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GERS Lawsuit Against WAPA For Millions Owed Moving 'Slow,' Pension System Says

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The Government Employees' Retirement System seems no closer to securing a court decision about millions of dollars owed to it by the Water and Power Authority than it was in August.

“The case is proceeding in court and it’s a slow process,” GERS General Counsel Cathy Smith said during the board's monthly meeting on Monday.

The matter is currently before the V.I. Superior Court and according to Ms. Smith, she recently filed a request for discovery (information/evidence that may be submitted to the court to prove GERS's case) but have not yet received any request of discovery from WAPA.

WAPA has been struggling to service its debts, [admitting in October](#) that it owed vendors an accumulative \$223 million.

A majority of that amount, approximately \$150 million was owed to Vitol, the company which supplies its fuel. Vitol withdrew its services after both parties reached an impasse, and the effects of this decision may well mean [rotating power outages in the U.S Virgin Islands](#).

As for its payment to GERS, as of October 28th, WAPA owed \$1.3 million in outstanding employee contributions and \$7.4 million in employer contributions.

Furthermore, GERS Board Chairman Dwane Callwood said inconsistent and delayed payments were presenting a challenge.

"The current WAPA payment arrangement is posing problems for the VT functionality because the employees participant account should be updated for the employee and the employer contributions for the same pay date and not separately," he said, referring to a system through which these transactions are facilitated.

As of the end of October, contributions and loan deductions were current up until June 24, 2021.

And although the amount has decreased slightly from the \$8.9 million owed in employer contributions, it is not significant enough to prevent the retirement system from depleting millions of its own funds.

In August, GERS recorded a \$67 million deficit for 2022 and told lawmakers that a total of \$120 million had to be withdrawn from its investment portfolio to cover benefit payments and expenses which were not paid by various entities this fiscal year.

The debt amount that WAPA has so far submitted include the employees' share of contributions, loan payments and some lump sum payments for regular contributions.

However, due to the inconsistencies of submittals, Mr. Callwood said GERS's Reconciliation and Control Unit have not received the bank sheets for posting. In the meantime, they continue to post individual lump sum contributions for members upon notification.

Payments to GERS from the Schneider Regional Medical Center are also not current. The agency however did not give a figure for how much is still owed.

Meanwhile, GERS has opted to assist the Juan Luis F Hospital to make good on a \$2.3 million debt owed to the retirement system for the years 2012 through to 2016.