Appendix A – Railroad Employer Pension Table

Click Railroad Employer Pension Table to access the Table.

Appendix B - Explanation of Closing Date for Employees Born Before September 2, 1916

B1 Closing Date Requirement for Sup Ann.

Effective October 1, 1981, the "closing date" provision described in this appendix does not apply to employees born September 2, 1916, or later. The "closing date" provisions described below still apply to employees who were born prior to September 2, 1916.

The supplemental annuity "closing date" provision became effective January 1, 1971. The closing date indicated in a schedule based on the employee's date of birth. Each employee's closing date was the last day that employee could perform compensated service for an RR Act employer and still be entitled to a supplemental annuity. At that time, the "closing date" requirement applied to all employees, including those who had already retired.

If employees performed any service after their closing date, they were not eligible for the SUP ANN. If annuitants performed employer service after their closing dates, their SUP ANNs terminated as of the last day of the month before the month they returned to service. An exception was made for an employee who had at least 276 months of service but less than 300 months of service on the scheduled closing date, as explained below.

The RRB discontinued releasing closing date notices in 1975. Employees should have been advised of their closing date if they submitted advance proof of age.

If annuitants worked through their closing dates and alleged that they received erroneous advice from RRB as to the last date that they could work and receive SUP ANNs, the case were referred to the Methods and Procedures section for consideration. Particular attention was paid to those cases in which individuals had a birthday on the first day of the month and attained the age that determined their closing date in the preceding month.

B2. Schedule Of Closing Dates.

Initially, this provision applied to employees who were age 68 or over in 1970. The age was gradually reduced over the next 3 years until it reached age 65 in 1973. For employees who attained age 65 after 1973, their "closing date" was the last day of the month following the month in which they attain age 65.

An employee's "closing date" was determined from the following schedule:

EE DOB	Employee Attains	Closing Date
Before 1/2/1903	Age 68 before 1/1971	1/31/1971
1/2/1903 - 2/1/1903	Age 68 in 1/1971	2/28/1971
2/2/1903 - 3/1/1903	Age 68 in 2/1971	3/31/1971
3/2/1903 - 4/1/1903	Age 68 in 3/1971	4/30/1971
4/2/1903 - 5/1/1903	Age 68 in 4/1971	5/31/1971
5/2/1903 - 6/1/1903	Age 68 in 5/1971	6/30/1971
6/2/1903 - 7/1/1903	Age 68 in 6/1971	7/31/1971
7/2/1903 - 8/1/1903	Age 68 in 7/1971	8/31/1971
8/2/1903 - 9/1/1903	Age 68 in 8/1971	9/30/1971
9/2/1903 - 10/1/1903	Age 68 in 9/1971	10/31/1971
0/2/1903 - 11/1/1903	Age 68 in 10/1971	11/30/1971
1/2/1903 - 12/1/1903	Age 68 in 11/1971	12/31/1971
2/2/1903 - 1/1/1904	Age 68 in 12/1971	1/31/1972
1/2/1904 - 1/1/1905	Age 67 in 1971	1/31/1972
1/2/1905 - 2/1/1905	Age 67 in 1/1972	2/29/1972
2/2/1905 - 3/1/1905	Age 67 in 2/1972	3/31/1972
3/2/1905 - 4/1/1905	Age 67 in 3/1972	4/30/1972
4/2/1905 - 5/1/1905	Age 67 in 4/1972	5/31/1972
5/2/1905 - 6/1/1905	Age 67 in 5/1972	6/30/1972
6/2/1905 - 7/1/1905	Age 67 in 6/1972	7/31/1972
7/2/1905 - 8/1/1905	Age 67 in 7/1972	8/31/1972
8/2/1905 - 9/1/1905	Age 67 in 8/1972	9/30/1972
9/2/1905 - 10/1/1905	Age 67 in 9/1972	10/31/1972
0/2/1905 - 11/1/1905	Age 67 in 10/1972	11/30/1972
1/2/1905 - 12/1/1905	Age 67 in 11/1972	12/31/1972
2/2/1905 - 1/1/1906	Age 67 in 12/1972	1/31/1973
1/2/1906 - 1/1/1907	Age 66 in 1972	1/31/1973
1/2/1907 - 2/1/1907	Age 66 in 1/1973	2/29/1973
2/2/1907 - 3/1/1907	Age 66 in 2/1973	3/31/1973
3/2/1907 - 4/1/1907	Age 66 in 3/1973	4/30/1973
4/2/1907 - 5/1/1907	Age 66 in 4/1973	5/31/1973
5/2/1907 - 6/1/1907	Age 66 in 5/1973	6/30/1973
6/2/1907 - 7/1/1907	Age 66 in 6/1973	7/31/1973
7/2/1907 - 8/1/1907	Age 66 in 7/1973	8/31/1973
8/2/1907 - 9/1/1907	Age 66 in 8/1973	9/30/1973
9/2/1907 - 10/1/1907	Age 66 in 9/1973	10/31/1973
10/2/1907 - 11/1/1907	Age 66 in 10/1973	11/30/1973
11/2/1907 - 12/1/1907	Age 66 in 11/1973	12/31/1973
12/2/1907 - 1/1/1908	Age 66 in 12/1973	1/31/1974
1/2/1908 - 1/1/1909	Age 65 in 1973	1/31/1974
1/2/1909 - 9/1/1916	Age 65 after 1973 The last day of the month following the month in which age 65 is attained.	
After 9/1/16	Age 65 after 9/1981 Closing date provision eliminated.	

B3. Special Closing Date For Employees Who Had Between 23 And 25 Years Of Railroad Service On The Regular Closing Date.

A special closing date provision applied for employees born before September 2, 1916, if they had at least 276 months but less than 300 months of creditable railroad service on their regular closing date and they were not entitled (or potentially entitled) to an RIB before their regular closing date. However, if these employees had the required service months but lacked a current connection, the special closing date was the last day of the month in which the current connection was acquired. The closing date was extended to the earliest of the following dates:

A. The last day of the month before the month in which RIB entitlement (or potentially entitlement) began; or

B. The last day of the month in which the 300th service month was acquired; or

Example: John Dell was born 8-25-16, had 299 service months through 9-30-81 (his regular closing date) and had a current connection. He earned his 300th service month in 10-81, ceased railroad employment as of 10-31-81. His special closing date was 10-31-81, and he was entitled to a SUP ANN since he ceased railroad service on that date.

C. The last day of the month in which the current connection was acquired.

B4. How Special Closing Date Was Determined Based On Month Employee Became Entitled Or Potentially Entitled To Rib.

If employees became entitled or potentially entitled to an RIB after their regular closing date, their special closing date was the last day of the month before the month of RIB entitlement. In determining the special closing date, it was assumed that the point in time when employees became potentially entitled to an RIB was the day they earned the dollar amount that gave the qualifying quarter of coverage and not the effective date of potential entitlement.

Example: Alice Smith was born 8-25-16, was concurrently employed by a railroad and an employer covered by the SS Act. She had 298 service months as of 10-1981 (her regular closing date was 9-30-81) and a current connection. She needed one quarter of coverage to qualify for an RIB. In 11-1981 she performed work that gave her the qualifying quarter of coverage and her 299th service month. In 12-1981 she acquired her 300th service month and ceased railroad service on 12-31-81. Her special closing date was 10-31-81, the last day of the month before the month in which she earned her qualifying quarter of coverage. She was not entitled to a SUP ANN since she performed railroad service after that date.

B5.How Special Closing Date Was Determined When Employee First Qualified For A Sup Ann And Became Entitled Or Potentially Entitled To Rib In Same Quarters.

In absence of evidence to the contrary, it was assumed that employees performed RR service before they earned the dollar amount that made them entitled or potentially entitled for an RIB. In this situation, the employees' closing date was the last day of the month they first became eligible for a SUP ANN and they were entitled to SUP ANNs providing they did not perform RR service after that date. This principle applied even if the employee became eligible for a SUP ANN and an RIB in the same calendar month.

Example: Mr. Casey Jones was born 8-25-16 and was concurrently employed by a railroad and an employer covered by the SS Act. He had 299 service months as of 10-1981 (his regular closing date was 9-30-81) and a current connection. He needed one quarter of coverage to qualify for RIB. In 11-1981 he performed work that gave him his qualifying quarter of coverage, acquired his 300th service month, and ceased railroad service. Since both events occurred in the same month, his special closing date was 11-30-81, which was the last day of the month in which he acquires 300 months of service. He was entitled to a SUP ANN since he did not perform railroad service after that date.

B6. Effect Of Vacation Pay, Pay For Time Lost, Sick Leave, Separation Pay, And Similar Payments Reported For A Period After The Closing Date.

A. Vacation Pay. - Vacation pay was not credited to a period after the closing date for employees whose actual DLW was before that date and who were otherwise entitled to a SUP ANN. This was true even for individuals who retained status as an "employee" for the period covered by the vacation pay after their DLW and closing date. Vacation pay was never credited in such a manner that it would constitute service after an employee's closing date as that would have caused loss of entitlement to a SUP ANN.

B. Pay for Time Lost, Sick Leave, Separation Pay, and Similar Payments. - If, under existing procedure, such a payment would be credited to a period after the employee's closing date, the employee was given an opportunity to have the payment allocated to a period before the closing date.

Appendix C - Employee Annuity Legislative History

The Age and Service Employee Legislative History is in RCM 1.1, Appendix A.

The Employee Disability Annuity Legislative History is in DCM 3, Appendix D. (The Employee Disability Freeze and DIB (O/M) Legislative History is in DCM 6 Appendix 4).

Appendix D - Supplemental Annuity Rates

D1. 1974 Railroad Retirement Act Supplemental Annuities (Before Reduction For Employer Pension)

The supplemental annuities paid under the 1974 Railroad Retirement Act (RR Act) began January 1, 1975, or later. The minimum SUP ANN rate is $23.00 for 25 years of service. The years of service used to compute the net SUP ANN under the 1974 RR Act are not rounded and the SUP ANN rate is not rounded to the next higher nickel. The employee's tier 2 rate does not include a reduction for the SUP ANN.

YRS/MOS. OF SERVICE	1974 RR ACT SUP ANN RATE	YRS/MOS. OF SERVICE	1974 RR ACT SUP ANN RATE
25	23.00	25 - 1/12	23.33
25 - 2/12	23.67	25 - 3/12	24.00
25 - 4/12	24.33	25 - 5/12	24.67
25 - 6/12	25.00	25 - 7/12	25.33
25 - 8/12	25.67	25 - 9/12	26.00
25 - 10/12	26.33	25 - 11/12	26.67
26	27.00	26 - 1/12	27.33
26 - 2/12	27.67	26 - 3/12	28.00
26 - 4/12	28.33	26 - 5/12	28.67
26 - 6/12	29.00	26 - 7/12	29.33
26 - 8/12	29.67	26 - 9/12	30.00
26 - 10/12	30.33	26 - 11/12	30.67
27	31.00	27 - 1/12	31.33
27 - 2/12	31.67	27 - 3/12	32.00
27 - 4/12	32.33	27 - 5/12	32.67
27 - 6/12	33.00	27 - 7/12	33.33
27 - 8/12	33.67	27 - 9/12	34.00
27 - 10/12	34.33	27 - 11/12	34.67
28	35.00	28 - 1/12	35.33
28 - 2/12	35.67	28 - 3/12	36.00
28 - 4/12	36.33	28 - 5/12	36.67
28 - 6/12	37.00	28 - 7/12	37.33
28 - 8/12	37.67	28 - 9/12	38.00
28 - 10/12	38.33	28 - 11/12	38.67
29	39.00	29 - 1/12	39.33
29 - 2/12	39.67	29 - 3/12	40.00
29 - 4/12	40.33	29 - 5/12	40.67
29 - 6/12	41.00	29 - 7/12	41.33
29 - 8/12	41.67	29 - 9/12	42.00

YRS/MOS. OF SERVICE	1974 RR ACT SUP ANN RATE	YRS/MOS. OF SERVICE	1974 RR ACT SUP ANN RATE
29 - 10/12	42.33	29 - 11/12	42.67
30 or more	43.00		

D2. 1937 Railroad Retirement Act Supplemental Annuities (Before Reduction For Employer Pension)

The SUP ANN paid before 1975 under the 1937 RR Act continue to use the 1937 SUP ANN rates. The years of service used to compute the net SUP ANN under the 1937 RR Act remains rounded if more they include a fraction of 6/12 or larger and the SUP ANN rate remains rounded to the next higher nickel amount (except the $70.00 maximum amount). The employee's equalized tier 2 rate includes a reduction for the SUP ANN.

YRS/MOS. OF SERVICE	1937 RR ACT SUP ANN RATE	YRS/MOS. OF SERVICE	1937 RR ACT SUP ANN RATE
24 - 6/12	45.05	24 - 7/12	45.05
24 - 8/12	45.05	24 - 9/12	45.05
24 - 10/12	45.05	24 - 11/12	45.05
25	45.05	25 - 1/12	45.45
25 - 2/12	45.85	25 - 3/12	46.25
25 - 4/12	46.75	25 - 5/12	47.15
25 - 6/12	50.05	25 - 7/12	50.05
25 - 8/12	50.05	25 - 9/12	50.05
25 - 10/12	50.05	25 - 11/12	50.05
26	50.05	26 - 1/12	50.45
26 - 2/12	50.85	26 - 3/12	51.25
26 - 4/12	51.75	26 - 5/12	52.15
26 - 6/12	55.05	26 - 7/12	55.05
26 - 8/12	55.05	26 - 9/12	55.05
26 - 10/12	55.05	26 - 11/12	55.05
27	55.05	27 - 1/12	55.45
27 - 2/12	55.85	27 - 3/12	56.25
27 - 4/12	56.75	27 - 5/12	57.15
27 - 6/12	60.05	27 - 7/12	60.05
27 - 8/12	60.05	27 - 9/12	60.05
27 - 10/12	60.05	27 - 11/12	60.05
28	60.05	28 - 1/12	60.45
28 - 2/12	60.85	28 - 3/12	61.25
28 - 4/12	61.75	28 - 5/12	62.15
28 - 6/12	65.05	28 - 7/12	65.05
28 - 8/12	65.05	28 - 9/12	65.05

YRS/MOS. OF SERVICE	1937 RR ACT SUP ANN RATE	YRS/MOS. OF SERVICE	1937 RR ACT SUP ANN RATE
28 - 10/12	65.05	28 - 11/12	65.05
29	65.05	29 - 1/12	65.45
29 - 2/12	65.85	29 - 3/12	66.25
29 - 4/12	66.75	29 - 5/12	67.15
29 - 6/12	70.00	29 - 7/12	70.00
29 - 8/12	70.00	29 - 9/12	70.00
29 - 10/12	70.00	29 - 11/12	70.00
30 or more	70.00		

Appendix E - Supplemental Annuity Historical Background

E1. Legislative History

Effective Date	Supplemental Annuity Provision
11-01-66	Limited eligibility to annuitants first awarded regular annuities after June 30, 1966. Required coordination of SUP ANN benefits with railroads with approved private railroad pension plans to reduce the SUP ANN and create supplemental annuity tax credits for the railroads based on those reductions. The RRB Supplemental Annuity Tax Credit/Tax Liability (TACAL) program was established to create quarterly reports of supplemental annuity tax credits for these railroads. Established operation of the program for a fixed period of time (5 years). Financed benefits through a separate supplemental annuity account maintained by employer contributions only. Subjected SUP ANN payments to Federal income tax.
04-01-1970	Established borrowing authority. SUP ANN payments due between 12-1-1969 and 3-1-1970 had been delayed until sufficient tax receipts were received to cover the SUP ANN payments. Limited entitlement to eligible employees who ceased RR service on or before their "closing date".

	Established permanent SUP ANN program as part of the Railroad Retirement system. Gave RRB authority to adjust the man-hour SUP ANN tax rate quarterly. Established "Supplemental Annuity Tax Liabilities" for employers with pension plans established through collective bargaining agreements (negotiated pension plans). The TACAL program was expanded to create quarterly reports of supplemental annuity tax liabilities for these railroads.
01-01-1975	Extended SUP ANN eligibility to annuitants age 60 with 30 years of service whose annuities were first awarded after June 30, 1974. Changed supplemental annuity rates for new entitlements- from minimum $23 at 25 years of service plus $4 for each additional year up to a maximum of $43 at 30 years of service. For new entitlements, also removed SUP ANN reduction from the regular annuity computation. For cases converted from the 1937 RRA to the 1974 RRA, the 1974 RRA conversion rate left the SUP ANN at the old rate (i.e. $70.00) and left the reduction to the basic annuity. The 1974 RRA tier 2 was based on an “equalized amount.”
10-01-1981	Eliminated the closing date requirement effective 10-1-81, for employees born 9-2-16 or later. Required employees to have at least one month of railroad service before 10-1-81 to be eligible for a SUP ANN. Stopped rounding years of service.
12-01-1988	Permitted last pre-retirement non-railroad (LPE) after the after ABD with earnings deductions in tier 2 and supplemental annuity.
10-1-1987	PL 100-119 (Gramm-Rudman) cut back SUP ANN by 8.5%. Withheld amounts later restored.
10-1-1989	PL 100-119 (Gramm-Rudman) cut back SUP ANN by .7%.
10-1-1990	Restored full SUP ANN. Stated that SUP ANN is exempt from any further cutbacks for PL 100-119.

1-1-2002	Section 203(b) of the Railroad Retirement and Survivor's Improvement Act of 2001, removed the supplemental annuity tax, supplemental annuity tax credits, and supplemental annuity tax liabilities from the Internal Revenue Code sections 3221(c) and 3221(d) effective for months after December 2001. The SUP ANN is now funded by part of the railroad tier 2 taxes.
1-1-2003	The TACAL program created reports in the year 2002 for adjustments for months before January 2002 only. The TACAL program was shut down.

E2. SUP ANN Cutbacks From 1987 Through 1990

Supplemental annuity funds were sequestered for two periods under the provisions of PL100-119, the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (also referred to as the Gramm-Rudman). However, it was later determined that the SUP ANN is not subject to sequestration under this Act. Therefore, only the two periods listed below are affected by this legislation.

The SUP ANN Tax Credit (TACAL) cases were not affected by this cutback. The cutback applied to the SUP ANN rate after reduction for the employer pension.

A. November 1987 through January 1988.--The net SUP ANN rate for recurring SUP ANNs or SUP ANN accruals was cut back by 8.5%. However, the accumulated cutback amounts was subsequently paid to the employees in a special DAISY run on February 5, 1988, as "one payment only." All SUP ANN Tax Liability (TACAL) records with a net SUP ANN greater than zero show this accrual posted to the month of April 1970.

B. October 1989 through September 1990.--

1. The net SUP ANN rate for recurring SUP ANNs or SUP ANN accruals was cut back by 2.7% from November 1989 through February 1990.

2. Beginning with payments for February 1990, the reduction percentage was changed to .7% and made retroactive to October 1989. The accumulated cutback amounts to that point (difference between 2.7% and .7%) were paid to the employees in a February 1990 mass adjustment. All SUP ANN Tax Liability (TACAL) records with a net SUP ANN greater than zero included this accrual in the month in which the accrual was paid; and,

3. The cutback of .7% continued through September 1990.

C. October 1990 or Later.--Effective October 1,1990, no new or increased SUP ANN payments were cutback. Initial supplemental annuity payments made October 1, 1990 or later or SUP ANN reinstatements were not cutback, even if they retroacted

into the October 1, 1989 through September 30, 1990 period. However, the amount withheld from SUP ANN from October 1989 through September 1990 was not paid to the annuitants who did not need a SUP ANN adjustment for some other reason. The cutback remained for the closed period.

E3. Effect of Railroad Retirement and Survivors Improvement Act (RRSIA) on Supplemental Annuity

Employer Tax Liabilities

A. Effective January 2002 or Later - The RRSIA of 2001 amendments deleted Section 3221(d) from the Internal Revenue (IRS) Code effective with calendar year 2002. That section had been the basis for supplemental annuity tax liabilities. The RRB supplemental annuity is now funded through the tier 2 tax on employers.

B. Before January 2002 - A supplemental annuity tax liability was billed to the railroad as a "Special Supplemental Tax" under Section 3221(d) of the Internal Revenue Code for any month for which the employee was paid an RRB supplemental annuity when, prior to retirement, the employee was covered under a private pension plan, approved by the RRB's Bureau of Law, that was established pursuant to a collective bargaining (union) agreement. These are referred to as collective bargaining (CB) cases. Effective January 1, 2000 through December 2001, the employee must have been a member of the collective bargaining unit before retirement to be considered a CB case.

There was a "Special Supplemental Tax" (in lieu of the work-hour tax) that was equal to the amount of the supplemental annuity being paid in CB cases, plus a percentage added to reimburse the RRB for administrative costs. However, if the employee's supplemental annuity was reduced to zero by the collective bargaining private pension, then the employer had no supplemental annuity tax liability for that employee.

The supplemental annuity tax liabilities were accumulated mechanically by the Supplemental Annuity Tax Credit/Tax Liability (TACAL) program for each employee record and mailed to the railroad employers after the end of each calendar quarter. Form G-241, Summary Statement of Quarterly Railroad Retirement Supplemental Annuity Tax Liabilities, provided the total supplemental annuity tax liabilities for that calendar quarter to each railroad with an approved pension based on a collective bargaining agreement. The Form G-241 stated that the amount of the SUP ANN Tax Liability was due to the Internal Revenue Service no later than the last day of the second month after the quarter ended.

At the end of the calendar year, the railroad attached the Form G-241 for each calendar quarter to their Form CT-1, Employer's Annual Railroad Retirement Tax Return, to determine any adjustment for the taxes paid.

The TACAL program produced Form G-241 through the four quarters in calendar year 2002. No amounts were posted to months after December 2001. Instead,

TACAL processed corrections for months before January 2002, as “increases” or “decreases” for a previous quarter. The employer must have filed a corrected Form CT-1 within three years to claim these corrected amounts. Employers who had no corrections for months before January 2002 did not receive any TACAL quarterly reports in the calendar year 2002.

RRA Maximum Reduction

A. Effective for Rates Payable January 1, 2002, or Later – The Railroad Retirement and Survivors Improvement Act (RRSIA) of 2001, removed the RRA maximum reduction from all annuities effective January 1, 2002, regardless of the employee or spouse annuity beginning date.

B. 1974 Railroad Retirement Act Rates Payable Before January 1, 2002 – The 1974 Railroad Retirement Act (RRA) established a maximum of monthly annuities that an employee and spouse could initially receive. If the total of the applicable annuity components exceeded the RRA maximum, the law provided for reducing certain components so that the total annuities paid did not exceed the RRA maximum. The reduction applied to the annuity components in the following order:

- net spouse tier 2; then
- gross supplemental annuity; then
- net employee tier 2.

When the employee's supplemental annuity was reduced for the RRA maximum, the reduction was applied to the gross supplemental annuity, before any reduction for a railroad pension based on employer contributions. If an employee's supplemental annuity was subject to reduction by both the RRA maximum and the railroad pension, L-80-37 stated that the RRA maximum reduction was applied first. This caused the railroad to lose tax credits which it would normally have received if the supplemental annuity was first reduced for the pension.

The railroad was notified when a supplemental annuity has been reduced for the RRA maximum. The notation "SUP ANN REDUCED FOR RRA MAXIMUM" was shown on monthly RL-5A listings provided to requesting employers.

E4. Effect of Supplemental Annuity on Regular Annuity Under 1937 Act

A. Before February 1968 - A regular annuity was generally paid at the pre-1966 formula rate for any month the annuitant was also entitled to payment of a SUP ANN. In a few cases when the SUP ANN rate was less than the 7 percent regular annuity increase under the 1966 amendments, the regular annuity rate was increased to an amount which added to the SUP ANN equaled the 1966 amendment rate.

B. Beginning February 1968 - The table and minimum increases provided by the 1968 amendments were reduced because of an annuitant's entitlement to payment of a SUP ANN.

C. Beginning January 1970 - The 15 percent increase provided by the 1970 amendments was not reduced because of an annuitant's entitlement to payment of a SUP ANN. However, in a few cases the regular annuity rate was increased under the L-70-207 Guaranty to an amount which added to the SUP ANN equaled the regular annuity rate that would have been payable if there was no SUP ANN entitlement. The L-70-207 Guaranty applied in cases where there was no SS entitlement when the table increase in the 1968 COMP was reduced by:

- The SUP ANN rate; or
- 6.55 percent of the basic annuity rate and the difference between that amount and the SUP ANN was less than 15 percent of the 6.55 reduction amount. (This usually occurred when the SUP ANN was less than $30.)

E5. TACAL Program

The TACAL program was used prior to the year 2003 to store the amount of supplemental tax credit or supplemental tax liability for the railroads in an “Ideal History” format for the years that the employee supplemental annuities are reduced under section 2(h)(2) of the Railroad Retirement Act for their employer pension. It produced quarterly reports that the railroads attached to their Form CT-1 Employer's Annual Railroad Retirement Tax Return when paying their RRB taxes to the Internal Revenue Service. The program is now obsolete.

Appendix F - Spouse Annuity Legislative History

The Spouse Annuity Legislative History is in RCM 1.3, Appendix A.

Appendix G – Retirement O/M Legislative History

The Retirement O/M Age and Service and IPI Legislative History are in RCM 1.5, Appendix B.

The DIB O/M Legislative History is in the Disability Claims Manual

Appendix H - Glossary Of Terms - Felony Case Development

1. Felony - A crime is a felony if it is an offense which constitutes a felony under applicable law. If the law does not classify any crime as a felony (e.g., law of New Jersey, Uniform Code of Military Justice), an offense punishable by death or imprisonment for a term exceeding one year is considered a felony for this procedure.

A felony may have been committed even if the resulting sentence is less than one year. The length of the sentence is not an indication of a felony, except as stated in the preceding paragraph.

Also note that a person charged with a felony may plead guilty to, and be convicted of, a lesser charge; in that case, benefits are not suspended.

A juvenile charged with, and tried for, a felony as an adult, will be affected if convicted.

2. Conviction - Tier I or the O/M will not be suspended until the individual has actually been convicted of a felony, and is confined to a penal institution or correctional facility. A grand jury indictment or otherwise being charged with a crime does not cause suspension. If an individual is confined but not convicted, and is subsequently convicted, suspension is effective with the month of conviction.

   When a person has been convicted of a felony but the conviction is under appeal, tier I or the O/M is subject to suspension. If a conviction is overturned, benefits are payable as if the person had never been imprisoned for that conviction. If a pardon is granted, it will be reviewed at headquarters to determine the effect of the pardon on the status of the criminal case.

3. Confinement - A penal institution or correctional facility includes any facility which is under the control and jurisdiction of the agency in charge of the penal system, or any facility in which convicted criminals may be incarcerated. This includes, for example, a mental hospital for the criminally insane which is used for incarcerating convicted criminals, regardless of whether that institution is operated by the correctional authority.

   A person is considered confined even if temporarily hospitalized outside the facility, or temporarily or intermittently outside the facility to work or attend school, or because he escaped or failed to report to begin confinement. Transfer from prison to a half-way house or a work-release facility is considered confinement, if the individual remains under a sentence of confinement.

   A prisoner released on parole, or because his sentence has ended, been suspension or overturned, is not under a sentence of confinement.

4. Court of law is any duly consituted judicial tribunal administering the laws of the state or nation. It includes a judge or judicial officer with authority to approve a prisoner's participation in a rehabilitation or training program.

Appendix I - Addresses Of State Correctional Authorities

ALABAMA
State Board of Corrections
101 S. Union St.

Montgomery, AL 36130

ALASKA
Department of Health & Social Service
Division of Corrections
Pouch HO 3, Health & Social Service Bldg.
Juneau, AK 99811

ARIZONA
Department of Correction
1601 West Jefferson St.
Phoenix AZ 85007

ARKANSAS
Department of Correction
Post Office Box 8707
Pine Bluff, AR 71611

CALIFORNIA
Department of Correction
P.O. Box 714
Sacramento, CA 95803

COLORADO
State Department of Corrections
Attn: Records
2862 South Circle Drive Suite 400
Colorado Springs CO 80906

CONNECTICUT
Department of Correction
340 Capitol Ave.
Hartford, CT 06106

DELAWARE
Department of Correction
80 Monrovia Ave
Smyrna, DE 19977

DISTRICT OF COLUMBIA
Department of Correction
614 H Street NW
Washington, D.C. 20001

FLORIDA
Department of Correction
2601 Blair Stone
Tallahassee, FL 32399-2500

GEORGIA
Department of Offender
Rehabilitation
800 Peachtree St. NE
Atlanta, GA 30308

HAWAII
Department of Social Service
and Housing, Correction Division
P.O. Box 339
Honolulu, HI 96809

IDAHO
Department of Correction
Box 7309
Boise, ID 83707

ILLINOIS
Department of Correction
201 Amory Bldg.
Springfield, IL 62706

INDIANA
Department of Correction
804 State Office Bldg.
Indianapolis, IN 46204

IOWA
Department of Social Service
Division of Correction
Hoover Building
Des Moines, IA 50319

KANSAS
Department of Correction
535 Kansas Ave.
Topeka, KS 66603

KENTUCKY
Bureau of Correction
State Office Building
Frankfort, KY 40601

LOUISIANA
Department of Correction
P.O. Box 44304
State Capitol Station
Baton Rouge, LA 70804

MAINE
Department of Mental Health and Corrections
411 State Office Bldg.
Augusta, ME 04333

MARYLAND
Department of Public Safety and Correction Services,
Division of Correction
6314 Windsor Mill Rd.
Baltimore, MD 21207

MASSACHUSETTS
Department of Correction
Saltonstall Office Bldg.
100 Cambridge St.
Boston, MA 02202

MICHIGAN
Department of Correction
Stevens T. Mason Bldg.
Lansing, MI 48913

MINNESOTA
Department of Correction
430 Metro Square Bldg.
Seventh and Roberts Streets
St. Paul, MN 55101

MISSISSIPPI
Department of Correction
723 North President St.
Jackson, MS 39202

MISSOURI
Department of Social Service
Division of Correction
Jefferson City, MO 65101

MONTANA
Department of Institution
Corrections Division
1539 11th Ave.
Helena, MT 59601

NORTH DAKOTA
Director of Institutions
State Capitol
Bismark, N.D. 58505

NEBRASKA
Department of Correctional Service
P.O. Box 94661
Lincoln, NE 68509

NEVADA
Department of Prisons
P.O. Box 7000
Carson City, NV 89701

NEW HAMPSHIRE
(no central dept. of corrections)
adult felons are committed to:
New Hampshire State Prison
Box 14
Concord, N.H. 03301

NEW JERSEY
Department of Corrections
P.O. Box 7387
Whittlesey Rd.
Trenton, N.J. 08628

NEW MEXICO
Criminal Justice Department
Correction Division
State Rd. 14
P O Box 27116
Santa Fe, N.M. 87502

NEW YORK
Department of Correctional Services
State Office Building Campus
Albany, NY 12226

NORTH CAROLINA
Department of Correction
840 West Morgan St.
Raleigh, N.C. 27603

OHIO
Department of Rehabilitation and Correction
1050 Freeway Drive North
Columbus, OH 43229

OKLAHOMA
Department of Corrections
3400 N. Eastern 75 Howard Ave.

P.O. Box 11443
Oklahoma City, OK 73111

OREGON
Department of Human Resources
Correction Division
318 Public Service Bldg.
Salem, OR 97310

PENNSYLVANIA
Department of Justice
Bureau of Correction
P.O. Box 598
Camp Hill, PA 17011

RHODE ISLAND
Department of Correction
Cranston, RI 02920

SOUTH CAROLINA
Department of Correction
4444 Broad River Road
P.O. Box 21787
Columbia, S.C. 29221

SOUTH DAKOTA
Board of Charities & Correction
Office of Correctional Services
Suite 402-403 Foss Building
Pierre, SD.

TENNESSEE
Department of Corrections
Rachel Jackson Building
Ground Floor - MIS
320 6th Avenue North
Nashville, TN 37243

TEXAS
Department of Corrections
Box 99
Huntsville, TX 77340

UTAH
For adult offenders:
Dept of Corrections
Records Bureau
14717 S Minuteman Dr

Draper UT 84020
(801) 545-5700
(801) 545-5702 (fax)

For juvenile offenders:
Department of Social Services
Division of Corrections
150 W. North Temple
Salt Lake City, UT 84103

VERMONT
Agency of Human Services
Department of Corrections
State Office Building
Montpelier, VT 05602

VIRGINIA
State Department of Corrections
P.O. Box 26963
4615 West Broad St.
Richmond, VA 23261

WASHINGTON
Dept. of Social & Health Service,
Adult Correction Division
(Mail Stop FN - 61)
Olympia, WA 98504
Division of Juvenile Rehabilitation
(Mail Stop OB 42 - J)
Olympia, WA 98504

PUERTO RICO
Administration of Correction
Call Box 71308
San Juan, PR 00936

WEST VIRGINIA
Department of Correction
1116 Quarrier St.
Charleston, WV 25301

WISCONSIN
Department of Health and Social
Service, Division of Corrections
Madison, WI 53701

WYOMING

State Board of Charities and Reform
Capitol Building
Cheyenne, WY 82002

Appendix J – CSX Separation Payments Elected by Disability Annuitants in 1999 and 2000

Background.

- A number of disability annuitants elected voluntary separation payments (buyouts) from the CSX Corporation in 1999 and 2000.
- By electing this buyout, the annuitant relinquished seniority rights.
- The buyout amount was creditable as compensation in the month elected.
- Per Legal Opinion 99-18, election of the buyout constituted compensated service. A copy of the opinion is available on the RRB website under Legal Decision/Compensation/Separation Allowance.
- No annuity is payable in any month an annuitant renders compensated service for an employer.
- No annuity was payable for the month in which this buyout was elected.

Operations Handling.

Most of these annuitants elected to receive separation payments in December 1999. The others elected to receive the payments some time in 2000. In either case, the annuity for the month in which the payment was elected was recoverable.

RBD handled the initial recovery action using ORCS. For the December elections they also prepared an adjustment award to include the compensation added due to the separation payment. Any resulting accrual was used to partially offset the overpayment. If the buyout was elected January 2000 or later, a call-up was set for May 2001 to adjust the annuity to include the compensation added in 2000.

The PARS overpayment code for these cases is O3D ("CSX Separation Elected"). By entering this code, ORCS should have offered only cash/credit card refund or full withholding. Also, paragraph #1735 was added to ORCS to explain the overpayment to the annuitants. It reads as follows:

"In <u>month</u> <u>year</u>, you elected a lump sum separation payment from the CSX Railroad under their Voluntary Early Retirement and Separation Program. According to the Railroad Retirement Board's regulations, this payment is creditable as compensation. Also, the Railroad Retirement Act specifies that no annuity is payable for any month in which an individual renders compensated service to an employer. By electing the

separation payment, you are considered to have rendered compensated service. This means your annuity was not payable for month year because you elected the separation in that month."

To our knowledge, CSX informed those who elected the buyouts that their annuity for the election month was not payable and was to be recovered by RRB.