

Good day Senate President Milton Potter and other members of the 36th Legislature. I am Julio A Rhymer Sr., Director of the Office of Management and Budget.

Thank you for the opportunity to provide testimony on the legislation that seeks to repeal Title 3 V.I.C. section 714(g)(1) and (2) also Title 3 V.I.C. section 763(g) which permits members of the Legislature of the Virgin Islands to simultaneously receive a government retirement annuity for non legislative government service while collecting compensation for legislative service.

Reason for Repeal

The reasoning behind this repeal is to start to create parity throughout all branches of Government for all employees. This measure also seeks to reduce the burden on the Government Employees Retirement System where all employees no matter what branch of Government will be collecting one annuity.

This legislation is long overdue in addressing the practice of double dipping, which is clearly the case currently. As you all are aware is the Government of the Virgin Islands had to pledge funds from the rum cover over through a matching fund special purpose securitization to assist with reducing the risk of the Government Employees Retirement System from going insolvent. The annual contribution from the Special Purpose Securitization vehicle is approximately \$40 million a year. This contribution is schedule for 30 year window and potentially extends the life of the retirement system for another 30 years.

Senators, we need to be mindful that our fiduciary responsibility require us as the financial team to look at all aspects of financial matters. As the plan sponsor for Government Employee Retirement System, its our responsibility to keep the system solvent for not just current retirees but all future retirees for the infinite future.

Conclusion

Finally, In closing this legislation does not seek to be punitive but intends to create equity amongst all members of the retirement system. Therefore, we appreciate your consideration of this important piece of legislation.

That concludes my testimony and I am available for any questions that you may have regarding this important matter.