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Bryan Administration Makes \$158 Million Payment to GERS as Part of Securitization Agreement Stabilizing Pension System

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G.E.R.S. headquarters on St. Croix By. ERNICE GILBERT/ V.I. CONSORTIUM

Governor Albert Bryan during his Monday press briefing announced that the government of the Virgin Islands made the full \$158 million payment as part of the \$3.8 billion funding note under the administration's GERS Solvency Plan.

"I am pleased to announce that we have made the first official annual payment to GERS in accordance with the \$3.8 billion Funding Note entered into as part of the GERS Solvency Plan of Act 8540. We made the full \$158 million payment that was due on October 1 despite the concerns of some about there being some shortfall in the territory's Matching Fund revenues," Mr. Bryan

said Monday. “We have stopped the hemorrhaging of the System and begun the process of rebuilding its solvency in a tangible way.”

Mr. Bryan [in February signed historic legislation](#) that allows the GVI to refinance the Rum Cover-Over Matching Fund bonds and use the savings from better interest rates to stabilize the GERS.

In April, Mr. Bryan [closed on the refinancing of the bonds](#) in Washington, D.C.

Act No. 8540, passed by the 34th Legislature, was the administration’s fourth attempt to gain consensus on legislation to restore solvency to the GERS, after the Senate rejected several measures that they concluded would not meet the goal of saving the pension system. The measure that finally gained approval was the result of a collaborative effort between the administration and the Legislature, though it was the governor whose determination to address GERS insolvency during his first term in office that led to the final outcome.

According to Gov't House, the final plan utilizes a special type of corporate entity called the Matching Fund Special Purpose Securitization Corporation. This entity is wholly separate from the Government of the Virgin Islands and was specifically authorized by the Legislature to issue bonds based on rum tax revenues. These bonds permit refinancing on more favorable terms at current interest rates.