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GREETINGS FROM THE ADMINISTRATOR/CEO

As we usher in a New Year and pause momentarily to reflect on the past, it is noteworthy to mention that the System was faced with many challenges in 2015. We did however, remain focused and as a result, made significant strides within the operations, while addressing the needs and concerns of our members.

We will continue to serve our members and ensure that annuities are paid timely. Further, we will continue to address pension reforms, the unfunded liability, and liquidity concerns. This will require the collective efforts of all stakeholders, to include the Legislature and the Plan Sponsor.

Our goal is to sustain the System until the Plan Sponsor infuses the cash that is necessary to keep the fund solvent beyond 2025. In the meantime, we will continue to advocate on behalf of our members on the fiscal health of the retirement system.

Thank you for your continued well wishes and feedback; it is truly appreciated. May your New Year be filled with health, prosperity, peace, and success to keep you glowing; but above all, may God's grace and blessings be with you always!

Austin L. Nibbs, CPA, CGMA

TAX FORM – 1099R

Tax time is just around the corner and now is a good time to start gathering your tax documents.

Retirees can expect to receive their 1099-R form by early February.

It outlines:

- Total gross distribution (gross amount received from GERS in 2015)
- Total taxable amount
- Taxes withheld
- Total Employee Contributions

When you receive your 1099R from the Retirement System, please be sure to secure it as you would need it to file your income taxes.

In the meantime, start organizing now in order to relieve some of the anxiety associated with tax preparation and to stay ahead of the April 15th deadline! ●



ELIGIBLE CONTRACTUAL, FEE OR PER –DIEM EMPLOYEES MAY NOW BECOME MEMBERS OF THE SYSTEM AND RECEIVE CREDIT

On October 26th, the Legislature enacted Act No. 7802. This act amends Chapters 27 and 28A of Title 3 of the Virgin Islands Code – as relating to eligibility for membership and receipt of service credit in the System.

The sections amended are: 703 (f)(1) and Section 752(f). Because of the amendments, members working on a contractual, fee, or per diem basis, provided they work exclusively for the Government at least 40 hours per week, may become members of the System and receive service credit, provided statutorily required contributions and

charges are paid.

Prior to the amendments, employees working on a per diem, contractual, or fee basis were not eligible to become members of the System and could not receive service credit. Therefore, the amendments mean that:

1. Employees who are working on a contractual, fee, or per diem basis and working exclusively for the Government at least 40 hours per week, may become members of the System.

CONTINUED ON PAGE 2



St. Thomas/St. John & St. Croix
USVI

GERS Updates

RETIREE INSURANCE PREMIUM INCREASE ...

The GESC Board, in conjunction with the Director of Personnel, Milton Potter, would like to advise retirees that adjustments are currently being made to their life insurance premiums as a result of (1) an 2015 audit and reconciliation through the Group Health Insurance office, and (2) recent changes in the life insurance rates.

A special open enrollment will be conducted during the month of March. This will be an opportunity for retirees to increase their supplemental life insurance to the next line of coverage. The Health Insurance office will issue a reminder notice to all retirees, regarding the exact date of the open enrollment.

For more information, call the Group Insurance office at (340) 714-5000 or visit the Division of Personnel's website at www.dopusvi.org.

2015 BOARD ELECTION RESULTS

Congratulations to Trustee Wilbur K. Callender on his reelection to the GERS Board! Dr. Callender will serve a second five-year term, which began January 2016.

We would also like to thank Mr. Nathan Simmonds for offering his service to the members. Special thanks to all retirees that participated in the voting process!

**Support our Investments-
shop at the Havensight
Mall . . . Stay at
Renaissance Carambola
Beach Resort!**

...CONTINUED FROM PAGE 1

2. The employers or employees working on a contractual, fee, or per diem basis and working exclusively for the Government at least 40 hours per week shall pay the Employer's share of contributions on behalf of such employees. The employers shall be responsible for paying its share of contributions from the date of enactment, October 26, 2015.

3. Employees working on a contractual, fee, or per diem basis and working exclusively for the Government at least 40 hours per week shall pay the Employee's share of contributions to the System immediately after becoming members of the System. This, pursuant to the amendments by Act No. 7802.

4. Employees who have worked on a contractual, fee, or per diem basis and worked exclusively for the Government at least 40 hours per week may receive service

credit for their service worked prior to October 26, 2015, the date of enactment of Act No. 7802, provided they pay the Employer's and Employee's share of contributions, including the income the System would have earned had those contributions been paid to the System at the time the service was rendered or worked.

Any employee who falls in this category and who desires to become a member and receive service credit, shall make such election in writing to the GERS by completing a membership application and paying contributions. Please note that a memo outlining this information in detail, was forwarded to all heads of departments, agencies and instrumentalities. ●

Are you retired and thinking about returning to work?

Here's a reminder about the rules governing a retiree returning to work ...

Title 3, Section 706(c) of the Virgin Islands Code states, in part, that **any member receiving a service retirement annuity** who reenters the service of the government may continue to receive his annuity while receiving a salary from the Government, either by appointment or on a contractual basis, for a period of time not to exceed 600 hours each year.

It further states that at the end of such period, the service retirement annuity shall be cancelled and the **member shall again, immediately become a contributor to the System**. Upon subsequent retirement, the member shall receive a retirement annuity which shall consist of (a) the previous retirement annuity which had been cancelled, plus (b) the additional retirement annuity earned during reemployment.

As it relates to compensation, section 706(a) requires that no retiree of the Federal Government, the Government of the Virgin Islands, or of the private sector shall be employed by the Government of the Virgin Islands on a contractual basis at a rate of compensation which exceeds the highest rate of salary received by that employee before retirement and in any case such rate of

compensation shall not exceed \$55,000 per year. Therefore, in addition to the 600 hour per year limitation, retired employees' compensation is also limited.

Note that there are two acts which address exceptions to the 75-day limit for retired employees returning to work:

Act No. 6110 which provides that **retired law enforcement officers** or other retired VIPD employees returning to work, shall not lose their retirement benefits.

Act No. 6463 which authorizes the Governor to rehire police officers, peace officers, nurses, teachers, school librarians, school professional guidance counselors, school diagnosticians, school paraprofessionals, school physical therapists, school psychologists, school social workers, teacher specialists, school cooks, food service workers, school department chairpersons and school registrars who have retired. ●



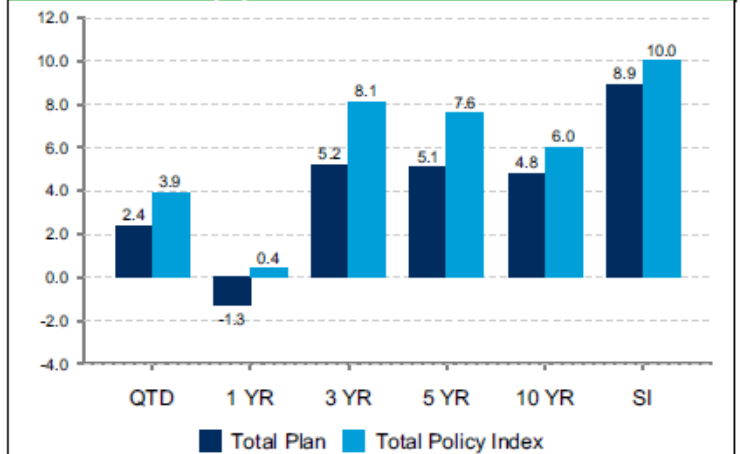
INVESTMENT MANAGER ASSET ALLOCATION

As of December 31, 2015 — \$751,023,715*

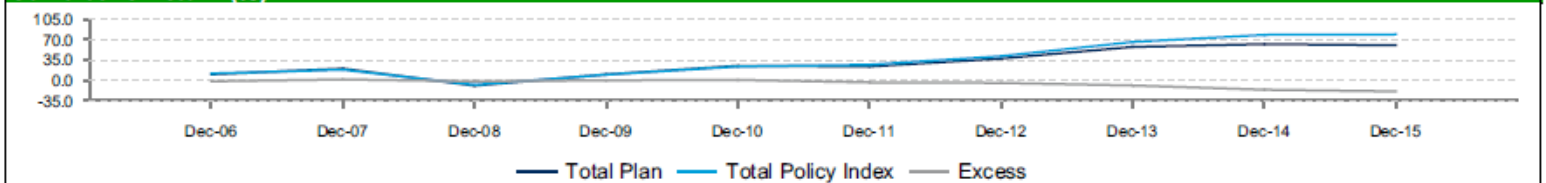
Record of Asset Growth

	One Quarter	Year to Date	One Year
Total Plan			
Beginning Market Value	779,654,034	868,719,941	868,719,941
Net Cash Flow*	-47,158,280	-107,580,596	-107,580,596
Income	1,732,185	10,194,144	10,194,144
Gain/Loss	16,795,775	-20,309,774	-20,309,774
Ending Market Value**	751,023,715	751,023,715	751,023,715

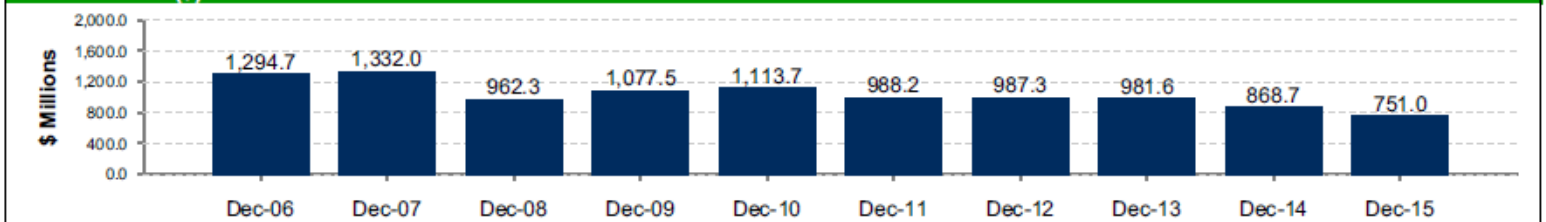
Net Performance (%)



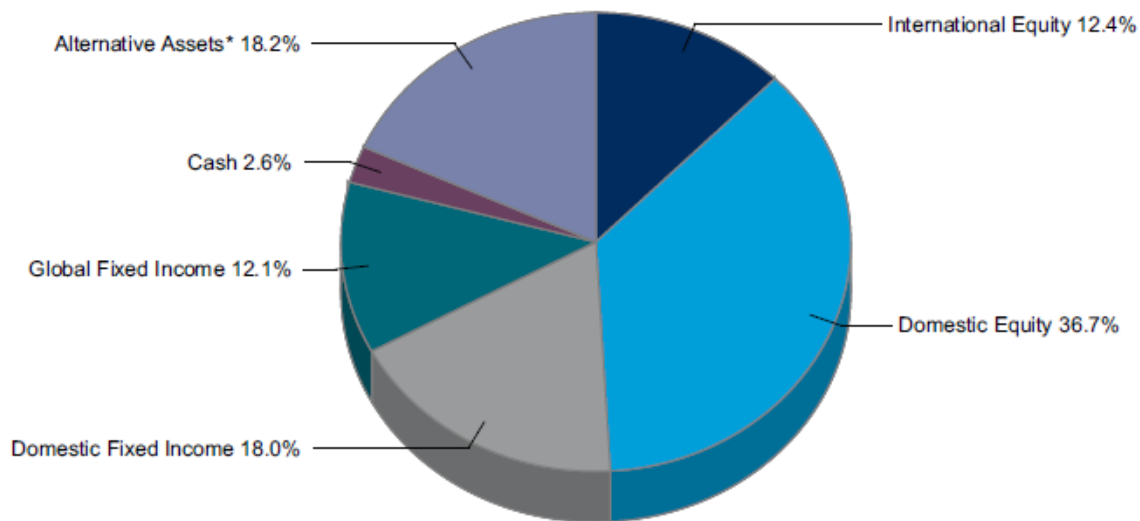
Cumulative Return (%)



Fund Balance (\$)



Asset Allocation



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

*Includes addition of Havensight Mall, Estates Hoffman & Nullyberg & Estate Coakley Bay

**Excludes: Member Loans Program—(MV) \$151 million, STT Office Complex—(MV) \$8.4 million, and STX Office Complex—(MV) \$3.7 million



GERS Update!

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ST. CROIX, VI

Annual Investment Managers Meeting
February 24—25

ST. THOMAS, VI

Financial Literacy Workshop
March 9 | 8:30 A.M.— 1:00 P.M.

Board Meeting
March 17 | 9:30 A.M.

Pre-Retirement Workshop
March 23 | 8:30 A.M.- 4:30 P.M.

RETIREE PAYROLL SCHEDULE

Friday | February 12th
Tuesday | March 15th

Monday | February 29th
Thursday | March 31st



FOR YOUR INFORMATION

Board meetings and workshops are held at the GERS offices on St. Thomas & St. Croix unless otherwise indicated.



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