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V.I. Government Appeals District Court's Decision Ordering \$63 Million Payment Owed to G.E.R.S.

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Ernice Gilbert **April 10, 2020**

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The Government Employees' Retirement System said Thursday that the Government of the Virgin Islands, supported by Governor Albert Bryan, has appealed a District Court judgement that ordered the local government to pay the pension system \$63 million owed by the GVI.

"This action by the GVI, expressly supported by the governor, exemplifies the continued pattern of non-payment of retirement costs which has led the G.E.R.S. to the edge of insolvency," G.E.R.S. said.

In his judgement, Judge Curtis Gomez opined, "There is overwhelming evidence that in this case the GERS is on the verge of insolvency. That financial calamity, by some estimates, is projected to occur in 2023."

He added, "Restoring unpaid contributions identified herein gives long serving, long suffering, and understandably anxious government employees several things they deserve: (1) a demonstrable financial commitment by the GVI to make them whole; (2) hope that they will receive their retirement benefits; and (3) hope that the repository of their retirement funds will be supported."

But with the government's escalation to the Third Circuit Court of Appeals, located in Philadelphia, Pennsylvania, a decision on payment has been delayed even further.

G.E.R.S. has said studies show its collapse would lead to a 25 percent reduction in the territory's gross domestic product, which would represent a catastrophic outcome for an economy already under immense pressure.

Judge Gomez rejected enforcement of the 1984 consent decree on the Actuarially Determined Employer Contribution (ADEC) — funds G.E.R.S. contends is owed by the VI government — which exceeds \$1.6 billion.

G.E.R.S. said the court took the position that the consent decree did not contemplate the ADEC. The G.E.R.S. Board disagreed and directed its lawyers to seek review of that portion of the decision in the appeals court. The Third Circuit Court hears appeals from all federal court decisions in the U.S. Virgin Islands.

G.E.R.S. board also authorized a separate action to enforce the ADEC in the Superior Court of the Virgin Islands. "We note that as a witness during the trial, the former Commissioner of Finance Valdamier Collens testified that the GVI owes the GERS the ADEC," the board said.