

Good Day Chairman Lewis, Members of the Committee on Government Operations, Veteran Affairs and Consumer Protection, other senators present, staff, the viewing and listening audience. I am Dwane Callwood, Sr., Chairman of the Board of Trustees of the Virgin Islands Government Employees Retirement System. Full disclosure, the Board discussed this legislation in December 2024, when it was originally drafted in the 35th Legislature. Four of the five trustees present were in full support of the bill. However, the bylaws of the GERS Board of Trustees prohibit the Board from taking an official position on any legislation that affects the composition of the Board. So, I speak today on behalf of myself as Chairman and not on behalf of the Board.

The objectives of this bill are long overdue. In September of 2005, the 26th Legislature of the Virgin Islands passed Bill 26-0071, which became Act 6794 – *The Retirement System Reform Act of 2005*. Act 6794 included a provision that empowered the retiree members of the system to directly elect two members of the GERS Board of Trustees. While the retiree members have been able to cast votes directly for two members of the GERS Board, the 7,000 active members of the system have not. Instead, there's a carve out of two seats on the Board for the Central Labor Council, which comprised of unions that represent most, but not all of the active GERS membership.

Enactment of Bill 36-0011 will finally offer parity to all the active members of the GERS system, with respect to having direct input in composition of the system's Board of Trustees. Senators, in 2026, it is hard to rationalize that 7,000 – plus people empowered to directly cast votes for the Chief Executive of this territory, the fifteen members of this very body, and our lone representative in the U.S. Congress aren't allowed to cast direct votes for the GERS Board of Trustees.

Section 11 of Act 6794 also established education and experience criteria for members of the GERS Board of Trustees but exempted the 2 Central Labor Council Seats from the requirements. My best guess would be that the legislative intent of adding these criteria was to strengthen the board. For the Board to reach maximum performance and efficiency, the criteria should apply across the entire Board. The Virgin Islands Government Employees Retirement System is a professionally run pension system. Accordingly, those charged with guiding it should all be professionals as well. As the United States of America moves further towards isolation, and economic shifts accelerate nationally and globally, the strengths and preparation of the membership of the GERS Board of Trustees and other boards throughout the territory will become increasingly critical.

I would like to see one amendment to the bill, to insert the word “vested” to line four of the Bill, between the words “Two” and “active”

In closing, I ask for your support for Bill #36-0011. I remain available to answer any questions.