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VIPA Aviation Workers to Choose Between GERS Benefits and Sky City Employment Offers, as Airport Modernization Effort Draws Closer

As part of VIPA's modernization plan, 78 aviation workers will soon decide whether to remain under GERS or accept private employment with Sky City. Lawmakers and VIPA leadership weigh potential impacts on retirement benefits and impacts on GERS

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VIPA Executive Director Carlton Dowe addressed an audience of over 60 professionals including airport operators, terminal developers, contractors, architects and investment bankers at the Standard Aviation facility in St. Thomas on Feb. 1, 2023. By. ERNICE GILBERT, V.I. CONSORTIUM

The V.I. Port Authority's aviation workers will soon make an important decision that will determine whether they will retain their benefits under the Government Employees Retirement System.

This as Sky City – the consortium of VIPA’s port partners tasked with financing, [redeveloping, operating and maintaining the territory’s public airports](#) — prepares to make employment offers to all 78 aviation employees. The update was shared by Carlton Dowe, VIPA’s executive director, during a meeting of the Committee of Budget, Appropriations, and Finance on Wednesday. According to Mr. Dowe, offers are expected to be made by the end of this year.

While Sky City offers will be extended to all employees, Mr. Dowe clarified that they are not obligated to accept them. Any worker who chooses not to take up employment with Sky City will instead be absorbed as VIPA employees, although the authority is currently unable to determine just how many they are able to absorb. Those who transfer to Sky City have been assured that their salaries will be at least equal to what is already offered to them by VIPA. However, while employees weigh their options, it seems that some are attempting to fulfill the proverbial notion of having their cake and eating it too.

“We are aware that some employees would like to work for Sky City while remaining members of the [Government Employees] Retirement System,” Mr. Dowe informed lawmakers. He said employees have already been apprised that “this is not legally possible by law. The Government Employees Retirement System is only for employees of the U.S. Virgin Islands Government.”

“The fact of the matter is, this company is a private entity,” clarified Mr. Dowe. Instead, employees who decide to transfer to Sky City – a private sector employer – will receive their own retirement package.

Concerned about the level of awareness among VIPA’s employees, Sen. Ray Fonseca urged the authority’s executive team to make it pellucid that “they would only get reimbursed their contribution portion” from GERS.

Meanwhile, committee chair Senator Donna Frett-Gregory harbored a different concern. Wary of the future of the GERS if all employees were to move over to Sky City, Ms. Frett-Gregory wondered “how do those 78 employees impact the retirement system?” By way of reply, Mr. Dowe admitted that VIPA has “not done our analysis in terms of what the system would look like, or what that can bear.”

The GERS has remained steadfast in its plans to [implement a 3% increase](#) on the employer portion of GERS contributions. “We have not budgeted for 3% because we can’t see our way to budget an additional 3%,” Sen. Frett-Gregory lamented. It’s this reality that left the finance chair concerned that an exodus of 78 employees could “potentially impact the employer portion... There’s some balancing that we really need to do with GERS.”

Senator Novelle Francis, too, wanted to ensure “the P3 is, in fact, effective for both sides of the house.” He urged VIPA to generate all necessary information to “make a determination how GERS will function and move forward on that particular issue.”

Sky City is expected to take over the aviation component of VIPA’s responsibilities by the second quarter of 2025. As negotiations to determine the composition of the Sky City offer to aviation employees press on, the authority says it remains resolute in quelling any anxieties which may be burdening its current workers.

