

GERS Board Offers Mixed Reviews on Plan to Reinstate Loan Program

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The Board of Trustees of Government Employees' Retirement System during a Thursday meeting provided mixed reviews on a plan to reinstate the suspended loan program.

Among the discussions held was whether the program if reintroduced would also be available to retirees. GERS Chairman Nellon Bowry said he wasn't sure, however the question would be put to the board.

"My personal view is that we'll end up with a staged introduction," he said. "I think we'll have to limit our exposure for a while until we know we have our bases covered. I can't give specifics at this point but we're going to be careful about how we introduce it."

"Part of the problem when we suspended the program was not because of the return on investment but because we ran out of money. We could not invest in a program that's going to lend out money for 5 years if you're going to go bankrupt in 3," Mr. Bowry further stated.

Vincent Guy Liger, a board member, said the board needs to carefully deliberate before moving to reinstate.

"If we are thinking about doing this we have to be careful and begin to also consider that the members' loan is a guarantee of 8 percent. If we are going to say we're open for people to come in and begin to make requests, then we know the employees are going to say, 'it's our money, how come you're not allowing us to get a loan and you're giving this person a loan?' We need to consider this," Mr. Liger advised.

Also discussed at this week's meeting was the nomination and selection of a vice chairman. The board has operated for the past two years without this position filled. A senior member of the board said he did not see the point of appointing a vice chair with a new election coming in January, 2023. After a brief discussion, board members agreed that no board action would be taken on the nomination of a vice chair until further notice.

The board discussed and approved GERS actuary Segal Consulting's proposal to conduct a GERS experience study. Board members said the need for the study, which could cost about \$35,000 and completed in eight weeks, was "apparent and clear."

GERS in April [received \\$89 million](#), the first of three installments of funds generated from rum cover-over taxes to be received this year. These money is helping the system avoid insolvency as financial problems had left over 9,000 retirees in fear of annuity cuts.

Members on Thursday also voted to not rescind Resolution No. 53-2014, which would have lifted the moratorium on the Alternative Investment Program.

Several other agenda items were discussed before the board moved into executive session and later, adjournment. The next GERS meeting will be held in September.