The Virgin Islands Consortium

# Senators Approve GERS Bill; Demand Immediate Action From Governor Mapp

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ST. THOMAS -- Senators of the 31st Legislature approved a controversial, Neville James-sponsored Government Employees' Retirement System (GERS) bill that intends to keep the mired program afloat.

The measure, which saw support from all but three senators -- Tregenza Roach, Kenneth Gittens and Terrence "Positive" Nelson -- had been debated on all three islands in an effort to make solid changes to save the system. The measure also needs to be signed into law before October 1, the date when new retirees will be vested into the flailing program.

Governor Kenneth Mapp's financial team, including Commissioner of Finance Valdamier Collens, said the government currently does not have $600 million needed to save GERS , and recommended that the senate hold the measure.

But senators in support of the bill, who openly acknowledged the imperfect nature of the legislation, said something still needed to be done.

Neville James said the system is losing $130 million every year. He also expressed alarm that Mapp administration and GERS officials hadn't met to discuss these problems. He said the Legislature could work tirelessly in crafting measures, but if the GERS and Mapp's financial team are not talking, the work becomes futile.

"And that's scary," he went on. "They are not even communicating. It's like, whatever. Come on, man," James said, with frustration in his voice.

Veteran Senator Terrence "Positive" Nelson said legislators should pause and workout a measure that is more sustainable, urging his colleagues not to rush.

Sen. Vialet decried that assertion.

"I'm proud to be a member of this body that is going to vote for what we're presently doing with the retirement system," Vialet said. "Other changes can be made after, but we need to pass this bill tonight, send it up to government house and request that the governor sign it before next week so that it becomes law before [new] employees are vested."

The senator said arguments about what should be done and who's to blame could be made at a later time, but if nothing is done now, "the system will collapse in 7 years and everybody will do without."

The measure, seen here, is an Act amending title 3 of Virgin Islands Code, chapter 27 and 28A, pertaining to the retirement of government employees. In its original form, the measure sought to change the age limit of retirees from 60 to 65, and also eliminate a cap on highly-paid government employees making over $65,000 annually. After amendments, however, those provisions were removed.

But how exactly GERS will be funded remains a mystery. According to Collens, the GVI does not have enough collateral to borrow the $600 million experts say is needed immediately to save the troubled pension program. And even if it did, expending that amount on only one government-owned entity would severely hurt every other branch of government — including essential services indelible to the daily operations of the territory. Collens also made known that the territory’s borrowing limit — which includes the value of all assessed property — is about $400 million.

In the year 2025, GERS will have no money in the bank if the Senate fails to take action. So the funds that will be available to pay benefits will be what comes in from the employer and employee, meaning contributions coming in will be immediately paid out. At that point, beneficiaries will only receive 45 percent of what they’re currently receiving.

For example, “a person getting $1000 a month in a pension now, will only be able to get $450. And that’s what we’re looking at if we don’t have some major changes done to the system,” said Leon ‘Rocky’ Joyner of Segal Consulting at a Sept. 2 hearing.

It is not yet known if Governor Mapp will approve the measure as his financial team recommended placing it on hold. But even if Governor Mapp vetoes the legislation, there are currently enough yes votes to force an override.

*Feature Image: GERS Building, St. Thomas.*

*Image Credit: VIC.*