



Introduction and Payment Jurisdiction

March 13, 2007

U.S. Railroad Retirement Board
844 North Rush Street
Chicago Illinois, 60611-2092

Phone: (312) 751-7139
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705.5 Legislative History

The Railroad Retirement Act (RRA) of 1974 became law in October 1974. It gave the RRB authority to make monthly social security payments on behalf of the Social Security Administration (SSA) to certain classes of railroad retirement (RR) beneficiaries and members of their families beginning January 1, 1975.

705.10 RRB Payment Jurisdiction

Effective January 1, 1975, the RRB is responsible for making payment of social security (SS) benefits when:

- A. The application for SS benefits was filed after December 31, 1974, OR the SS entitlement date is January 1, 1975 or later; AND
- B. The individual entitled to the SS benefit is one of the following:
 1. A railroad employee with at least 120 months of creditable railroad service; or Effective January 1, 2002 a railroad employee with less than 120 months of creditable railroad service, but has at least 60 months service after 1995; or
 2. The spouse of a railroad employee with at least 120 months of creditable railroad service; or, effective January 1, 2002 the spouse of a railroad employee with less than 120 months of creditable railroad service, but has at least 60 months of service after 1995; or
 3. The divorced spouse of a railroad employee with at least 120 months of creditable railroad service IF the SS benefit is based on the railroad employee's wages; or

Effective January 1, 2002 the divorced spouse of a railroad employee with less than 120 months of creditable railroad service, but has at least 60 months of service after 1995, IF the SS benefit is based on the railroad employee's wages; or
 4. A survivor of a deceased railroad employee who is entitled or potentially entitled to an RRA survivor annuity; or
 5. Any other person entitled to SS benefits based on the wage record of a railroad employee with at least 120 months of creditable railroad service.



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Effective January 1, 2002, any other person entitled to SS benefits based on the wage record of a railroad employee with less than 120 months of creditable service, but has at least 60 months of service after 1995.

EXCEPTION: The Social Security Administration will make payment of SS benefits to the survivors of a deceased railroad employee if it has jurisdiction of survivor benefits.

Also, if the railroad rate of a survivor annuitant is reduced to zero by the SS benefit, send certification of the SS benefit back to the Social Security Administration.

705.15 RRB Responsibilities

Once an SS claim is certified to the RRB for payment, the RRB's responsibilities include:

- A. Promptly certifying the payment and adjusting any corresponding RR annuity;
- B. Accepting notifications of post-entitlement events from SS beneficiaries for transmission to SSA;
- C. Making timely post-entitlement adjustments for the SS benefit as the Social Security Administration directs;
- D. Notifying the beneficiary of all awards, adjustments, suspensions, reinstatements and terminations that the Social Security Administration instructs us to make; and
- E. Assuming Medicare jurisdiction for all individuals whose SS benefits are being paid by the RRB.

705.20 RRB Responsibilities End

The RRB's responsibility to pay SS benefits ends when:

- A. The beneficiary dies; or
- B. The beneficiary's entitlement to the RR annuity ends; or
- C. The railroad employee dies and the Social Security Administration has jurisdiction for payment of survivor benefits.



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705.25 Social Security Administration Responsibilities

The Social Security Administration adjudicates all claims for benefits under the Social Security Act even though the RRB is paying the benefit. The Social Security Administration makes all determinations regarding entitlement, benefit amounts, termination and suspension actions, recovery of overpayments and awarding of underpayments.

705.25.1 Social Security Administration District Office Role

The Social Security Administration district offices will take applications from SS beneficiaries, develop and adjudicate the claims. They will identify RRB cases through questioning the applicant, confirming that an RR employee has 120 months of RR service, or effective January 1, 2002, an applicant may have less than 120 months of railroad service, but has at least 60 months of service after 1995. When a case has been identified as an RRB case, the Social Security Administration district office will forward it to the appropriate Social Security Administration Program Service Center (PSC).

The Social Security Administration district offices have been instructed to accept direct reports of post-entitlement events from RR/SS beneficiaries and to transmit them to the appropriate PSC.

705.25.2 Social Security Administration Program Service Center Role

The PSC will notify the beneficiary of the entitlement date and monthly benefit amount with an initial award letter. At the same time, they will certify the claim directly to the RRB for payment.

The PSC will also make post-entitlement determinations on all SS claims. However, notices of all post-entitlement events except overpayments will be released by the RRB. The PSC will release notifications of all SS overpayments.

705.30 Social Security Administration Tape Transmission To RRB

Prior to December 1977, all Social Security Administration Program Service Centers manually certified SS benefits to the RRB on paper award forms. This resulted in many duplicate payments to beneficiaries because the Social Security Administration's highly mechanical system could pay the beneficiary while an examiner was also manually releasing the award to the RRB.



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This situation changed in December 1977, when the Great Lakes Program Service Center began transmitting SS benefit data to the RRB via mechanical tape. In February 1978, the remaining Program Service Centers also began mechanical tape transmissions.

All types of awards and post-entitlement events are transmitted to the RRB mechanically from SSA's Master Benefit Record (MBR). If the Social Security Administration examiner determines that an individual's benefit should be certified to the RRB, (s)he will enter a special code or earmark on the individual's MBR. Some MBRs are earmarked automatically for railroad certification when the RRB requests SS benefit data through a mechanical program. Once an MBR is earmarked for railroad certification, any activity posted to that record will be transmitted automatically to the RRB.

At the RRB, all Social Security Administration activity is processed through the Post-Adjudication Mechanical (PAM) System. PAM attempts to verify railroad claim numbers and railroad service, pays certain categories of SS benefits, processes changes of address, suspends and terminates SS benefits and sets up Health Insurance (HI) records for the claims transmitted by the Social Security Administration. Any awards and post-entitlement actions not handled on PAM are referred for examiner handling.

705.35 Payments The Social Security Administration Retains

The Social Security Administration will continue to pay SS benefits to any RR beneficiary already on its rolls whose present entitlement to a social security benefit began before January 1, 1975. This includes beneficiaries in receipt of a wife's benefit before January 1, 1975, who became entitled to a widow's benefit after that date. Entitlement to a widow's benefit is not considered new entitlement, therefore, the widow's benefit is not paid by the RRB in these cases.

The Social Security Administration will make payment of SS benefits to a divorced spouse if the SS benefit is not based on the RR employee's wages.

Occasionally, the Social Security Administration will pay the SS benefit for an individual whose benefit should be certified for payment to the RRB. These are called "slippage" cases. There are no plans for a mass transfer of these cases at this time; the Social Security Administration has agreed to continue payments for these cases. However, if the annuitant requests that RRB pay the SS benefit, field office personnel should send an email to RBD to request a change in the laf code. This situation occurs most times when the railroad annuity is too low to deduct SMIB premiums and the annuitant is being billed directly. RBD will work together with the OSR to expedite the laf code change. The field office should advise the annuitant that there could be a delay in payment of the first social security benefit made by RRB in these cases. Once the



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social security is in pay status at RRB, the SMIB premium will automatically be deducted from the social security benefit. There is no need to send an inquiry to the Medicare section to start the deduction.

705.40 Jurisdiction Of Family Groups

When more than one family member is entitled to SS benefits, a separate jurisdiction determination is made for each family member.

705.40.1 Retirement Cases

The SS benefit for a spouse in a family group is always certified to the RRB provided (s)he is the spouse of a railroad employee with 120 months of railroad service. Effective January 1, 2002 the railroad employee may have less than 120 months of railroad service, but has at least 60 months of railroad service after 1995.

The SS benefit for a divorced spouse is certified to the RRB only if it is based on the RR employee's wage record.

The SS benefits for children in a family group are certified to the RRB only when the SS benefits are based on the railroad employee's wage record. Therefore, SS benefit payments for a family group may be split between the RRB and the Social Security Administration.

EXAMPLE: A spouse annuitant has minor children who are entitled to SS benefits based on her wage record. RRB has jurisdiction for the payment of the spouse's SS benefit. The Social Security Administration will certify benefits on behalf of the children directly to Treasury.

The SS benefits for any auxiliary SS beneficiary who is not entitled to an annuity at the RRB will be certified to the RRB for payment only if the SS benefits are based on the railroad employee's wage record.

705.40.2 Survivor Cases

Any survivor of a railroad employee who is entitled or potentially entitled to an RRA survivor annuity will have his/her SS benefits certified to the RRB for payment. This is true regardless whose wage record the SS benefit is based on.

705.45 Changes In Jurisdiction

Changes in jurisdiction for payment of the SS benefit can occur after an initial jurisdiction determination is made. SS benefit payment jurisdiction may be transferred



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from the RRB back to the Social Security Administration. However, the Social Security Administration should not transfer payment jurisdiction to the RRB once a benefit is being paid by that agency.

Transfer of SS benefits back to the Social Security Administration will occur for:

- A. All surviving beneficiaries when the railroad employee dies and the Social Security Administration has survivor jurisdiction; or
- B. A beneficiary whose entitlement to an RR annuity ends but entitlement to the SS benefit continues; or
- C. A divorced spouse annuitant if her SS benefit is not based on the RR employee's wage record; or
- D. A beneficiary whose SS benefit was erroneously certified to the RRB.

705.50 Notifying The Social Security Administration Of Benefit Transfer

705.50.1 Beneficiary Entitled to Medicare

The SS benefit and Medicare transfer will be made at the same time. The SS benefit will be terminated as soon as possible in these cases. Headquarters will advise the Social Security Administration of the transfers and HIB/SMIB paid-through dates.

705.50.2 Beneficiary Not Entitled to Medicare

Headquarters will advise the Social Security Administration of the benefit transfer and paid-through date. In these cases when the termination action is handled manually by an examiner, the RRB will continue payments for 3 months before terminating the benefit. However, when the termination action is handled mechanically by the PAM system, the SS benefit will be terminated as soon as possible.