

# ACT NO. 7880

**BILL NO. 31-0289**

## **THIRTY-FIRST LEGISLATURE OF THE VIRGIN ISLANDS**

**Regular Session**

**2016**

An Act amending title 3 Virgin Islands Code, sections 717 and 766 by requiring the GERS to issue personal loans to members in an amount not to exceed \$10,000 and requiring that the personal loans issued not exceed the aggregate amount of \$10,000,000 per annum, per district and by making a technical amendment

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*Be it enacted by the Legislature of the Virgin Islands:*

**SECTION 1.** Title 3 Virgin Islands Code, chapter 27, section 717 is amended in the following instances:

- (a) subsection (b) is amended—
  - (A) by striking paragraphs (11) and (14) in their entirety; and
  - (B) by striking the phrase, “Notwithstanding any other provision of law” at the beginning of paragraph (19) and inserting at the end of paragraph (19) “; except that the loan lending limits for personal loans are as prescribed in subsection (c)”.
- (b) The affected paragraphs are renumbered accordingly.
- (c) Subsection (c) is added and reads as follows:

“(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, but a member may not have more than one loan in a fiscal year.

Each active member is allowed one personal loan 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. In case of separation from service for any reason, including death or disability of the member, the balance due on the loan and any accrued interest thereon, must be deducted from any refund of contributions, annuity, death benefit or any other benefit due the member or to the member's beneficiary. 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. The principal amount, together with interest thereon, must be repaid to the System in instalments at least equal to 5 percent of the member's salary and at a rate that will effect repayment of the loan before the member attains the retirement age. Such repayments must be deducted from the salary of the member at the same time and in the same manner as the member's contributions to the System are deducted.

Personal loans must carry interest rates that are set in advance, from time to time, and shall be made payable as set by the Board. Personal loans issued under this section shall not exceed the aggregate amount of \$10,000,000 per fiscal year, per district for a maximum allocation of \$20,000,000 for personal loans to members of the System.

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

**SECTION 2.** Title 3 Virgin Islands Code, chapter 28A, section 766, subsection (b) is amended as follows:

(a) paragraph (10) in the section heading by inserting "active" before "members"; in the first sentence by striking "two loans" and inserting "one loan"; in the second sentence after "\$75,000" by inserting ". with each individual loan not to exceed \$10,000"; and after the last sentence by inserting: "Personal loans issued under this section are not subject to subsection (b), paragraph (17) and shall not exceed the aggregate amount of \$10,000,000 per fiscal year, per district for a maximum allocation of \$20,000,000.

(b) paragraph (18) by striking "Notwithstanding any other provision of the law" and by inserting at the end of the paragraph ", except that the loan lending limits for personal loans are prescribed in subsection (c)".

(c) Re-designating paragraph (10) as subsection (c) and renumbering the paragraphs accordingly.

Thus passed by the Legislature of the Virgin Islands on May 9, 2016.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 19<sup>th</sup> Day of May, A.D., 2016.



*Neville James*  
Neville James  
President

*Myron D. Jackson*  
Myron D. Jackson  
Legislative Secretary



**Bill No. 31- 0289 is hereby approved.**

**Witness my hand and the Seal of the  
Government of the United States  
Virgin Islands at Charlotte Amalie,  
St. Thomas, this 21<sup>st</sup> day of May, 2016 A.D.**

*K. Mapp*  
Kenneth E. Mapp  
Governor