The Virgin Islands Consortium

Gittens Proposes Using Rent Monies From HOVENSA Homes Now Owned By Government To Shore Up G.E.R.S.

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ST. CROIX -- Senator Kenneth Gittens on Wednesday said he has introduced legislation that would provide a funding source to address the Government Employees' Retirement System unfunded liability with funds derived from newly acquired real estate. Above, Estate Cottage, now owned by the Government of the Virgin Islands.

“Our government employees and retirees continue to suffer financial hardship because of the lack of cash infusion into the G.E.R.S. They can’t get loans against their own money and some have to pay in the government’s share of their benefits before they can retire.

Doors of opportunity have opened for us and we have to walk in," Mr. Gittens said.

The second-term Democrat said the legislation would provide a funding source to assist G.E.R.S. in reducing the unfunded liability. He said this will be achieved by directing all proceeds derived from the rental fees or sale of all housing units recently acquired in the ArcLight agreement be directed and deposited into the G.E.R.S. accounts. The funding source should remain as long as units are rented and subsequently sold.

According to Mr. Gittens, this proposal has the potential of generating $1.3 million annually if the units are being rented. He said it is certainly a best-fit measure for the issues facing G.E.R.S.

"There may be other ways to create revenues to aid the ailing retirement system and there are certainly more ideas of what could be done with the housing units transferred as a part of the ArcLight agreement, but I believe that this pairing through legislation, by far, would yield the best results to benefit all involved," Mr. Gittens concluded.