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GVI and GERS Sign Agreement Dismissing All Pending Actions Relating to Funding Retirement System, Gov't House Says

GERS / **Published On February 24, 2022 06:03 PM /**

Staff Consortium **February 24, 2022**

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G.E.R.S. logo at its St. Croix headquarters. By. ERNICE GILBERT/ V.I. CONSORTIUM

Government House on Thursday announced that the government on behalf of all its branches entered into a settlement agreement with the Government Employees' Retirement System dismissing all pending actions against the GVI and releasing all claims that were or could have been asserted by GERS relating to funding of the retirement system.

According to the release, the settlement was a condition of the Authorizing Legislation for the Matching Funds Revenue Bonds Refinancing Transaction (Act No. 8540) that will substantially, in part, benefit the GERS over the next 30 years in bringing the GERS to solvency.

During the hearing on January 31 when the [historic measure was approved](#), it was revealed that G.E.R.S. would dismiss its [case against the government](#) for the remaining \$19 million that the pension system says it was owed for employee and employer contributions. However, GERS Administrator Austin Nibbs said at the hearing that the agreement would not address the \$4 billion in actuarially determined employer contributions, or ADEC, that G.E.R.S. also contends it is owed. Though G.E.R.S. stands to receive more than \$4 billion in payments over the 30-year period as part of the new agreement, Mr. Nibbs said that unless the funds are fully paid, the ADEC court matter would remain active.

“I’d like to thank the GERS board for their help in resolving this long-standing issue so we can move forward with our efforts on behalf of the retiree members and all of the people in restoring the system to solvency,” said Governor Albert Bryan in the Thursday release.

Resolving this condition clears a hurdle and allows Governor Bryan and his team to continue the process of marketing and selling the Rum Excise Tax Cover-Over bonds.

“Because time remains of the essence for the GVI to secure the best interest rates possible, the Administration and its Advisory Team have been working diligently and expeditiously following the Legislature’s approval of our plan,” Mr. Bryan said. “The process of getting to final closing still has many steps and risks before we are able to achieve the final goal of closing on the bonds. However, my team and I have made this our highest priority in order to bring relief to the GERS as quickly as possible.”

According to Gov’t ouse, Mr. Bryan said it could take up to six weeks to complete the process of getting the bonds to market.

Over the course of the lawsuit, the GVI has paid millions of dollars in legal fees, including \$1.5 million during the Bryan-Roach Administration, in addition to the amount of money the GERS has paid in legal fees.