



GERRS Updates

TRUSTEE'S CORNER

Trustee Carol Callwood attended the 60th Annual Employee Benefits Conference October 12 – 15, 2014 in Boston, Massachusetts. Upon completing the curriculum and passing the subsequent comprehensive exam which examines the full scope of subjects relating to the governance of public employee pension plans, she received a certificate of achievement in Public Plan Policy Employee Pension.

Trustee Callwood was also elected to the 2014-2015 National Committee of the National Conference on Public Employee Retirement Systems.

Congratulations Trustee Callwood!

NOTICE FROM MASA TO GOVERNMENT EMPLOYEES:

As you transition from active employee to a retiree, and wish to maintain your membership, you must contact the MASA office.

MASA representatives will assist you with completing the requisite payroll deduction forms in order that your deductions may continue to now be deducted from your retirement check. This would ensure that you not lose your important MASA benefits.

Retirees, if you have not contacted the MASA office since you retired, it

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MESSAGE FROM THE ADMINISTRATOR/CEO

As we bid adieu to 2014, let us welcome this New Year of opportunity with optimism and determination. Let us embrace that which is positive and that which promotes success, productivity and oneness. It is with this mindset that we can build on our progress of the past year and accomplish both our personal and professional goals in 2015 and beyond.

Our commitment to render quality service to our members remains a priority as evidenced by the implementation of new technological systems aimed at improving the accessibility, processing time and accuracy of information. As in past years, 2014 proved no different with respect to facing challenges. We did however meet those challenges head-on and made many satisfying accomplishments along the way. We still have a few hurdles to climb such as, timely processing of our retirees initial annuity payment.

Looking ahead, it is my earnest hope that comprehensive pension reforms that are needed to sustain the System through 2031 will be a priority for our newly elected officials. The deteriorating health of the System has been placed on record, discussed in town hall meetings, published in the System's newsletter, on our website, and in various reports to the Legislature for some time now. Notwithstanding, the GERS Board took the only course of action allowed by law, to begin the stabilization process. That was, approved an increase in contribution rates for Tier I employees effective January 2015.

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We are committed to the continuous improvement of our operational processes, delivering high quality service to our members in the most cost effective manner possible and making prudent investment choices as we grow our asset base.

Finally, I wish our members and their families a "Happy New Year" of health, peace, prosperity and happiness.

Austin L. Nibbs, CPA, CGMA



A MESSAGE FROM THE DIVISION OF PERSONNEL

Dear Plan Member:

As you are aware, effective October 1, 2013 the Government of the Virgin Islands (GVI) changed the health insurance carrier from Cigna to United Health Care for primary members over 65 and their dependents over 65. Those who chose plan F benefits are mandated to pay in full, the additional costs incurred by **Tuesday, March 31, 2015.**

Please contact the Group Health Insurance office for the amount owed; St. Thomas (340) 774-8588, St. Croix (340) 718-4588.

Payments must be made by check, money order or certified check and made payable to the **Group Health Insurance Fund**. Please note that cash payments cannot be accepted.



St. Thomas/St. John & St. Croix

USVI

is possible that you may no longer be a MASA member. Also, if you did not receive the "new" MASA card last year or have questions, kindly call the office at:

- 340-773-7979 | STX
- 340-777-8580 | STT/STJ

Note that your MEDICARE coverage does not pay 100% of the cost for Air Ambulance Transportation.

For information regarding your Medicare coverage as it relates to Air Ambulance Transportation, call the Medicare office.

GERS UPDATE IS ON THE RADIO

- 1340 AM - Saturdays between 9:15 - 9:30 a.m.
- 1620 AM - Saturdays 5:00 p.m.
- 103.5 FM - Mondays 10:00 a.m.

Archived updates are currently being loaded to the site and will be available by March 2015.

TAXES AND YOUR RETIREMENT BENEFITS

By law, you are required to file taxes on your annuity payments. The portion for which you would pay taxes is that portion attributable to your employers' share of contribution, and investment income. These are not pre-taxed.

Upon receipt of your 1099R Form from the GERS, contact your tax preparer to begin the filing process.

For a detailed explanation of the laws governing the Retirement System, kindly refer to Title 3, VIC Chapter 27 and 28A. For a detailed explanation of applicable tax laws, contact the Vi Bureau of Internal Revenue at (340) 715-1040 or (340) 773-1040.

Organize now to ensure that you meet the Tax filing deadline – April 15!

YOU ASKED, WE ANSWERED

Q: Was the annual contribution amount raised as a result of the increase in contribution rates?

A: A member's total annual contribution will increase based on the increased percentage up to the \$65,000 salary cap.

Q: If someone is retiring and have a total of 14 years, and 6 of those years were spent under one administration, left for a period of 5 or more years to work elsewhere, and then returned to work another 8 years under another Administration; how would GERS calculate the annuity?

A: A member that worked and left the System for 5 or more years and returned to service anytime from October 01, 2005 to present, that member's entire service annuity would be calculated at the Tier II rate which is 1.75% for each year of service and the final annuity would be averaged using the last 5 years.

Q: If a member owes contributions to the retirement system up to the point of their retirement and does not have the means to pay it, can their retroactive payment be used to pay the contributions?

A: The member would be required to have all "employee" contributions paid in before they can be placed on the retiree payroll.

Note: Because that member owes contributions, it would also mean that the employer share would be due. If the member so chooses, by way of a letter, the member may instruct the GERS to deduct the contributions from their retroactive check (monies owed to member for the period of time that they were off of the retiree payroll from their effective date of retirement).

Q: How long after the effective date of retirement does it take for a member to receive their first check?

A: The waiting period can vary depending on individual circumstances. The following must be in place before a retiree can be placed on the payroll and receive their first check:

1. Receipt of retirement NOPA
2. Employee/Employer contribution posting (*contributions are posted based on pay cycle; for example: if retire December 31st, last check will be January 22nd*); thus, the contributions from those two pay periods in January, must also be factored in before GERS can process.
3. Final review of employer/employee contributions owed.

MEDICARE NOTIFICATION

If you are over age 65 and still working full time, please note that your insurance coverage will be with Cigna. Further, if you are over age 65 and planning to retire, it is imperative that you have both Part A and Part B from Medicare. This ensures that you are able to transition over to the Government's Retiree Plan – United Healthcare.

Please be sure to visit the following offices to ensure that your address and personal information is correct; this would help to minimize processing delays.

- Social Security Administration
- Division of Personnel
- GERS

For more information, contact Beverly Joseph, Acting Director for VI SHIP/VI MEDICARE, at (340) 772-7368 or beverly.joseph@lgo.vi.gov.

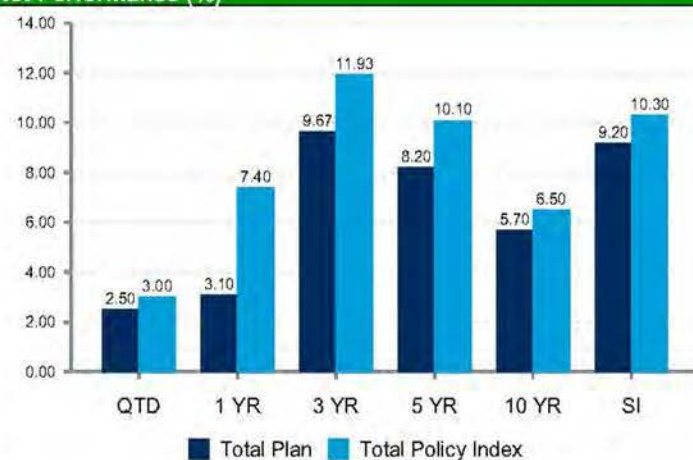
INVESTMENT MANAGER ASSET ALLOCATION

As of December 31, 2014 — \$868,719,941*

Record of Asset Growth

	One Quarter	Year to Date	One Year
Total Plan			
Beginning Market Value	878,910,895	981,627,534	981,627,534
Net Cash Flow	-31,827,925	-141,199,097	-141,199,097
Income	2,435,758	4,583,319	4,583,319
Gain/Loss	19,201,212	23,708,185	23,708,185
Ending Market Value	868,719,941	868,719,941	868,719,941

Net Performance (%)



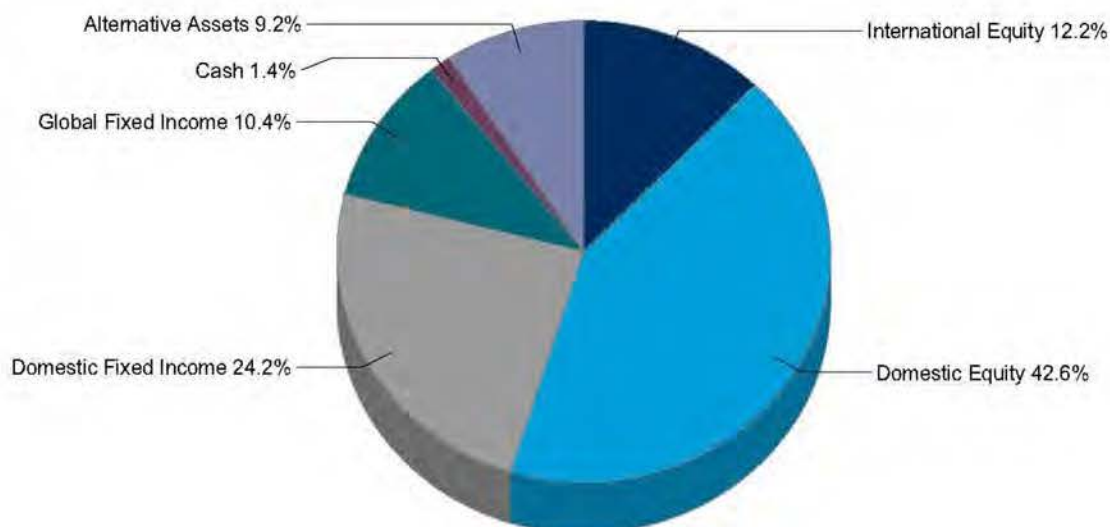
Cumulative Return (%)



Fund Balance (\$)



Asset Allocation



*Unaudited = Numbers have not been audited by our independent Certified Public Accounting Firm.



CONTRIBUTION RATES INCREASE

Pursuant to the authority vested on the GERS Board of Trustees in accordance with the Reform Act (Title 3 Virgin Islands Code, section 718 (b)) Trustees, at the October 2014 and January 22, 2015 regular business meetings of the Board, approved to increase Tier I and Tier II employees contribution rate at one percent (1%) per year for 3 years, set rates for Tier II Judiciary members, and to increase the employer rate at three percent (3%), effective January 1, 2015 for Tier I and February 5, 2015 for Tier II.

TIER I RATES EFFECTIVE JANUARY 1, 2015

Who are Tier I employees? *

1. Employees hired before September 30, 2005.
2. Employees employed on 10/01/05 and if not, returned to work within five (5) years.

TABLE 1				
Employer Contribution	2015	2016	2017	
17.5%	20.5%			
Tier I - Employee Contribution				
Regular	8%	9%	10%	11%
Hazardous	10%	11%	12%	13%
Judges	11%	12%	13%	14%
Senators	9%	10%	11%	12%

Judiciary Members

- Your Tier is determined by the date of your appointment to the bench.
- All members appointed to the bench after 10/01/05 are Tier II members for Judicial Annuity.

Legislative Members

- Your Tier is determined by the date of your oath of office.
- All members sworn in after 10/01/05 are eligible for membership in Tier II.

Contribution Rates VIESA (Act 7261) Employees

Note: Tier I employees who were affected by the Virgin Islands Economic Stability Act, known as (VIESA) or – Act No. 7261, were those members, who at the time that the legislation was passed in 2011, had 30 or more years of credited service and elected not to retire. Thus, their contribution rate was increased by 3% effective October 1, 2011, thereby bringing their rate to 11%.

As such, being a Tier I employee, your rate will now be increased in the same manner as all Tier I employees; that is by 1% effective the first pay period of January 2015.

TABLE 2				
Tier I - VIESA Employee Contribution	2015	2016	2017	
Regular	11%	12%	13%	14%
Hazardous	13%	14%	15%	16%
Judges	14%	15%	16%	17%
Senators	12%	13%	14%	15%

TIER II RATES EFFECTIVE FEBRUARY 5, 2015

Who are Tier II employees? *

1. Employees hired on or after October 1, 2005.
2. Was not employed on 10/01/05
3. Employee who left the government service for five (5) or more years and returned to work.

In order to determine if you are a Tier II member upon return to government service, answer the following questions:

* Note: Excludes Judiciary and Legislative members.

1. Were you employed and a Tier I member before October 1, 2005? If you were employed with the Government and a Tier I member before October 1, 2005, move to question #2. If you were not employed with the Government and a Tier I member before October 1, 2005, you are a Tier II Member.
2. Were you employed with the Government on October 1, 2005? If you were employed with the Government on October 1, 2005, you are a Tier I



member. If you were not employed with the Government on October 1, 2005, move to question #3.

- Did you return to Government service within 5 years of your departure? If you returned to Government service within 5 years of your departure, you are a Tier I Member. If your return to Government service was more than five years after your departure, you are now a Tier II Member.

Example #1

If David began Government Service on October 1, 1989, but left to take a job in the private sector on September 1, 2005, then returned to government service in December 31, 2010 he would be a Tier II member because:

- He was a member of the Tier I before October 1, 2005;
- He was not employed with the Government on October 1, 2005; and
- He did not return to government service within the 5 year period.

Example #2

If Jane began Government Service on October 1, 1999, but left to take a job in the private sector on October 1, 2004, then returned to government service in January 2006 she would be a Tier I member because:

- She was a member of Tier I before October 1, 2005;
- She was not employed with the Government on October 1, 2005;
- However, she returned to government service within the 5 year period.

TABLE 3

Employer Contribution		2015	2016	2017
17.5%		20.5%	20.5%	20.5%
Tier II - Employee Contribution				
Regular	8.5%	9.5%	10.5%	11.5%
Hazardous	10.625%	11.625%	12.625%	13.625%
Judges	<div><div></div></div>	14%	14%	14%
Senators	11%	14%	14%	14%

Judiciary Members

- Judiciary rates established on 01/22/15.

Should you have any questions, feel free to contact our Member Services Division.

You may also refer to Title 3 of the Virgin Islands Code; Chapter 27, Section 703 and Chapter 28A, Section 752.



GERS Update!

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ST. THOMAS, VI

Board Meeting
January 22 | 9:30 A.M.

Financial Planning Workshop
March 25 | 8:30 A.M. - 1:00 P.M.

ST. CROIX, VI

Board Meeting
February 19 | 9:30 A.M.

Financial Planning Workshop
February 25 | 8:30 A.M. - 1:00 P.M.

Board Meeting
March 19 | 9:30 A.M.

Follow us on our website, Facebook, Twitter for
2015 Pre-Retirement Workshop Schedule.

GERS WILL BE AT THE 44TH ANNUAL AGRICULTURE & FOOD FAIR FEBRUARY 14 - 16, 2015.

The following services will be offered:

- ◆ GERS Member Discount Cards for a one time fee of \$5.00
- ◆ Member Self-Service Registration
- ◆ General Inquiries



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