

The Virgin Islands Consortium

Running Out Of Time And Money, G.E.R.S. Backs Act Seeking To Save Pension Systems Across U.S.

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With the Government Employees' Retirement System (G.E.R.S.) running out of time and money -- it has a pension liability of over \$4 billion and projected collapse date by or before February 2023 -- G.E.R.S. Administrator Austin Nibbs made a presentation to Delegate to Congress Stacey Plaskett on January 16, detailing the pension system's support for a measure making its way through Congress, with the sole aim of saving pension systems across the U.S. from collapse.

Dubbed the [Butch-Lewis Act](#), which was introduced in November 2017 by Sen. Sherrod Brown (D-OH) and Rep. Richard Neal (D-MA), the bill [would provide a path to fixing the country's growing pension crisis](#) by providing the financial support the plans need to

avoid insolvency. It seeks to establish a new agency called the Pension Rehabilitation Administration (P.R.A.) within the U.S. Treasury Department. The P.R.A. would be authorized to issue bonds in order to finance loans to pension plans in financial distress.

The presentation by G.E.R.S.'s actuary, seen [here](#), provides historical data on the impending insolvency of the the pension system, according to Mr. Nibbs. In a letter dated November 8 2017, G.E.R.S. updated the Congresswoman on the retirement fund's condition, stating that its already precarious position had weakened following the 2017 hurricanes, which further impeded the plan sponsors' -- which include the government and its semiautonomous agencies -- ability to make timely employer contributions and remit employee and loan deductions to G.E.R.S. since May 2017.

"The untimely payments of contributions results in a monthly shortfall of \$10 million, representing the difference between the contributions collected and the benefit payments and administrative expenses," the letter read. "As discussed in our last meeting, if there is not a significant infusion of cash to the G.E.R.S., the fund will run out of liquid assets sooner than the projected 2023."

Governor Kenneth Mapp, whose ire with the G.E.R.S. board [has been well documented](#), gave no reassurances to the board during his State of the Territory Address on Monday. The governor said the pension system should not be allowed to fail, but gave no plan on how he intended to save it. Mr. Mapp also called for the board to be outfitted with qualified individuals, taking a direct jab at current board members.

Following the SoTA, Mr. Nibbs expressed his disappointment with the governor's speech, and reminded him that the government owes G.E.R.S. \$1.6 billion.