B.C.D. 02-54

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EMPLOYER STATUS DETERMINATION
Chesapeake Railroad Company

This is the decision of the Railroad Retirement Board regarding the continued status of the Chesapeake Railroad Company, as an employer under the Railroad Retirement Act (45 U.S.C. § 231, et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351, et seq.) (RUIA).

Chesapeake was held to be an employer under the Acts effective January 1, 1995, (B.A. Number 2365). It ceased operations as of December 31, 1999, and sold its assets to Aberdeen, Carolina & Western Railway, a covered employer under the Acts (B.A. No. 2595).

Section 202.11 of the Board's regulations provides that:

> The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.

Through the sale of its rail and other assets and its cessation of operations, Chesapeake has lost the characteristics essential to the existence of an employer status. Accordingly, the Board holds that Chesapeake ceased to be an employer under the Railroad Retirement and Railroad Unemployment Insurance Acts effective with the close of business on December 31, 1999. Cf. Rev Ruling 82-99, 1982-2 C.B. 154, wherein the Internal Revenue Service ruled that a railroad ceases to be an employer subject to taxes under the Railroad Retirement Tax Act when the railroad's employees stop performing services in connection with the railroad's carrier activities.

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