

The Virgin Islands Consortium

G.E.R.S. Says It's Working To Remedy Loan Refund Problems; Software Issues Not All Supplier's Fault

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ST. CROIX -- Responding to a [complaint by Senator Nereida Rivera-O'Reilly](#), Government Employees Retirement System (G.E.R.S.) Administrator Austin Nibbs, said the system was doing its best to work through issues and make available loan refunds to over 50 members and provide benefits to death survivors.

The response came at a Board of Trustees regular meeting held at G.E.R.S.'s St. Croix Complex in Golden Rock Thursday morning, and follows charges by Mrs. Rivera-O'Reilly that G.E.R.S. was not making it a priority to pay what it owes to affected members.

"While retirees wait, they fall behind on their financial obligations and many experience health issues and even foreclosure. In the interim, every inquiry made of you during Senate hearings is met with the same nonchalant response," Mrs. Rivera-O'Reilly said in the letter.

In his response, Mr. Nibbs said the system was processing payments as efficiently as it could.

"We have been processing the death benefits that Senator [Rivera-O'Reilly] was complaining about. We are processing those cases as quickly as possible. I think 99 percent of the time we've had to get affidavits from the beneficiaries and they were missing this and missing that, so we struggled very hard to get these cases out. So we are processing them as soon as everything in the file is there," Mr. Nibbs said.

Asked later about the issues with the new software that G.E.R.S. uses and whether all the problems had been remedied, Mr. Nibbs, who said G.E.R.S. had abandoned its old system since 2012 for the new software provided by a company called VITech, made known that while some problems persisted, they were not all VITech's fault. He added that the system is now better integrated into G.E.R.S. than was the case when Mrs. Rivera-O'Reilly first wrote the letter in 2014.

The software cost surpassed \$11 million, according to Mrs. Rivera-O'Reilly, an assessment Mr. Nibbs did not deny. But he said the original price was just over \$7 million, however the costs of implementation and continued support had added up -- bring the total sum above \$11 million. He also justified the price tag and acknowledged as true a claim by the senator that G.E.R.S. once suspended the new system to go back to the old.

"The cost is justifiable; the system works fine," he said. "We do have some issues with the system, however they are not all VITech problems. Some of it could be our problems also. As you know the system had to be programmed from the ground up. All the loans -- everything -- had to be programmed and you can miss one or two things. But the system is a good system."

In other discussions, G.E.R.S. said it would request over \$200 million from the Senate this year as part of the government's fiscal year 2017 budget. That amount is only a small portion of the total sum the plan sponsor, the Government of the Virgin Islands, owes the system.

But the request, although serious, was not expected by the system (the government is seeking to borrow \$110 million just to meet regular budget obligations). Instead, board members wanted to highlight the difficult position that G.E.R.S. remains in, as the G.V.I. has failed to shore up the running-out-of-cash pension system.

And G.E.R.S.'s traditional portfolio -- stocks and bonds -- totaling \$780 million this year, made a return on investments of 2.3 percent in the month of July, which equates to \$17.2 million. Year-to-date investments have seen a return of \$46 million, according to Bruce Thomas, G.E.R.S. investment officer. He said the system has seen an annual return of 9 percent traditional. "Some years it's up and some years it's down, but when annualized over the life of the system, it's 9 percent," Mr. Bruce said.

Feature Image: Austin Nibbs, G.E.R.S. administrator. (Ernice Gilbert, VIC)

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