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## Bill Would Stop GERS From Erasing Credited Service Over Loan Defaults

Lawmakers supported Bill 36-0250 after Sen. Marise James said GERS members who defaulted on loans should not lose credited service, and Angel Dawson said the system could still collect debts contributions or court action when balances remain unpaid.

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

Legislation introduced by Senator Marise James would prevent the Government Employees' Retirement System from reducing or erasing credited service for members who defaulted on loans or other financial obligations, while still allowing GERS to pursue repayment.

Bill 36-0250 seeks to clarify that a member's years of government service cannot be reduced, revoked or otherwise altered because of a default or delinquency on a loan administered through the retirement system.

According to Senator James, the measure "addresses a matter of both fairness and integrity." She said she became aware of the issue after a constituent reported that, after working for 22 years, she was told that 9 years of service would be erased "because of a financial setback."

Although the current GERS administrator has taken "corrective action" in that specific case, Senator James said a future administrator could "simply revert to the prior practice unless the legislature clearly establishes what the law requires."

"No retirement system, no matter how well intentioned, should have the authority to rewrite an employee's work history because of a financial default," Senator James declared. "It's a cornerstone of what we promised government workers. To strip it away as a punishment for debt is frankly both unjust and legally questionable."

Senator James said the bill does not block GERS from collecting money owed by members. The system may "pursue repayment, they may apply offsets," she said, but "what they may not do is reach back into an employee's record and erase years they rightfully earned."

GERS Administrator Angel Dawson explained that Bill 36-0250 inserts language stating that GERS "shall not reduce, revoke, or otherwise alter a member's service resulting from a default or delinquency on any loan or financial obligation made through or administered by the system."

Mr. Dawson said the practice, which he has since discontinued, "could have effectively resulted in permanent loss of service."

Senator Franklin Johnson asked how GERS would collect outstanding debts if it could no longer reduce a member's credited service. Mr. Dawson said existing law still provides that member contributions serve as security for GERS loans, calling that the "primary" repayment mechanism.

He added that if a member cannot make the system whole, "then of course we would utilize the court system to go after the member for whatever balance remains."

Senator Carla Joseph asked whether the bill would create any cost for GERS. Mr. Dawson said it would not.

"We are enabling an individual to be able to give us money, so that is by no means going to be a cost," he said.

Mr. Dawson said the prior practice did not allow members to make GERS whole by paying missing contributions, "thereby reducing the amount of credited service and the amount of retirement annuity that they would receive."

The bill received support from the committee.

"We all know that credited service should ordinarily reflect that of their years of government service and retirement contributions made by these employees during their tenure," Senator Kenneth Gittens said.

