The Virgin Islands Consortium

GERS Must Act Quickly To Resolve 'Other Reasons' For Delaying Benefits To Retirees, Collens Says

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Over the last month the Government of the Virgin Islands has worked to eliminate the retirement backlog for former government employees waiting for their pensions, Government House announced Wednesday. According to the release, which cited Department of Finance Commissioner Valdamier Collens, this includes recent payments totaling $1,182,064 for 96 retirees.

Government House said the Mapp administration has made government retirees and solvency of the Government Employees' Retirement System a priority, and said that in 2015, just three months after assuming office, Governor Kenneth Mapp worked with GERS to release annuities for hundreds of retirees - some of whom had been waiting months or even years for their pensions.

But Mr. Mapp's hostility to GERS during his years in office has been well documented. The governor has derided GERS board members for what he has deemed the board's poor management of the pension system's assets and money. In November 2016, Mr. Mapp said the board could go “pack a lunch” if it was expecting the administration to release to it $100 million in bond monies approved by the Senate. The financing attempt was not successful, and the system has remained in its unfavorable position. The governor has also called for a number of the board's members to be replaced with individuals well versed in financial matters.

Mr. Collens said the GERS must act quickly to resolve what it calls “other reasons” for delaying benefits for retirees now that the Virgin Islands Government has fully addressed the retirement backlog by paying missing employer contributions for individuals categorized by GERS as “new retirees", according to the release.

“We will continue to work collaboratively with GERS to resolve any missing employer contributions that are communicated by GERS in a timely manner to the central government,” Mr. Collens said. “In fact, we learned from GERS that oftentimes they identify other reasons, unrelated to missing employer contributions, which cause delayed benefit payments to retirees. Until those ‘other reasons’ are resolved by GERS, it has been GERS's policy not to process benefit payments. We urge GERS to resolve whatever issues they may have to immediately begin paying what is due to these retirees.”

The Finance commissioner said he is encouraging GERS to work with retirees to clearly communicate and resolve any problems identified by GERS which may contribute to delayed retirement payments.

The government's concerns regarding GERS are outlined in a post-hearing brief filed with the Federal District Court last Friday. At a recent hearing, the Honorable Judge Curtis Gomez ordered briefs to be filed by both parties, according to Government House.

"We would like to thank Judge Gomez for his diligence throughout this entire process," Mr. Collens said. "He has acted in the best interest of the retirees."

Governor Mapp has proposed numerous reforms that would extend the solvency of GERS. Pending legislation directs more than $380 million to GERS over the next 10 years from revenues the government expects from the restart of refining operations at the Limetree Bay facility on St. Croix's south shore. Additionally, Mr. Mapp included provisions in the FY 2019 budget to include an infusion of millions of dollars more into the retirement system over the next several years by increasing the government's contribution to GERS, as well as expanding the contribution of members whose salaries are higher than $65,000 per year.