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One of the Most Consequential Senate Hearings Takes Place Monday as Lawmakers Determine Fate of Bill Aimed at Saving GERS

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Linda Straker **January 29, 2022**

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Senators who make up the 34th Legislature will have before them on Monday a measure that proponents say will finally stabilize the Gov't Employees' Retirement System.

The measure, numbered 34-0188, will allow for the refinancing and restructuring of a significant portion of the debt of the Government of the Virgin Islands at current market interest rates to free up critically needed revenues to stabilize the GERS.

GERS is forecast to become insolvent by 2024, and the proposed legislation should finally address a problem that has vexed the territory for years, the Bryan administration has said.

Another bill, numbered 34-0171 seeks to allow retirees to reenter government service and retain their annuity while paying a contribution to the retirement system, and it will also be heard Monday.

Both measures were at the center of a GERS special board meeting discussion Friday. Though there were some concerns, by the end of the discussion board members voted in the affirmative for the legislation.

While the board discussed the bills, Board Chairman Nellon Bowry said he does not believe the board has much of a say in it.

“Quite frankly, that is not a board decision. To me, the GERS is a government entity, the government is the sponsor, the government determines the benefits, the government determines how to fund those benefits. Our concerns as a board are whether the funding is sufficient for us to deliver those benefits,” he said.

The special meeting came days after Governor Albert Bryan announced in his fourth State of the Territory Address that his administration in collaboration with the Legislature has put together a plan that would return financial stability to the pension system.

“The enormous unfunded liability facing our public employee pension system is perhaps the most significant financial crisis that our community faces. There are thousands of Virgin Islanders who depend on the Government Employees’ Retirement System for a substantial portion of their income,” he said in the address which was delivered on Monday.

“Many of our local businesses rely on the patronage of those pensioners. Additionally, there are thousands of Virgin Islanders who pay between 11 and 14 percent of their gross pay every two weeks in hopes of securing their financial futures,” he said.

The governor said that under the proposed plan, financial stability would be returned to GERS without any reductions to the pensions of retirees. “Our success in this endeavor will also send a powerful signal to the financial markets that the U.S. Virgin Islands is getting its financial house in order,” he declared.

“Most importantly, there are nearly 17,500 retirees and active employees who are depending on our actions. This proposal will end the anxiety experienced by the retired employees, secure the financial futures of the current employees, and restore the attractiveness of the retirement benefits for the future employees. It does not “kick the can down the road”; it crushes the can. It solves the GERS crisis for decades to come,” he assured.