

Virginia Retirement System 2005 Fiscal Impact Statement

1. Bill Number HB1645

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Orrock

3. Committee Appropriations

4. Title Retirement System; purchase of prior service credit by Amtrak employees.

5. Summary/Purpose:

Virginia Retirement System; purchase of retirement service credit. Allows a member in service to purchase prior service credit for service with Amtrak.

6. Because of its limited applicability, there would be no significant actuarial impact related to the purchase of such service. See Fiscal Implications.

7. Budget amendment necessary: No

8. Fiscal implications: This bill would allow members to purchase service toward retirement for employment with Amtrak. Amtrak is a private "for profit" corporation, similar to CSX and Norfolk Southern, whose employees are covered under the Railroad Retirement Board. Permitting service with Amtrak to be purchased would violate VRS' status as a governmental plan under the IRS and would subject the VRS to the requirements of the federal Retirement Income Security Act (ERISA). ERISA requires more stringent funding and disclosure requirements and compliance with ERISA could have significant cost implications to participating employers and their employees.

9. Specific agency or political subdivisions affected: VRS and employers with employees formerly employed by Amtrak.

10. Technical amendment necessary: No

11. Other comments: None

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