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GERS Revives Limited Personal Loan Program for Government Employees

The program's reinstatement will be welcomed by government employees long calling for its restart, deeming it a lifeline to meeting important needs.

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The Government Employees' Retirement System headquarters on St. Croix. By. V.I. CONSORTIUM

The Board of Trustees of the V.I. Government Employees' Retirement System (GERS) has approved a motion to restart a limited version of the previously suspended Personal Loan Program for government employees. This decision, made during a board meeting on January 25, signifies a notable shift in the GERS's operational approach since the [suspension of the program in 2015](#).

The board agreed to allocate \$20 million towards the Personal Loan Program, with funds being equally divided between the St. Thomas-St. John and St. Croix districts. This move comes as a response to the requirements of a 2016 law sponsored by Senator Kenneth Gittens. The law demands that GERS lends up to \$20 million to government employees, allowing for no more than \$10,000 per individual. The repayment plan for these loans is set with a five-year deadline, including interest.

The program's authorization will be reevaluated annually, contingent on government contributions and investment returns. The board's limited discretion in implementing the GERS program, due to legal requirements, was a focal point of discussion.

The decision to restart the loan program was based on staff and consultant representations of financial feasibility, the board revealed during its Jan. 25 meeting. "Our fiduciary responsibility is to comply with the law, even if it doesn't align with our desires," stated Board Counsel Pedro Williams.

A significant proposal during the meeting was to modify the resolution to include retirees with sufficient security and collateral, despite existing legal restrictions. "We should propose changing the law to allow retirees access to the program, but with sufficient security or collateral," expressed a board member, indicating a willingness to broaden the program's beneficiaries while maintaining financial safeguards.

The trustees also conducted discussions and voted on matters related to trade secrets and personal information in a closed session.

The GERS board's decision to revive the Personal Loan Program reflects a cautious yet hopeful step towards providing financial assistance to government employees and retirees, balancing legal obligations with fiscal responsibility. This development marks a significant moment for the pension system, which has seen improved stability following the historic bond sale agreement in 2022 spearheaded by Governor Albert Bryan.