



## Building Dedication and Anniversary Celebration

**G**ERS Trustees, management, staff and members had lots to celebrate as the new St. Croix Executive Office building was dedicated on October 1, 2010. This day also marked the 51st anniversary of the System. "It was truly an honor to host our members and guests as they toured our new state-of-the-art facility," said Austin L. Nibbs, GERS Administrator. Mr. Nibbs praised contractor, James Benton for the tremendous job he did in ensuring that the building was completed to standards. He also cited an article in the September 2010 issue of "Construction Today" magazine, a national publication, in which the GERS building is featured and Mr. Benton is recognized as the "go-to contractor for fast-track quality construction in the VI."



Speaking at the event were Lt. Governor Gregory Francis, Senate Vice-President, Michael Thurland, GERS Board Vice-Chairperson, Raymond T. James, Trustee Yvonne Bowsky and Mr. James Benton of J. Benton Construction. Immediately following the program was the building dedication and ribbon-cutting ceremony by participating officials. Thereafter, members and guests toured the facility and were treated to hor'dourves and musical entertainment by Stanley and the Ten Sleepless Nights. 🎵

## GERS Joins with Personal Finance Coach to Host Financial Literacy Seminars for its' Members

At a general staff meeting held on September 10, GERS employees participated in a pilot program which will be offered to all GERS members beginning Spring 2011. GERS is excited about hosting a series of Financial Literacy Seminars through various interactive means such as workshops, the internet and one-on-one.

The idea for the series came about as a result of the System endeavoring to help its members to better prepare for their retirement. Also, with the implementation of TIER II, which reduces members benefits, we wanted to give those members a head start in establishing a savings plans to supplement their retirement annuity.

Our 12 session personal financial planning and management seminar series will empower members of the GERS to make informed and strategic decisions in the areas of comprehensive financial planning, personal risk management, asset allocation and investment management. "Believe me, you are in store for honest dialogue and useful information to provide real solutions for your life situation," said Toussaint Gaskins, Personal Finance Coach and seminar presenter/facilitator. Gaskins went on to say that Seminar participants will receive and learn how to use financial planning empowerment tools for wealth building.

"I cannot wait to get started because there is so much value-added information to share," said Gaskins. 🎵

Stay tuned for more information!

### In this Issue

- Building Dedication and Anniversary Celebration
- GERS Joins with Personal Finance Coach to Host Financial Literacy Seminars
- Open Letter to Members—2011 Tier II Implementation
- Recalculation of Retroactive Annuities
- What Trustees are Watching Regarding Specific Managers
- GERS Quarterly Calendar
- Conducting Business at the GERS
- 2010 Retiree Election Update
- Semi-Annual Investment Managers Review

## 2011 TIER II Implementation—Letter of Explanation from the Desk of the Administrator

# Open Letter to TIER II Members



September 2010

Dear Member:

The GERS Reform Act of 2005 established a second tier retirement benefits program for officials, employees, dependents and beneficiaries of the Government of the Virgin Islands. The purpose of the program is to provide for the payment of retirement annuities, disability annuities, and other benefits. This second tier program, commonly referred to as TIER II, was established for employees who became members of the System on or after October 1, 2005.


Having been employed by the Virgin Islands Government on or after October 1, 2005, you are categorized as a TIER II employee and are required to pay 8.5% employee contributions share for regular employees or 10.625% contributions for hazardous (safety) employees. **This change to your contribution rate will be implemented January 1, 2011.** The GERS apologizes for any hardship that this may cause.

Should you have any questions regarding this or any other related matter, please feel free to contact Ms. Linda Williams, Contributions Monitor at (340) 776-7703 extension 4201.

-Austin L. Nibbs, CPA

### Recalculation of Retroactive Annuities

During the week of October 11, 2010, government employees and retirees were paid the first installment (16.7%) of their long overdue retroactive wages. Division of Personnel Director, Kenneth Hermon Jr. served as chairman of the Retroactive Wage Commission which was established for the purpose of determining who was owed what.

GERs recognizes that retirees are very anxious about the recalculation of their annuity; however, we are not yet in a position to determine how adjustments can be made as NOPA's have not been prepared to show what salary the adjustment will be made on. 

### What Trustees are Watching Regarding Specific Managers

- (1) Transferring additional assets from passive management in SSGA's S&P 500 index to Union Heritage.
- (2) Talks between Sun Trust Bank and Henderson Global Investors broke down, and Ridgeworth, Silvant's parent, will remain part of the bank. There have been no changes to the investment team because of these talks.
- (3) Global Currents' support functions are fully transitioned to ClearBridge, another investment boutique of parent LeggMason. There have been no changes to the investment team and Global Currents remains autonomous.

## GERS Quarterly Calendar

### Board Meetings

October 21— St. Croix  
9:30 a.m.

November 30 — St. Thomas  
9:30 a.m.

December 16 — St. Croix  
9:30 a.m.

### Retirement Workshops

*"Count Down to Retirement"*

November 12 — St. Thomas  
November 18 — St. Croix

Please note that Board meetings and workshops are held at the GERS offices on St. Thomas & St. Croix unless otherwise indicated. For more information or to pre-register to attend a workshop, please give us a call.

### Annuity Payment Dates

October 15  
October 29

November 15  
November 30

December 15  
December 30

Here, are a few facts and stats about our annuity payroll as of October 31, 2010:

- Total number of retirees: 7,494
- Total number of pensioners: 3
- Amount of semi-monthly retiree payroll: \$8,009,987.32
- 86% of retirees/beneficiaries receive their annuity by way of direct deposit. - **Why not sign up for the convenience!**

## Conducting Business at the GERS?

For faster and more efficient service, it is recommended that you call to make an advance appointment if you would like to complete an application for Retirement, Death, Refunds or Disability Benefits. In this way, you will be seen at a specific time and our staff would be better prepared to facilitate your business.

For general Benefits related inquiries such as completing a Change of Address, Name Change or Prior Service Evaluation Form, hours of operation are:

**Mon.—Wed. 8:00 a.m.—3:00 p.m.**

If applying for a loan (Personal, Retiree, Auto), hours of operation are:

**Mon—Wed. 8:00 a.m.—3:00 p.m.**

**Note:** Please remember to walk with

- Last 2 check stubs
- Government issued picture I.D.

For information about our Mortgage Loan program, you may call our office to speak to one of our mortgage loan officers. ☎

St. Croix Town Hall Meeting - Thursday, December 2 - GERS Complex

## 2010 Retiree Election Update

During the recent petition and qualification process for the retiree election to the Board of Trustees, no nominees came forward from the island of St. Croix. Recognizing that there are eligible candidates in the St. Croix District, the deadline was extended for an additional thirty (30) days in order to allow for eligible candidates to come forward to vie for the seat as the St. Croix District retiree representative on the GERS Board of Trustees.

There were two (2) qualified candidates from the St. Thomas/St. John District whose names will appear on that district's election ballot. Also, in the next issue of our newsletter, we will provide a brief biographical sketch and "candidate's questions" of each candidate in both districts.

### Updated timeline:

**September 1, 2010** – Petition Packages available (St. Croix only)

**September 30, 2010** – Due date for petitions

**October 4–22, 2010** – Due diligence conducted on petitions and qualifications statements/experience of the candidates

**November 12, 2010** – Candidates are advised of the results of the due diligence process.

**\*Election date To Be Announced**



**Please Note:** In order to exercise your voting rights for the election of retirees to the GERS Board of Trustees, we strongly encourage you to ensure that your mailing address is current and valid. Election ballots will be mailed to all retirees who are currently receiving an annuity from the GERS.

## GERS Update

### Administrator

Austin L. Nibbs, CPA

### General Counsel

Cathy M. Smith

### Editor-In-Chief

Lorraine G. Morton, PIO

### Distribution Coordinator

Dorothy B. Smith

### Distribution Team

Julia Abramson, Eduardo Carmona,

Karen Freeman, Juliet Grant, Vania

Hackett, Antonio Stapleton



## Contact Us

3438 Kronprindsens Gade  
GERS Complex—STE 1

St. Thomas, VI 00802-5750

Phone: (340) 776-7703

Fax: (340) 776-4499

#3005 Orange Grove - Lot 5  
Christiansted

St. Croix, VI 00820-4313

Phone: 340-718-5480

Fax: 340-718-5498


[www.usvigiers.com](http://www.usvigiers.com)

## Semi-Annual Investment Managers Review

The semi-annual Investment Manager Review was held on St. Croix at the GERS, October 4 - 6. Over the three days, the Trustees met with the 15 investment managers who manage assets on behalf of the Plan. The managers reviewed their portfolios for the period ending June 30, 2010. Many provided preliminary updates through September 30, 2010.

For the year-to-date period which ended June 30, 2010, the S&P 500 returned 6.7% as a slowing US economy stoked investor fears. In addition, global equity markets declined with the MSCI EAFE down 13.2%.

Despite the market pull back, the investment managers were generally optimistic about the global economy similar to our April meeting earlier this year. In general, the managers believe the chance of a double dip is unlikely as corporate earnings and revenue growth continue to be strong, and many companies are maintaining high levels of cash on their balance sheets. Despite the cautious optimism, there are still areas of concern, namely a slowing global economy, continued unemployment levels in the US and abroad, and austerity measures taken by several governments.

The fixed income managers still do not believe inflation is a concern at this point and believe that rates are likely to remain at low levels. However, the two domestic fixed income managers had very different views on the economy. One is pessimistic and is investing in bonds with high real yields and safe spreads, while the other is cautiously optimistic and taking advantage of securities with a good yield advantage over the benchmark. 

See page 2 for *What Trustees are Watching*  
Regarding Specific Managers

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