeste-Elliott, Executive Assistant Commissioner, University of the Virgin Islands-David Hall, Ph.D., President and Shirley Lake-King, Supreme Court of the Virgin Islands-Regina Petersen. **V.I. Housing Authority**-Stephanie Berry, **Legislature of the Virgin Islands**-Florine Hassell, **Virgin Islands Board of Education**-Monique Matthias, **Elections System of the Virgin Islands**-Terrell Alexandre, **Virgin Islands Housing Finance Authority**-Valdez Shelford. **Retiree Groups**-Helen Hart and Barbara Isaac, GRUFF, and Mary L. Moorhead, Abdul Ali, SCGR Inc. **St. Croix Chamber of Commerce**-Diane Butler. **Others**-Urman "Coach" Fahie - Retiree/Community Activist, Carl Knight, Community Representative for Albert Bryan-gubernatorial candidate, Bernard Phillips, Community Representative for Senator Myron Jackson, and Thelma Louis, Community Representative for Dolores Todmann senatorial aspirant.



We will continue to advocate with the assistance of our partners, both locally and nationally, and engage stakeholders and policy makers to discuss and recommend reforms that would be beneficial, not only the public employees, but taxpayers, employers, and local businesses and the Virgin Islands economy.

Austin L. Nibbs, CPA, CGMA
Administrator/CEO



Thank You
Merci, Grazie, Gracias



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 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.

We have especially noted this trend with members who are not vested. As of October 4, 2018, there are 8,452 active members compared to 9,499 actives at September 30, 2016 - a difference of 1047 in just two years.

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. Again, this all depends on market and economic conditions.

TOTAL RETIREES (AS OF (9/30/18))
8,516
YTD FY 2018 RETIREE PAYROLL 10/1/17 - 9/30/18
\$244.9 M
TOTAL PORTFOLIO ASSETS (QUARTER ENDING 8/31/18)
\$788 M
Assets include stocks, bonds, alternatives.
TOTAL RETURN FOR YTD 8/31/18
4.3%

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

Benefits Statement Overview

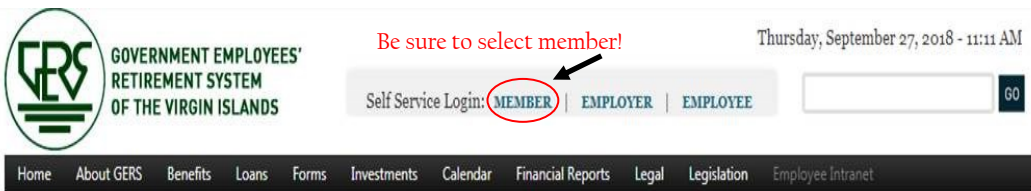
IT'S FINALLY HERE!

The GERS will now issue **Annual Benefits Statements** to its members. The Statement which will be produced yearly will provide members with an overview of their employment history, wages earned, service credits, total employee and employer contributions and if vested, an estimated benefit at your retirement age.

The first Statement is as of December 31, 2017 for all Tier I employees only and is available online at www.usvigiers.com through the GERS Self Service. If you are not already registered, you must do so in order to access your Statement which may be found in "Review Your Documents History". If you forgot your password, you may give us a call (776-7703 or 718-5480) to have it reset.

You are strongly encouraged to review your statement. It is important to note however, that your statement is only an estimate and is not a guaranteed statement of entitlement. The actual benefits that you could receive may be different and you should consult one of our Benefits Analyst before making any decisions. If any information appears inaccurate, please contact your Human Resources Office as the information is driven by documentation and NOPAs provided by your agency.

Unfortunately Tier II Statements are not available at this time due to recent substantive legislative changes such as career averaging of salaries specifically for Tier II members. Our software provider is working to make the required changes as it is the goal of the GERS to produce the Tier II Statements by the first quarter of 2019.



Deceased Annuity Notification



It is important that the GERS is immediately informed about the death of anyone who is on the annuity payroll (either a retiree or a surviving beneficiary). Timely notification ensures that the deceased's semi-monthly annuity payments are promptly discontinued and the beneficiary is not forced to pay back the excess funds.

Notification should be made by visiting or calling our office at (340) 773-5480 on St. Croix or (340) 776-7703 on St. Thomas. Email notices may be sent to nvanholten@usvigiers.com. A copy of the death certificate should be provided as soon as it is available.

Very often, people assume that contacting the Group Health Insurance Office or Social Security regarding the filing of a life insurance claim serves as notification to the GERS to stop annuity payments. This is not the case. All agencies must be notified separately.

Please note, that anyone who knowingly makes false statements, falsifies records, cashes someone's retirement check or withdraws the proceeds of an electronically deposited check after the member is deceased, may be subject to criminal or civil penalties contained in the Virgin Islands Code. (VIC §724)

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Upcoming Events

OCT

10	ST. THOMAS	POST RETIREMENT WORKSHOP
15	---	RETIREE PAY DAY
24	St. Croix	POST RETIREMENT WORKSHOP
25	St. Croix	BOARD BUSINESS MEETING
31	---	RETIREE PAY DAY

NOV

7	ST. THOMAS	PRE-RETIREMENT WORKSHOP
15	---	RETIREE PAY DAY
15	ST. THOMAS	BOARD BUSINESS MEETING
21	SST. THOMAS	PRE-RETIREMENT WORKSHOP
30	---	RETIREE PAY DAY

DEC

5	ST. THOMAS	COUNT DOWN WORKSHOP
12	St. Croix	COUNT DOWN WORKSHOP
15	---	RETIREE PAY DAY
20	St. Croix	BOARD BUSINESS MEETING
31	---	RETIREE PAY DAY

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UPDATE



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