



GOVERNMENT EMPLOYEES' Retirement System of the Virgin Islands

UPDATE



ISSUE 44| April 2022

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GERS ADMINISTRATORS'S UPDATE



With the passage of ACT No. 8540 also known as the GERS Rescue Act passed on January 31, 2022 by the 34th Legislature, and thereafter signed into law by Governor Albert Bryan Jr., has brought some relief to the Government Employees' Retirement System.

It is now up to the Government of the Virgin Islands to secure the funding, so that, the GERS can continue making annuity

payments to the retirees.

Over the next 30 years (through 2052), GERS is expected to receive approximately \$4.1 billion with \$89.2 million expected on October 1, 2022. The Board of Trustees and the management of GERS would like to thank the Legislature and the Governor for joining together to identify a funding source for the stabilization of the GERS.

It is now the responsibility of the GERS to invest the contributions wisely, so that the portfolio can grow, and the pension funding equation Contributions + Investment Income = Benefits Payments + Expenses can be achieved. The future seems bright and I look forward to seeing the positive outcome of this mutually beneficial collaboration.

GERS Investment History



Contrary to what has been stated over the years regarding the investments of the GERS. It is because of the positive returns on our investments, that the System has been able to pay annuities over the years. With investing, there will always stand a chance of risks. Investment risk can not be predicted but is definitely a probability.

The bad investments of the System represent 3 cents of a U.S. dollar. However, if there was a positive return on the "Bad Investments" it would not have been enough to deter the fact that the Plan Sponsor of the System (the Virgin Islands Government) over the years have not paid its fair share in contributions since the implementation of the system in 1959. The GERS currently pays over 20 million dollars in annuities monthly to our retirees. Please see "The Bottom Line" on page two for additional member disbursement's.

Bad Investment:

Attilanus (Life Settlements)

Good Investments:

Havensight Mall
Seaborne Airlines
V.I. Finest Foods
Kazi Foods (KFC/Pizza Hut)
Carambola
GEONET

Visit Our Website to
View our Havensight
Mall Rezoning Project
for a Ground Lease at
www.usvigers.com



St. Thomas/St. John and St. Croix
U.S. Virgin Islands

THE BOTTOM LINE

11.4%



The GERS **funded status**, is the level of accumulated assets that have been set aside for the payment of retirement benefits to employees.

TOTAL ACTIVES
(AS OF 2/28/22)

8,861

TOTAL RETIREES
(AS OF 2/28/22)

8,678

RETIREE PAYROLL
10/1/21-02/28/22

\$21.7 M

FY TOTAL NUMBER OF REFUNDS
(10/01/21-02/28/22)

331

TOTAL REFUNDS PAID
(10/01/21-02/28/22)

\$3M

DEATH BENEFIT PAYOUTS
(10/01/21-02/28/22)

\$645,719.82

TOTAL PORTFOLIO ASSETS
(QUARTER ENDING 02/28/22)

\$396.22 M

Portfolio Assets include loans, stocks, bonds, buildings and property, and alternatives investments.

TOTAL RETURN FOR
QUARTER ENDING (02/28/22)

-1.20%

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

FREQUENTLY ASKED QUESTIONS

1. Do I have to be a member of the GERS?

Any person who becomes an employee of the Government of the Virgin Islands shall become a member as a condition of employment on the date of appointment. Any person who renders Government service may elect not to be a member of the System if the person is 60 years of age or older and is not receiving a retirement annuity from the System.

2. Must my annuity checks be issued via direct deposit?

Yes. It is the policy of the GERS to issue checks in the most efficient manner. We at GERS believe that

direct deposit is the most reliable and efficient way to issue annuity checks.

3. How can I receive a copy of GERS' latest audited Financial Statements?

You may receive a copy of GERS' Audited Financial Statements by contacting the Administrator's Office or the Office of the Chief Financial Officer. You can also access this information by visiting our website, www.usvigiers.com.

4. What benefits are my beneficiaries entitled to after my death?

Beneficiaries are entitled to the difference between the member's vested interest and the total amount of annuity payments received from the system.

GERS ASSET ALLOCATION AS OF 02/28/22

What Is Asset Allocation?

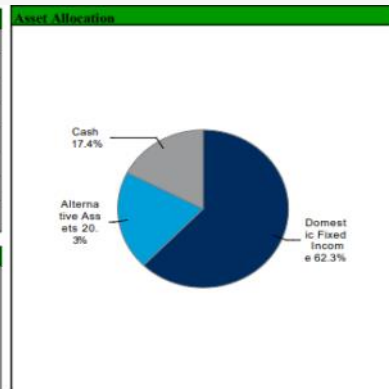
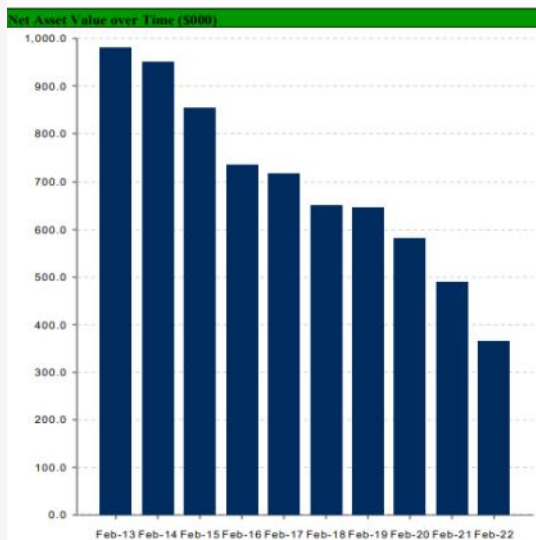
Financial Critics explain Asset allocation as an investment portfolio technique that aims to balance risk by dividing assets among major categories. These categories include cash, bonds, stocks, real estate, and derivatives. Each asset class has different levels of return and risk, so each will behave differently over time.

For example, while one asset category

increases in value, another may decrease or may not increase significantly. It is said to be the best protection against a major loss should things not turn out as planned. (Investopedia)

Overall, it has been concluded that asset allocation is one of the most important decisions investors can make and with the current status of the GERS, this technique has been utilized as the best strategy.

Record of Asset Growth	One Month	Year to Date	One Year
Total Plan			
Beginning Market Value	382,061,897	407,753,234	490,531,602
Net Cash Flow	-15,013,764	-35,013,764	-130,440,641
Income	397,890	755,623	4,175,198
Gain/Loss	-2,785,253	-8,834,324	394,611
Ending Market Value	364,660,770	364,660,770	364,660,770



Allocation Market Values	Ending Market Value in Millions
Domestic Fixed Income	227.07
Alternative Assets	74.11
Cash	63.48

THE BEST TIME TO START PLANNING FOR RETIREMENT IS NOW



The road to retirement can be very easily traveled with prior planning and preparation. Preparation for retirement should begin on your first day of employment with the Virgin Islands Government. You should familiarize yourself with your GERS' benefits and attend a new-employee orientation workshop with the Department of Personnel.

While you are employed, review your benefits statement annually and report any discrepancies to your department/agency HR Officer. Benefits statements can be accessed at the GERS' website (www.usvigiers.com) under Member Self Service. *(Corrections of missing or incorrect information will be reflected on the next annual benefits statement.)* Also, attend a Pre-Retirement Webinar and a Financial Planning Session. Then, three years before retirement attend a Countdown to Retirement Webinar.

One year before retirement

Schedule an appointment to speak with a GERS Benefits Analyst and complete a Notice of Intent to Retire Form *(This form is confidential and non-binding.)*

- ☐ During this meeting, you and the Analyst will—
- ☐ Review your annual benefits statement
- ☐ The Analyst will conduct a preliminary (estimated) service credit evaluation
- ☐ You will receive pre-retirement counseling
- ☐ Your vesting status will be confirmed

You will be provided information about any missing employee/employer, ADEC, and WAPA hazardous contributions owed so that you can make an informed decision.

You will be directed to GERS' Loan Servicing Department to discuss status of your loan(s) and find out new payment amounts.

You will be able to register for pre-retirement webinar(s) (if not yet attended).

You will be required to sign a statement acknowledging that you were advised of your eligibility status and requirements for retirement.

60-90 days before retirement date

You should submit a retirement letter to your department/agency head (3 VIC, Title 3, Chapter 27, Section 705 (b) and Chapter 28A, Section 754 (b) with copies to:

- ☐ Supervisor(s)
- ☐ Department/Agency HR Director
- ☐ Director of the Division of Personnel (if applicable)
- ☐ Group Health Insurance Office
- ☐ Government Employees Retirement System of the Virgin Islands (GERS)

Upon receipt of your retirement letter, you will receive a

confirmation and "next steps" letter. Your assigned Benefits Analyst will confirm receipt of employee, employer, ADEC, and WAPA hazardous contribution payments then contact you to schedule an appointment to complete your retirement application.

IT IS YOUR RESPONSIBILITY TO COMPLETE A RETIREMENT APPLICATION BEFORE THE EFFECTIVE DATE. A RETIREMENT LETTER DOES NOT SERVE AS AN APPLICATION FOR RETIREMENT.

COMPLETION OF A RETIREMENT APPLICATION DOES NOT ENTITLE YOU TO A PENSION UNLESS ALL REQUIREMENTS ARE MET.

Effective April 1, 2020, the provisions of 3 VIC, Chapter 27, Section 718 (l) and Chapter 28A, Section 767 (k) will be strictly enforced.

All missing employee/employer contributions must be paid in full before a retirement application is completed.

CONTRIBUTIONS WILL NOT BE DEDUCTED FROM RETROACTIVE ANNUITY PAYMENTS. HOWEVER, APPLICANTS FOR RETIREMENT ARE NOT REQUIRED TO PAY OFF THE ENTIRE LOAN BALANCE BEFORE RETIREMENT.

GERS will place members on the payroll if the following criteria are met:

- ☐ GERS receives a copy of your fully executed Retirement NOPA.
- ☐ Final bi-weekly employee and employer contributions are received and posted to your contributions account.
- ☐ Final confirmation that all documentation to support your retirement application has been signed and received.

GERS CANNOT PUT A MEMBER ON THE ANNUITY PAYROLL UNTIL ALL PAPERWORK IS COMPLETED, A RETIREMENT NOPA IS RECEIVED, AND ALL CONTRIBUTIONS ARE PAID IN FULL.

For disability applicants, an application for disability benefits must be submitted within 6 months after the date a permanent and total disability diagnosis is received. The GERS advises members not to wait until all your accrued leave is depleted to apply for disability benefits. If your disability is duty-related, notice of the accident must be filed with GERS within 30 days following the date of the accident. DO NOT RESIGN OR RETIRE UNTIL DISABILITY BENEFITS ARE APPROVED BY GERS.

{3 VIC, Chapter 27, Sections 708 & 710 and Chapter 28A, Sections 757 & 759}

