



City of Richmond, Virginia

RICHMOND RETIREMENT SYSTEM

Purchase of Prior Service Fact Sheet

The information referenced in this document is sourced from section 78-174 of the Code of the City of Richmond.

Richmond Retirement System (RRS) Purchase of Prior Service Overview:

The RRS allows active vested members in the Defined Benefit Plan to purchase prior creditable service, provided that service is *not* considered in the calculation of any retirement benefit by another retirement system. Any creditable service purchased cannot be considered in determining eligibility for an unreduced early retirement, if the member's retirement is within five years of the date of purchase, with one exception – creditable service purchased in connection with a portability agreement shall be considered in determining eligibility for an unreduced early retirement, provided such purchase is made at least 90 days prior to such retirement.

Types of Service That Can Be Purchased:

- Certified creditable service in any retirement system in Virginia, or another state or of a political subdivision
- Any period of full-time service rendered to a participating employer on a temporary, seasonal, provisional, Comprehensive Employment Training Act (CETA) or contractual basis, provided that such periods of service have not been previously included in the member's creditable service.

Payment:

- The member must pay an amount of the following percentages, for each year of creditable service to be credited, of their current annual creditable compensation, or of their average final compensation during the 36 highest consecutive months of creditable service with the City, whichever is greater:
 - General Employees, 10%
 - Public Safety Officers, 15%
- Payment may be made in a lump sum or by payroll deduction in equal installments over a period not to exceed the service credit being purchased. Payment can also be accepted via trustee-to-trustee transfer of a lump sum (i.e. from a 457 Deferred Compensation account). A combination payment of lump sum and payroll deduction may be made as well.

Procedures:

The following steps need to be taken by the member:

1. The member must have a Certification of Service Form completed by their former employer

Richmond Retirement System

900 East Broad Street * Room 400 * Richmond, VA 23219

Phone: 804-646-5958 * 1-888-288-2781 * Fax: 804-646-5299

<http://www.richmondgov.com/retirement/>

2. Once the RRS receives the Certification of Service Form and verifies the member's former employment, the member will receive a Cost Notification Letter and Service Credit Application Form in the mail. If the member elects to purchase the creditable service, the Service Credit Application Form must be completed, signed, notarized and returned to the RRS (along with certified check or money order if making a lump sum payment) for processing.

*All forms can be downloaded from the RRS website at www.richmondgov.com/retirement

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