

The Virgin Islands Consortium

No GERS Loans For The Holidays; And Senators Are Disappointed

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ST. CROIX -- Senators Kurt Vialet and Kenneth Gittens expressed disappointment over the weekend after their pleas, through letters, to the Government Employees' Retirement System's board, to reinstate a loan program that many residents have depended on for years, seem to have fallen on deaf ears.

The GERS board, [during its Thursday monthly meeting](#), decided to "indefinitely" suspend the loan program, grieved by in inaction on GERS' request to the Virgin Islands Government [to invest \\$600 million to save the system](#). It was an amount that Vladimir Collens, commissioner of Fiance, said was not in the government's possession. And even if the government had the aforementioned amount, injecting \$600 million in one

government-owned entity would come at the detriment of other essential services indelible to the daily operations of the territory. According to Mr. Collens, the territory's borrowing limit — which includes the value of all assessed property — stood about \$400 million in September.

In a press release issued on Friday, Mr. Violet said while understands that the measure [taken in August](#) to temporarily suspend the program was in an effort to immediately address liquidity issues affecting the pension system, ending access to GERS' loans has significantly hurt the working class of the territory. The freshman Democrat feels that the decision is disconcerting, especially at a time when so many individuals are in need of resources to carry them through the holiday season.

In a letter addressed to GERS Administrator Austin Nibbs dated November 10, Mr. Violet requested that the loan program be reopened temporarily for active GERS members. He proposed that the amount each member could withdraw be capped at \$7,500, and not to exceed a \$20,000 ceiling.

And the loan program, Mr. Violet added, is not a losing proposition; as it guarantees a return. So the notion that liquidation worries was the cause of suspension, is ill-advised. The senator is hoping that the board reconsiders its decision.

Mr. Gittens echoed Mr. Violet's stance that the loan program should be partially reopened. He also said doing so would be a "win-win" situation, as the economy would be boosted by the extra cashflow.

"It is no secret that the economic state of our territory is weak. This accessibility to funds for active government employees and retirees is of paramount importance to sustain a constant cash flow to the territory. What it also means is allowing the members a means of accomplishing their financial obligations with monies they should always have access to."

Mr. Gittens said re-instituting the loan program can be a win-win situation for all because it would mean a revenue stream for GERS through interest rate collections and it would mean members would once again be able to access cash to address immediate financial needs and or unforeseen emergencies.

"This is our territory, our system and our people. We should always take the time out to consider decisions that would ultimately impact us and our economy, and matters should be worked out in the best interest of all parties involved," Mr. Gittens concluded.