



# GOVERNMENT EMPLOYEES' Retirement System of the Virgin Islands

# UPDATE

ISSUE 38 | First Quarter

## Inside This Issue

- P1** Updates From the Administrator  
33rd Legislature Meets With GERS
- P2** The Bottom Line  
Successful Tips For Retirement
- P3** The GERS Ambassador Program  
Update From Group Health Insurance  
What Your Contributions Consist Of
- P4** Upcoming Events

### Updates from the Administrator



V.I. Legislature photo by Barry  
Leerdam

GERS Administrator Austin Nibbs testified before the Senate Finance Committee on March 8, 2019 in support of legislation which would increase the amount of monies allotted from the Internal Revenue Matching Fund (IRMF) annually to the GERS, from \$7 million to \$10 million. In addition, it was proposed to amend the law to change the payment to a

direct contribution to the System as opposed to a payment toward outstanding employer contributions. The measure seeks to ensure that GERS's unfunded liability is paid down.

Discussions included concerns of the Acting OMB Director regarding monies that are already owed to the

GERS, approximately \$71 million for prior periods employer missing contributions, which include 6% lost investment and 1.5% delinquency charge. The Acting Director felt that the amount could spiral out of control to a point where that debt will possibly never be satisfied. As deliberations continued during the testimony, Senators voted favorably to hold the measure for further discussion. Subsequently, the measure was passed with GERS retaining the \$7 million annually from the IRMF as a direct contribution towards the unfunded liability, and \$3 million from the General Fund for prior periods missing employer contributions.

### Senators of the 33rd Legislature meet with GERS

The Government Employees' Retirement System ("GERS") extended a warm welcome to the members of the 33rd Legislature of the Virgin Islands on February 20, 2019, for a comprehensive orientation and brainstorming session.



At the beginning of each Legislature, the GERS provides an overview of operations, and the current status, of the System. The meeting was a first step in the process of working together to develop a plan as the System faces insolvency by 2023 or sooner. Senior GERS Officials were present along with Segal Consulting the Systems' actuary .

Topics included:

- GERS Purpose
- Board Composition
- Assets and Investments
- Statutory Bi-Weekly Deductions
- Legal Updates



(Continued on page 2)  
St. Thomas/St. John and St. Croix  
U.S. Virgin Islands

# THE BOTTOM LINE

23%



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 23%. This is one of the lowest in the United States.

With a declining active membership and more benefits being paid out, GERS has been taking in far less employer contributions that is required. 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. This could however, be sooner depending on market and economic conditions.

**TOTAL RETIREES**  
(AS OF 03/31/19)

**8,617**

**YTD FY 2019 RETIREE PAYROLL**  
10/1/18– 03/31/19

**\$124.6 M**

**TOTAL PORTFOLIO ASSETS**  
(QUARTER ENDING 12/31/18)

**\$708 M**

Assets include stocks, bonds, alternatives.

**TOTAL RETURN FOR**  
QUARTER ENDING 12/31/18

**3.0%**

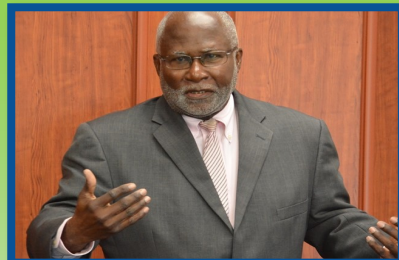
Note: Return numbers exclude the GERS office buildings. They are however included in the total portfolio assets. *All figures are unaudited.*

*Continued from front page*

- Missing Prior Period Employer Contributions
- ADEC
- Legal Updates
- Actuary's Legislative Orientation and Revenue Generating Ideas

Senators present included the Honorable, Senators Kenneth L. Gittens, Donna Frett-Gregory, Alicia Barnes, Marvin Blyden, Oakland Benta, Allison DeGazon, Dwayne DeGraff, Novelle Francis, Stedmann Hodge Jr., Myron Jackson, Javan James, Steven Payne, Janelle Sarauw, and Athniel Thomas. Absent was the Honorable Senator Kurt Viallet.

During this meeting many topics were reviewed and a lot was accomplished. The Senators understood that concrete steps must be taken immediately to avoid the impending insolvency of the System. Doing nothing or waiting too late will be too great a risk to take for our territory.



V.I. Legislature photos by Barry Leerdam

## SUCCESSFUL TIPS FOR RETIREMENT

1. Find your passion. Dig deep inside yourself to determine what excites your heart and soul. Once you discover your passion and decide to pursue it, you'll have a reason to get out of bed every day.
2. Begin saving as early as you can — don't give up if you get a late start. The sooner you begin saving, the more you can accumulate for retirement.
3. Create a success inventory. "Build on your strengths", make a list of what you've accomplished so far and you may have a better idea of what to do when you retire.
4. Set up a direct deposit from your paycheck to a 401(k), IRA, or taxable investment account, and learn to live on your remaining paycheck. If you make saving automatic, you won't be tempted to spend it.
5. Take a retirement job. Working in retirement may seem like an oxymoron, but working offers emotional benefits, keeping us engaged in life. Indeed, "re-hire" is rapidly becoming a better term than "retire" to describe what many people plan to do after calling it a career.
6. Embrace contradictions. On some days you'll want to charge up the mountain; on others you'll want to sit in contemplation under a tree. It's all part of the journey.
7. Keep expense ratios low. High expenses mean a big chunk of your retirement is going into someone else's pocket. Remember you will be on a fixed income.
8. Talk with your partner about what each of you wants out of retirement. Finding a way to discuss this next stage of life can take a lot of stress out of the relationship and lead to some creative possibilities, rather than just allowing things to happen by default.

*Though there may be a long time for your retirement, we hope these tips can help you have a golden retirement life.*





# GERS Ambassador Program

The Ambassador Program is a public education campaign which seeks to keep active and retired members informed about current and upcoming System initiatives. We are seeking members that are fair-minded, open to learning and sharing, and that have the best interest of the System and its membership at heart.

Ambassadors are volunteers who will serve as a model of excellence in their sharing of GERS information. They are individuals that are committed, excited and willing to learn and share their knowledge through traditional means such as word-of-mouth and through social media. They have the ability to positively influence and engage others while upholding the reputation of the GERS brand – that of transparency and accountability.



GERS will host educational sessions in June and November to train and equip Ambassadors with the tools necessary to carry out their function. Through these sessions, Ambassadors will develop as leaders. The dates, times and locations for the sessions will be announced via press release, social media, the GERS website and/or direct contact.

What Does an Ambassador Do?

- Assist at GERS sponsored outreach events
- Make suggestions/recommendations for outreach content
- Monitor news, air waves, social media for Frequently Asked Questions and issues to help GERS focus its outreach efforts
- Responsible for educating persons with whom they come in contact regarding GERS issues
- Provide clarification on the issues

Play a role in educating and empowering your peers, family, friends and communities; sign up to be an Ambassador – **and tell a friend to tell a friend!**

For more information or to sign up, call 776-7703 extension 4916.



## WHAT YOUR CONTRIBUTIONS CONSIST OF

### A NOTE FROM THE GROUP HEALTH INSURANCE OFFICE

The Group Health insurance Unit will be conducting an audit of the members Health Insurance Records to insure that they are paying correct premiums. If it is determined that the member is not paying the correct premiums, their rates will be adjusted accordingly. If you have any questions or concerns feel free to contact our office at 340-714-5000.



GroupHealth®

GERS

A Defined  
Benefit  
Plan



Funded By:  
CONTRIBUTIONS

EMPLOYEES, EMPLOYERS

&

INVESTMENT INCOME



Annual Benefit Statements as of December 31, 2018 are now available!

Access your copy via Member Self Service at [www.usvigers.com](http://www.usvigers.com).

# Upcoming Events

## 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 Donovan



APR

.....

03

ST. THOMAS

POST RETIREMENT WORKSHOP

15

---

RETIREE PAY DAY

10

St. Croix

POST RETIREMENT WORKSHOP

.....

25

St. Croix

BOARD BUSINESS MEETING

MAY

.....

30

---

RETIREE PAY DAY

.....

15

---

RETIREE PAY DAY

.....

16

St. Croix

BOARD BUSINESS MEETING

.....

31

---

RETIREE PAY DAY

JUNE

.....

14

---

RETIREE PAY DAY

.....

27

St. Croix

BOARD BUSINESS MEETING

.....

28

---

RETIREE PAY DAY



**Happy Easter, Have a Safe & Happy Carnival 2019!**

**SAVE THE TREES...RECEIVE YOUR NEWSLETTER ELECTRONICALLY**

Send an email to [sfreeman@usvigiers.com](mailto: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](http://www.usvigiers.com)



Page 4

**SUPPORT OUR INVESTMENTS ...** Enjoy the shopping experience at Havensight Mall!

..Contributing today for a better tomorrow..

update



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

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