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WAPA Deducting Employee Contributions For Pension and Using it to Conduct Business, GERS Says as it Readies Lawsuit

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

The V.I. Water and Power Authority has until today to decide on a payment plan with the Government Employees' Retirement System for outstanding employer and employee contribution payments owed to the pension system, G.E.R.S. made known during its board meeting Friday.

Failure to reach an agreement will result in G.E.R.S. proceeding to file a complaint with the court for the nearly \$2 million owed by WAPA.

G.E.R.S board members on Friday instructed outgoing G.E.R.S. CEO and Administrator Austin Nibbs, and legal counsel Cathy Smith to proceed with court action against WAPA if an agreement isn't reached today.

The management of G.E.R.S. as part of its efforts to arrive at an amicable solution for the outstanding balance met with WAPA Executive Director Andrew Smith on March 28. However, in a letter dated March 29, Mr. Smith informed G.E.R.S. that WAPA would not be able to make payments based on the timeline the pension system suggested. G.E.R.S. proposed a payment plan covering 18 months, but WAPA is offering 36 months to settle with sporadic payments for employer contributions and intermittent payment for outstanding employee contributions, according G.E.R.S.

The total amount owed is \$1.9 million, including \$1.7 million for employee contributions and \$232,449 for employer contributions

Mr. Nibbs told the board that the last time a payment was made on behalf of WAPA employees was in June 2021, with G.E.R.S. expressing concern for the impact nonpayments could have on WAPA employees, especially those with G.E.R.S. loans.

"The policy is after 30 days of nonpayment, a loan becomes delinquent," Mr. Nibbs said. "By law the G.E.R.S. can deduct past payment from the employee's contribution account."

He said G.E.R.S. has not done so "because it will reduce the employee's related contributions and jeopardize their credited service. Because of this, a total of 90 WAPA employee loans are delinquent," Mr. Nibbs said.

It was further explained that despite the outstanding balance, WAPA continues to deduct contributions from employees' salaries. "Instead of paying it to the G.E.R.S., they are using it for their own business," Mr. Nibbs continued.

"That is criminal, that is stealing. To take money out of the people check and don't turn it over. The employee part you should pay right away and the employer part you should try and work out something," said one board member while another was of the view that WAPA is disrespecting the law by not making the contributions to the G.E.R.S.