

A TROUBLING ISSUE

In the 2008 General Assembly session, several bills were introduced that would require VRS to divest its holdings in companies that do business in the Sudan and that do business in countries deemed to sponsor terrorism. Sponsors of this legislation apparently believe that by joining this national movement to put economic pressure on these companies they will alleviate the genocide in Darfur and protect the US from terrorism.

The VRTA opposes this legislation. Certainly, no one wants to contribute to genocide or terrorism; however, these bills would set a very dangerous precedent. The legislature would be given authority to micro-manage the retirement fund, which could result in great harm to our very good pension system. Articles in recent publications have implied little prospect of accomplishing their altruistic purposes with this legislation. Although the Senate bill passed unanimously, VRTA was successful in stopping this legislation in a House subcommittee. The sponsors have vowed to resubmit these bills in 2009.

Therefore, it is imperative that our members understand this issue and its ramifications. We need the same concerted effort in opposing this legislation that we had in supporting the health credit. We must defeat not only these bills but the concept of the legislature putting requirements and restrictions on the VRS investment team.

To be successful, members, units, districts, and state leaders must work together and speak with one voice. Please come to the Legislative Workshop at Blackstone on October 6 where this issue will be discussed and materials provided for members to use with their legislators before the General Assembly convenes in January.

Bea Morris, Legislative Co-Chair
July 2008