

The Virgin Islands Consortium

Bill Seeking To Pay Newly Retired Educators Unspent Vacation And Sick Leave If Annuities Are Not Realized Within 90 Days, Would Be 'Nightmare' For G.E.R.S., Board Says

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A bill that seeks to turn unspent sick leave and vacation days of educators to cash payable to newly retired teachers, if the Government Employees Retirement System does not start paying these educators their annuities within 90 days, while well intentioned, is not workable and would cause a number of problems for G.E.R.S., Austin Nibbs, G.E.R.S. board administrator, said during a Thursday meeting.

The [bill](#), sponsored by Senator Dwayne DeGraff, seeks to provide the equal of 480 days payment from the unspent sick leave and vacation time against the retired educators' annuity, and would be payable within 15 days of the request.

Mr. Nibbs and other board members vehemently opposed the measure, contending that trying to implement the bill's demands would be a nightmare for the system, and would require the reworking of "V3", a complex software solution with strict protocols that manages G.E.R.S.'s entire system, including the annuity payments setup.

"My position and the system's position is that we cannot process any type of payment outside of V3," Mr. Nibbs said. "If we do that we're going to have to spend a whole lot of money in making changes and it's going to create a lot of problems. And I don't think the auditor is going to be in favor of something like that."

Mr. Nibbs said the problem of delayed annuity payments to educators could be solved immediately if the government would submit Notice of Personnel Action (NOPA) documents on time. "They need to expedite the NOPA process out of [the Dept. of Education]. That is our position," he said.

Mr. Nibbs added, "It's not that we are against the teachers in any way, but it would create a nightmare for us in G.E.R.S."

If the bill passes, the board said it would ask the company that created and maintains V3, for the cost of implementation. Then, the board would present the cost to the Senate. If the Senate can fund the cost of implementation, then the bill would take effect. It was hard to tell how much such changes to V3 would cost, but the changes sound expensive as, according to Mr. Nibbs, it would involve reworking the complex system to include the new payment scheme.

G.E.R.S. is already facing enough problems as it is, Mr. Nibbs said on a number of occasions during the board meeting. He also revealed that young, non-vested G.E.R.S. members [were leaving the system en masse](#), causing cashflow problems.

"Members who are not vested are leaving. So far from January to March, we have refunded \$1.4 million to members who are not vested and have left the system," Mr. Nibbs said during the board meeting, held in the G.E.R.S. boardroom in Orange Grove on St. Croix, and in St. Thomas via conference. "It is happening, and it will continue to happen if this system is not shored up or the plan sponsor does not give assurance to these members that something will be done to maintain the system — especially those that are leaving."

He added, "Young people are leaving the system, so that creates a cash flow issue for us also."

Mr. Nibbs said membership has been on decline and is just over 8,000 at the moment, down from 9,200 in 2017.