

Employer Reporting Instructions

Part V - Reports of Creditable Service and Compensation

Chapter 6: Filing Instructions for Form BA-9, Report of Separation Allowance or Severance Pay

Purpose of Form BA-9

Whenever you make separation allowance or severance payments to an employee, such payments are to be reported to the RRB on [Form BA-9](#) 📄, Report of Separation Allowance or Severance Pay. This report is needed to establish a disqualification period for unemployment and sickness benefits and to calculate any Separation Allowance Lump Sum benefit due at retirement. Information on Form BA-9 may also be used to make deemed service month determinations.

Separation Allowance Paid With Other Payments

If both a separation allowance and some other payment are being paid at the same time, it is preferable if the two payments are issued separately. This will make clear to both the employee and the RRB, the amount of separation allowance which is subject to Tier II tax. If a separation payment and another payment are combined, the Tier II tax on the pay receipt may not agree with the amount reported on [Form BA-9](#) 📄 as subject to Tier II tax. Any such differences must be resolved. Separate payments will help to prevent unnecessary inquiries to the employer for clarification.

Form BA-9 Filing Instructions

[Form BA-9](#) 📄, Report of Separation Allowance or Severance Pay, is due at the RRB no later than the last day of the month following the end of the quarter in which the separation or severance was paid. For example, reports of payments made during April through June 2015 were due at the RRB no later than July 31, 2015. While the filing of quarterly reports is required, you may file more often. It may be more convenient to file the forms on a monthly basis or each time you make a separation or severance payment.

Detailed instructions for completing Form BA-9 are located on the form.

Failure to File Form BA-9 Timely

It is important that you file [Form BA-9](#) 📄 timely because benefits under both the RUIA and RRA may be affected. If you fail to file Form BA-9 timely:

- no disqualification period will be established;
- RUIA benefits may be paid improperly; and
- the employer's RUIA contribution rate will be erroneously inflated.

Adjustments

Adjustments to reported severance pay are made on [Form BA-9](#) 📄 also. Instructions on the reverse side of the paper form explain how to notate an entry is an adjustment.

Incorrect Usage of Form BA-9

Do not use [Form BA-9](#)  to:

Update an employee's service and compensation record.	The creditable compensation that results from a separation allowance or severance payment must be reported as regular compensation on Form BA-3, or on Form BA-4, as appropriate.
Report miscellaneous compensation	Separation allowance or severance pay may become miscellaneous compensation if the payment meets all of the conditions of miscellaneous pay as described in Part IV, Chapter 2 .
Report a monthly dismissal allowance.	See the explanation of dismissal allowances in Part IV, Chapter 7 .

Form BA-9 Earned vs. Paid Reporting

There are no special instructions for completing [Form BA-9](#)  to report Severance Pay/Separation Allowances, based on whether you report compensation on an earned or paid basis. This is because it is assumed, prior to completing the Form BA-9; that you have already correctly calculated the taxes and reported the separation allowance using the method (earned/paid) you have chosen. You then report on Form BA-9 the amount of the separation allowance that was already subject to tax and the amount that was already reported as compensation for the reporting period. If the separation allowance was paid out over a period, it may be necessary to file more than one Form BA-9.