

Opinion | GERS: Solutions for Consideration

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It may appear to some in the community that like Nero, too many people are simply playing the proverbial fiddles while the GERS crashes and burns. Worse, pensioners are being asked, through no fault of their own, to bear the brunt of past mismanagement of the system or for market volatility by suffering reduced benefits. Drastic times call for radical ideas, my dear citizens. To be fair, there have been the occasional suggestions on how to rectify the dire conditions facing the GERS, but most of these ideas have little if any chance for effecting significant change.

As there is the unlikelihood of a dramatic increase in the number of contributing members to the system, here are three ideas that some might consider radical enough to at least pull back on the reins of our frightening race toward pending collapse, none of which punish VI pensioners:

1. Earmark the 14 cent per gallon tax on gasoline (which was earmarked for WAPA several years ago) for the GERS.

2. Reactivate the Government Development Bank that was referenced in ACT 6191, and is located in Title 29, Chapter 14, Section 902 of the Virgin Islands Code, while also seeking requisite backing for it from the FDIC.

This approach would allow the government to give a low interest loan to the GERS that would cover its debt and permit it to continue paying the retirees what they are owed.

Incidentally, through the bank, our government could also lend itself money to pay off debts such as the retroactive monies owed to unionized workers. Instead of continuously seeking assistance from other banks or the bond market at exorbitantly high interest rates, the government could lend itself money at affordable interest rates to pay off retroactive debt as well as other bills.

How would the bank be funded? The government could move at least 50% of the millions of dollars in revenue and other funds it has in private banks and put them into this new bank. It is also my understanding from a former senator that the private banks were supposed to contribute to the Development Bank. Finally, the government could also assess its hundreds of acres of property to be used as collateral to back the loans. Of course, a set of rules would be required to guide and restrict the issuance of loans from this source.

3. Prevail on the Rum Industries and other EDC Beneficiaries to give their fair share. For too long, many locals have chaffed at the unusually high benefits gifted to Diageo under a former USVI administration. It is not surprising that even Congress has now begun to question the unusual largesse of the VI government to Diageo to the point that Congress may reconsider ending the Rum Cover Over program if the USVI uses the revenue for “unreasonable” purposes. It is informative to note that Puerto Rico uses only 6% of the cover over funds to support the rum industry there while the USVI uses 46%. Think of what that excessively large support could do for the suffering pensioners of the USVI instead. Further, it would calm the concerns of Congress.

These three ideas are worth exploring by serious minds. We cannot leave any stone unturned. We also do not have time to procrastinate or kick the proverbial can down the road any longer. Emergency meetings are warranted. Let us act positively, proactively and victoriously now in our own interest. Drastic times call for radical solutions. I respectfully offer three.

Submitted on Thursday by: Gerard Emanuel