



## Payment Procedures

March 13, 2007

U.S. Railroad Retirement Board Phone: (312) 751-7139  
844 North Rush Street TTY: (312) 751-4701  
Chicago Illinois, 60611-2092 Web: <http://www.rrb.gov>

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### 710.5 Types Of SS Benefits Paid By RRB

The Social Security Administration (SSA) will certify to the RRB any retirement or survivor insurance benefit for which the RRB has jurisdiction. Types of SS benefits that could possibly be certified to the RRB include a wife's benefit, divorced wife's benefit, remarried widow's benefit, father's benefit, etc. For a complete list of the types of SS benefits, see the SSA Beneficiary Identification Codes (BIC) appendix in FOM-I-16.

Any SS benefit underpayments (accruals) due at the death of a beneficiary whose benefits were paid by the RRB will be certified to the RRB after SSA determines the proper payee.

There are certain cases which SSA deems "critical." Generally, this means that SSA received a Congressional inquiry in the case. The RRB agreed to expedite these cases if SSA makes a "critical case" call to the Congressional Inquiry Section (CIS) in the Office of Administration/Public Affairs.

### 710.10 SS Benefits Not Paid By RRB

SSA has sole authority over all Title XVI Supplemental Security Income (SSI) payments; they are not paid by the RRB.

Also, SSA will pay all SS lump-sum death payments and any attorney's fees which result from the beneficiary's attempt to establish entitlement to SS benefits. The attorney's fees will be paid by SSA and SSA will tell the RRB the amount to withhold from the beneficiary's SS accrual.

### 710.15 RRB Claim Numbers

All SS benefit payments will be maintained under the RRB claim number. Checks will bear the RRB claim number only.

- A. Individuals who are already on our rolls or have previously been assigned an RRB claim number - Their SS benefits will be processed under the RRB claim number already assigned to them.
- B. Individuals who are not on our rolls or have previously been assigned an RRB claim number - Their benefits will be processed under the RR employee's social security number which will be the RRB claim number.



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### 710.20 Claim Number Prefixes

RRB claim number prefixes will be determined as follows:

- A. The railroad employee: "A".
- B. The employee's spouse: "MA".
- C. The divorced spouse: "XA".
- D. The aged or disabled widow of the employee: "WA" or "WD".
- E. All others (includes children, etc.): "WCA" or "WCD".

### 710.25 Date Of Payment

SS benefits paid by the RRB are payable on the first day of the month following the month in which they accrue. The same rule applies to all RR annuities. However, this differs from SS benefits paid by SSA which are payable on the third day of the month following the month in which they accrue.

### 710.30 Trust Funds

SSA has two trust funds from which SS benefits are paid. Retirement and survivor benefits are paid from the Retirement and Survivors Insurance (RSI) trust fund. Disability benefits are paid from the Disability Insurance (DI) trust fund. An auxiliary beneficiary, i.e., wife, child, etc., is paid from the same trust fund as the primary beneficiary, i.e., the wage earner.

The RRB must make SS payments from the proper trust fund. This information does not appear on the benefit check; it is noted on the checkwriting tapes in Headquarters for accounting purposes.

### 710.35 Combining RR And SS Benefits

RR and SS accruals paid after an initial award, adjustment or reinstatement will always be issued in separate checks. After the accrual is paid, the RR and SS payments will be combined in the next regular recurring check.

Once the benefits are combined, if one of the benefits is suspended or terminated, a check will be issued for the benefit which continues to be paid.

When two SS benefits are certified to the RRB for payment to the same person:



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- A. We will combine them into one check, with any RR annuity payable, if both SS benefits are being paid from the same trust fund.

Example: A spouse is entitled to a retirement benefit based on her own earnings and a wife's benefit based on her husband's earnings.

- B. If one SS benefit is paid from the RSI trust fund and the other is paid from the DI trust fund, we will combine the SS retirement or survivor benefit with any RR annuity payable and pay it in one check while paying the SS disability benefit in a second check.

Example: A spouse is entitled to a disability benefit based on her own earnings and a wife's benefit based on her husband's earnings.

### 710.40 Check Legends

Beneficiaries receiving RR annuities and/or SS benefits will have an indication on their benefit checks showing the type of payment(s) they are receiving.

- A. The legend "RR SS BEN" will be shown on the face of the check below the check amount in SS payment only cases.
- B. In dual RR/SS payment cases, the legend "RR COMB BEN" will be shown below the check amount. If for any reason either benefit is suspended or terminated, a check will be issued for the benefit which continues to be paid. The legend on the check will be either "RR REG ANN," if the RR annuity remains payable, or "RR SS BEN," if the SS benefit remains payable.

### 710.45 Notices Released By RRB

The letters to be used in various SS benefit payment situations are shown below:

Letter	Use
RL-130A	Used as an initial award letter when no RR annuity is payable to the SS beneficiary or when an RR annuity application is pending but has not been awarded. (Initial SS Award/No RR Annuity Payable) See exhibit 2.
RL-130B	Used as an initial award letter when the RR annuity is in pay status and has already been correctly reduced for the SS benefit. (Initial SS Award) See exhibit 3.



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RL-130C	Used when initial payments are one-payment-only awards. (Initial SS Award) See exhibit 4.
RL-130E	Used to inform the beneficiary that the SS payment material was returned to SSA. See exhibit 5.
RL-130R	Used with initial awards when the full accrual is being withheld to be applied towards the RR annuity overpayment. (Initial SS Award) See exhibit 6.
RL-130T	Used with initial awards when part of the accrual is paid and the other part is withheld to offset the RR overpayment. (Initial SS Award) See exhibit 7.
RL-130TC	Used with initial awards when part of the accrual is being withheld to be applied towards the RR annuity overpayment. (Initial SS Award/RR Adjustment Involved) See exhibit 8.
RL-130U	Used to explain post-entitlement adjustments. (SS Reinstatement or SS Reinst/Recert Awards) See exhibit 9.
RL-130UC	Used to explain post-entitlement adjustments. (RR/SS Adjustment) See exhibit 10.
RL-130XC	Used to explain post-entitlement one-payment-only awards or to refund an over-withheld accrual. (RR/SS Adjustment) See exhibit 11.
RL-130Z	Used as an award/adjustment letter for cases paid by PAM. The computer will print appropriate award data and code paragraphs on stationery with "Social Security Benefit Information" heading. See exhibit 12. Also used as a "stall" letter for beneficiaries whose SS benefits could not be paid by PAM but will be referred to an examiner for manual handling. See exhibit 12.
RL130EZ	Stall letter. Used to inform the beneficiary that we had received payment information from the Social Security to process their benefit award. See exhibit 13.
RL-177	Used as an award/adjustment letter for cases paid by the System to Automate Zero Accrual (STAZA) program. See exhibits 14 and 15.  NOTE: (District office copy of the letter will be RL-177b.)



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### 710.50 Limits On RRB Adjudication Authority

SSA is solely responsible for adjudicating claims for entitlement under the Social Security Act even though the RRB is paying the benefits. The adjudication responsibility includes determining initial entitlement, the effect of post-entitlement actions and Medicare entitlement. The RRB merely acts as the payment agent for SSA.

### 710.55 Actions Authorized By SSA

The following is a list of actions that must be authorized by SSA:

- A. Initial awards;
- B. All adjustments, i.e., cost of living increases, recomputations, etc.;
- C. Suspensions;
- D. Terminations, except death terminations;
- E. Overpayment recovery; and
- F. Awarding of underpayments.

When the RRB receives a notice of a death or a change of address for an SS beneficiary, immediate action can be taken without authorization from SSA. However, SSA is subsequently notified of our action.

### 710.60 SSA On-Site Representative

SSA's Great Lakes Program Service Center in Chicago has agreed to provide the RRB with one person daily who is authorized to adjudicate SS claims. (S)he is called an on-site representative.

If the RRB receives direct notice of a post-entitlement event which requires immediate suspension or termination for a reason other than death, the on-site representative may be able to authorize such action when necessary. When dire need is involved, the representative may take SS benefit information over the telephone to provide for an initial award or a reinstatement award.

### 710.65 Recovery Of SS Overpayments

Social security overpayments may be detected by SSA or RRB in the course of policing actions, correcting erroneous rates or by direct contact from the beneficiary. If the RRB



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becomes aware of an overpayment situation, we will contact SSA, state the reason for the suspected overpayment and provide an actual payment summary. SSA will take all adjudicative actions with one exception: RRB may request the return or refund of outstanding SS benefit checks without adjudication by SSA when a social security benefit has terminated by death.

Social security overpayments of \$1.00 or more are now subject to recovery action. Previously, tolerance was applied to overpayments of \$15.00 or less unless the overpayment could be recovered from SSA's LSDP.

#### **710.65.1 SSA Actions**

Upon receipt of RRB's overpayment notice, SSA will determine the overpayment amount and notify the beneficiary of the overpayment, possible recovery methods and appeal rights. For sample wording of an SSA overpayment letter, see exhibits 15 and 15A.

SSA will initiate and pursue overpayment collection efforts for overpaid beneficiaries no longer entitled to SS benefits.

If the overpaid beneficiary has continuing SS entitlement, SSA will request full repayment within 30 days or full withholding will be instituted. Beneficiaries are advised to contact the SSA district office if they want partial withholding, a different rate of adjustment, reconsideration or waiver.

SSA will inform the RRB of the overpayment amount and the selected method of recovery for each overpaid beneficiary with continuing SS entitlement.

#### **710.65.2 RRB Actions**

When the RRB receives overpayment information from SSA, Headquarters will notify the beneficiary of the recovery action and the date recovery will begin. Next, we will adjust the SS benefit to effect recovery. We will properly control the case so that the benefit can be adjusted to the proper rate after the overpayment is recovered.

The RRB district office will only become involved in SS overpayments when:

1. The beneficiary comes in with an appeal of the overpayment, see FOM-I-715.55; or
2. The beneficiary wishes to make a cash refund directly to the RRB, see FOM-I-715.30.



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### **710.70 Recovery Of RR Overpayments Due To SS Entitlement**

A railroad overpayment due to SS entitlement may be recovered from a beneficiary's SS accrual. That is the only type of RR overpayment that can be recovered from SS benefits.

If the SS accrual is insufficient to recover the overpayment, the remaining overpayment will be recovered from the RR annuity under current overpayment procedure.