The Virgin Islands Consortium

253 Retirees Have Yet To Start Receiving Their Annuities From G.E.R.S.

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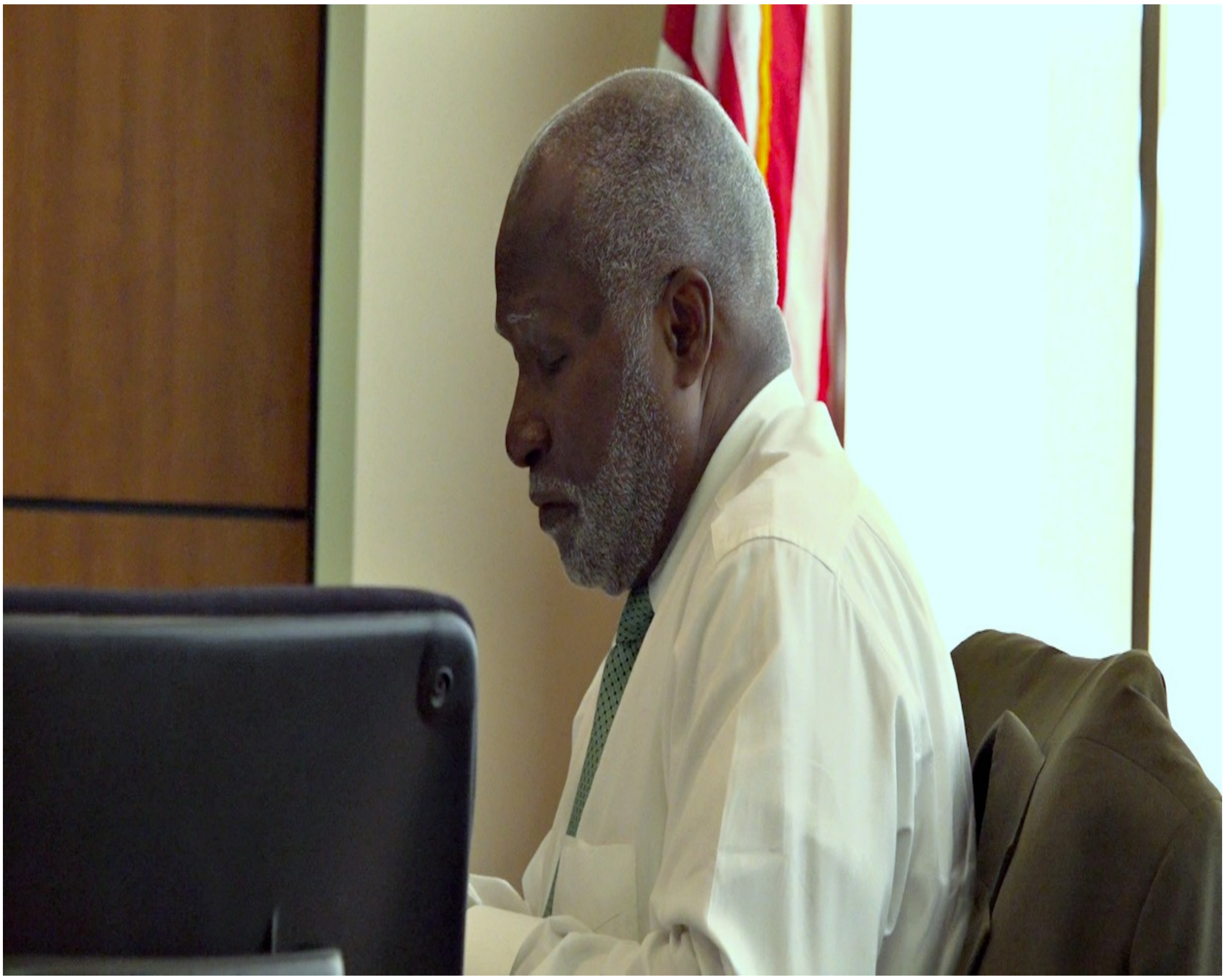

The Government Employees' Retirement System has yet to start making pension payments to 253 retirees, even as cost of living in the Virgin Islands climbs and many of the retirees need the money to survive. Amplifying the problem, at least 38 applications have been in for well over a year. Mr. Nibbs revealed that 394 applications were received in 2018, for which G.E.R.S. paid out 201, leaving 193 retirees from 2018 who have not started receiving their annuities. For this year, 22 applications for pension benefits had been received by the system as of Thursday, and G.E.R.S. had not started paying benefits for those either. This brings the total outstanding for 2018 and 2019 to 215 applications -- leaving another 38 retiree applications for benefits out of the 2018-2019 group.

The latest numbers were revealed during a G.E.R.S. board meeting held on Thursday at the pension system's headquarters on St. Croix and via teleconference in St. Thomas. There, G.E.R.S. Administrator Austin Nibbs revealed the latest update during his report.

Asked by The Consortium what was the cause for the backlog, Mr. Nibbs removed most of the blame away from G.E.R.S. and said the delay was being caused by issues with the government and its departments and agencies where the retirees were employed -- the biggest issue being the lack of a final Notice of Personnel Action, or NOPA. A NOPA is a critical document when working with the Government of the Virgin Islands. It essentially signals that an individual is in the system. Mr. Nibbs said final NOPAs are to be provided to G.E.R.S. by the employer when an individual retires so that the process to begin annuity payments could start.

"There are a certain amount of retirees that are still outstanding receiving their initial annuities, and some of the issues may be they haven't received their final NOPAs; it's a significant amount," he said.

Asked whether G.E.R.S. had anything to do with the delay, Mr. Nibbs downplayed the system's responsibility for the problem, stating that while some retiree records may have been incomplete and some "fixes" with a G.E.R.S. software that processes payments had to take place, the pension system's responsibility in the matter was at a minimum. "The majority is waiting on the last NOPA and where the employee may have had outstanding contributions," he stressed.

Yet Mr. Nibbs's latest reason for the hundreds of retirees who have yet to start receiving annuity payments changed drastically compared to what he said approximately one year ago.

During a town hall meeting held at the Cardiac Center's conference room on St. Croix in February 2018, Mr. Nibbs clearly and emphatically said retirees -- *at the time 300* -- were not receiving annuity payments because the Government of the Virgin Islands owed it money. He said the government had not made good on its lawful responsibility to fund the system. At the time, figures released by G.E.R.S. showed the G.V.I. owing $1.6 billion after failing to fund the system over the course of 26 years.

Compounding an already dire situation, the government had stopped remitting payments altogether to G.E.R.S. from July of 2017. From that time, according to Mr. Nibbs, the G.V.I. had not paid the contributions that are deducted from employees' checks; it had not paid its share of the contributions, and the government had not been remitting loan payments deducted from the checks of government employees owed to G.E.R.S.

“So we're about $39 million down," Mr. Nibbs said at the the town hall meeting in February 2018, "meaning they owe us these monies, and this is creating a problem for us. Because what happens, we now have to go to our portfolio and drawdown funds to make sure that we have enough funds to pay the retirees."

Mr. Nibbs had also explained that, “If you retire let's say in December 2017, you owe me from August. So I have to wait for [payments from] August, September, October, November, December before I even look at your case. So it could be a year because we have a backlog. This is a major, major, major problem right now.” Mr. Nibbs was referring to employee and employer contributions that the government had stopped paying from July 2017.

Following a court hearing in *March of 2018* between the government and G.E.R.S., *the government was forced to pay employee and employer* contributions to the system, and has been making payments ever since. This means G.E.R.S. could no longer blame the nonpayment of annuities solely on missing contributions. Now, Mr. Nibbs's reason for the backlog has shifted to final NOPAs not being received -- a narrative that was missing during *his February 2018 talk at the Juan F. Luis Cardiac Center*.

Meanwhile, a number of retirees with little other means for survival continue to wait on the slow pace of making annuities available -- some dating back well over a year.

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