COMMITTEE ON GOVERNMENT OPERATIONS, VETERANS AFFAIRS AND CONSUMER PROTECTION

BILL NO. 36-0103

Thirty-Sixth Legislature of the Virgin Islands

June 24, 2025

An act amending title 33 Virgin Islands Code, subtitle 3, chapter 111, section 3080 by reducing the percentages used to calculate post-service retirement annuities for the Governor and Lieutenant Governor and by establishing a minimum retirement age

PROPOSED BY: Senator Alma Francis Heyliger

WHEREAS, the Governor and Lieutenant Governor of the Virgin Islands currently qualify for 40% of their salary as a lifetime annuity after serving one full term and 80% after two terms;

WHEREAS, these percentages far exceed what most career government employees receive in retirement after decades of service, creating a disparity in benefits;

WHEREAS, the lifetime pension awarded after as few as four or eight years of service, particularly at current executive salary levels, creates a disproportionate and unsustainable liability for the Government Employees' Retirement System ("GERS");

WHEREAS, the Virgin Islands Government is facing severe fiscal pressures, including GERS unfunded liabilities that threaten the stability of pensions for long-term public servants; and

WHEREAS, best practices across United States jurisdictions show that many states offer defined-contribution plans or deferred benefits rather than full pensions for high-level elected officials; and

WHEREAS, it is the intent of the Legislature of the Virgin Islands to promote equity, sustainability, and public confidence in the fairness of government compensation practices; Now, Therefore,

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 33 Virgin Islands Code, subtitle 3, chapter 111, section 3080, subsection (f) amended as follows:

(a) in the introductory phrase of subsection (f) by striking "[N]otwithstanding his age,"

(b) in subsection (f)(a) by striking "40%" and inserting "30%";

(c) in subsection (f)(b) by striking "80%" and inserting "60%"; and

(d) by striking subsection (f)(c), and inserting the following new subsection(f)(3):

"(f)(3) A person elected as Governor or Lieutenant Governor is not eligible to receive a retirement annuity under this section unless that person has completed not less than four consecutive years as Governor or Lieutenant Governor and has attained the age of 55.";

(e) by striking "(f)(a)" and "(f)(b)" and inserting "(f)(1)" and "(f)(2)", respectively.

(f) by striking the last sentence of subsection (f), which reads: "[I]in the event an elected Governor or Lieutenant Governor resigns from office due to illness with one-half or less of his term remaining, for the purposes of this section only, he shall be considered to have completed the term." and inserting the following subsection (d):

"(d) If either an elected Governor or Lieutenant Governor resigns from office because of illness during their first term, the person shall receive 7.5% of their salary for each year served, irrespective of whether the year is completed, limiting the maximum potential retirement annuity to not more than 30% of their salary. If either an elected Governor or Lieutenant Governor resigns because of illness during their second term, the person shall receive 15% of their salary for each year served, irrespective of whether the year is completed, limiting the maximum potential retirement annuity to not more than 60% of their salary."

BILL SUMMARY

This bill amends title 33 Virgin Islands Code, subtitle 3, chapter 111, section 3080 by reducing the percentages used to calculate the retirement annuity for the Governor and Lieutenant Governor and by establishing a minimum retirement age for Governor and Lieutenant Governor and establishes the formular to calculate the retirement annuity when the Governor or Lieutenant Governor resigns because of illness before the completion of their term.

BR25-0342/June 3, 2025/SLR