

The Virgin Islands Consortium

JFL Losing Employees To Private Sector Following Sudden, Drastic Deductions In Pay By Hospital And G.E.R.S.

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ST. CROIX -- The Virgin Islands Consortium received multiple calls on Thursday from employees of the Juan F. Luis Hospital -- whose names this publication will not reveal because they requested anonymity to speak freely about an unfolding crisis at the hospital.

The crisis involves sudden, deep deductions reflected on employees' net, biweekly income, with at least one registered nurse seeing a tax deduction of about \$1,500 from her biweekly check, while another employee, whose biweekly gross pay is just over

\$900, after the increased tax deduction and a deduction of over \$100 by the Government Employees Retirement System (hospital employees were recently placed on G.E.R.S. through a Kurt Vialet-sponsored legislation), saw her biweekly net pay, which was usually about \$700, decrease to about \$347.

This employee, a medical assistant who is usually tasked with multiple other duties aside from her official title, now takes home \$173.50 weekly -- an amount she said she simply will not work for.

"When I looked at why, G.E.R.S. took out 11.5 percent, which is over \$100 off my check. We still have VI tax coming out, which is over \$120, insurance is over \$220, and you still have other little deductions like life insurance. Social Security plus union dues coming out of my check as well. By the time that's tallied up, it's over \$500 coming out of my check," the medical assistant said. Her voice cracking, she said she even cried after seeing the amount of money that she was taking home, compared to what she actually makes.

Following an inquiry by this publication, JFL Public Information Officer Erica Parsons, said in an email this morning that the higher taxes were now being deducted from JFL employees' pay, because of a miscalculation that saw the hospital, for one year, deducting VI taxes from the employees' net salary, which amounted to less than what would have been deducted from employees' gross pay -- the latter being the right method, according to the hospital.

Ms. Parsons said JFL employees were notified that their 2016 tax withholding were calculated low, and that come 2017 a higher taxation would be reflected on their pay checks. She did not, however, reveal the percentage that was deducted previously, nor did she make known what's currently being withheld.

But the number is high, and coupled with the new deduction of 11.5 percent from G.E.R.S., hospital employees that The Consortium spoke with on Thursday said they simply could not sustain their livelihoods. They said the Human Resources department of the hospital was flooded with employees inquiring about the sudden deductions, and many have quit their jobs at JFL for work at the Frederiksted Clinic, Aeromed and other private sector opportunities.

"It's injustice," the nursing assistant protested. "And for all the roles they have us working inside the hospital... I'm a medical assistant, they pulled me from my unit to be a patient sitter, they then pulled me from there to be an OB Tech, so that's three roles I'm playing for just three hundred and change for every two weeks."

"If this G.E.R.S. continues to happen, we will not have anything," she added. "Do they really expect people to come to work for that kind of money? Stress is the number one killer; this is going to stress me out."

Ms. Parsons said the hospital apologized for any inconveniences the deductions may cause, but she did not present a workaround for the employees, who are seeing hundreds of dollars deducted from their pay -- monies already committed to their daily living from an error of the hospital, as well as the new deduction from G.E.R.S. -- that would mitigate the problem.

Another employee saw a deduction of over \$700 from her paycheck for G.E.R.S.

"About G.E.R.S., I did not sign any NOPA, I did not give anybody any permission to take out all this money from my check," this employee said. "They talked about it, it was talked about on the news, I have a union, but the union hasn't come to me and tell me anything about my NOPA, but yet this money is coming out. How is this legal?"

The Consortium reached out to Mr. Violet to inquiry about his bill that placed JFL employees on G.E.R.S., hence the 11.5 percent deduction. The senator, who was in St. Thomas attending meetings relative to the territory's financial condition on Thursday, said JFL employees were essentially pleading with him to be part of G.E.R.S., but now that the law is in place, they are asking to be removed. Another motivation for the legislation, according to Mr. Violet, was his belief that all hospital employees should be paying into the system -- which is bleeding money and is expected to crash in 7 years without cash infusion of over \$1 billion.

"The reality is the \$21,000 custodian and food service worker, and the other individuals who have worked for this government for twenty-something years and making \$24,000 annually, they're paying G.E.R.S.," Mr. Violet said. "What occurred at the hospital is just the normalcy that occurs throughout government. It's no different to no other government entity, no matter how much you make. Mr. Violet said G.E.R.S. will collect about \$10 million from hosptlital employees annually.

"You can't circumvent the law because you're making \$100 less. It's the law, and when you realize the importance of the G.E.R.S. system is when you hit that 30 years, or you hit ten years and you're sixty, and you have monies that you can count on for the rest of your life," the second-term Democrat and now chair of the 32nd Legislature's Committee on Finance, said.

Yet, some JFL employees said they were already enrolled in private 401k plans, and their faith in G.E.R.S. is low, as the system itself is facing collapse.

It is not yet known if hospital officials will move to soften the blow employees are now feeling by deducting a lesser amount over a longer period of time, as the tax hike came about because of the hospital's own error. A call placed to Richard Evangelista, acting JFL CEO, was not returned at time of publishing.