

BILL NO. 36-0250

Thirty-Sixth Legislature of the Virgin Islands

February 10, 2026

An act amending title 3 Virgin Islands Code, chapter 27, section 717(c) relating to personal loans made to members of the Government Employees' Retirement System

PROPOSED BY: Senator Marise C. James

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 3 Virgin Islands Code, chapter 27, section 717, subsection (c) is amended by striking the existing language and inserting the following:

“(c) The System shall make personal loans to members of the System, as provided in this subsection. Subject to such regulations that the Board may prescribe, any member of the System who has contributed for at least two years shall have the privilege of borrowing from the retirement System with the following provisions:

(1) Each active member is allowed one personal loan per fiscal year that shall not exceed 75 percent of the member's contribution credits in the System and shall not, in any event, exceed the sum of \$75,000, with each individual loan not to exceed \$10,000 at an interest rate set by the Board. This rate includes a charge for insurance on loans against death or total and permanent disability, which development effects a cancellation of any unpaid balance of a loan and any accrued interest thereon.

1 (2) Personal loans must carry interest rates that are set in advance and are
2 not to exceed 12%, and shall be made payable as set by the Board.

3 (3) The principal amount, together with interest, must be repaid to the
4 System in installments at a minimum equal to 5 percent of the member's salary and
5 at a rate that will effect repayment of the loan before the member attains age 70.
6 Repayment amounts must be deducted from the salary of the member at the same
7 time and in the same manner as the member's contributions to the System are
8 deducted.

9 (4) In the event of separation from service for any reason, the balance due
10 on the loan and any accrued interest, must be deducted from any refund of
11 contributions, annuity, death benefit, or any other benefit due the member or the
12 member's beneficiary. Notwithstanding any other provision of law, the System
13 shall not reduce, revoke, or otherwise alter a member's credited service as a result
14 of a default or delinquency on any loan or financial obligation made through or
15 administered by the System.

16 (5) Nothing in this subsection shall prohibit the System from applying
17 appropriate offsets to future benefit distributions or pursuing collection of
18 outstanding debts through other lawful means, provided such actions do not alter
19 the member's earned credited service. Credited service shall reflect the actual
20 duration of government employment and contributions made in accordance with
21 applicable statutes and shall not be affected by any financial penalties, offsets, or
22 administrative remedies related to loan defaults.

23 (6) The personal loans issued pursuant to this subsection are not subject to
24 the provisions of subsection (b), paragraph (18).

