

5.4.1 M/S Introduction

The RR Act provides Tier 2 service months and compensation credit toward retirement benefits for employees who leave railroad work and perform active duty M/S in the same year or in the next calendar year. A credited month of M/S is considered to be the same as though the employee performed regular railroad work that month. Eligibility for M/S credit depends on:

- Whether the employee's M/S entry was voluntary or mandatory, and
- Whether the active duty M/S was during a national emergency period or not.

If M/S cannot be credited as railroad service, M/S that is creditable under the SS Act may be used as SSA wage credits. When M/S is creditable at both agencies, RRB determines the use that is to the employee's greater benefit. Information is exchanged between the agencies to assure that the same M/S credit is not used compute two benefits.

This chapter explains what M/S may be credited under the RR Act, how the requirements differ under the SS Act, and how M/S information is processed.

5.4.5 M/S Definition

This section explains the concepts and terminology used in discussing employees' military service.

5.4.5.10 Armed Forces

The RR Act provides M/S credit for members of the uniformed land or naval military forces of the U.S. The components of the U.S. Armed Forces are:

Active Service Branch	Active Women's Auxiliary	Reserve Branches That May Be Called To Active Duty Service
U.S. Army	WACS, WAACS	Army National Guard of the United States* & US Army Reserve
U.S. Air Force	WAFS	Air National Guard of the United States* & Air Force Reserve
U.S. Navy	n/a	U.S. Naval Reserve & WAVES (Women's Reserve)
U.S. Marine Corps	n/a	Marine Corps Reserve & Marine Corps Women's Reserve
U.S. Coast Guard	n/a	U.S. Coast Guard Reserve & SPARS (Women's Reserve)
*National Guardsmen only while "federalized", not while under State authority.		

Note: **Auxiliary branches** are former armed forces components whose members were women. All auxiliary service was entered by enlistment (voluntary service).

5.4.5.20 Duty Status

- A. **Active Duty** is the status of an individual while enrolled or commissioned in full-time active uniformed service, for purposes of national emergency preparedness or national defense, until resignation, discharge, or transfer to inactive duty status.

This duty status includes Reservists' annual training duty and attendance at service schools while otherwise in active service.

By definition, in Section 1 of the RR Act, references in the Act and regulations to "military service" means "active duty service" in the U.S. land or naval forces.

- B. **Active Duty For Training** appears on military records to designate that active service is authorized under the emergency preparedness provisions of military law rather than for national defense. For current RRB and SSA purposes, "active duty for training" status is the same as "active duty". (See SSA's list in 5.4.50.10.B.)
- C. **Reserve duty** is the status of an individual enlisted in or transferred to the reserve component of any branch of the U.S. Armed Forces. Reserve duty time (inactive duty) is not creditable as railroad service. M/S of reservists is creditable only when they are called to federal active duty as explained in A & B above.
- D. **Full-time National Guard duty** is the training or other employment status of members of the Air or Army National Guard while that service is under the authority of a state, a territory, the Commonwealth of Puerto Rico or the District of Columbia. This work activity, recorded on National Guard Bureau forms, is **NOT** federal active duty service. (See "National Guard" below.)

5.4.5.30 Reserve Forces

- A. **National Guard** is the generic term for Army or Air guard units that are state militia organizations not on federal duty status. Members serve under the authority of their home states until called to federal service by the National Guard Bureau.
- B. **Army National Guard of the United States, and Air National Guard of the United States** are reserve components of the U.S. Army and the U.S. Air Force. Member reservists are also members of their state National Guard. These reservists may be called to active duty in the U.S. Army or U.S. Air Force in periods of national emergency.

- C. **National Guard Bureau (NGB)** is a joint bureau of the Dept of the Army and Dept of the Air Force under the Dept of Defense. The NGB exists as the communications channel among the various state level Guard units and the Army, the Air Force, the Army National Guard of the United States, and the Air National Guard of the United States.
- D. **Army Reserve, Air Force Reserve, Naval Reserve, Marine Corps Reserve and Coast Guard Reserve** are reserve components of those Armed Forces branches whose members are NOT members of the National Guard of the United States. Members' activities are administered directly by the Army, Air Force, Navy, Coast Guard, and Marine Corps, not by the NGB.

5.4.5.40 Term Of Service (TOS)

- A. One enlistment, enrollment, or induction to M/S for an agreed length of time is referred to by the military as a term of service and is shown on service records as TOS. A single TOS begins on the date of entry to active duty and ends on the date the individual is discharged from that duty, retires, resigns, or is transferred to reserve (inactive) status.
- For WWII the induction TOS was 2 years or the duration of the war.
 - After 1945 the induction TOS was 2 years.
 - A TOS for voluntary enrollments has varied among the service branches, and by individual choice of commitment, from 2 to 8 years.
- B. For commissioned officers, appointments are generally career obligations and the TOS is indefinite. M/S creditability is determined according to the earliest point in time that the officer would have been permitted to resign his commission and return to civilian employment.
- Officers that continue to serve after a national emergency has ended are presumed to continue (i.e. delay return to railroad service) by choice - - unless the individual's proof shows resignation of commission was not permitted until a later date.
- C. Temporary commissions for officers' active duty that have designated end dates may be credited in the same way as the ordinary TOS described in item A above.

5.4.5.50 Break In Military Service

Two or more active duty terms must be separated by at least one calendar month of civilian or reserve status for a break in M/S to be considered.

- A. If the employee re-entered active duty in the same month, or the month after, he was discharged, during the same national emergency or war service period, the

additional active duty is a new TOS, but do not count the days between the terms as a break in service.

Example: The working employee was drafted April 1969, and discharge occurred April 5, 1971. The employee re-enlisted May 21, 1971 for a TOS that ended May 1973.

Railroad credit is given for all months April 1969 through May 1973. Since there was no calendar month in 1971 during which he could have earned an additional service month, there is no break in service.

- B. Following a creditable TOS, a break in service occurs if the employee works in non-railroad employment instead of returning to his railroad work.
- C. If the employee alleges continuous military service but his re-enlistment dates or other employment evidence presents conflict, refer the case to P&S-RAS.

5.4.10 Means of Entry to Active Duty:

5.4.10.10 Mandatory Service:

M/S is involuntary or mandatory, when an employee is required by law, such as Selective Service System conscription, or troop call up from a reserve unit, to leave railroad service to perform active duty M/S.

- A. **Induction:** Enrollment resulting from conscription (draft) under the Selective Service Act. Through 1946, the TOS could be designated as "two years or the duration" of the war. Thereafter the TOS for inductees required two years of active duty. Induction was abolished effective July 1973.
- B. **Call from reserve** status: Transfer from enlistment in a reserve service component to an active duty status in that service (No prior TOS.)
- C. **Recall from reserve** status: Transfer to active duty status from reserve status when the individual has previously performed active duty.

5.4.10.20 Voluntary M/S Enrollment

Additional requirements must be considered for M/S credit when an employee chooses to leave railroad employment and enroll in active duty military service, but is not required to do so.

- A. **Commission:** The appointment of an officer to an active duty assignment. Officers' commissions are generally career appointments that carry no specified TOS end date.

- B. **Enlistment:** A voluntary enrollment for duty in a designated branch of service for a specific number of years or months.
- C. **Reserve Enlistment:** Enrollment in a reserve component of the Armed Forces, most often the Army National Guard, by an individual who has not previously performed M/S.

The employee's initial (basic) guardsman training active duty is voluntary, and, if entered when there is no declared national emergency, is not creditable as railroad service. Any subsequent recall to active duty status is, by law, mandatory service.

5.4.10.30 Induction With Enlistment Involved

If the employee enlisted in one branch of service to avoid being drafted into another branch, the M/S is considered mandatory service.

The employee must show proof that induction would have occurred if he had not enlisted. Acceptable proof is a copy of his induction notice or other correspondence from the Selective Service Commission establishing that he was scheduled for induction.

Example: Employee received induction notice to report to Army duty in 30 days and, instead, enlisted for immediate active service in the Marine Corps. With proof of the imminent induction, the initial Marine TOS is credited as mandatory entry. Without proof of the call to Army duty, the Marine service is voluntary.

5.4.15 Means of Separation From M/S

The employee's military record shows the manner in which a TOS ended and may provide details that will determine if multiple TOS may be combined and considered as one enrollment.

- A. **Resignation** is voluntary separation from active or reserve service usually associated with retirement.
- B. **Discharge** is official release from a specified military obligation. Proof of an individual's discharge from active duty may show a subsequent reserve force obligation. The reserve duty is not creditable.
- C. **Transfer to Reserve Status** is release from active duty to enrollment in a reserve component. Evidence may show "discharged to reserve."
- D. **Transfer to another service branch** is reassignment from one active military force to another - usually without a break in service other than transit time.
- E. **Conditional discharge** is the designation for a person who ends an enlisted status and accepts a commission. There is no break in active M/S, so the is

considered as one TOS. This status change a status change of this type may follow active duty for training, or occur as a "field commission" such as temporary or permanent promotion from sergeant to lieutenant during combat.

5.4.20 Types of M/S Creditable Periods

The 1937 RR Act and subsequent amendments establish three types of conditions under which an employee who leaves his railroad job for M/S may receive retirement credit for the months of active duty M/S.

5.4.20.10 War Period

The years of World War I and World War II are war periods. A war period begins from the earliest of the date that:

- Congress declared war or declared the U.S. to be in a state of war, or
- Another nation invaded, or declared war on, any part of the U.S. or
- The U.S. engaged in armed hostilities to preserve the Union or to maintain a republic form of government in any State of the Union.

A war period ends on the date that Congress declares hostilities to be ended.

5.4.20.20 War Service Period

Any period, after 09-07-39, of national emergency declared by the President or Congress may be considered a war service period when:

- An individual in active duty was required to remain in active duty, or
- An individual was called to enter active duty and remain in active status.

A war service period may precede, include, and/or follow a period of declared war, but may also exist during a time of national emergency when there has been no official declaration of war. The Korean Conflict and Vietnam Era military actions are a war service period.

A war service period terminates on the date Congress declares the national emergency to be ended regardless of the date hostilities between the U.S. and an adversary are declared ended.

A war service period, by definition in the Act, relates to the service of individuals rather than inclusive calendar dates. For reservists, active duty commitments through the end date of each TOS define each individual's war service period.

Example: A reserve unit that is called to active duty for a TOS "not to exceed 1 year" may have some members that serve the full year and some individuals that are returned to reserve status, in less than 12 months, with a shorter TOS.

5.4.20.30 State of National Emergency

Any period of time, declared either by Congress or the President, during which any part of the U.S. Armed Forces may be called to active duty for the national defense is a state of national emergency and is a war service period for the participating servicemen. Operations Desert Storm, Desert Shield, and the Gulf Wars are part of a currently declared national state of emergency.

5.4.25 RR Act Requirements For M/S Credit

The RRA protects career railroad employees from losing retirement credits while performing M/S during a war or national emergency.

5.4.25.10 M/S That Can Be Used For RR Credit

- A. M/S may be credited only if before the active duty began, the employee performed creditable RR service in the same calendar year or the calendar year prior to the date the M/S began.
- B. When multiple TOS are treated as separate M/S enrollments, each enrollment must be preceded by the required RR service.
- C. If the M/S enrollment date is earlier than active duty entry date, the enlistment or induction date is used to meet the preceding RR service requirement, but the month of entry to active duty is the first M/S month that can be credited as RR service.

5.4.25.20 M/S That Cannot Be Used

- A. **No qualifying railroad work:** Beginning with the earliest M/S entry, each TOS must be compared with the employee's service and compensation record to be sure the rule in 5.4.25.10.A is met.
 - M/S that was performed before the individual began railroad employment is not creditable.
 - M/S that began at a date later than described by the rule in 5.4.25.10.A is not creditable.
- B. **Time lost** - Armed Forces records show days lost without pay while an individual in active duty status was not in acceptable performance of that duty. If the reason for the time lost was desertion, absent without leave (AWOL), or other serious offense, a court martial may terminate the M/S with a less than honorable

discharge. That action may follow stockade or brig confinement; that is also time lost without pay.

1. After 1956, time lost always reduces the amount of reported M/S wages and, if a full calendar month is lost, that unpaid month cannot be counted as a railroad service month.
2. If time lost results in felony conviction or dishonorable discharge, or an individual was officially declared a deserter and died while in that status, none of the remaining months that follow the time lost offense are creditable.
3. Active duty lost days may be recovered by an extension of the person's TOS with the effect that a 2-year term may extend to 25 or more calendar months before the individual is discharged. The added paid month(s) are creditable.
4. Lost months must be indicated in remarks on APPLE M/S proof screens, so HQ can assure unpaid months are not counted in the M/S months entered on EDM. Do not allow final award to process until EDM and G-90 M/S screens show the corrected M/S months.
5. Only full calendar months of time lost require an adjustment of the M/S crediting. An indication that the discharge was "other than honorable" will cause RASI to generate a referral to require examiner verification that the M/S credit is correct. If all months include some paid time, and no dishonorable discharge is involved, application processing may continue.

Refer evidence in questionable cases to RAS for resolution.

C. Dishonorable Discharge

1. M/S Considered As Wages - SSA's rule applies: if a TOS was performed wholly before 1957, and the discharge from M/S was dishonorable, no part of the TOS can be credited as wages.

The type of discharge has no effect on M/S performed after 1956 when M/S is credited as wages.

2. M/S Used As Compensation -M/S may be creditable as compensation for periods other than "time lost" or time spent in disciplinary barracks awaiting trial that results in dishonorable discharge.

D. Discharge Was Undesirable - If the discharge certificate or other evidence indicates undesirable discharge due to "unfitness", the paid active duty performed before discharge is creditable.

5.4.30 Granting M/S Credits

When proven M/S is reported on an annuity application, any additional railroad service months and compensation must be credited and recorded in EDM before final award calculations. The crediting process is described in CCOM 10.

5.4.30.10 Current Claims

As shown on the following chart, (Form G-429) credit for M/S is granted according to how and when an eligible employee entered active military service. These rules apply only after it is determined that the preceding railroad service requirement was met as explained in 5.4.35.

Active Duty Beginning Date of Term of Service	<u>Means of Entry to Active Duty TOS</u>	
	Involuntary Entry Drafted or Ordered To Active Duty	Voluntary Entry Enlisted, Re-enlisted, Or Commissioned
09/08/1939 Thru 12/31/1946 WWII war period	Credit as Compensation. Include re-enlistment periods thru end of TOS that began <u>before</u> Jan 1947	
01/01/1947 Thru 06/14/1948 Post WWII War Service Period	Credit as Compensation thru end of TOS Note: there were NO inductions in this period	Credit as compensation only thru 06/14/1948 (Enlisted after war ended)
06/15/1948 Thru 12/15/1950 Not a War Service Period until special rules of 1988 RRA amendments	Special Rules Effective 12/01/88 Rate Calculations	
	Credit as Compensation	Credit as Compensation if employee returned to RR in same or next calendar year after M/S with no intervening non-RR work All other voluntary entry <u>M/S IS NOT</u> <u>CREDITABLE</u>
12/16/50 Thru 09/14/78 Korean Conflict, Vietnam Era and Post-Vietnam War Service Period	Credit as Compensation <u>Note:</u> Induction ended June 30, 1973. Afterward - Involuntary applies <u>only</u> to reservists called to active duty.	Credit as Compensation thru 09/14/1978 no declared war period involved. Credit ended when national emergency ended. 10/78 thru end of TOS is wages.
Retirement Examiner - Send RR-17 when MS Months after 1956 are used as Compensation		

09/15/78 Thru 08/01/90 Not a War Service Period	Reservists called to active duty Credit as Compensation	Not Creditable as Compensation Used by SSA as regular wages. Earnings may be included in gross Tier 1 and in SSA benefit.
08/02/90 Thru Present Gulf Wars Conflicts National Emergency	Credit all active duty as compensation until further notice	

5.4.30.20 Rules For Each M/S Period

Each **mandatory** entry active duty TOS that was preceded by railroad work in the same year or the calendar year before the TOS may be credited as railroad service and compensation.

While any TOS resulting from mandatory entry to M/S is creditable, separate legislative actions and executive orders during each period of national emergency established discrete rules, according to entry date, for employees who voluntarily left railroad jobs to enter M/S.

A voluntary TOS that began before any creditable period, even though the service continued into a new period of war or national emergency service, is not creditable. Any additional TOS thereafter must meet the preceding railroad service requirement.

A. Entry 09-08-39 through 12-31-46

Any M/S that began during this period is creditable. Enlisted employees in active M/S on 12-31-46 may receive credit for additional months, after December 1946, that are in the same TOS. For a re-enlistment that began after 12-31-46, see B below.

For commissioned officers, the TOS in effect 12-31-46 is deemed to continue until the earlier of their resignation or 06-14-48. For officers who had not resigned their commissions by 06-15-48, with discharge or transfer to reserve forces, additional M/S months may be credited only with proof that the individual's release from active duty was postponed.

Note: Early in 1947 most active military personnel were returned to the U.S. and discharged before their scheduled TOS ended. Evidence may show transfer to "inactive" reserve status before final discharge.

B. Entry 01-01-47 through 06-14-48

1. Prior to 12-01-1988

Prior to the 1988 RR Act amendments, all employees who enlisted or re-enlisted after WWII ended could receive M/S credit only through June 1948 when the national emergency was declared ended.

2. Effective 12-1-1988

The above rule continues to apply for employees who

- Worked outside the railroad industry after leaving M/S and before they returned to railroad jobs, or
- Who did not return to any railroad employment after M/S

Effective 12-01-88 M/S is creditable for employees who began a new TOS during this period, but did return to railroad service when the TOS ended. See C below.

C. Entry 06-15-48 through 12-15-50

Prior to 12-01-1988, voluntary entry M/S that began or continued after 06-14-48 was not creditable.

For annuities accrued 12-1-88 later, compensation credit is given **if**:

- The employee returned to railroad service in the same year or the year after his M/S ended; **and**
- The employee had no non-railroad employment after the M/S and before the railroad service resumed.

Annuities in force prior to December 1988, for employees who meet the above requirements are increased effective 12-01-1988. See Appendix D for additional information on "88 amendment M/S cases".

D. Entry 12-16-50 through 09-14-78

Any M/S that began in this period may be credited through September 1978.

The military draft (conscription) ended June 30, 1973. Hostilities were declared ended 09-07-1975. By that time all drafted military personnel had completed their mandatory TOS. However, Congress did not declare the national emergency to be ended until 09-14-1978.

The effect of that time lapse is that M/S credit as compensation may continue only through 09-14-78 unless the individual was an activated reservist or an officer who could not be released from active duty by 09-78.

E. Entry 09-15-78 through 08-01-90

Voluntary M/S that began during this "peacetime" period is not creditable as railroad service months. M/S by individual reservists called to active duty for training or combat for national defense is creditable. If the training takes place during a month already credited with railroad service, the military earnings are credited up to the Tier 2 maximum amount for that month.

F. Entry 08-02-90 till present

Any active duty that began in this period may be credited as railroad service if the preceding railroad service requirement is met.

5.4.30.30 Historic War and War Service Periods

The following military mobilization periods occurred before the enactment of the RR Act and are referred to as "prior military service". Additional months of railroad service were credited only up to the career total maximum of 360 service months. No service or compensation credit was given for these periods if the employee had actual railroad service plus post-1936 M/S totaling 30 years or more service.

If the employee entered M/S during a war period, and he was required to continue in M/S after the end of that period, credit was given for all months of M/S performed before his discharge or re-enlistment.

If the employee entered M/S during a war service period, credit was given to M/S months through the date the period ended.

- A. **April 21, 1898 through August 13, 1898** (Spanish American War - War period)
- B. **February 4, 1899 through April 27, 1902** (Philippine Insurrection - War period)
- C. **May 9, 1916 through February 5, 1917** (Mexican Border Disturbances) The first war service period: Only duty by National Guard units called to federal service was creditable during this period.
- D. **April 6, 1917 through November 11, 1918** (World War I - War period)

5.4.35 Multiple Terms Of Service

An employee may maintain career railroad service and have more than one creditable military experience. Each proven TOS must be compared with the employee's railroad service record to verify that each break in M/S was followed by a return to railroad work that qualified him to receive credit for the next M/S term.

Note: There is no limit to the number of individual TOS that can be transcribed from M/S documents to APPLE proof screens.

5.4.35.10 TOS To Be Combined

When an individual performs more than one TOS, the M/S may be combined and considered as one enrollment only if the following requirements are met.

- A. The active duty must be continuous days. A new active TOS date must immediately follow a discharge or transfer date. Proof must show that there was no substantial break in active duty during which the employee could have opted to acquire more regular railroad service; and
- B. Any terms being combined must be within the same war service period.
- C. In case of discharge from one branch of service in order to enlist in another branch, transit status separating two terms, allowing for travel from one duty station to another, does not count as a break in M/S. Transit time, if any, is indicated on Form DD-214.
- D. Paid leave that occurs between TOS is considered part of the previous term and does not constitute a break in military service.
- E. Indications on proof documents of unpaid duty status, such as AWOL or disciplinary action, are considered to be a break in M/S only if discharge also occurs. "Without pay" status for a full month or more, however, will reduce the number of M/S months that are credited as RR service.

Example 1: If a sailor caused a disturbance in the recreation room, and his punishment was three days without pay, the days lost would show on his proof but he would still be in active duty all months of that TOS.

Example 2: For a sailor's offense of fighting in the recreation room, if his penalty was 45 days in the brig without pay, within that TOS, there would be 1 month for which he would not receive railroad service credit.

Note: 30 Days or less is not considered a substantial break in M/S. See 5.4.5.50.

5.4.35.20 Multiple TOS That Cannot Be Combined

In order to assure proper credit for multiple TOS, the terms cannot be combined if they occur in dissimilar periods of creditability. Each TOS must be recorded and processed separately for credit as compensation or wages when:

- A. A break in active duty, other than described in 5.4.35.10, occurred; or
- B. A TOS in effect on 06-14-48 is followed by another term that began before 12-16-50; or
- C. A TOS in effect on 09-14-78 continues past 09-78; or

- D. Evidence shows that following a discharge or transfer to inactive status, a substantial time elapsed before the next TOS; or
- E. A designated war service period ended during one TOS and the following TOS (voluntary entry) started either during a non-creditable period or during a subsequent war service period.

5.4.40 M/S Forms

Several standard government forms are prepared and issued to record and transmit M/S information. Identification of these forms is useful in processing proof of M/S and exchanging information needed to assure accurate use of M/S credits.

- A. **DD-214** is the preferred proof of M/S. It is the Department of Defense form issued to an individual at the end of each military service obligation. It records details of active duty needed to determine the creditability of the M/S under the RRA.
- B. **NGB** series is any one of the forms issued by the National Guard Bureau, generally used by the various state guard units to record non-creditable National Guard reserve service. Although NGB forms are not "best proofs", they may provide the dates of transfer to federal active duty status.
- C. **RR-17** is a notice to SSA that RRB is using specific post-1956 M/S months as railroad service and SSA must, therefore, remove the wages reported for that M/S from any SSA benefit eligibility or rate calculation consideration.
- D. **SSA-655-U2** is a request from SSA to RRB for pre-1957 M/S credit information. The form must be completed and returned to SSA before they can use WW II or post-WW II M/S for benefit eligibility or rate increase.
- E. **SF-180** is a request, signed by a veteran, to the National Archives Administration for replacement military records. The reply to SF-180, from the National Personnel Records Center in St. Louis, is an up-to-date Form DD-214. Form SF-180 is available at local SSA and RRB offices and at www.archives.gov on the Internet.
- F. **G-177B** is a form provided to persons who inquire about M/S under the RR Act. It lists creditable periods and summarizes eligibility requirements.
- G. **G-429** is a desk chart guide for examiners and contact reps that displays the creditability of M/S performed in the most recent creditable periods. The form may be printed from RRAILS and provided in response to individual technical inquiries about M/S rules.
- H. **G-563** is used by headquarters examiners to notify CCU to manually credit M/S to EDM and calculate T-2 amounts in special circumstance claims that cannot be handled mechanically.

5.4.45 Proving M/S Is Creditable

M/S credit may affect the amount of retirement and survivor benefits, so M/S months must be proven before they are considered for RRB use. The best proof is Form DD-214 that is issued to each veteran on the date of discharge from active duty. F/O staff can provide Form SF-180 for the employee to request a new DD-214 if other acceptable evidence is not available.

5.4.45.10 Collecting Evidence

Submitting proof of M/S is the employee's responsibility. Various RRB public announcements and pamphlets advise proof should be provided to F/Os for processing.

- A. Advance determination of M/S credit is encouraged. M/S proofs may be submitted to an RRB office at any time far in advance of annuity eligibility to have:
- The acceptability of evidence certified and transcribed to APPLE;
 - Service months and compensation, or wage credit notations, added to EDM records for extraction when a retirement estimate is requested or a claim is filed; and
 - A report of added railroad service returned to the employee or his representative.
- B. Proof of M/S may also be submitted with an application for RRB benefits, or at any time after an application is filed. If acceptable documentation is received after an award appeals period has expired, see rules in RCM 5.4.90.

5.4.45.20 Proof Storage

- A. Paperless - APPLE System Beginning January 2001, vital information on M/S proof documents is transcribed to APPLE evidence screens where it is permanently stored. The active duty information is extracted electronically from APPLE, processed for credit as RRB or SSA earnings, and recorded on the EDM M/S screens for use in eligibility determinations and annuity calculations.
- B. Paperless - Imaging - M/S evidence that must be inspected by headquarters personnel for acceptability as proof of creditable M/S is imaged for storage and
- C. Paper Documentation - Prior to mechanical evidence collection, F/Os used Form G-91 to transcribe M/S information; they mailed the completed forms to headquarters for processing and retention in physical claim folders.

5.4.45.30 M/S Proof Feedback

Proven M/S months that are credited on EDM records, as railroad service, are displayed on the lifetime service record (Form BA-6) that is released annually to current railroad employees.

Estimated annuities calculated "with and without" M/S provide a guide for F/Os to determine and explain how M/S may best be used when an application is filed.

Upon request, the servicing field office provides the number of additional service months credited to EDM to the individual who submits the M/S evidence. (See FOM 910.5.2)

5.4.50 M/S Rules At SSA

Both the RR Act and The SS Act allow credit for most employee active duty M/S. Beginning 1975 it is an RRB responsibility to determine how the M/S is used to the claimant's greatest benefit. This section describes how SSA rules for M/S credits differ from the rules of the RRB.

5.4.50.10 SSA Definitions

Except as stated below, RRB and SSA use the same definitions for M/S terminology.

A. Active Duty

1. SSA has no separate rules for voluntary and mandatory entry.
2. "In transit" status in RRB rules, is specified at SSA to include the time of an individual who:
 - Had been selected for active M/S under the Universal Military Training and Service Act of 1948; and
 - Was in transit to or from a place of entry or final acceptance to which he had been ordered or directed to proceed.

B. Active Duty For Training

Prior to 1957 SSA did not allow credit for M/S training duty. Thereafter, a person is considered to have performed active duty for training when he was:

1. A reservist on active duty for training purposes; or
2. A member of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, or the Air Force Reserve Officers' Training Corps, or the Reserve Corps of the Public Health Service while on annual training duty performed for a period of 14 days or more, or

3. An authorized traveler to and from any duty or service described above or
4. A cadet at the US Military, Air Force, or Coast Guard Academy or a midshipman at the Naval Academy.

C. M/S Periods at SSA

SSA credits M/S only during 3 periods. Separate legislation created each of these periods. Rules of eligibility and retroactivity require that they cannot be considered as one creditable period.

1. World War II: 09-16-1940 through 07-24-47
2. Post-WW II: 07-25-47 through 12-31-56
3. All active duty service beginning January 1957

D. Proof of M/S At SSA

The Armed Forces as an employer has reported military wages to SSA quarterly or annually since 1957. SSA only requires proof of active duty dates when it is relevant to the eligibility or benefit amount of the claim at SSA.

NOTE: SSA can use M/S dates received from RRB (always proven), but M/S wages shown on SSA records is not acceptable proof as the earnings do not confirm the dates M/S was performed.

5.4.50.20 SSA Use When All M/S Is After 1956

- A. Active duty M/S is covered earnings at SSA starting 1957. M/S earnings are credited in the same manner as other wages under the SS Act.
- B. M/S performed after 1956 that is credited under the RR Act is not creditable at SSA. Upon receipt of notice that RRB will use a TOS, SSA removes the wages from any benefits in force and earmarks their records to disregard those M/S earnings for all future benefit calculations and insured status decisions.
- C. The type of discharge is immaterial to the SSA credit, but no credit is given for time without pay.

5.4.50.30 SSA Use When All M/S Is Before 1957

M/S was not taxed and credited as regular earnings by SSA until 1957. However SSA grants credit of \$160 per month for M/S performed during their WW II and post-WW II periods to establish insured status or increase benefits if:

- A. M/S discharge was not dishonorable; and

- B. RRB is not using the same M/S for Tier 2; and
- C. No other federal agency is using the same M/S; and
- D. At least 90 days active duty was performed during the period of 9-16-40 through 12-31-56, **but**

When fewer than 90 days of active duty occurred between 9-16-40 and 12-31-56, SSA adds wage credits for those years only if:

1. M/S terminated due to a service-related disability or injury; or
 2. 90 consecutive days of M/S occurred either in a period beginning before 9-16-40 or in a period that ended after 1-1-57; or
 3. He was still in active M/S on his application file date; or
 4. He died while in active M/S (except death as lawful punishment by a U.S. military court).
- E. SSA also credits active M/S performed by U.S. citizens during WW II in the Armed Forces of allied countries. (Assume that SSA has examined acceptable proof of any foreign M/S used as wages.)
 - F. Benefits that include WW II M/S (9-16-40 thru 07-24-47) retroact no earlier than 09/50. Benefit retroactivity is limited to 09/52 for any part based on post WW II M/S (07-25-47 thru 12-31-56).

5.4.50.40 SSA Use - TOS Before 1957 And After 1956

- A. A TOS that is not ended 1-1-57, and multiple TOS not all in the current M/S period, are credited according to the rules for the current period (see 5.4.50.20) unless specified in this section.
- B. Receipt Of Military Retirement Pay Involved:

If a veteran is on active duty or active duty for training after 1956, SSA credits M/S performed during 1951-1956, even though the individual is receiving retirement pay from the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, or the Public Health Service, based in whole or in part on the same M/S.

Veterans who retired from M/S before 1957 can only receive credit for 1951-1956 M/S if they are called from retirement for active duty or active duty for training after 1956.

5.4.50.50 M/S That SSA Cannot Use

M/S cannot be used as wages under the SS Act if any of the following apply:

- A. WW II M/S wage credits cannot be used at all in determining entitlement to or the amount of lump sum death payments if death occurred before September 1950. Post WW II wage credits cannot be used for a LSDP if death occurred before September 1952.
- B. M/S is considered but not used if an SSA benefit or LS would be payable at the same or greater rate without including the M/S earnings.
- C. M/S earnings cannot be used as wage credits if the same TOS is credited as compensation under the RR Act.
- D. Pre-1957 M/S cannot be used if a monthly benefit is payable by another Federal agency (other than the VA) based on the same M/S.

5.4.55 M/S Earnings Credits

RRB has followed the practice of SSA in setting earnings amounts credited for M/S.

5.4.55.10 SS M/S Wage Credits

- A. At the time a benefit application is filed, for each creditable M/S month prior to 1957, SSA adds \$160 to the calendar quarter in which that M/S was performed.
- B. Effective January 1957 through 1977, the Armed Forces submitted quarterly earnings statements for M/S basic pay amounts.
- C. Beginning 1978 active M/S earnings are reported annually to SSA and are recorded as ordinary earnings in the same way as other wages.

5.4.55.20 Deemed M/S Wage Credits

- A. Beginning with 1968 entitlements SSA supplements reported actual M/S wages with " non-contributory credits" (deemed M/S wages) for post-1956 M/S to provide comparability of M/S and other types of earnings used in computing SSA benefits. The deemed wages are in addition to the monthly M/S basic pay.
- B. For benefits beginning effective 1-1-73 deemed wage crediting adds \$100 for each full \$300 of M/S earnings on the individual's SSA annual wage report. The deemed wages for M/S in one year may not exceed \$1200, and the deemed amount is also restricted by the annual earnings limit for the year the M/S was performed.

- C. Effective with enlistments after 09-07-80, deemed wage credits are not allowed by SSA if the individual completes less than 24 months of the original TOS. Other provisions were not changed.
- D. In 2001, Public Law 107-117 eliminated deemed M/S wage credits for M/S performed all years after 2001 for both SSA and RRB benefit calculations.

5.4.55.30 Historic Deemed Amounts

- A. Prior to the October 1972 SS Act Amendment, the deemed wage credit was allowed only for M/S after 1967, and amounted to \$100, \$200, or \$300 depending upon the amount of an individual's basic service pay in a quarter.

This provision does not produce additional RRB compensation credits for creditable M/S. However, deemed M/S wage credits are to be included in the computation of PIA #1, irrespective of creditability, when the M/S would otherwise be creditable as wages under the SS Act. This provision applies only to the computation of PIA #1.

- B. Effective 1973, a deemed wage credit of \$300 per quarter became creditable for each quarter after 1956 in which wages were paid for M/S. subject to the annual maximum wages limitation for the year(s) M/S was performed.
- C. Effective with SSA's switch to annual reporting after 1977, deemed M/S wage credits are granted in \$100 increments (up to \$1200) for each full \$300 of annually reported M/S wages for years 1978 through 2001.

5.4.55.40 Tier 2 Compensation Credit

See current RCM 5.3.51

5.4.60 Determining RRB Or SSA Credit

Both RRB and SSA can credit most M/S of an individual who first performed regular railroad service, but simultaneous use of any M/S TOS by both agencies is prohibited. Regulations at both agencies have consistently afforded RRB first consideration for determining how M/S would be credited.

5.4.60.10 1937 Act Provisions

M/S was used in calculating RRB annuities only if it was formally claimed on a RRB benefit application. An employee could acknowledge that he performed creditable M/S, but decline to claim it at RRB if it might provide greater benefit to claim the M/S at SSA. An employee could also withdraw his RRB claim for an M/S term, repay any resulting overpayment, and then claim the TOS at SSA.

5.4.60.20 1974 RRA Provisions

- A. A TOS used as railroad compensation in calculating an annuity Tier 2 and/or SUPP ANN cannot also be used as wages (PIA 4) in a VDB calculation. RRB compares "with and without M/S" calculations to determine whether there is greater advantage to using an employee's creditable M/S as RRB service and compensation or as SSA wage credits.

The following possible options are considered:

- M/S prior to 1975, when combined with other SSA wage credits in a VDB calculation, may result in a higher total annuity than if the M/S is used to increase a claimant's Tier 2 service and compensation.
 - If more than one creditable TOS is proven, part of the M/S credited as railroad compensation and part used as SSA wages may provide the highest total combined benefit.
 - If M/S is required for insured status and/or earlier eligibility at either agency, the highest overall benefit is determined.
- B. The reporting of M/S to RRB does not prevent use of the same M/S by SSA. Effective 1957, all creditable M/S is recorded as wages. When any part of a TOS is after 1956, RRB must notify SSA to remove the TOS from their benefit eligibility and calculation records. See 5.4.95.

5.4.65 Notice of Disallowing M/S Credit

A formal denial notice is not appropriate when proven M/S information is provided on an employee or survivor benefit application but is not used in an award. Under the 1974 RR Act, M/S is identified, not claimed, on an application.

- A. Alta Code Paragraphs 332, 333 or 334 are used to notify the employee that M/S is not creditable. When M/S is not needed as wages to vest the employee, and is not creditable as compensation, is paid by RASI, Code Paragraph 306 will be included on the RL-20 award notice.
- B. M/S may be a factor in a denial of benefits. If creditable M/S does not establish eligibility, prepare a RL-64 denial letter to notify employee. Since M/S is not claimed but only identified on the application, a formal denial is not required when it is determined that M/S is not creditable.
- C. In a death case, do not prepare a disallowance memorandum or inform the applicant when disallowing credit for the employee's M/S. If the applicant specifically asks about the crediting of M/S, the contact rep will provide Form G-177B or G-429 and explain why credit was not allowed.

5.4.70 M/S Effect on Disability Claims

An initial award for a disability claim is usually completed (paid) before a DF decision is processed. The most advantageous use of M/S may change when the DF determination reduces the number of SSA earnings quarters required for insured status. In such paid cases, the initial award considered conditional until a DF is established or denied, and any impact of the DF on the annuity rate is determined.

5.4.75 M/S Effect on SUPP ANN and SPOUSE Awards

For annuity rates effective before 9-1-83 creditable M/S is included in the employee's total years of service even if that M/S was excluded from computation of the employee's annuity due to reduction for other federal benefits.

Including M/S in the total service was permitted to establish eligibility for a SUPP ANN or for a spouse's annuity that would otherwise be denied.

Example: An employee with 24 years of railroad service, 2 years of military service, is receiving a 2(a)(iii) (age reduced) annuity with an ABD of 10-1-1978. He turned age 65 in 10-81 and qualified for a SUP ANN. His annuity was paid before 8-13-83 without military service because his rate with military service, after reduction for a VA benefit is less than his rate without military service. However, his 26 total years of service provides eligibility for a SUPP ANN.

This rule became obsolete 9-83 when reduction of M/S credit, for receipt of other M/S-based federal benefits, was abolished and the regular annuities were recertified with M/S included.

5.4.80 Applying M/S In Survivor Claims

Use of an employee's M/S in survivor benefits depends on whether a retirement annuity was awarded prior to the employee's death, and the effect M/S has in the survivor benefit calculation.

A. Military Service Creditable as Compensation

1. M/S was used as compensation in the EE benefit: Use the survivor Tier 2 with M/S.

The inclusion of creditable M/S as compensation in the survivor 1981 Tier 2 computation will increase the Tier 2 payable to a survivor beneficiary because it increased the service months used in the calculation.

2. M/S used as wages in the EE benefit: If the employee received a vested dual benefit (VDB), use the survivor Tier 2 without M/S.
3. M/S was not used in the EE benefit (includes "D" cases):

Use M/S in the survivor Tie 2 if advantageous.

B. Military Service creditable as wages only

1. M/S used as wages in the EE benefit: Use M/S as wages.
2. M/S was not used in the EE benefit (including "S" cases):

Use M/S as wages if advantageous for a possible higher PIA calculation.

Note: The survivor benefit Tier 1 PIA may increase, whether the M/S is credited as compensation or as wages, if including M/S earnings creates a "high year" in the PIA calculation.

C. Military Service and the Basic Amount

1. M/S was used as wages or as comp in the EE benefit: The BA must include M/S.
2. M/S was not used in the EE benefit (including "D" cases):

If there are survivor wage records available which show the Basic Amount with and without M/S, the examiner may pay the Lump Sum Death payment based on the higher wage record. If there is a wage record with M/S, the examiner need not request one without M/S. If a future monthly recurring benefit becomes payable and M/S was not used in the B.A. calculation, M/S can be used in the computation of the survivor Tier 2.

The survivor benefit Tier 1 PIA may increase, whether M/S is credited as compensation or as wages, if including M/S earnings creates a "high year" in the PIA calculation.

Note: Basic pay for M/S performed after 1956 is automatically added to SSA wage records.

5.4.80.10 EDM M/S Records for Survivor Cases

The EDM screens have missing or incomplete M/S information for some older employee records. If all M/S data is not included on the initial survivor wage record, submit a SURGE request, with all the M/S included, for a new survivor earnings record.

5.4.80.20 Initial Death Cases

1. "D" Cases

It may be necessary make an initial decision on the use of M/S for a "D" survivor claim even though advance proof of M/S is recorded in APPLE and already

credited on EDM. The examiner is responsible for using the M/S as compensation or wages to the claimant's best advantage in available benefits.

2. "A" Cases and Retirement Conversions

For survivor claims payable after an employee annuity has been awarded, M/S must be used in the survivor Tier II computation, lump sum, and basic amount in the same way that M/S was included in the employee's annuity. If it's determined that the retirement annuity should have included the M/S, it's permissible to include the M/S in the survivor annuity prior to referring the case to RBD for retroactive M/S inclusion in the retirement annuity.

If a survivor applicant provides proof of additional M/S TOS, not used as comp or wages in the previous calculation of the employee annuity, the additional TOS may be used either as compensation or wages, whichever is to the survivor's benefit.

Advance proof of M/S may have been recorded in APPLE and already credited on EDM, but for a "D Case" survivor claim it may be necessary to make an initial decision on the use of M/S.

The EDM screens have missing or incomplete M/S information for some employee records. If M/S data is not included on the initial survivor wage record, submit a SURGE request, with all the M/S included, for a new survivor earnings record.

5.4.80.40 Survivor M/S Use Chart

Use the information below to determine how the employee's M/S should be used in the survivor annuity.

Type of Survivor Case (A or D)	How M/S used by Retirement	M/S Creditable as Compensation	M/S Creditable as Wages
A Case	Retirement used M/S as comp.*	Use M/S as comp in the survivor annuity	Not applicable
A Case	Retirement used M/S as wages	If EE received a VDB, use Tier 2 without M/S (M/S as wages). If EE did not receive a VDB, use Tier 2 with M/S (M/S as comp.)	Use M/S as wages

A Case	Retirement did not use M/S as either comp or wages	Use M/S as comp, if it's to the survivor's benefit	Use M/S as wages if it's to the survivor's benefit
D case	Not applicable	Use M/S as comp or as wages, whichever is to the survivor's benefit	Use M/S as wages if advantageous to the survivor benefit

*If M/S was erroneously used as comp in the retirement annuity, due to M/S not being creditable as comp, M/S must be used as wages in the survivor annuity. M/S should always be re-evaluated and corrected in the survivor annuity computation.

See RCM 5.4.90 below for instruction on when to include new M/S proof(s) for benefit retroactivity.

Basic Amount Calculation	
Any creditable M/S prior to January 1, 1975 can be included in the calculation of the basic amount.	
IF	THEN
M/S used as comp in the employee annuity	Basic Amount must include M/S as comp.
M/S used as wages or not included in the employee annuity (including "D" cases)	Include M/S as comp if it produces a higher B.A.

5.4.90 M/S Credit Retroactivity

If a M/S term is not shown on an initial application, or the applicant is unable to provide proof of the TOS before the initial final award appeals period expires, that M/S may be claimed later. The applicant must provide acceptable proof along with a signed statement requesting that the credited M/S be included in the annuity calculation.

- A. An annuity increase due to added M/S accrues from the ABD if the M/S proof is received during the appeals period after an initial award, but benefit retroactivity is restricted if the proof is submitted after the initial appeals period.

1. Effective 09-30-97, any annuity increase based on M/S proof accrues only from the month after the month the proof is received. (No retroactivity.)
 2. 10-05-63 through 09-29-97 inclusion of the added M/S credit could retroact 12 months.
 3. M/S was first allowed as railroad service in an annuity 10-08-40. Until 10-05-63, retroactivity of added M/S credits was 6 months, but not earlier than October 1940.
- B. If creditable M/S was shown on the employee's initial application, and an "initial final" annuity was awarded without M/S for any documented "action pending" reason, the award paid without M/S is not a final decision, because a claim remains open until a final decision is made on all parts of the application.

5.4.95 RRB/SSA Information Exchange

Reporting an employee's M/S to RRB does not prevent use by SSA. Effective 1957, SSA taxes and credits military earnings as ordinary wages.

- If RRB uses M/S performed after 1956 as railroad months and compensation, we notify SSA with Form RR-17 to remove those wages from SSA benefit calculation records.
- If SSA receives a claim with M/S performed before 1957, and the M/S would be used to establish eligibility or increase a benefit rate, SSA requests creditability information from RRB with FORM SSA-655-U2, and will not use the M/S that RRB reports credited as RR service.

5.4.95.10 M/S After 1956 - Processing Form G-17

NOTE: This form and procedure are in revision with SSA coordination. Text will be published when new version is approved.

5.4.95.20 M/S prior to 1957 - Processing Form SSA-655-U2

SSA calculates benefit amounts based on earnings after 1950. If M/S during 1951 through 1956 is claimed at SSA, before using the M/S as wage credits, SSA is required to send Form SSA-655-U2 to RRB to determine whether any TOS will be or has been used by RRB.

NOTE: The details of the balance of this instruction will be added when current SSA action is confirmed.

5.4.100 M/S Accounting Project

5.4.100.5 Background

The law calls for Congress to reimburse the RRB trust fund for any annuity amounts or increases that are based on certain M/S periods we refer to as reimbursable M/S periods. An annual M/S accounting project is worked each spring by Policy & Systems and/or Operations to determine the amount of M/S reimbursement for the current accounting period.

The M/S accounting project determines the EE (including OM), MA, XA and Survivor tier 1 and tier 2 increase amounts paid due to reimbursable M/S periods. They are based on comparing the tier 1/tier 2 being paid versus the tier 1/tier 2 minus those M/S periods, (i.e., annuity rates including reimbursable M/S versus annuity rates without the reimbursable M/S.)

VDBs, supplemental annuities, 1937 Act annuities, and independently entitled XAs payable under PL109-280 (the Pension Protection Act of 2006) are not considered for this project.

5.4.100.10 Reimbursable M/S Periods Defined

The M/S reimbursable periods are as follows:

- Any M/S periods after 6/30/63, whether creditable as wages or as compensation. (If the M/S period begins prior to 7/1/63 and extends past that date, only the period after 6/30/63 would be included in the T1 T2 computations for comparison to the T1T2 that was being paid.)
- 1988 amendment M/S periods where the voluntary M/S was creditable as compensation solely based on the 1988 Amendments.

5.4.100.15 Calculation Through Date

Calculations will be needed through the current accounting period.

5.4.100.20 M/S Accounting G-90s

An M/S accounting G-90 should be requested for all new Financial Interchange (FI) cases, by entering a code 2 in item 41 of the G-60 screen. FI cases are defined as those having last two digits (30) of the RRB claim number. All other G-60 entries are the same as you would enter for an initial G-90 request. Be sure EDM is updated for all M/S periods before requesting a M/S accounting G-90.

M/S accounting G-90s will not have reimbursable M/S periods displayed, providing tier 1/tier 2 amounts for comparison with the tier 1/tier 2 paid. Examiners should determine the difference in tier 1 and tier 2 amounts for each date break from the ABD through the

current accounting period. Compute net tier 1/tier 2 amounts after any reductions for age, SSA, etc.

5.4.100.25 Categories of Work

Each annual project normally will consist of the following work categories:

- New Financial Interchange (FI) cases
- New occupational disability cases
- Previously identified FI cases for updating
- Previously identified occupational disability cases for updating

5.4.100.30 Handling For Each Category of Work

Take the following action for each category of M/S accounting work:

Category	What Needs To Be Done
1. New Financial Interchange (FI) Cases	Request a M/S accounting G-90, (code 2 in item 41) comparing the tier 1/tier 2 amounts with the tier 1/tier 2 paid. The differences in these tier 1/tier 2 amounts should be shown on the M/S accounting worksheet from the ABD through the current accounting period.
2. New Occupational Disability Cases	Determine total tier 1/tier 2 amounts and complete the M/S accounting worksheet for each date break from the ABD through the current accounting period. (*See manual calculation exceptions in RCM 5.4.100.50, situations 3 and 4.) Full tier 1/tier 2 amounts are reimbursable amounts when the employee lacks 240 service months without M/S, and, therefore, eligibility to an occupational disability does not exist without reimbursable M/S periods.
3. Previously Identified FI Cases (digit 30)	Update the M/S reimbursable amounts on the existing M/S accounting

	worksheet beginning with the month after the last accounting period through the current accounting period.
4. Previously Identified Occupational Disability Cases	Update the M/S reimbursable amounts on the existing M/S accounting worksheet (full tier 1/tier 2) beginning with the month after the last accounting period through the current accounting period.

5.4.100.35 Worksheets

Reimbursable M/S accounting amounts must be shown on a worksheet for each newly identified M/S accounting case. Examiners will be provided with the old M/S accounting worksheet for previously identified cases, which should be completed with updated reimbursable M/S accounting amounts through the current accounting period. If MA/XA in pay status, show the amounts for each payee.

For cases where the annuity is terminated or suspended, show M/S accounting amounts through the month before the month that the annuity terminated.

There are cases where the M/S period may not increase the annuity rate, if the M/S is creditable as wages only. If the annuitant(s) is receiving an annuity, but the M/S accounting amount is zero, show zeroes through the current accounting period. Use the remarks section to explain unusual situations (e.g., annuity terminated 5/02).

5.4.100.40 Folderless Handling of Previously Identified FI Cases

Procedures for handling this category of work folderless is as follows:

- Check DATAQ/PREH to determine that the EE/MA/XA are still in pay status through the current accounting period. If entitlement ended, show M/S accounting amounts (even if zero) through the month before the month of suspension/termination. Notate on the worksheet, the month and cause of termination, so that future updating is unnecessary.
- Check PREH Screen 3210 to determine whether any reductions are being made in tier 1 (age, SS, WC, etc.). If not, proceed folderless. If so and the M/S accounting amounts include tier 1 amounts, request the folder or review the virtual folder via Web Connect.
 - Multiply the M/S reimbursable amounts from earlier periods on the M/S accounting worksheet by the tier 1 and tier 2 COL percentage increases to determine the M/S accounting amount totals for the current accounting period. Round the computed tier 1 amounts down to the dollar.

5.4.100.45 Folderless Handling of Previously Identified Occupational Disability Cases

- Check PREH Screen 3255 to determine whether a DF was granted after the ABD. If so, M/S accounting ends 5 full months after the DF grant (e.g., if DF date 4/1/02, then M/S accounting ends 9/1/02).
- Check DATAQ to determine that employee in pay status through the current accounting period. If entitlement ended, show M/S accounting amounts through the month before the month of termination.
- Check PREH Screens 3210 and 3215 to determine the current accounting period tier 1/tier 2 amounts, which would normally be the reimbursable amounts.
- Check DATAQ/PREH to determine that employee still is under age 60/62 does not have a DF and would not qualify for any other type annuity based on service without reimbursable M/S. If so eligible, obtain folder or review the virtual folder via Web Connect and determine difference in tier 1/tier 2 between occupational disability annuity and new annuity to which employee would be entitled (reduced age annuity at age 62, or occupational disability annuity at age 60 based on 120 service months and a current connection).

5.4.100.50 Manual Calculations Required

Examiner may need manual calculations in the situations below:

1. (FI categories): 60/30 employees where the deletion of the reimbursable M/S gives the employee less than 360 service months and no entitlement to that type of annuity. The M/S accounting G-90 will provide no 60/30 annuity PIA calculations, so a G-563 should be sent to CCU for reduced age 62 calculations. The entire tier 1 and tier 2 will be the reimbursable amount from the 60/30 ABD until age 62, and then the difference between the 60/30 tier 1, tier 2 and the newly computed fictional reduced age 62 tier 1 and tier 2 amounts effective with the fictional reduced age 62 ABD.
2. (FI categories): If employee retains 360 service months without the reimbursable M/S, but the PIA 1/tier 2 from the initial G-90 differs from the M/S accounting initial G-90. You will need an age 62 recalculation M/S accounting G-90, or get calculations via G-563. (An M/S accounting G-90 type 62 request for the age 62 recalculation for calculations without M/S reimbursable periods could also be requested.)
3. (Occupational disability categories): Occupational disability annuitant now over age 62 where the deletion of the reimbursable M/S provides less than 240 service months and no eligibility to an occupational disability annuity. Reduced age 62 annuity calculations must be requested using a fictional ABD at age 62, since the employee is not entitled to the occupational disability annuity. The entire tier 1 and

tier 2 will be the reimbursable amount from the occupational disability ABD until age 62, and the difference between the occupational disability tier 1/tier 2 and the newly computed reduced age 62 tier 1/tier 2 amounts will be the reimbursable amount from the fictional reduced age 62 ABD.

4. (Occupational disability categories): Occupational disability annuitant now over age 60 with at least 120 service months and a current connection. Employee still entitled to an occupational disability annuity even without reimbursable M/S. But tier 1 and tier 2 without reimbursable M/S must be compared with all M/S to determine M/S accounting amounts at age 60 & over. A M/S accounting G-90 should be requested, which may have a different year of eligibility.
5. (All categories where a new M/S accounting G-90 is used): See RCM 5.4.100.55 below.

5.4.100.55 Post-1963 M/S PIA #1 Errors on M/S Accounting G-90s

BACKGROUND: Beginning in 1957, all M/S pay is reported as wages. Deemed M/S credits are also added to the employee’s wage record. Deemed M/S credits are added in by CCU examiners for the years 1957-67 for each year of M/S shown on the G-90. SSA includes deemed M/S credits in its wage totals for the years of M/S beginning in 1968 through 2001.

Even though the post-1963 M/S period(s) is not shown under “MS Data” on the M/S accounting G-90 on GOLD, M/S earnings are included in the wage total for each year beginning from 1963 forward. Further, deemed M/S credits are erroneously included for each year of M/S beginning in 1968. Manual M/S accounting PIA #1 calculations must be requested to exclude these earnings totals.

Based on a prior study, we assume that ANY wages posted for a year in which the employee had M/S is all M/S earnings.

EXAMPLE: Employee has M/S period from 12/64 through 1/66, all wages posted for 1964, 1965, and 1966 are assumed to be M/S earnings.

Examiners should take the following actions for M/S 1963 and later:

IF	AND	ACTION
M/S periods ending in a year from 1963 through 1967.	M/S accounting G-90 PIA #1 is same as on final G-90.	Take no action. (Assume the M/S years are drop-out years and no M/S accounting amounts are applicable in tier 1.)
M/S periods ending in a	M/S accounting G-90 PIA	Refer the M/S accounting

<p>year from 1963 through 1967.</p>	<p>#1 is lower than on final G-90.</p>	<p>G-90 via G-563 to CCU asking that wages be excluded from the PIA #1 calculation for each M/S year from 1963 through 1967. Specify the M/S years as they would not be shown on the M/S accounting G-90. (Deemed M/S credits will already have been excluded from the M/S accounting PIA #1 calculation.)</p>
<p>M/S periods ending 1968 or later.</p>	<p>M/S accounting G-90 PIA #1 is the same as on the final G-90.</p>	<p>No action necessary. (Assume the M/S years are drop-out years and no M/S accounting amounts are applicable in tier 1.)</p>
<p>M/S periods ending in 1968 or later.</p>	<p>M/S accounting G-90 PIA #1 is lower than the PIA #1 on the final G-90.</p>	<p>Refer the M/S accounting G-90 via G-563 to CCU requesting that:</p> <ul style="list-style-type: none"> • the wages be excluded for years 1963 through 1967 <p style="text-align: center;">AND</p> <ul style="list-style-type: none"> • wages and deemed M/S credits be excluded from the PIA #1 calculation for each M/S year 1968 and later. <p>Specify the M/S years on the G-563 request as they would not be shown on the M/S accounting G-90.</p>

5.4.100.60 ROC and PC Awards

Examiners may wish to use ROC or PC award programs for computing the M/S accounting amounts.

5.4.100.65 Annuity Adjustments

For purposes of each year's project, examiners should assume that what is being paid is correct for comparison purposes. Correcting annuity rates is not the purpose of the annual project.

