The Virgin Islands Consortium

Committee Of The Whole Hearings To Discuss GERS Pension Reform Start Tuesday

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ST. CROIX - Senate President Neville James announced last Wednesday that the Committee of the Whole has scheduled a series of hearings this week beginning on Tuesday to discuss public pension reform.

GERS recently suspended a loan program used by retirees and government employees citing solvency issues, and urged the 31st Legislature to adopt a measure aimed at saving the sprawling government-owned firm, which is projected to run out of cash in less than ten years.

The hearings will consider the merits and purpose of Bill No. 31-0146, an act amending Title 3 of the Virgin Islands Code, Chapter 27 and 28A pertaining to the retirement of government employees. The bill was submitted to the Senate President by the Government Employees Retirement System of Virgin Islands' (GERS) legal team. Most of the language is borrowed from recommendations made by the GERS Pension Task Force.

Senator James said that these hearings will be reviewing one of the most important issues for the Territory, and comes at a time when life or death decisions have to be made.

"I think this pension reform comes with pills that some folks do not want to swallow, myself included, but this is not about me. This is about the survival of the Territory's pension system," Senator James said. "This will affect the comfort and safety of our retirees, the satisfaction of our active members, and the future of our children and grandchildren. I want it to be all laid out on the table for my colleagues and the people of the Virgin Islands."

Portions of the legislation, among a slew of other reform packages, include:

- A change which would "authorize a member of the System to purchase additional time for which he has not worked by paying into the System based on a formula."
- An increase in "the amount of mortgage money that can be borrowed from $250,000 to $350,000."
- "Changes to the benefits program for Tier II members of the System."
- An increase in "the early retirement age from 50 to 55, and for regular retirement from 60 to 65."

The meetings will take place on:

- Tuesday, September 1, 2015 in the St. John Legislative Annex on the island of St. John
- Wednesday, September 2, 2015 in the Earle B. Ottley Legislative Hall on the island of St. Thomas
- Thursday, September 3, 2015 in the Fritz E. Lawaetz Conference Room on the island of St. Croix

All meetings will begin at 4 p.m.

Invited to testify are members of the GERS board, GERS Administrator Austin Nibbs, as well as several active retiree organizations across the territory. The public will also be invited to speak.

"To be clear, these meetings that I have scheduled in the first three days of September has nothing to do with any $600 million request. These meetings will be discussing legislation geared to altering the pension system with a series of reforms," Senator James said.

James said the proposed bill was brought forward to his office for the purpose of establishing a line of communication and a platform for GERS to outline their recommendations to the public.

“This bill calls for sacrifices to be made particularly from those who have sacrificed so much already. Though the measures that we are considering are difficult to discuss, they must be reviewed by all members of the community,” James concluded.

Feature Image: GERS building located in Orange Grove.