



Inside This Issue

- P1** • Administrator's 2019 Message
- P2** • How Does GERS Monitor Retirees Returning to work?
- P2** • Consequences for not complying.
- P3** • What is Double Dipping?
- P3** • Retiree Spotlight
- P4** • Government Health Insurance
- P4** • Upcoming Events

ADMINISTRATOR'S 2019 MESSAGE

Greetings! I would like to wish our members and their families a spectacular, Happy New Year filled with peace, health, happiness and prosperity!

The future holds many new milestones to achieve and challenges to overcome, but first, I reflect on this past year at the GERS. Despite the challenges we faced after the two category 5 hurricanes, we rebounded from system failures and never missed a retiree payroll. For that, I am truly proud of the GERS team for their efforts, despite having experienced personal losses themselves.

I am equally proud of the fact that for the first time, we issued the Annual Benefits Statement as of December 31, 2017 to all active Tier I members, which

is available on the GERS Member Self-Service at www.usvigiers.com. Note that because of legislative changes to Tier II (i.e. career-averaging of salaries), our software provider had to first make those changes to our system, in order to issue statements for Tier II members.

Consequently, our goal is to issue both Tier I and Tier II statements as of December 31, 2018, by the first quarter of 2019.

As the name "GERS" continue to draw attention, questions and some concerns, we saw a record turnout of members for our Town Hall meetings which were held February 2018 in both Districts. Though the news isn't always great, it is a really good feeling to see that members are taking an interest in learning more about the System. Additionally, GERS partnered with NCPERS (National Conference on Public Employee Retirement Systems) to host another first for our System – A Public Pension Forum in the Virgin Islands.

The forum was held August 29th and 30th on St. Croix and was featured on the front page of NCPER's national newsletter, "The Monitor". This Forum brought stakeholders together to discuss solvency initiatives that GERS and other public pension

systems have implemented to address their pension issues.

We encourage members to stay tuned as we engage you through our Social Media, workshops, quarterly news publication, radio update program and other mediums. As initiatives are being taken to address the System's insolvency issue, there is still much to be done in order to keep the System functioning as it should.

Finally, this year will mark 60 years of service and paying annuities! We look forward to collaborating with stakeholders to reform the System. Our goal is to extend the life of the GERS and to continue paying annuities for generations to come.

HOW DOES GERS MONITOR RETIREES RETURNING TO WORK?

Request a quarterly listing of all employees being paid by the central government from the Division of Personnel.

Match the listing with GERS's listing of retirees receiving a pension.

This approach will only be effective if the retiree returning to work as a

(Continued on page 2)



THE BOTTOM LINE



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 10/14/18)
8,563
YTD FY 2018 RETIREE PAYROLL 10/1/17 - 9/30/18
\$249.4 M
TOTAL PORTFOLIO ASSETS (QUARTER ENDING 9/30/18)
\$769 M
TOTAL RETURN FOR QUARTER ENDING 9/30/18
2.67%

Assets include stocks, bonds, alternatives.

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

bonafide employee with a NOPA that is processed through the central government's ERP system, and not outside of the ERP system.

This may not be effective if the retiree is employed on a contractual basis as a consultant and the retiree is being paid through a third-party entity.

Consequences for Not Complying with the Return to Work Law

Upon notification that the retiree is in noncompliance with the 600 hours, or the \$55,000 salary limit, the department/agency is contacted, and an accounting of the retiree's hours is requested.

- The retiree's pension is stopped immediately, and the retiree is notified in writing of the non-compliance with the law, and the ramifications (overpayment of his/her pension over the 600 hours, or in excess of the \$55,000 salary threshold).
- The retiree's pension is recalculated going back to the beginning of his/her employment, which includes any credit for excess annual or sick leave applied to his/her

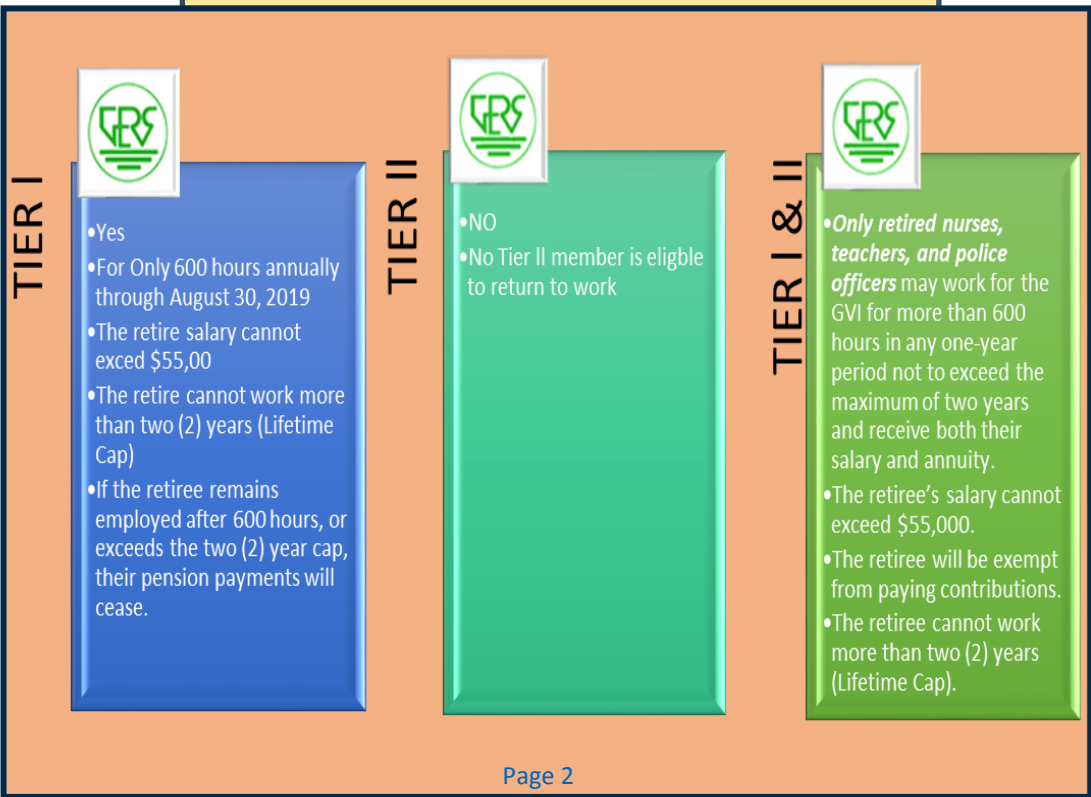
service time in the initial pension calculation that was granted without the payment of employee or employer contributions. Additionally, the excess pension payments are then calculated to include a 6% lost investment interest and 1.5% delinquency penalties.

- The retiree is afforded a reasonable installment repayment plan depending on his/her age.
- The excess pension payments and interest and penalties **must be repaid** to the GERS in full before the retiree can begin to receive any further annuity payments.
- If the retiree does not repay the overpayment, **all measures allowable by law, will be taken to recoup the overpayment, to include lien on his/her property.**

Enforcement

Enforcement of the return to work policy cannot be effective without the cooperation of the chief executive, director of the division of personnel, heads of departments, agencies and instrumentalities. and human resources professionals in the departments and agencies.

Provisions of Act No. 8029 (enacted 4/4/18)



What is Double Dipping?

Any retiree returning to work is double dipping (receiving his/her pension and a salary from the GVI) **legally** up to the period allowed by law, which is 600 hours. Double dipping becomes **illegal** when the retiree continues to receive his/her pension past the 600 hours or for more than two (2) years as allowed by law.

Exception (Legal Double Dipping)

There are no hours or limit for a retiree who is receiving a pension from one branch of government and returns to work for another branch of government. For example, someone retires with 30 years of service with the executive branch and is receiving a pension from the executive branch and is elected as a Senator. As a Senator, he/she receives a salary from the

Casino Control Commission Members

32 VIC §407 provides “nor shall any retiree forfeit his retirement benefits, by accepting the office of either an ex officio or an appointed member of the Virgin Islands Casino Control Commission, provided, however, that the retirement annuity of any retiree who accepts an appointment to the Virgin Islands Casino Control Commission shall continue to be contributed and calculated at the same amount prior to his appointment.”

Lately, the issue of retirees returning to work has become center stage in the news. Over the past five years, the GERS has submitted legislation to tighten the return to work provisions in the law. Before Act Nos. 6463 and 6110 were repealed, 16 positions (various title/position types) and any retiree hired by the police department were exempt and individuals in those positions were allowed to return to work indefinitely and collect an annuity.

This entire report is available on www.usviger.com.

Retiree Spotlight on...

Helen Hart

Q. When did you retire?

I retired from the Department of Education in 2000 after teaching for 38 years.

Q. Describe a typical retired day for you now?

(chuckling) “It’s almost like work. Most of the time I am out of the house —from meeting to meeting. That really keeps me busy.”

I belong to several organizations. I have been the president of GRUFF (Government Retirees United for Fairness) since inception of the organization in 2012. I am also a member of the Charlotte Amalie St. Thomas Lions Club, AARP; AFT Retired Personnel Association and Iota Phi Lambda Sorority, which I just relinquished the presidency in June 2018, after serving for four (4) years.

Q. What advice would you give to younger people newly entering into the workforce?

I would tell them to be cognizant of their work habits especially if they work in a public service industry/office because of the perception that people have and talk a lot about the way they are handled or spoken to. I would tell them that attitude is important and that they always try to deal with people in a respectable manner.

Q. What advice would you give to members heading towards retirement?

First of all, I would tell them that they should have some other form of savings for retirement in addition to their pension and to make sure that all their “t’s” are crossed and their “i’s” dotted. This way they would not have any interruptions in salary once they have retired. I would also encourage them to really plan for their retirement – financial and otherwise - have a plan, have an idea of what you want to do and how you will spend your time so that you wouldn’t end up being bored and wanting to go back to work.

Q. What is the best part of being retired?

I really like not having to get up every morning to go to a job; no accounting to anyone. You do what you want to when you want to.

Q. Any other words of wisdom?

If you plan to retire, if you like to serve your community, this is a wonderful opportunity to serve and help your community. It also helps you to not be bored. Or if like to travel, you can do that too, otherwise retirement can be boring if you just sit around.

Interested in being featured? Call (340) 776-7703 ext. 4916



A note from the Group Health Insurance Office

The Group Health Insurance Office would like to advise members covered under the V.I. Medical Supplemental Plan that they will see a premium increase for 2019 in the amount of \$7. 50 per month for those covered under **Plan N** and \$7. 75 for those covered under **Plan F**. Members will receive letters from the GHI Office.

Board of
Trustees

Chairman

Wilbur K. Callender, M.D., MBA

Members

Carol Callwood, Vice Chair
Stephen K. Cohen, DDS
Vincent G. Liger
Desmond L. Maynard, Esq.
Michael McDonald, Col. (Ret.)
Leona E. Smith

Administrator

Austin L. Nibbs, CPA, CGMA

General Counsel

Cathy M. Smith, Esq.

Editor-In-Chief

Lorraine G. Morton

Layout/Design

Lorraine G. Morton
Sakeeda Freeman

Newsletter Advisory Board

Nikia Coley
Glenville Henderson
Patricia Williams

Mail Distribution

Henito Donavan

Upcoming Events



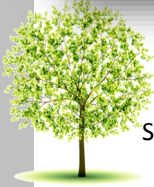
14 ST. THOMAS
BOARD MEETING



28 ST. CROIX
BOARD MEETING



28 ST. THOMAS
BOARD MEETING



SAVE THE TREES...RECEIVE YOUR NEWSLETTER ELECTRONICALLY

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

CONTACT
Us...

3438 Kronprindsens Gade
Ste. 1
St. Thomas, VI 00802-5750
Phone: (340) 776-7703
Fax: (340) 776-4499

3004 Estate Orange Grove
Ste. 1
Christiansted
St. Croix, VI 00820-4260
Phone: (340) 718-5480
Fax: (340) 718-5498

8am - 5pm

Register today for
Member Self-Service...

No lines, No waiting - 24/7
Access

www.usvigiers.com



Page 4

SUPPORT OUR INVESTMENTS Shop at Havensight Mall and West Bay Supermarket.

..Contributing today for a better tomorrow..

update



3438 KRONPRINDSENS GADE
GERS COMPLEX, 3RD FLOOR
ST. THOMAS, VI 00802-5750

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