



## 6.8.1 Scope Of Chapter

Changes that must be made in large numbers of cases are accomplished with mass mechanical adjustment operations. In a mass adjustment, annuity information for affected annuitants is taken from the master benefit file (MBF) and a new annuity amount is calculated mechanically.

The railroad annuity cost-of-living adjustment (COLA) is performed in December to adjust the January 2 payment. The RRB also performs an adjustment in December to increase LAF E social security benefits for cost-of-living increases. Prior to 2006, retirement annuities were adjusted 1) in September (October 1 payment) in the AERO to include social security wages earned after the ABD, 2) in June (July 1 payment) in the RAIL to include ABD year railroad service and compensation and delayed retirement credits, and 3) in August, in the SALSA mass adjustment to issue separation allowance lump sum amounts. Beginning in 2006, RESCUE adjusts retirement annuities each quarter in response to any service and earnings changes posted to EDM. The RAIL, AERO and SALSA mass adjustments are no longer performed.

Other mass adjustment actions are performed as needed in response to legislative amendments or budgetary restrictions. The most common adjustment is performed to reduce vested dual benefit payments in response to VDB funding limitations.

## 6.8.2 RR Cost-of-Living Increase

Annual cost-of-living increases have been paid on tier 1 since 1974. The increase has been payable on the benefit for December (January 2 check) since December 1983; prior to that the COL was added to the June benefit (July 1 payment). Between 1965 and June 1974, COL increases were paid as authorized by the Congress, but not on a fixed schedule. Tier 1 benefits are adjusted by the same COL increase percentage as is applied to social security benefits.

Since June 1977, annual COL increases have been added to tier 2 benefits. The tier 2 increase percentage is equal to 32.5 percent of the percentage payable on tier 1. Tier 2 COL increases were paid each June from 1977 through 1983. In 1984, the tier 2 COL increase effective date was changed to December. A tier 2 COL increase has been paid each year except in 1985. In that year, no tier 2 COL increase was paid because funds were sequestered.

In 2009, Railroad retirement annuities, like social security benefits, did not increase in January 2010 as there was no increase in the Consumer Price Index (CPI) from the third quarter of 2008 to the corresponding period of 2009. There was no increase in tier 1 nor tier 2 for 2009. Appendix G provides tier 1 and tier 2 COL increase percentages.



### **6.8.3 Tier 1 COLA Calculation**

The mechanical operation increases the tier 1 PIA and the survivor family maximum share by the COL increase percentage. These amounts are then adjusted for delayed retirement credits and reduced for age, SSA benefits, public service pension and dual RR entitlement as appropriate.

#### **A. SSA OFFSET AMOUNT**

The tier 1 calculation performed in the RR cost-of-living mass adjustment operation uses social security benefit amounts which are provided by the Social Security Administration in November. The records provided by SSA are matched to the RRB's annuity records by comparing the SS claim number, the RR claim number and the beneficiary's own account number (BOAN) in SSA's MBR and the RRB's MBF. If a match occurs on any one of the three numbers and the BOAN, DOB (month and year) and name are the same at SSA and the RRB, the SS record is accepted as belonging to the RR annuitant.

1. The benefit information provided by SSA allows the Board to adjust the tier 1 SS offset amount to reflect AERO increases which SSA has added to their benefit as well as the COL increase. If the annuitant has received AERO increases in his/her benefit, the correction of the tier 1 SS offset amount in the COLA operation causes the monthly annuity rate to decrease on the January 2 payment. Annuitants who receive Social Security benefits which are paid by SSA (LAF C benefits) are sent form letter T-51 on December 1 if their monthly payment must be decreased because of increases they have received in their SS benefits. An example of the T-51 is provided in Exhibit 7.

Annuitants are instructed to contact the Board if the benefit amount provided by the Social Security Administration and quoted on the T-51 is incorrect. If an annuitant questions the T-51 information, the following actions are taken:

- 1) Field offices collect all SSA claim numbers upon which the annuitant receives benefits and the monthly benefit amount claimed by the annuitant. The information is forwarded to headquarters via HSL with a flag, "T-51 Inquiry."
- 2) The SSA claim numbers in the MBF should be checked for accuracy using the "SS Info" screen on PREH. Any necessary corrections should be sent to the Division of Statistical Services in the Bureau of Information Systems. Examiners should investigate



with SSA to determine the total benefit amount received by the annuitant. The RR annuity paid in the COLA mass adjustment should be corrected if the SSA offset used in tier 1 was incorrect.

2. The benefit information provided in November by SSA also allows the RRB to identify cases in which SSA has received a report of death for the annuitant but no report has been made to the RRB. The case is rejected in the COLA and listings are produced of these cases which show the SSA claim number and the month and year SSA terminated their benefits. Examiners send an assignment to the appropriate field office to investigate the death report after determining that the SS beneficiary and RRB annuitant are the same person. If the terminated SSA record does not belong to the RRB annuitant, SSA claim number information in the MBF should be corrected.
3. Missing SSA benefit offsets are also identified in the COLA. If SSA benefit information is received for an annuitant but tier 1 is not offset for the benefit, the case is rejected in the COLA and listed for investigation. The listing shows the SSA claim number and type of benefit. Examiners should obtain SSA master benefit file (MBR) records for the cases and adjust the RR annuity. If the SS benefit does not belong to the RRB annuitant, the SSA claim number information in the MBF should be corrected.

## **B. PSP OFFSET AMOUNT**

Prior to 1992 spouse and widow(er) annuitants were not adjusted in the COLA if tier 1 was offset for a PSP, but the PSP did not reduce tier 1 to zero. The spouse/widow(er) was rejected from the mechanical operation. From 1992 through 1995, the tier 2 COL was paid in these spouse or widow(er) cases, and only the tier 1 COL was withheld pending the policing of the PSP amount.

From 1991 through 1995, form letter RL-212 was released with policing form G-212 attached as part of the COLA operation. The annuitant provided updated PSP information on the G-212 which allowed the examiner to adjust the case to pay the COL. See RCM 1.3 and 2.1 for information on the handling of form G-212.

In 1996, the effective date of the COL increase payable on public service pensions paid by the Office of Personnel Management (OPM) was changed to December 1st. The 1996 COLA calculated a COL increased PSP offset amount if the spouse/widow's PSP was paid by OPM, and the PSP was a recurring benefit. If the PSP was paid by an organization other than OPM or the PSP offset



is based on a lump sum payment the annuitant received, the COLA subtracted the PSP offset amount in the RRB's records. If the resulting net tier 1 amount was greater than zero and the PSP was paid by an organization other than OPM, the case was referred to the field service for policing.

### **C. DUAL RR OFFSET**

In retirement cases, the spouse tier 1 is reduced for the spouse's own gross or net employee tier 1 as appropriate. In survivor cases, the widow(er) tier 1 is reduced for the widow(er)'s own net employee tier 1.

Prior to October 1988, the dual offset amount in widow(er) cases was based on the widow(er)'s own employee tier 1 amount after reduction for SSA benefits but before reduction for age. In the December 1988 COLA operation, the tier 1 offset for dual RR entitlement was changed for widow(er)s who began receiving an annuity prior to October 1988. The offset amount was made equal to the net tier 1 amount from the widow(er)'s own employee annuity. Since the change in the widow(er) dual offset amount was effective October 1988, the COLA calculated a tier 1 accrual for October and November which was issued in January 1989.

### **6.8.4 Tier 2 COLA Calculation**

The mechanical operation increases tier 2 for the COL as follows:

1. 1974 Act employee - components 1 and 3 of tier 2 are increased.
2. Spouse with ABD January 1, 1984 or later - the tier 2 amount before age reduction is increased and a new age reduction amount is calculated.
3. All other retirement cases - the net tier 2 amount is increased.
4. Survivor cases - the increase is added to the tier 2 amount before additions for dual entitlement restoration, spouse minimum guaranty and equalization.

In the December 1983 and 1984 COLA operations, a takeback amount was subtracted from tier 2 as a fund solvency measure. The total amount subtracted in the two operations was equal to 5 percent of the net tier 1 payable in November 1983. The takeback amounts are permanent reductions in tier 2.

No tier 2 cost-of-living increase was paid in the December 1985 COLA operation because the Balanced Budget and Emergency Deficit Control Act (PL99-177) suspended automatic increases in some federal programs.



Note: Prior to enactment of PL99-177, approximately 6,500 manual December awards were processed with a December 1985 COL included in tier 2. In February 1986, a mechanical operation removed the December 1985 tier 2 COL effective February 1, 1986 from all but 200 of the cases. The 200 rejects were corrected manually effective with February 1, 1986 or a later month. PL99-177 prohibited recovery of the tier 2 COL paid for December 1985.

In the December 1989 COLA operation, the tier 2 computational sequence of spouses with ABDs after 1983 was corrected so that all tier 2 COL increases are added to the tier 2 amount after it has been reduced for takebacks and the RRA maximum.

### **6.8.5 Retirement Temporary Work Deductions**

The temporary work deduction amounts withheld from retirement cases may be increased in the COLA operation. In most cases, the tier 1 work deduction amount is increased by the tier 1 COL percentage, and half the COL increased tier 2 is established as the new tier 2 work deduction amount. In some instances, the work deduction amount continues to be subtracted but is not increased. The work deduction is not increased if the individual tier 1, tier 2 and VDB work deduction components cannot be identified from the information in the MBF or if the MBF shows the annuitant no longer claims excess earnings and the work deductions should be removed. The tier 2 work deduction component is not increased if the component is a partial work deduction amount (less than one-half of the pre-COL tier 2).

#### **6.8.5.1 Survivor Earnings Suspensions**

Beginning in December 2001, survivor annuitants who are suspended for excess earnings are updated in the COLA if the annuity rate in PREH includes all prior cost-of-living increases and the case does not reject in the COLA. The new cost-of-living increase is added to tier 1 and tier 2. Because the annuitant is in suspense, the record is rejected with cause code 19. PREH will store the updated information; the following records reflect the COLA information:

- 3210 tier 1
- 3215 tier 2
- 3235 rate
- 3250 mass adjustment (calculation reject code 19)



The cost-of-living information is only updated to PREH; the CHICO records are not updated. When the survivor annuitant can begin receiving the annuity, the annuity should be put into pay status using a reinstate-recertification award

### **6.8.6 COLA Rejects and Reviews**

There are three main stages in the COLA mass adjustment operation: the update of the tier 1 SSA offset amount using SSA's MBR, the calculation of new annuity rates and the certification of the new rate to the checkwriting record. During any of these stages, a case can be rejected by the mechanical process.

Cases are automatically rejected if a December manual voucher action (other than a one-payment-only award or an award affecting only the supplemental annuity) has been taken. The manual award will have paid the COL increase, and the manually calculated rate takes precedence over a mechanically calculated rate.

Cases are earmarked for examiner review in the COLA operation if the accuracy of the mechanically calculated rate needs to be verified or if the payments made for months prior to December need to be corrected.

Reject and review codes and explanations are listed in Appendix B.

### **6.8.7 Tax Withholding Adjustment**

As part of the COLA operation Federal income tax withholding amounts are adjusted to reflect annual changes in tax withholding tables.

### **6.8.8 SMI Adjustment**

As part of the COLA operation, the SMI premium amount is adjusted to reflect the annual change in the basic premium rate. The increase in an individual's premium amount is restricted by the cost-of-living increase amount in tier 1 and any SSA benefits. Cases are tested to determine if a variable SMIB premium should be established, except in the following instances:

- Cases paid under the OM formula
- Dual entitlement cases
- Cases which reject in the mechanical operation
- Cases in which tier 1 is not payable due to felony, alien suspension or deportation or cases in which tier 1 is terminated



- Cases in which the RR annuity is in suspense
- Lawyear 83 cases in which the age 62 tier 1 recalculation is due but has not yet been performed
- Spouses or widows whose tier 1 COL increase is withheld pending the necessary policing of the PSP amount

For cases in these categories, the regular premium at the basic or appropriate penalty rate is established in the mass adjustment.

If the Board is paying both a railroad annuity and an SSA benefit, the new premium will be deducted from the SSA benefit portion of the monthly payment if the premium is too large to deduct from the railroad annuity.

### **6.8.9 COLA RUIA Clearance**

To avoid RUIA overpayments, stops are placed on RUIA records for the period December 1st through December 31st if the RUIA claimant is shown as a railroad retirement annuitant. If such an annuitant files an RUIA claim for days in December, the stop on the record will prevent payment of RUIA benefits. A computer-printed notice is sent to the employee advising that payment of RUIA benefits is being deferred because of the expected COL increase in the retirement annuity.

As part of the mechanical COLA operation, the December retirement rate is compared to RUIA records if the employee annuitant worked in the railroad industry in the last 39 months and has a COL or pre-COL annuity rate less than the maximum RUIA benefit amount.

RUIA records the COLA rates, and the RUIA benefits due the employees are computed and paid. A notice is sent to the employee to advise that either (1) the COL increase has been computed and the RUIA benefits are being paid with the correct reduction for retirement annuities, or (2) the case rejected in the COLA, the COL increase will be paid at a later date, and the RUIA benefits are being reinstated at the old rate. RUIA will advise these employees that the RUIA benefit overpayment will be recovered from the COL accrual at the time it is paid by OPNS.

### **6.8.10 COLA Notices**

Prior to 1997, annuitants involved in the mechanical COLA operation received a check enclosure on January 2. The notice was mailed to the home address of annuitants enrolled in the direct deposit program. Form T-55 was sent to annuitants if the COL was paid mechanically; form T-56 was sent to those annuitants who were rejected in the



operation, except annuitants rejected because the COL was paid on a December manual voucher.

Beginning in 1997, an explanation of the cost-of-living adjustment is included in the annual rate verification letters, T-55, T-56 and T-57. The 2010 annual rate notices (Forms T-62, T-63, T-64 and T-65) were developed to address the zero cola. Please refer to IB 10-12 for more information.

Since no rate verification letter is sent to annuitants adjusted on December vouchers, examiners must provide COL, SMI and tax information in the manual award letter prepared for the December voucher. See RCM 6.8.13, "Special Actions on December Vouchers."

### **6.8.11 Records of The COLA**

A microfilm record of the mechanical COLA action was provided for each operation through 1991. Appendix A describes the information displayed on the film.

G-358 folder notices were also provided for each COLA operation through 1990. The information on the G-358 is the same as the information displayed on the microfilm.

Beginning with the December 1991, COLA, the mass adjustment information is available in the on-line Mass Adjustment Inquiry System (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details.

The adjusted annuity rate information and SMI premium amount are loaded into the DATA-Q and MOLI database systems. The records in DATA-Q and MOLI before the COLA are replaced with new records after the operation is complete. This process normally takes from one to three days. Records are loaded in reverse claim number order (e.g. 700 series numbers first, six-digit claim numbers last); as the COLA records are loaded, they can be viewed on the CRT screens.

Beginning with the December 1995 COLA, the results of the mass adjustment are available on the Payment, Rate and Entitlement History database (PREH) in RRAPID.

#### **6.8.11.1 RR Cola Voucher Numbers**

Cases adjusted in the RR COLA operation will be assigned a voucher number of 472 or 473. A special voucher number of 471 is assigned to cases if the annuity rate is not adjusted, but the Medicare premium is updated. Voucher number 471 is assigned in the following situations:

- the RR annuity rejects and the annuitant has a monthly Medicare premium deduction



- the interim widow has a monthly Medicare premium deduction

If voucher number 471 is assigned to a record, the voucher date on PREH and DATAQ is the RR COLA voucher date.

### **6.8.12 Inquiries**

If an inquiry is received from an annuitant whose rate was adjusted in the COLA operation, IFR releases a RL-85 to the annuitant and sends the inquiry to the field. If the annuitant's rate adjustment rejected in the COLA, the inquiry is sent to the unit which has the file. Folders in claim files will be forwarded to the retirement post section or the survivor post section.

If an inquiry is received by the field and the office cannot satisfy the inquirer, the field will contact headquarters via an HSL message directed to the unit which has the folder. The annuitant will be advised it will take 90 days for a response to be made.

If the annuity was adjusted mechanically and the rate is correct, advise the field office that no further action will be taken. If the mechanical adjustment is incorrect or no adjustment was made, the manual award action serves as the response to the field's inquiry. No additional response is necessary to the HSL message unless the manual award cannot be processed within 90 days. If action will be delayed beyond 90 days, advise the field office.

### **6.8.13 Special Actions on December Vouchers**

Since a December voucher establishes the January 1 monthly recurring payment rate, computations for all awards with accruals through November (December vouchers) must include the computation of the COL increased rate

Manual payment of the COL increase requires special actions:

- A. SS Benefit Reduction - If the new SSA COL rate is not available to the RRB, compute the SSA benefit reduction for tier 1 purposes only as follows:

Multiply the November pre-rounded SSA rate by the SSA COL percentage and round down to the nearest multiple of ten cents. Add the result to the November pre-rounded SSA rate and then round down to the nearest dollar.

Example: The 12-89 SSA pre-rounded rate is 429.90.

The 12-89 SSA rate is 429.00.



## Retirement Claims Manual

### December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

The 12-90 COL is 5.4%.

Step 1 -  $429.90 \times 5.4\% = 23.20$  (Rounded down)

Step 2 -  $429.90 + 23.20 = 453.10$

Step 3 - Rounded down 12-90 SSA COL rate to be used for tier 1 offset is 453.00.

Document the above computation in the remarks section of the award form where the COL SS reduction is shown.

Exception: In the event a pre-rounded SSA rate cannot be obtained from the information in file, use the dollar rounded November SSA rate to compute the December COL SSA rate.

The COL-adjusted SSA tier 1 offset amount computed for use on a December award action is considered correct and final, unless the tier 1 computations must be redone for another reason.

- B. SMI Premium - At the time a COL increase is applied to the annuity, it should also be determined if a variable SMI rate will apply.

Refer to RCM 3.7.3,B, for information on the principle of variable SMI. Also refer to RCM 3.7, Appendix D, for a detailed description of the conditions which will cause a variable SMI rate to apply.

- C. RUIA Clearance - Precede all updated COL annuity rates and SS benefit rates shown on a G-259 by a "#" sign. Enter "# 12-19--COL" in the remarks block.

Discontinue the "# 12-19--COL" notation effective January 1. BUSI will assume that on a G-259 dated January 1, or later all rates furnished with COL date breaks include the COL increase.

- D. Award Notices - The award letter prepared for a December voucher must include the COL information as well as annual tax and medicare information.

1. COL Code Paragraphs

- (a.) December awards - Code paragraph 702 is included on December vouchers if a tier 1 and/or tier 2 COL increase is included in the next payment. Code paragraph 702 should not be used if the case does not have a December datebreak or the ABD/OBD is in December or later.



(b.) January or later awards

- Code paragraph 700 should be included on manual awards if the case rejected on the most recent mechanical COLA operation or the initial award is being made and the ABD/OBD is prior to December.
- Code paragraph 701 should be included on manual awards if the case rejected in more than one past COLA operation.

2. Tax Code Paragraph

Code paragraph 702.1 should be included on all December vouchers.

3. SMI Code Paragraph

Code paragraph 973.1 should be included on December vouchers if SMI premiums have been and will continue to be deducted from the monthly annuity payment.

## 6.8.20 SS Cost-of-Living

The mechanical operation to pay the cost-of-living (COL) increase to social security beneficiaries is processed separately from the railroad retirement annuity adjustment. An extract of SSA's updated benefit records (MBR's) for RRB certified beneficiaries is matched against our social security payment inventory (SSPI), the record of all SS benefits paid by the RRB. SS benefits paid by the RRB by the first voucher cut off date in December are mechanically increased in the SS COL operation.

The SS operation follows some general rules when adjusting SS benefits.

- If identifying information matches on both the MBR and SSPI records and the new MBR rate is greater than the current rate on SSPI, the SS COL operation pays the new MBR rate effective December 1.
- MBR records which do not match SSPI records are sent to the PAM system. If the MBR matches a PAM record, the PAM record is updated with the December rate.
- Any MBR which does not match a PAM record is matched against the orbit file of awards pending manual certification. If an MBR record matches an orbit record, an 805 referral is printed, indicating that there is a pending SS award and giving the rates for manual updating.



- If it does not receive an MBR record for an SS benefit in force on SSPI, the COL operation mechanically increase the SS benefit by the COL percentage effective with the December rate.
- Mechanical 805 referrals are printed for MBR records that do not match SSPI, PAM or orbit file records and for cases involving discrepancies in the identifying information or the payment status at either agency.
- If the COL operation pays the December rate indicated on the MBR, the adjustment is made under voucher number 987. If the COL operation pays a percentage increase because it cannot match a SSPI record to the MBR, the adjustment is made under voucher number 988. If a SSPI record is matched to the MBR, but, because of discrepancies, a percentage increase, rather than the MBR rate, is paid, the adjustment is made under voucher number 985.
- SSA applies rounding procedures to the MBR rates it sends to the RRB. Therefore, the COL operation pays the MBR rate and deducts SMIB premiums, if applicable, without any further rounding. However, if the SS COL operation pays a percentage increase, it rounds the December rate down to the nearest dollar amount before deducting SMIB premiums.

### **6.8.21 Referral And Listings**

The 805 referrals generated by the SS COL operation are produced in RRB claim number terminal digit order, separated into retirement and survivor categories and distributed to the appropriate sections. Other adjudication units should request the 805 referrals from either the retirement or survivor sections.

If no RRB claim number is shown on the MBR, the referral is filed under the RRB claim number found on the SSPI or PAM record. For those cases where no RRB claim number is shown on the MBR and no record is found on SSPI or PAM, referrals are produced separately and printed in terminal digit order under the SS claim number. The referrals for retirement cases are kept in RPC, and the group of referrals for survivor cases are kept in SPS.

To facilitate the handling of SS COL referrals, listings are produced, each composed of different referral codes.

- Listing A consists of referred cases requiring priority handling. These cases should be handled as soon as possible to prevent overpayments or to make a COL adjustment.



- Listing B consists of referred cases requiring examiner review. Most of these cases have been adjusted mechanically but should be reviewed for accuracy. IF some cases, FAST-S/T transactions should be processed or G-607's should be prepared to correct the SSPI record.

There is a group of referred cases which do not appear on either of these two listings. Although 805's are produced for these cases, they do not require immediate examiner handling. Most of these cases are controlled by some other means, such as PAM or KOR, and should be handled in the normal flow of work.

### **6.8.22 Referral Format**

The format for 805 referrals is shown below:

#### **SEE EXHIBIT 9**

The referral contains information from both the MBR and SSPI records. Most items are self-explanatory.

- Note that previous and current MBC (monthly benefit credited - formerly identified as MBA: Monthly benefit amount) and MBP (monthly benefit payable) are shown in the MBR portion of the referral. The COL adjustment is based on the MBP amount. The only exception to this rule is the adjustment made for referral code 17.
- The trust fund indicator (TF IND) obtained from the MBR is shown, as well as the trust fund indicator obtained from SSPI. Code 0 is "unknown," code 1 indicates RSI, code 2 represents DI, and code 4 indicates receipt of both DI and RSI benefits.
- If a special code J, K or L is received from the MBR, it is printed on the 805 referral. However, these special codes, which indicate partial withholding or dual entitlement, are not considered in the COL adjustment, since they are sometimes unreliable. The display of these codes is simply informative to help you determine the status of the benefit payment. Code J is shown if a partial benefit is being paid. Code K is printed if the beneficiary is entitled to benefits on more than one SS account. Code L is displayed if both partial withholding and dual entitlement apply.
- The current rate shown in the SSPI section of the referral reflects the COL adjustment. If no COL adjustment has been made, the previous SSPI rate equals the current SSPI rate.
- If a payment is terminated or suspended at the RRB, a code appears in the T/S-IND item in the SSPI section of the referral. Code S (1) indicates suspension and code T (2) indicates termination.



- The SS earmark is printed in the SSPI portion of the referral. This code represents the status of the SS benefit after the current SS COL mechanical operation. See RCM 6.9.40 for a description of the earmark codes. These codes are listed in that section under item 67, "SS EAR MKS", Position 2.
- No entries are made in the MBR section of the referral if MBR data could not be matched with a SSPI record. Likewise, the SSPI section has no entries if an MBR record has no matching SSPI record.
- One of the following messages is printed at the bottom of each 805 referral.
  1. MBR RATE PAID
  2. SSPI PLUS PERCENTAGE INCREASE PAID
  3. REJECT - NO COL PAID

These messages will follow one of the messages listed in 6.8.23 explaining the reason for referral.

### 6.8.23 Referral Messages

Each referral message is assigned a numeric code. These codes are categorized into two groups, according to the type of handling required. Listings are produced for each group: list A - high priority handling; list B - requires examiner review. Referrals that do not appear on either listing will be handled in the normal course of work. These listings are delivered to RAS in the Office of Programs/Policy and Systems and are available for use by the claims examining units.

The referral code and listing category assigned to each referral message, as well as the handling required by each message, is described below.

| <b>REFERRAL CODE</b> | <b>LISTING CATEGORY</b> | <b>MESSAGES</b>  |
|----------------------|-------------------------|--|
| 1                    | B                       | MBR IN SUSPENSE - SSPI TERMINATED<br><br>No adjustment is made if the MBR indicates suspended status and the SSPI record is terminated. Notify SSA to resolve the discrepancy. |
| 2                    | NONE                    | MBR LAF CODE E - SSPI SUSPENDED  |



# Retirement Claims Manual

## December 30, 2010

U.S. Railroad Retirement Board Phone: (312) 751-7139  
844 North Rush Street TTY: (312) 751-4701  
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| REFERRAL CODE | LISTING CATEGORY | MESSAGES  |
|---------------|------------------|---|
|               |                  | <p>No adjustment is made if the MBR indicates active status and the SSPI record is suspended. Most of these referrals occur because of a timing problem: SSA has changed the LAF code from S to E, but the RRB has not yet processed the payment. These cases will be handled in the regular workload.</p>  |
| 3             | B                | <p><b>MBR LAF CODE E - SSPI TERMINATED - PENDING RR-1E</b></p> <p>No adjustment is made if the MBR indicates current pay status and the SSPI record is terminated. However, if the SSPI termination effective date is prior to the current year, the record is sent to PAM which attempts to match the record to the orbit file of pending SS awards. This referral is produced when PAM finds a matching SS award. This status discrepancy in this case should be resolved when the SS award is processed.</p> |
| 4             | B                | <p><b>MBR LAF CODE E - SSPI TERMINATED - NO PENDING RR-1E.</b></p> <p>The same procedure described in Code 3 above generates this referral message. If a record with a termination date prior to the current year does not match a pending SS award on the orbit file, this referral is produced. Notify SSA to resolve the discrepancy.</p>  |
| 5             | A                | <p><b>MBR TERMINATED - SSPI IN FORCE</b></p> <p>This referral is produced when the MBR indicates terminated status, but SSPI has an active payment record. The COL operation does not adjust the rate in force. Action must be taken to resolve the discrepancy in payment status to avoid any overpayments. These referrals should be given priority handling.</p>   |
| 6             | B                | <p><b>MBR TERMINATED - SSPI SUSPENDED</b></p>   |



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| REFERRAL CODE | LISTING CATEGORY | MESSAGES  |
|---------------|------------------|---|
|               |                  | No adjustment is made if the MBR is terminated, and SSPI indicates suspended status. FAST-S/T transactions should be processed to correct the SSPI record.  |
| 7             | A                | <p><b>MBR SUSPENDED - SSPI IN FORCE</b></p> <p>This referral is produced when the MBR indicates suspended status, but SSPI has an active payment record. The COL operation does not adjust the rate in force. Priority handling should be given to these referrals to resolve the discrepancy in payment status and to prevent possible overpayments.</p>   |
| 8             | A                | <p><b>MBR LAF CODE C - SSPI IN FORCE</b></p> <p>If an MBR and a SSPI record match on SS claim number and BIC, but the MBR contains a LAF code C, the beneficiary is receiving two payments - one from RRB and one from SSA.</p> <p>If the pre-COL MBR rate and the pre-COL SSPI rate are within a \$1.00 tolerance, they are considered duplicate payments. Review the case to determine which agency should be certifying payment of the SS benefit. If RRB is correctly certifying payment of the SS benefit, release an RR-3 to SSA via the priority fax process advising SSA to correct the laf code on the MBR from "C" to "E". In these situations, the SSA overpayment is the amount of the laf "C" payments. RRB should not release a RR-3WD in these cases.</p> <p>If RRB should not be certifying payment of the SS benefit, terminate the SS benefit and notify SSA of any overpayment via RR-3wd.</p> |
| 9             | A                | <p><b>MBR LAF CODE C - SSPI SUSPENDED</b></p> <p>The same procedure described in code 8 above is used to generate this referral. If duplicate payments are discovered, but the SSPI record is suspended, no</p>   |



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| <b>REFERRAL CODE</b> | <b>LISTING CATEGORY</b> | <b>MESSAGES</b>   |
|----------------------|-------------------------|---|
|                      |                         | adjustment can be made. Release a T-3WD to SSA to change the LAF Code from C to E. After SSA has changed the LAF Code, benefits should be reinstated. However, if the LAF Code C status is correct and SSA should be making payments, terminate the RRB payments.   |
| 10                   | B                       | <p><b>MBR LAF CODE C - INCORRECT BIC OR SS CLAIM NUMBER - SSPI IN FORCE</b></p> <p>If an MBR and a SSPI record match on SS claim number and BIC, and the MBR contains a LAF Code C, but the difference between the pre-COL MBR rate and the pre-COL SSPI rate is outside the \$1.00 tolerance, the records are not considered duplicate payments, but contain an erroneous BIC or SS claim number on SSPI. Because of this erroneous information, the SSPI record is matched to the wrong MBR. A second referral may be generated in category 19 when the correct MBR record cannot be matched with a SSPI record. Compare the two referrals to determine the erroneous BIC or claim number.</p> <p>These cases are adjusted with a percentage increase. Review the COL increase for accuracy and correct the BIC and/or SS claim numbers with G-607's.</p> |
| 11                   | B                       | <p><b>MBR LAF CODE C - INCORRECT BIC OR SS CLAIM NUMBER - SSPI SUSPENDED</b></p> <p>The same procedure described in code 10 above is used to identify these cases and to generate this referral. Since the SSPI record is suspended, no adjustment is made. Prepare G-607's to correct the BIC or SS claim number on SSPI.</p>  |
| 12                   | NONE                    | <p><b>RRB PAYMENT RECORD INDICATES DUE PROCESS</b></p> <p>This category of referrals is no longer produced.</p>   |
| 13                   | A                       | <b>PRE - COL SSPI EQUALS COL MBR RATE</b>   |



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| REFERRAL CODE | LISTING CATEGORY | MESSAGES   |
|---------------|------------------|--|
|               |                  | <p>If the pre-COL SSPI rate is the same as the COL MBR rate and the COL earmark does not indicate COL activity, no adjustment is made. These cases should be given priority handling to determine the correct rate and to make any necessary adjustments.</p>  |
| 14            | NONE             | <p>PRE-COL SSPI NOT EQUAL TO PRE-COL MBR - PENDING RR-1E</p> <p>This referral is generated if the pre-COL SSPI rate is not within a ten cents tolerance of the pre-COL MBR rate and the record is matched to a pending SS award on the orbit file.</p> <p>The COL operation makes the COL adjustment. When the pending SS awards are processed, any increase due prior to the COL adjustment will be made.</p> |
| 15            | B                | <p>PRE-COL SSPI NOT EQUAL TO PRE-COL MBR - NO PENDING RR-1E</p> <p>This referral is produced if the pre-COL SSPI rate is not written a ten cents tolerance of the pre-COL MBR rate and there is no corresponding SS award pending on the orbit file. The COL operation makes the COL adjustment. However, these cases should be reviewed to determine the reason for the discrepancy in the pre-COL rates.</p> |
| 16            | A                | <p>MANUAL COL PAID EXCEEDS MBR COL RATE</p> <p>This referral is produced if the COL rate paid on a December voucher is more than ten cents higher than the rate indicated on the MBR. The SS COL operation does not adjust the rate in force. These cases should be reviewed to determine the correct COL rate and to make any necessary adjustments.</p>  |
| 17            | NONE             | <p>PRE-COL SSPI EXCEEDS COL MBP RATE - MBC RATE PAID</p>   |



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| REFERRAL CODE | LISTING CATEGORY | MESSAGES   |
|---------------|------------------|--|
|               |                  | <p>This referral is produced when a case is not a December voucher but the pre-COL SSPI rate exceeds the COL MBR (monthly benefit payable). In most of these cases, SSA has partial withholding in force, but the RRB has not yet processed the partial withholding. The COL operation adjusts these rates using the MBC - monthly benefit credited. (This is the only situation where the MBC is paid. All other adjustments are made using the MBP.)</p> <p>The COL adjustment will be reviewed when the partial withholding notice is processed.</p>  |
| 18            | A                | <p><b>PRE-COL SSPI EXCEEDS COL MBP, MBC RATE</b></p> <p>If a case is not a December voucher and the pre-COL SSPI rate is greater than both the COL MBP and MBC, this referral is produced. No adjustment is made in these cases. These referrals should be given priority handling to determine why the rate discrepancy exists and to make any necessary adjustments.</p>   |
| 19            | B                | <p><b>MBR LAF CODE E - NO RRB PAYMENT RECORD</b></p> <p>This referral is printed if an MBR record does not match a SSPI, PAM or orbit file record. Consequently, no adjustment can be made. However, this referral is not produced if the MBR is in suspended or deferred status.</p> <p>This referral condition is usually caused by one of two situations:</p> <ul style="list-style-type: none"><li>• An SS award was not processed prior to the COL operation. When handling this referral, manually update the unprocessed SS award to show the correct COL rate and PIA found on the 805 referral.</li><li>• An SS benefit record may be on SSPI with an erroneous BIC or SS claim number, preventing any match with the MBR. Check for a mechanical</li></ul> |



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|---------------|------------------|--|
|               |                  | <p>increase on the erroneous SS claim number on SSPI. (A separate 805 referral, RRB PAYMENT RECORD - NO MBR, is produced for these cases.) If the rate is correct, prepare form G-607 to correct the BIC or SS claim number and to prevent future COL referrals.</p> <p>Those records in this category that do not have a RRB claim number, are not shown on listing B. However, 805 referrals for these cases can be found filed in terminal digit order under SS claim number in RPC for retirement cases and SPS for survivor cases.</p>  |
| 20            | NONE             | <p>MBR LAF CODE E - PENDING RR-1E</p> <p>This referral is produced if an MBR record cannot be matched to a corresponding SSPI or PAM record, but can be matched to an SS award pending on the orbit file. Since no payment is in force, no COL adjustment is made. Before processing the SS award, update it with the COL rate found on the 805 referral.</p>  |
| 21            | NONE             | <p>MBR MATCHED TO PAM - PAM UNABLE TO PROCESS</p> <p>This referral is generated by the PAM system and indicates no adjustment is being made. PAM has matched a record on the MBR but cannot process a COL adjustment for some reason (e.g., discrepant LAF codes or rates, dual entitlement, etc.). A MOR referral with a similar message is also produced by PAM. Determine the reason for non-adjustment by comparing MBR data on the 805 reject and PAM information on the MOR referral. Correct discrepancies and make necessary adjustments when handling the MOR referral.</p> |
| 22            | B                | <p>DUPLICATE PAYMENT RECORD ON SSPI</p> <p>If two active SSPI records are found with the same SS claim number, BOAN, RRB claim number, and BIC, the SSPI rates are adjusted with the COL percentage</p>  |



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|---------------|------------------|--|
|               |                  | <p>increase. These cases should be reviewed to determine if duplicate payments are really being made. The SSPI record in most of these cases contains an incorrect BIC or BOAN, which should be corrected with Form G-607.</p> <p>Note that if one SSPI record is in current pay status and the other is in suspense or terminated, a COL adjustment is made on the active record. This referral is still produced to alert examiners to review the case to determine if duplicate payments have been made in the past and if any adjustments are necessary.</p> |
| 23            | A                | <p><b>COL EXCEEDS MAXIMUM %</b></p> <p>Before the SS COL operation applies any increase, it tests to determine if the new COL rate exceeds the previous SSPI rate by more than the maximum COL percentage increase. If it does, no COL adjustment is made. Give these cases priority handling to determine the correct rate. In many of these cases, SSA has combined two benefits on the MBR, but the RRB has not yet combined the benefit.</p>   |
| 24            | B                | <p><b>DUPLICATE MBR RECORD</b></p> <p>If two MBR records are found with the same SS claim number and BOAN, and no match is made on SSPI or PAM, this referral is produced. Since no match to an RRB record is made, no adjustment can be processed.</p> <p>Notify SSA to take corrective action on the MBR.</p>  |
| 25            | NONE             | <p><b>RRB PAYMENT RECORD - NO MBR</b></p> <p>If a matching MBR is not found for an active SSPI record, the SS COL operation adjusts the rate in force on SSPI by the COL percentage and prints this referral.</p> <p>This referral situation often results from an incorrect SS claim number or BIC on the SSPI record. Check for an MBR LAF CODE E - NO RRB PAYMENT RECORD</p>  |



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|---------------|------------------|---|
|               |                  | <p>referral under the correct SS claim number and BIC. If the rate paid under the right SS claim number is correct, prepare form G-607 to correct the claim number and/or BIC to prevent future referrals.</p> <p>This referral is not produced if the SSPI record is terminated.</p>   |
| 26            | A                | <p>RRB PAYMENT RECORD INDICATES DUE PROCESS - NO MBR</p> <p>Under normal processing circumstances, if a SSPI record is not matched with an MBR, the SSPI record is adjusted by the percentage increase to produce the new COL rate. However, if a due process code is present in the SSPI record, no adjustment is made. Follow the procedure outlined in referral 25 above to determine if the SSPI record has an erroneous claim number or BIC. If necessary, prepare form G-607 to correct the SSPI record. Pay the COL increase when the due process code is removed.</p> |
| 27            | NONE             | <p>PARTIAL W/H IN FORCE - PARTIAL W/H COMPUTED BY RRB</p> <p>If the CHICO record has a partial withholding indicator, but the MBR does not indicate that partial withholding is still in force, the COL operation calculates a partial withholding amount, subtracts it from the COL MBC and pays the new MBP. When a notice to change partial withholding status is received from SSA, review the COL adjustment for accuracy.</p>   |
| 28            | NONE             | <p>MBR SUSPENDED OR DEFERRED - NO RRB PAYMENT RECORD</p> <p>This referral is produced if an MBR record is in suspended or deferred status and does not match a SSPI, PAM or orbit record. Consequently, no adjustment can be made. Follow procedures outlined in referral code 19 for handling</p>  |



| REFERRAL CODE | LISTING CATEGORY | MESSAGES                    |
|---------------|------------------|-----------------------------|
|               |                  | referrals in this category. |

### **6.8.24 Employee Lag Recomputation**

Prior to 1989, railroad compensation earned in the employee's ABD year and any delayed retirement credits earned in the ABD year were included in the computation of tier 1 through an annual mechanical mass adjustment. The adjustment was effective with the month of January and was generally processed in the first half of the calendar year; accruals were issued for the tier 1 increase due from January up to the month the adjustment was performed.

The LAG/DRC adjustment paid a PIA 1 that was based on the compensation reported on form G-88a by the railroad employer at the time the employee filed for an annuity. This PIA was computed at the time the initial SEARCH calculations were performed for the case, and the PIA was stored in the master benefit file (MBF). The PIA paid by the Lag/DRC adjustment did not reflect any changes in compensation which the railroad may have made between its G-88a report and its final report for the same year.

The Lag/DRC adjustment was eliminated in 1989 when the RAIL operation was created.

### **6.8.25 Annuitants Who Were Considered In The LAG/DRC Adjustment**

The Lag/DRC adjustment considered all employees who had ABD year earnings high enough to cause an increase in PIA 1. Age and service employees were not included in the adjustment until the year following the year the employee attained age 62.

The Lag/DRC adjustment also considered employees who were over 65 in the ABD month and, therefore, accrued DRC's in the ABD year.

### **6.8.26 Windfall Cutback**

Each fiscal year (October 1 payment thru September 1 payment), Congress will appropriate a certain amount of money to be used to pay the windfall benefit. If the amount provided is less than the amount needed to pay the full windfall, the Board must distribute the money evenly. Therefore, all railroad retirement annuitants who receive a windfall benefit in their payment will share the cutback proportionately. This means that each year, it is possible to have a different cutback percentage.

A mass adjustment to either reduce or increase the windfall reduction percentage is scheduled each year for the 10-1 payment. The mass adjustment will include all



annuities with a windfall, in current pay status in September, and vouchered in August of the current year or earlier.

### **6.8.27 Preparation Of Pre-Adjustment Vouchers And Form G-96 After August Cut-Off**

All annuities with a windfall must consider the new reduction percentage for September or later accruals (October vouchers). This also means that mechanical and manual initials, reinstatements, recert-reinst, and recertification awards processed with an August accrual must set up the September payment (October 1 check) considering the new windfall reduction percentage.

The new monthly October 1 rate minus the SMI premium should be used on any G-96 prepared to stop the November 1 check or later check. (The G-96 will reject if the pre-windfall cutback minus the SMIB rate is used.

### **6.8.28 Check Rate after Windfall Cutback Too Small To Deduct SMIB**

In a few cases the check rate after windfall cutback is too small to deduct SMI premiums. In such cases, a listing is produced around September 4. Examiners should suspend the listed cases in order to stop the October 1 check from going out. The suspension automatically puts the annuitant on direct billing. The annuitant should be put into pay status as the windfall cutback rate as soon as possible with an explanation of the cutback in the reinstatement letter.

### **6.8.29 Mechanical Clearance for Annuities Included In Mass Adjustment**

P&S will furnish RUIA a tape file with the September rate of all railroad retirement employee annuitants who last worked in railroad industry in the past 40 months and were selected for the mass adjustment.

### **6.8.30 Type Of Notification**

A check insert is used to explain the new windfall percentage reduction effective each fiscal year (or for charges in a particular fiscal year).

### **6.8.31 Special Categories Not Mechanically Adjusted**

- Interim Widows - If the widow is a spouse in the CHICO record at the time cases are selected for the mechanical adjustment, the claim will reject. Since widows are



entitled to receive at least as much as they received as a spouse the month before the employee died, there are no overpayments in interim widow cases.

- Partial Awards - Include both IMPACT and SPAR cases. RASI will pay the windfall cutback at the time the case is paid final.

### **6.8.32 AERO Recomputation**

An AERO (Automatic Earnings Recomputation Operation) adjustment recomputes PIA 1 and PIA 9 to include the latest social security wages which have been posted by the Social Security Administration. If these wages were earned by the employee in a year prior to the ABD year, the PIA increase is payable from the ABD. If the wages were earned in the ABD year or a subsequent year, the PIA increase is not payable earlier than January of the year following the year the wages were earned.

- In age and service cases, other than law year 83 reduced 60/30 cases a PIA increase attributable to earnings in the ABD year or later years cannot be paid until January of the year following the year the employee attains age 62.
- In law year 83 reduced 60/30 cases, the PIA cannot be increased for earnings in the ABD year through the year the employee is 61 until the first month the employee is 62 the entire month. Any PIA increase attributable to earnings in the years the employee is 62 or older cannot be paid until January of the year following the year the wages were earned.
- In disability cases, a PIA increase attributable to earnings in the ABD year or later years cannot be paid until January of the year following the year the wages were earned.

The first AERO adjustment was performed in 1978. Appendix E provides a chart of the history of the AERO adjustments since that time. In 2006, the annual AERO adjustment was replaced by the RESCUE system.

As the first step in the AERO adjustment, a record of wages for all employees is obtained from the Social Security Administration. Prior to 1993, a request was sent to SSA to obtain wage records; beginning in 1993, the wage records in the EDM database are used. A request is sent to SSA only if EDM has no wages for the employee or EDM has an indication the employee has multiple social security numbers. If wages are obtained directly from SSA for the AERO, the wage record on the AERO G-90 may not be the same as the wage record in EDM.

The second step in the AERO process is the calculation of PIA 1 and PIA 9 by the SEARCH system using the updated wage record.



NOTE: The AERO does not adjust disability employees if the wages being considered are earned in a year after the employee's ABD year and prior to attainment of age 65. Post ABD earnings may require withholding of a disability annuity. When the disabled employee attains age 65, (s)he is selected for AERO consideration.

### **6.8.33 Annuitants Considered In the AERO Adjustment**

Beginning in 1994, the AERO adjustment is scheduled in September to adjust the October 1 payment to include wages earned in the previous two years. In most cases, the Social Security Administration posts wages for a year by August of the following year; in about five percent of its cases, SSA is not able to post the earnings until after August. Cases with this delayed posting are not included in the AERO until the following year. Each AERO operation looks at the latest two earnings years to insure that SSA's late postings are captured.

For the operation to consider an employee, (s)he must be paid final as of July, and the AERO PIA 1 produced by SEARCH must exceed the current PIA 1 by \$1.00 or more.

Spouse annuitants are considered in the AERO if the employee is considered, the spouse is paid final as of recertification cut-off in September (August prior to 1996), and the spouse is eligible for a tier 1 adjustment.

NOTE: As part of the EDP review process of spouse awards paid by RASI after recertification cut-off in September, examiners should determine if the employee was adjusted in the AERO, and if RASI used the AERO increased PIA for the spouse award. If the AERO PIA was not used, the spouse annuity should be recertified to reflect the AERO PIA 1 if the spouse is eligible for such an adjustment. If the employee receives a lawyear 83 reduced 60/30 annuity, the spouse is not eligible for the PIA 1 recomputation until the spouse is 62 for a full month.

If the annuitant has tier 1 work deductions in force, the case is adjusted in the AERO. However, since the additional earnings cause the tier 1 work deduction component to increase by the same amount as tier 1 is increased, the net annuity does not change. If only tier 2 and/or vested dual benefit work deductions are being withheld, the AERO adjustment is made and the annuity rate will increase.

### **6.8.34 Annuitants Who Cannot Be Adjusted In The AERO**

The following categories of annuitants are considered in the AERO but the mechanical adjustment cannot be made in tier 1:

- Annuitants who are suspended (unless the suspension code is 35 or 69) or terminated before FAST cut-off in September. Beginning in 1996, if the record is



suspended to recover an overpayment from the October 1st payment (code 35 or 69), the AERO will adjust the monthly rate and the AERO accrual will be released. ASTRO will then take its overpayment recovery action and reinstate the new rate.

- Disability annuitants who have a worker's compensation or public disability benefit offset in tier 1. The affect of the additional earnings on the WC/PDB offset cannot be mechanically determined.
- Employees whose earnings record has some wages that may be a duplication of railroad compensation, as determined by the SEARCH system.
- Annuitants paid under the overall minimum formula.
- Law year 83 reduced 60/30 annuitants who are not yet eligible for or are eligible for but have not yet received the tier 1 recalculation due at age 62.
- Employees who have a percentage of their annuity garnished. Part of the employee's tier 1 increase may have to be paid to the third party.
- Employees dually entitled to a spouse or widow annuity if the tier 1 of the auxiliary annuity is not completely offset by the dual entitlement reduction. The auxiliary annuity must be reduced in conjunction with the increase in the employee annuity.
- Employees who's PIA 1 must be modified for non-covered service pension entitlement. SEARCH cannot provide the modified PIA for the AERO.
- Disability annuitants who have earnings between the ABD and the year FRA is attained. The intervening earnings must be monitored and work deductions may need to be assessed.

Appendix K explains the reject and review codes used in the AERO.

### **6.8.35 AERO Accrual Payment**

Generally, additional wages can be used in PIA 1 beginning in January of the year after the wages are earned. Because SSA does not post the wages until August or later, the AERO must pay a retroactive accrual amount.

The AERO accrual is issued in the third week of September and represents the amount due from the effective date of the PIA increase through August. The effective date of the PIA increase can be one of several dates, depending on the employee's earnings record and the limitations of the mechanical adjustment. The effective date may be:



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- January 1 of the year the AERO is performed if earnings in the previous calendar year cause the PIA increase, or
- January 1 of the year before the AERO is performed if earnings in the second previous calendar year cause the PIA increase, or
- The annuity beginning date, or
- The first month the annuitant is 62 the entire month (applies only to law year 83 reduced 60/30 cases), or
- The month the annuitant became entitled to social security benefits, the SSA offset amount changes, or the SSA terminates, or
- The month the spouse becomes entitled to a public service pension, the PSP offset amount changes, or the PSP terminates, or
- The month the spouse becomes entitled to an employee annuity, or
- The month all the delayed retirement credits currently on record are payable

Note: Prior to the October 1, 1994 AERO, the accrual effective date could have been December 1 of the year prior to the year the AERO adjustment was performed if the annuitant rejected in COLA operations and had not yet been adjusted manually.

If the employee had earnings in both of the last two years and both years increase PIA 1, the AERO will pay the later increase from January of the current year. The case is earmarked with review code 40 so that the increase due for the previous year can be paid.

In some situations, the October 1 monthly recurring payment will be adjusted to include the tier 1 increase, but the accrual cannot be paid. This is true in the following situations:

- the annuitant is entitled to social security benefits which are paid by the Social Security Administration (LAF C benefits), and those SSA benefits can increase because of the employee's earnings ("A" benefits for the employee or "B" benefits for the spouse), or
- tier 1 work deductions, though no longer in effect, were withheld for some months in the accrual period, or



- tier 1 is offset for SSA benefits, but the SSA date of current entitlement is blank in PREH (3205-SS-BENF-CURR-ENT-DT)

Prior to 1986, the AERO accrual was issued the month after the recurring rate was adjusted. The accrual may not have been released if the case was suspended in that month. SAMM tapes can be used to confirm that the accrual shown on the AERO microfilm was actually released.

In the 1984 and 1985 AEROs the accrual may have been withheld if excess earnings were revealed during EDP policing.

- In the 1984 AERO, the accrual was withheld if there were excess earnings in 1981. The SAMM tape labeled "9-84 AERO ONE PAY" can be used to confirm the release of the accrual.
- In the 1985 AERO, the accrual was withheld if there were excess earnings in 1982 and tier 1 was not offset for SSA benefits at the time the AERO was performed. The SAMM tape labeled "9-85 AERO ONE PAY" can be used to confirm the release of the accrual.

Beginning in 1986, the AERO accrual is released in the month in which the recurring rate adjustment is made. If an accrual amount is shown on the AERO microfilm or MAIS or PREH, that accrual was released unless the annuity is in code 98 suspended status at the time the AERO accrual is issued. In code 98 situations, the AERO accrual is added to the undeliverable amount being accumulated, and it will be issued at the time a corrected address is processed. If the annuity must be reinstated manually because a corrected address is not received within three months of the suspension date, the AERO accrual should be issued as part of the award.

The AERO accrual is deposited with the financial organization if the annuitant is enrolled in the direct deposit program. Otherwise, a check is sent to the annuitant's home address.

### **6.8.36 Calculation Of The AERO Accrual**

The AERO adjustment calculates the increased net tier 1 to be included in the recurring monthly rate payable for September. The rate increase amount is computed by taking the difference between the increased net tier 1 and the pre-adjustment net tier 1. This amount is multiplied by the number of months in which the new monthly rate applies; the new monthly rate applies from the later of the accrual effective date or December 1st of the previous year.



The accrual period covers more than one date break if the accrual effective date is before December 1st of the previous year. The cost-of-living increase is removed from the net tier 1 increase amount computed for the new monthly rate. The result is multiplied by the number of months between the accrual effective date and November of the previous year.

The accrual amounts computed for each date break are added to determine the total accrual to be paid.

Example: The October 1, 1998 AERO computes a PIA increase payable effective January 1, 1997. The net tier 1 computed by the AERO for inclusion in the October 1 payment is \$626.00. The annuitant was receiving a net tier 1 of \$593.00.

The net tier 1 increase of \$33.00 included the December 1997 COL increase of 2.1 percent. To determine the net tier 1 AERO increase payable for months prior to December 1997, \$33.00 was divided by 1.021, producing an amount of \$32.40.

The total AERO accrual payment was calculated as follows:

$\$32.40 \times 11$  months from January through November 1997 = \$356.40

$\$33.00 \times 9$  months from December 1997 through August 1998 = 297.00

Total accrual = \$653.40

This AERO accrual process does not always produce whole dollar net tier 1 increase amounts. Examiners should not adjust tier 1 solely to round the increase amounts paid by the operation.

### **6.8.37 Aero G-90 Forms**

Prior to 2001 AERO, G-90s were printed for all cases in which there was an increase in the PIA 1 or PIA 9, including those that reject from the AERO operation. Beginning in 2001, AERO G90s are no longer printed; they are available in GOLD.

The paper AERO G-90 had the caption, " (YEAR) AERO, Associate and File Down," in item 1U. The year shown was the calendar year in which the PIA increase was payable. For example, the G-90 forms produced for the May 1, 1991 AERO displayed "1990 AERO, Associate and File Down" in item 1U. The 1991 AERO added 1989 wages to PIA 1 so the increase was payable effective January 1, 1990. The last earnings year considered in the computation of the PIAs was the year immediately preceding the year shown in item 1U.



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On GOLD the Messages block provides the information previously found in item 1U of the paper G90. For the 2001 AERO, the Message was "2001 AERO" indicating that earnings through 2000 were considered in the PIA. Beginning with the 2002 AERO, the Messages block shows "AERO (year)". The year indicates the last earning year considered in the computation of the PIAs.

The last earnings year considered in the computation of the PIAs is the most recent wage year posted by SSA for most cases. In rare instances, SSA may have collected and posted wage information for a later year; however, the AERO ignores any wages posted to years after the year in the Messages block on GOLD.

The wage amounts used by the AERO are those posted by SSA as of the "SS reply" date (item 3O of paper G90s; SS Reply block on GOLD). If SSA made any corrections to the wage record since that date, those corrections will not be considered by the AERO. Examiners should compare the SS reply date of an AERO G90 to the SS reply date on other current G-90s. For manual award actions, use the G-90 with the latest SS reply date.

Prior to 2002, AERO PIA 1 amounts were provided as follows:

A. All cases except reduced lawyear 83:

1. ABD year was two or more years before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

The first PIA 1 was computed using earnings through the second year prior to the year shown. The PIA effective date ("Recomp Eff." On paper G90s; "Eff Dt" on GOLD) was shown as January 1 of the year before the year shown in item 1U or the Messages block. The second PIA 1, if any, was computed using earnings through the year before the year shown in item 1U or the Messages block. The effective date for this PIA was shown as January 1 of the year shown in 1U or the Messages block.

2. ABD year was the year before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

One PIA 1 was computed using earnings through the ABD year. The effective date for the PIA was shown as January 1 of the year following the ABD year.

3. ABD year was the year shown in item 1U of a paper G90 or in the Messages block on GOLD:



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The first PIA 1 was computed using earnings through the year before the ABD year, and it was payable on the ABD. No effective date was shown for this PIA. The second PIA 1, if any, was computed using earnings through the ABD year. The effective date for this PIA was shown as January 1 of the year after the ABD year.

#### B. Reduced lawyear 83 cases:

1. Employee attained age 62 two or more years before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

The first PIA 1 was computed using earnings through the second year prior to the year shown. The effective date of the PIA was shown as January 1 of the year before the year shown in item 1U or the Messages block. The second PIA 1, if any, was computed using earnings through the year before the year shown in item 1U or the Messages block. The effective date for this PIA was shown as January 1 of the year shown in item 1U or the Messages block.

2. Employee attained age 62 before October of the year shown in item 1U of a paper G90 or in the Messages block of GOLD:

The first PIA 1 was computed using earnings through the year the employee was age 61, and it was payable from the first month the employee was 62 for the full month. No effective date was shown for this PIA. The second PIA 1, if any, was computed using earnings through the year of attainment of age 62. The effective date for this PIA was shown as January 1 of the year after the employee attained age 62.

3. Employee attained age 62 after September of the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

One PIA 1 was computed using earnings through the year prior to the ABD year. The PIA was payable on the ABD, and no effective date was shown.

The PIA 1 shown on AERO G90s prior to 2002 may actually be payable from an earlier date than the effective date shown on the G90. Examiners should verify the date against the earnings record.

The PIA displayed next to the number 5 in item 10A of a paper AERO G-90 (or in the PIA 5 block on GOLD) was the PIA used as the basis for the tier 1 amount being paid prior to the AERO adjustment. This PIA which was compared to the PIA(s) calculated by SEARCH to determine if an increase was payable.



Paper G-90 forms were printed for adjusted cases and all rejected cases except reject codes 01 and 05.

Beginning with the 2002 AERO, the AERO G90s on GOLD provide up to 19 occurrences of PIAs 1 and 9. The most recent recomp PIA is shown and up to 18 earlier PIA amounts. The effective dates for each PIA are accurate.

Unlike G-90s produced daily by SEARCH (for RASI, for a G-60 request), most mass adjustment G-90s are not kept in the orbit file which PREH uses to update G-90 information. AERO G-90s are not orbited if the AERO adjusts the case; the G-90 information for adjusted cases is entered into PREH as part of the AERO update to the database. AERO G-90s are not orbited if the case is rejected because the AERO SEARCH calculations may not be correct (reject codes 16, 23, 26, 29, 30, 31, 37, 39, 62, 65, 68, 70, 74, 75, 80, 81, or 84). Effective with the 1998 AERO, the G-90 information for all other AERO reject codes is placed on the PREH orbit file. When the case is adjusted, the AERO G-90 date can be shown on the ROC award; PREH will update information in the normal manner.

NOTE: If the employee was paid final before April 28, 1994, the FAMC on the AERO G-90 is not placed on the orbit file. SEARCH computes the FAMC in all cases using new rules which do not apply to these cases. The tier 2 basic amount on the AERO G-90 is not placed on the orbit file. The amount is not correct if the employee has military service that is creditable as RR service and was used as RR service.

Some AERO G90s contain a message indicating re-entry B actions are needed. These G90s are not sent to CCU automatically. Examiners should forward a G-563 to CCU if tier 1 is reduced for work deductions currently or in the past and railroad earnings before 1975 are different on the AERO G90 compared to earlier G90s. CCU must compute PIA 17 in this situation.

### **6.8.38 AERO Adjustment Notices**

Employees are notified of the tier 1 adjustment and the retroactive accrual payment with form T-13, and spouses receive form T-14. Samples of the notices can be found in Exhibits 2 and 3.

### **6.8.39 Records Of The AERO Adjustments**

Various records are produced to document the AERO adjustment.

1. Microfilm - a microfilm record of each AERO adjustment was produced through May 1991. The film uses the standard mass adjustment information format



described in Appendix A, Section I. The film title gives the date of the AERO adjustment and the wage year that was the focus of the operation.

Codes are displayed on the microfilm to indicate the AERO accrual effective date. The chart in Appendix E provides the codes and corresponding dates for all AERO adjustments.

The AERO microfilm displays all pertinent tier 1 data. Only net tier 2 and net vested dual benefit amounts are shown for these annuity components since the AERO does not adjust those components.

2. G-358 - folder notices were produced for each AERO adjustment through May 1990. The G-358 forms show the same information as the microfilm.
3. DATA-Q - the adjusted monthly recurring rate is displayed on DATA-Q. The rate is identified by a September voucher date and a mass adjustment voucher number 472 or 473.

If the AERO pays an accrual amount, the amount of the accrual is displayed under "ACCRUAL" on the DATA-Q screen. If the "ACCRUAL" field is blank, the AERO accrual rejected.

Prior to 1998, DATAQ displayed earmarks for cases rejected or coded for review in the AERO. Effective with the 1998 AERO, these earmarks are no longer carried on DATAQ. The PREH mass adjustment screen provides information on reject and review cases.

4. Beginning with the May 1991 AERO, the mass adjustment information is available on the on-line Mass Adjustment Inquiry System (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details. Effective with the October 1996 AERO, MAIS is no longer updated for the AERO. The AERO information can be found in PREH.
5. Beginning with the October 1995 AERO, the adjustment information is available in the PREH database. For non-rejected cases, the following records are posted to the database:
  - Tier 1 record(s) with a beginning date which reflects the accrual effective date from the AERO adjustment. If the accrual effective date is before December of the previous year, two tier 1 records are posted for the AERO.
  - Rate record(s). Two records are posted if the accrual effective date is before December of the previous year.



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- An accrual record if the AERO paid an accrual amount. The accrual effective date is shown in this record.
- A new recurring payment record
- A deduction record if the annuitant's payment is reduced for tier 1 work deductions or tax withholding and the tax amount changes
- A mass adjustment record

For rejected cases, a mass adjustment record is posted to the database.

In three situations, the mass adjustment record shows a calculation reject code (3250-MASS-ADJ-CALC-REJ-CD) but the adjustment result code (3250-MASS-ADJ-RESULT-CD) is '1', or adjusted. No action is needed in these situations:

- Code 88 is shown if the PIA increase did not produce an increase in the monthly rate. This happens if 1) tier 1 is reduced to zero by an offset or 2) tier 1 work deductions are in force
- Code 01 is shown if the AERO earnings increased the years of coverage for PIA 1, but not the amount of the PIA
- Code 05 is shown if the earnings in the AERO year (eg., for the 1998 AERO, 1997 was the AERO year) were:
  - too low to increase the PIA. The earnings shown on EDM for the AERO year are less than the amount shown in PREH in 3300-PIA-1-LOW-COMPU-YR-AMT.
  - already included in tier 1. The earnings shown on EDM for the AERO year are greater than or equal to the amount shown in PREH in 3300-PIA-1-LOW-COMPU-YR-AMT.

If the recurring rate adjustment is made by the AERO, but the accrual is rejected, 3250-MASS-ADJ-SPEC-2-CD on the PREH screen shows "A" followed by the accrual reject code.



## **6.8.40 Tier 2 Increase (Additional Compensation and/or Service Months)**

Background - Due to the untimely reporting of compensation and/or service months, a process was developed to identify and calculate a new gross tier 2 from AERO SEARCH activity.

Purpose - The process identifies cases in which service and/or compensation was not reported in time for the RAIL mass adjustment.

When will this occur - The process is performed in September of each year.

Selection - Cases are selected under the following conditions.

- Employee is not in terminated status.
- Compensation is reported in the current year less 1 or the current year less 2, i.e., current year 1998 - employee selected if compensation is reported for 1997 or 1996.
- Annuity beginning date (ABD) is in the current year less 1 or the current year less 2, i.e., current year 1998 - employee selected if ABD is in 1997 or 1996.
- Tier 2 increase is greater than \$1.00.
- Employee will not be selected in the next RAIL mass adjustment (i.e., 1999 RAIL).

|                 |   |
|-----------------|---|
| <b>Tracking</b> | Cases identified are not earmarked on PREH. They are available on retirement STAR.    |
| <b>STAR</b>     | The following is located in the remarks section in retirement STAR.                   |
| <b>Display</b>  | Function  |
| <b>MS</b>       | Number of military service months.  |
| <b>RRMOS</b>    | Number of railroad service months.  |
| <b>TOTMOS</b>   | Number of military service months plus railroad service used to compute gross tier 2. |
| <b>AMC</b>      | New average monthly compensation amount.  |



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| <b>Gross T2</b>  | New gross tier 2.   |                 |               |     |               |      |                |
|--|---|-----------------|---------------|-----|---------------|------|----------------|
| <b>Examiner</b>  | <p>The cases identified may be handled without the folder. The handling information used to compute the gross tier 2 is available in the retirement STAR remarks section. When adjusting tier 2 consider the following:</p> <ul style="list-style-type: none"><li>• Vested dual benefit reduction.</li><li>• LPE work deduction.</li><li>• RRA maximum reduction, etc.</li></ul> <p>If military service is involved, verify the number of months with:</p> <table><thead><tr><th><b>Database</b></th><th><b>Screen</b></th></tr></thead><tbody><tr><td>EDM</td><td>MILSERV, PF22</td></tr><tr><td>PREH</td><td>RHMLTRY (3305)</td></tr></tbody></table> | <b>Database</b> | <b>Screen</b> | EDM | MILSERV, PF22 | PREH | RHMLTRY (3305) |
| <b>Database</b>  | <b>Screen</b>   |                 |               |     |               |      |                |
| EDM  | MILSERV, PF22   |                 |               |     |               |      |                |
| PREH   | RHMLTRY (3305)  |                 |               |     |               |      |                |
| <p>Note: Consider any other adjustments that may be necessary, i.e., AERO reject/review pending, entitlement or adjustment to supplemental annuity, etc.</p> |   |                 |               |     |               |      |                |
| <b>Folder</b>  | A screen print of the retirement STAR screen is to be used as document folder documentation of tier 2 calculation.  |                 |               |     |               |      |                |

### 6.8.44 RAIL Adjustment

Prior to May 1988, railroad lag service and compensation was collected from railroad employers as part of the initial application and payment process of individual employees. This step contributed to delays in initially paying retirees.

Beginning in May 1988, the Board stopped collecting lag information at the time the employee files for benefits, as long as the lag service is not required for eligibility. Lag service and compensation are now included in annuities through an annual mass adjustment called the RAIL (Retirement Adjustment to Include Lag). The RAIL includes service months and compensation earned in the prior year which are posted to EDM as of May 1st.

The first RAIL operation was performed in 1989; it included 1988 railroad service and compensation posted to EDM by May 1, 1989. The first RAIL considered employees (and their spouses) who last worked in the railroad industry in 1988 or 1989.



The RAIL adjusts tier 1 and/or tier 2 to include increases resulting from the addition of lag service and compensation. The RAIL operations in 1989 through 1995 adjusted the September 1 payment; beginning in 1996, the RAIL adjusts the July 1 payment. Appendix F provides a chart of the RAIL history to date.

In 2006, the annual RAIL adjustment was replaced by the RESCUE system.

### **6.8.45 Adjustment Of DRCs In The RAIL**

Delayed retirement credits earned by the employee in the ABD year are added to tier 1 in the RAIL, regardless of when the employee last worked in the railroad industry.

### **6.8.46 Annuitants Selected For The RAIL**

The RAIL considers all employees paid final through the date in May when SEARCH begins to use service and compensation earned in the previous year (for RAIL jobs 1989-95, employees paid final through the end of May were considered). Employees are selected for the RAIL if they last worked in the railroad industry in the current year or the previous year, or they last worked in the railroad industry two years ago but the annuity beginning date is in the current year or the previous year. The RAIL also considers employees if the ABD was in the previous year and the employee was between ages 65 and 70 on the ABD.

Spouses are considered in the RAIL if the employee is considered, and the spouse was paid final before recertification cut-off-in June (July for RAIL jobs 1989-95).

NOTE: As part of EDP review of RASI spouse awards paid final after the cut-off in June, examiners should determine if the employee is adjusted in the RAIL. If so, the spouse rate should be recertified manually.

The mass adjustment considers all types of employees who have lag railroad service, including reduced 60/30 annuitants who are under age 62. If a reduced 60/30 annuitant has attained age 62 but has not yet received the tier 1 recalculation due at age 62, the RAIL performs the age 62 recalculation.

Beginning in 1996, the RAIL uses a master benefit file which reflects all award activity through the June pre-period, so cases will not reject just because there is an award action in the same month as the mass adjustment. Cases in suspense in June will reject, except ASTRO single month suspensions (suspension codes 35 and 69). Examiners should consider lag railroad service in preparing July or later vouchers to reinstate suspended cases.

Appendix L explains the reject and review codes used in the RAIL.



## **6.8.47 RAIL Tier 1 Computation**

A PIA 1 is calculated by the SEARCH system for the RAIL. SEARCH will compute the PIA using all compensation and wages posted to the employee's account for years prior to the year the RAIL operation is performed. For example, the 1996 RAIL considered all compensation and wages posted as of May 1996 for years through 1995. The new PIA is used in the tier 1 calculation only if it exceeds the current PIA by at least \$1.00. If the new PIA increases or decreases by less than \$1.00, no tier 1 calculation is performed. If the PIA decreases by \$1.00 or more, the case is rejected.

The spouse tier 1 calculation is based on the same PIA as the employee tier 1 except in reduced 60/30 cases if the employee is over 62 but the spouse is under 62. If the employee attains age 62 in the ABD year, the ABD and age-62 PIA are the same; the PIA 1 used for the spouse tier 1 is the PIA provided by SEARCH reduced by the employee's ABD age reduction factor. If the employee attains age 62 after the ABD year SEARCH does not provide the ABD PIA upon which the spouse tier 1 should be based. In this instance the employee's ABD PIA in the Payment, Rate, Entitlement and History database (PREH) is used for the spouse; no change is made in the spouse tier 1.

In age and service annuities, tier 1 cannot include earnings in the year the annuity begins as long as the employee is under age 62. For full 60/30 employees who retire in the lag year, the RAIL makes any change necessary to the ABD tier 1 resulting from changes in earnings for years before the ABD year. The RAIL does not include ABD year earnings in tier 1 if the full 60/30 employee is under age 62. If the ABD year earnings are high enough to produce an increase in the PIA, tier 1 is adjusted automatically at the later date when the employee becomes eligible for the recomputation.

The tier 1 calculation may reject or be bypassed if no tier 1 adjustment is required, and the tier 2 calculation is performed.

## **6.8.48 RAIL Tier 2 Computation**

SEARCH provides the new tier 2 basic annuity which reflects service and compensation through the latest year reported by railroad employers. This amount is adjusted for the vested dual benefit reduction if appropriate.

If lag service for the current year was initially developed to establish the employee's eligibility, that service information is stored in PREH and is included in the calculations.

Military service months are included in the RAIL tier 2 computation if PREH shows that a period of M/S is creditable under the Railroad Retirement Act and was used as railroad service in the initial award.



## **6.8.49 RAIL RRA Maximum Test**

SEARCH provides the FAMC which reflects all compensation reported to date. The RAIL calculates the new RRA maximum amount and the new annuity amounts subject to the maximum effective on the later of the ABD or the VDB date of entitlement. If the RAIL tier 2 adjustment date is the vested dual benefit effective date, examiners must test the RRA maximum for the period from the ABD to the VDB effective date.

If the RAIL test indicates the RRA maximum does not apply, the rate adjustment is made; if a maximum reduction was previously in force in the rate, it is removed. If the RAIL test indicates the RRA maximum applies, the case is adjusted if 1) only the spouse must be reduced for the maximum and 2) any resulting overpayment in the spouse's annuity is fully recoverable from the employee's accrual. Otherwise, if the RRA maximum applies, the case is rejected.

In cases adjusted only for additional DRCs, a RRA maximum test cannot be made. Such cases are rejected if a maximum reduction is currently in force.

A PARS record is created for cases in which the RRA maximum adjustment produces a spouse overpayment which is recovered from the employee's accrual. The identification code for the billing and cash receipt documents show "RAIL".

Effective with the 2003 operation, the RAIL no longer performs a RRA maximum test because all cases involved in the RAIL have annuity beginning dates after 2001.

## **6.8.50 RAIL Adjustment Of Temporary Work Deduction Amounts**

The RAIL computes a new monthly work deduction amount if temporary work deductions are currently withheld from the annuity. If the tier 1 work deduction is a partial amount, the RAIL continues to withhold that amount. If the tier 1 work deduction is the full component, the new tier 1 work deduction amount is calculated by adding the increase in the adjusted tier 1 to the tier 1 work deduction amount in force prior to the RAIL. If the annuitant receives a reduced 60/30 annuity and the RAIL performs the age 62 tier 1 recalculation, a new tier 1 work deduction amount is calculated based on the adjusted PIA 17 received from the SEARCH system.

The new tier 2 work deduction amount is half the adjusted tier 2 if full LPE work deductions are in force. If the tier 2 work deduction amount in force is only a partial amount, the RAIL continues to withhold that amount.



## **6.8.51 RAIL Accrual Payments**

The RAIL adjustment corrects the recurring monthly annuity rate payable for June (July 1 payment)(September 1 payment for August for RAIL jobs 1989-95). The increase in tier 1 attributable to lag compensation is payable, in general, from the ABD or the following January; the increase in tier 2 attributable to lag service and compensation is payable from the ABD. The RAIL issues retroactive accrual payments for the months prior to June.

In certain situations, the accrual cannot be paid mechanically or the amount must be restricted:

- If the annuitant rejected in a previous COLA job and the COL has not yet been paid manually, the accrual cannot be calculated.
- If tier 1 work deductions are withheld, no tier 1 accrual is paid.
- If tier 2 work deductions are in force or tier 2 work deductions were withheld for some portion of the annuitant's entitlement period, only one-half the tier 2 accrual is paid.
- If the annuitant receives social security benefits and the SSA date of entitlement is after the ABD, the tier 1 accrual for months prior to the SSA date of entitlement cannot be calculated.
- If the increased PIA 1 and increased DRCs are payable from different dates, the RAIL cannot calculate the entire tier 1 accrual due.
- If the vested dual benefit date of entitlement is later than the ABD, the entire tier 2 accrual cannot be calculated in some situations.

The total accrual calculated by the RAIL is issued in the third week of June (third week of August for RAIL jobs 1989-95).

## **6.8.52 Calculation Of The RAIL Accrual**

The RAIL calculates the increased net tier 1 and net tier 2 amounts to be included in the July 1 payment. The accrual payment uses the increase amounts for tier 1 and tier 2 (the differences between the RAIL tier 1 and tier 2 and the pre-adjustment tier 1 and tier 2). The tier 1 and tier 2 increase amounts are adjusted to remove cost-of-living increases if the tier 1 or tier 2 accrual effective date is earlier than the latest COL date. The resulting tier 1 and tier 2 increase amounts are then multiplied by the number of months from the RAIL tier 1 and tier 2 effective dates through May.



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The RAIL effective dates are:

1. Tier 1 - The RAIL tier 1 accrual effective date is:
  - the ABD, or
  - the month DRCs are payable, or
  - the month PIA 1 is payable, or
  - the SSA benefit date of entitlement, or
  - the first month the annuitant is 62 the entire month (lawyear 83 reduced 60/30 cases only)
2. Tier 2 - The RAIL tier 2 effective date is:
  - the ABD, or
  - the vested dual benefit effective date

### 6.8.53 RAIL G-90s

G-90 forms are produced by SEARCH for the RAIL adjustment. Paper RAIL G-90 forms show the caption, "RAIL (year)," in item 1U; on GOLD, the Messages block shows "RAIL (year)". The year displayed is the latest year for which employers have submitted final reports. The RAIL adds the service and compensation posted for this year to the annuity rate. Beginning in 1994, the RAIL also includes any SSA wages posted for the this year.

Note: SEARCH will use the SS wages in EDM unless there is an indicator that the employee has multiple SSNs or EDM has no wages. In these situations, SEARCH will go directly to SSA to obtain a wage record for the employee. If SEARCH had to go to SSA, the earnings record shown on the RAIL G-90 could be different from the earnings record in EDM.

Item 2 of the paper RAIL G-90 forms ("Subsequent Service and Compensation Data" on GOLD) will show the creditable M/S months from PREH if military service is used as railroad service. If M/S is used as wage in the annuity, no M/S months will be shown, even though the creditability code for the M/S period indicates the period is creditable as compensation.



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A "P" in the right hand margin of item 4 ("DM/LAG" column of Compensation Data on GOLD) indicates the potential for deemed service months in the year earmarked. The RRB has released a GL-99 form to the railroad to obtain additional information needed to make the deeming decision; the RAIL G-90 does not reflect any deemed service months for the year. An "R" indicates a GL-99 was released and was returned by the railroad; the G-90 reflects any service months deemed for the year.

Item 13 of the paper RAIL G-90 ("Remarks" on GOLD) shows messages as follows:

- a. "Service After ABD" - the RAIL tier 2 calculation ignores all service months credited for months after the ABD. If more than three months are reported after the ABD, the case is rejected in the RAIL. The message, "Service After the ABD", is shown on the G-90. Assessment and Training investigates to determine if the post-ABD months are due to a return to service by the employee. If the employee worked in the reported months, A&T sends the case to OPNS to adjust the ABD. If the employee did not work, the erroneous service months are removed from EDM. When A&T advises that the correction is made, OPNS should request a new G-90 and adjust the case. See RCM 7.4, Appendix A for further information.
- b. "Possible Dup. Earns. - Wages Not Used in Years \_\_\_" - in its PIA calculations, SEARCH ignores any wages in a year 1978 or later if they equal the railroad compensation for the year. The years for which wages have been ignored are listed in the message. If the wages are legitimate, request revised PIA calculations to include the wages.
- c. "Possible Dup. Earns - BA#" \_\_\_ " - the BA number in EDM belongs to a railroad which is known to have reported earnings to the RRB and SSA. For one or more years after 1977, there are wages posted which may be a duplication of compensation causing the PIA to be overstated. Cases in this category are rejected in the RAIL mass adjustment if investigation reveals the wages are erroneous. A manual PIA calculation is needed to exclude the erroneous wages.

The PIA data on GOLD provides the complete PIA history for the employee as of the date of the SEARCH calculations. The PIA 1 amounts and effective dates shown on the paper RAIL G-90s are as follows:

- a. All cases except reduced 60/30 cases:
  - ABD year the same as the lag year- the first PIA is based on earnings through the year before the ABD year and is payable on the ABD; the second PIA, if any, is based on earnings through the ABD year and is payable January 1 of the year in which the RAIL operation is performed.



- ABD year after the lag year - the PIA is based on earnings through the lag year and is payable on the ABD.
- b. Reduced 60/30 and the employee has not attained age 62 at the time the RAIL is performed in June (August for RAIL jobs 1989-95) -
- ABD year the same as the lag year - the PIA is based on earnings through the year before the ABD year and is payable on the ABD.
  - ABD year after the lag year - the PIA is based on earnings through the lag year and is payable on the ABD.
- c. Reduced 60/30 and the employee attains age 62 before July (September for RAIL jobs 1989-95) -
- Age 62 in the lag year - the first PIA is based on earnings through the year the employee is 61, and is payable in the first full month the employee is 62; the second PIA, if any, is based on earnings through the lag year and is payable January 1 of the year the RAIL operation is performed.
  - Age 62 after the lag year - the PIA is based on earnings through the lag year and is payable in the first full month the employee is 62.

Effective with the 1999 RAIL, G-90 information may be updated to PREH by entering the G-90 date on a ROC/PC/manual award: if the calculation reject is 01, 02, 05, 10, 11, 12, 15, 21, 34 through 39, 41, 49, 60, 61, 62 or 65; or if payment reject is 01, 02, 03, 07, 09, 11, 13 or 17. If information on the G-90 is discrepant, request a new G-90 accordingly.

### **6.8.54 Records of The RAIL Adjustment**

Various records are produced to document the RAIL adjustments.

1. Microfilm - a microfilm record of each RAIL adjustment was produced through August 1991. The film uses the standard mass adjustment information format described in Appendix A, Section I. The film title gives the date of the RAIL adjustment and the compensation year that was the focus of the operation.

Codes are displayed on the microfilm to indicate the tier 1 and tier 2 accrual effective dates. The chart in Appendix F provides the codes and corresponding dates for the 1989-91 RAIL adjustments.



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2. G-358 - folder notices were produced for each RAIL adjustment through August 1990. The G-358 forms show the same information as the microfilm.
3. DATA-Q - the adjusted monthly recurring rate is displayed on DATA-Q. The rate is identified by a June voucher date and a mass adjustment voucher number (472 or 473).

If the RAIL pays an accrual amount the sum of the tier 1 and tier 2 accruals is displayed under "ACCRUAL". If the RAIL accrual rejects, the "ACCRUAL" field is blank.

4. MAIS - information for the August 1991 through August 1995 RAIL operations is available on the on-line mass adjustment inquiry system (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details. Beginning in 1996, PREH replaces MAIS as the source for RAIL information.
5. PREH - beginning with the August 1995 RAIL, the mass adjustment information is available in the PREH database. For non-rejected cases, the following records are posted to the database:
  - a. RHMADJ (3250) record
    - MASS-ADJ-EFF-DT is June 1
    - MASS-ADJ-TYP-CD is '3'
    - MASS-ADJ-RESULT-CD is '1'
    - MASS-ADJ-CALC-REJ-CD shows '88' if the addition of lag service and compensation does not change the monthly rate
    - MASS-ADJ-SPEC-1-CD has a value if the record is earmarked for further review or adjustment by an examiner
    - MASS-ADJ-SPEC-2-CD has a 'T' followed by a numeric code if the attempt to adjust tier 1 rejected. The code has an 'A' followed by a numeric code if the tier 1 accrual rejected.
    - MASS-ADJ-SPEC-3-CD has an 'A' followed by a numeric code if the tier 2 accrual rejected
  - b. RHTIER1 (3210) record(s) for each date break in the accrual period:



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- If the RAIL PIA 1 was the same as the PIA already used to compute tier 1, no tier 1 adjustment is made. No RHTIER1 record is posted for the RAIL.
  - If MASS-ADJ-SPEC-2-CD shows a tier 1 reject, no RHTIER1 records were posted for the RAIL
  - If MASS-ADJ-CALC-REJ-CD in the RHMADJ record shows '88' (the total annuity rate did not change), the latest RHTIER1 record was posted for the RAIL
  - If MASS-ADJ-SPEC-2-CD shows a tier 1 accrual reject, the RHTIER1 record with the June 1 beginning date was posted for the RAIL
- c. RHTIER2 (3215) record(s) for each date break in the accrual period:
- If the calculation reject code is 88 (the rate did not change), the latest RHTIER2 record was posted for the RAIL.
  - If MASS-ADJ-SPEC-3-CD on the RHMADJ shows a tier 2 accrual reject, the RHTIER2 record with the June 1 beginning date was posted for the RAIL.
  - If there is a review code '36' (spouse) or '38'(employee), the first RHTIER2 record posted for the RAIL has a beginning date equal to the VDB date of entitlement. If there is no review code '36' or '38', the RAIL adjusted the case from the ABD; all the RHTIER2 records reflect RAIL information.
- d. RHWKDED (3278) record(s) for each date break in the accrual period (beginning with the 1996 RAIL)
- e. RHREDCT (3220) record if the annuitant's record is reduced for work deductions or for tax withholding and the tax amount changes
- f. RHRATE (3235) record for the current recurring rate
- g. RHRCPAY (3277) recurring payment record with a July 1 beginning date
- h. RHACOPO (3275) record if the RAIL paid an accrual amount. The payment beginning date reflects the earlier of the tier 1 or tier 2 accrual effective date.

For rejected cases, a RHMADJ (3250) record is posted to the database:

- MASS-ADJ-EFF-DT is June 1



- MASS-ADJ-TYP-CD is '3'
- MASS-ADJ-RESULT-CD is '2'
- MASS-ADJ-PYMT-REJ-CD has a value if the reject occurred when the RAIL attempted to put the new annuity rate onto the check writing master file
- MASS-ADJ-CALC-REJ-CD has a value if the reject occurred when the RAIL attempted to calculate the new recurring monthly annuity rate.

### **6.8.55 RAIL Adjustment Notices**

Employees are advised of the RAIL adjustment with letter T-11, and spouses receive letter T-12. Prior to 2002, employees and spouses adjusted for the RRA maximum received form letters T-11a and T-12a if the spouse adjusted rate was lower than the pre-RAIL rate. Form letters T-11b and T-12b were released if the spouse adjusted rate increased, but the spouse was overpaid for a period of months prior to the effective date of the increased rate. Exhibits 4 and 5 provide samples of these letters.

### **6.8.56 SALSA**

Special payments of separation allowance lump sum amounts (SALSA) are payable to employees if:

- a. The employee received a severance or separation allowance payment from a railroad employer after 1984, and
- b. Retirement tier 2 taxes were withheld from the severance/separation allowance payment, and
- c. All or part of the severance/separation allowance payment could not be used to produce regular retirement service credits.

In the mechanical SALSA operation, the SALSA calculation program calculates payable amounts for all retired employees for whom railroad employers have reported separation allowance payments. The amount calculated is then compared to the SALSA amount previously paid according to the Payment, Rate and Entitlement History database (PREH). The difference between the SALSA amount calculated and the amount previously paid are sent to the check writing system to be issued to the employee. If the employee is enrolled in the direct deposit program, the SALSA is deposited with the employee's financial institution.

In 2006, the annual SALSA operation was replaced by the RESCUE system.



## 6.8.57 SALSA Payment Notices

Form letter T-30 is released to employees who are issued SALSA payments. There are two versions of the T-30. One version is released to the employee if the payment is the first SALSA issued to the employee. If the employee previously received a SALSA and an additional amount is now payable, the second version of the T-30 is released.

Exhibit 6 provides an example of the T-30.

## 6.8.58 Records Of SALSA Payments

For the August 1989 through August 1995 mass adjustments, a copy of the T-30 letter was produced for the claim folder to document the SALSA payment.

A microfilm record of the SALSA payment was produced through August 1991. The amount of the payment, or a reject code if the payment cannot be made, is shown in item 31 of the film. For the August 1991 through the August 1995 SALSA mass adjustments, information is available on the Mass Adjustment Inquiry System (MAIS) in RRAPID. See RCM 16 for details.

Beginning with the August 1995 SALSA mass adjustment, the results of the operations are stored on the PREH database.

- a. If the mass adjustment issued a payment, PREH will contain the following:
  - (1) a RHACOPO (3275) record for the payment showing the amount issued by the mass adjustment. The ACTVY- SOURCE-CD shows 7068 if the payment was released or 7069 if the case was in code 98 undeliverable suspended status. In code 98 suspended situations, the SALSA payment amount is added to the accrued undeliverable amount which is released when a corrected address is received. VCHR-NO-1 shows 0474 and VCHR-DT shows the date of the mass adjustment.
  - (2) the RHREFND (3050) screen shows code 3, "Mass Adj", as the SALSA-PYMT-SOURCE-CD and SALSA-LST-ACCT-DT is the same as VCHR-DT on the RHACOPO (3275) screen. SALSA-CUM-PYBL-AMT on the RHREFND screen is the gross SALSA amount calculated for the mass adjustment; SALSA-PD-TTD-AMT includes the amount paid by the mass adjustment. The amount paid is added to any SALSA-PD-TTD-AMT present before the mass adjustment.
- b. A case is rejected in the SALSA mass adjustment if:



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- (1) the employee is not yet paid final at the time of the mass adjustment, or
- (2) the employee is terminated, or
- (3) the employee is suspended for other than code 98 undeliverable or code 35/69 small overpayment recovery, or
- (4) the gross SALSA amount calculated is less than \$5.01 (tolerance applied)
- (5) the gross SALSA amount calculated was less than the amount previously paid to the employee. The SALSA-CUM-PYBL-AMT is less than the SALSA-PD-TTD-AMT on the RHREFND (3050) screen, or
- (6) the gross SALSA amount calculates to zero because all of the severance/separation allowance payment was used to provide service month credits, or
- (7) the gross SALSA amount could not be calculated mechanically because of discrepancies in the severance/separation allowance report received from the railroad employer. The SALSA-ALERT-FLG is '1' on the RHREFND (3050) screen

If the case rejects in the mass adjustment, there is no RHACOPO (3275) screen with the current mass adjustment voucher date. The RHREFND (3050) screen shows the following:

- a. The SALSA-CUM-PYBL-AMT shows the gross SALSA amount (including zero) computed for the mass adjustment.
- b. The SALSA-ALERT-FLG shows '1' if the gross SALSA amount could not be computed mechanically.
- c. The SALSA-AMT-CHNG-ACCT-DT shows the mass adjustment voucher date.
- d. The SALSA-LST-ACCT-DT on the RHREFND (3050) screen does NOT show the voucher date of the current mass adjustment.
- e. The SALSA-PYMT-SOURCE-CD is not changed. If the source code shows "Mass Adj.", it refers to a previous mass adjustment; the SALSA-LST-ACCT-DT shows the date of that mass adjustment.

From 1989 through 1997, one-page informational G-90 forms were produced for cases which rejected in the mass adjustment because the employee was terminated, in partial



payment status or the gross SALSA amount was less than the amount previously paid. The SALSA amount shown on the informational G90s produced from 1993 through 1997 may not be correct; these G90s should not be used to make manual SALSA payments. Instead, use the SALSA-CUM-PYBL-AMT and the SALSA-PD-TTD-AMT on the PREH RHREFND (3050) screen to determine any amount payable.

### **6.8.59 Handling SALSA Inquiries**

Examiners should handle inquiries concerning non-receipt of SALSA payments if a SALSA was calculated but was not issued because the employee is terminated, suspended or in partial status, or if the SALSA was issued but not received by the employee.

Forward the inquiry to Assessment and Training - STARS Project if:

- a. the employee inquires about entitlement to a SALSA amount and the SALSA-CUM-PYBL-AMT is zero and the SALSA-ALERT-FLG is zero, or
- b. the employee received a SALSA payment and questions the amount

Forward the inquiry to Policy and Systems - Records Analysis and Systems if the SALSA-ALERT-FLG is not zero.

### **6.8.60 Supplemental Annuity Reductions**

At various times between 1987 and 1990, supplemental annuity funds were sequestered under the Balanced Budget and Emergency Deficit Control Reaffirmation Act (also known as the Gramm-Rudman act). When a sequestration order was issued, monthly supplemental annuity payments were reduced by the required percentage through a mass adjustment operation.

A total of five supplemental annuity adjustment actions were performed in this period. Most of the supplemental annuity amounts withheld were later paid to employee annuitants. Appendix I provides a chart of the various cutback mass adjustments.

Legislation was eventually passed which exempts supplemental annuity funds from sequestration. Supplemental annuity payments are now protected from Gramm-Rudman reductions.

### **6.8.61 CPI Correction**

In October 2000, the Bureau of Labor Statistics identified an error in the consumer price index (CPI) that was used to determine the cost-of-living increase paid for December



1999. The original percentage used in December 1999 was 2.4%; the corrected percentage was 2.5%. The error of 0.1% affected tier 1 benefits paid by the Railroad Retirement Board (RRB), benefits paid by the Social Security Administration (SSA), and pensions paid by the Office of Personnel Management (OPM).

The error of 0.1% did not impact the December 1999 tier 2 cost-of-living increase. Although the tier 2 cost-of-living percentage is 32.5% of the tier 1 percentage, the small change in the tier 1 percentage was not significant enough to produce a change in the tier 2 percentage.

### **6.8.62 Impact of the CPI correction**

Benefits were affected if the employee (or the wage earner in the case of SSA benefits) was:

- Age 62 before 2000, or
- Rated disabled before 2000, or
- Died before 2000

The majority of monthly benefits were understated \$1.00 or less as a result of the CPI error in 1999.

### **6.8.63 Corrective Action**

The RRB and SSA corrected monthly benefits effective July 1, 2001 (August 1, 2001 payment). Accrual payments were calculated for the period from December 1999 through June 2001. OPM corrected monthly benefits effective May 1, 2001 (June 1, 2001 payment).

### **6.8.64 RRB mass adjustment**

The RRB performed a mass adjustment on July 3, 2001 to correct tier 1. The adjustment voucher number was 473.

The primary insurance amount (PIA) used in tier 1 was recalculated using 2.5% as the December 1999 cost-of-living increase percentage. SSA provided a file with corrected benefit amounts which were used for the tier 1 SS offset. OPM public service pension offset amounts were also corrected; the corrected offset amounts were calculated in the mass adjustment operation.



Note: OPM pension offset amounts subtracted from tier 1 were corrected effective July 1, 2001. No correction was made in the offset amounts for May and June 2001 even though OPM corrected its payments for those months.

If the correction in the cost-of-living percentage increased the net tier 1 payable for July 2001, an accrual was calculated for the months between December 1999 and June 2001. The net increase in the July 2001 net tier 1 was used to compute the accrual. The amount was accrued from the later of:

- The annuity beginning date, or
- The first full month the annuitant was age 62 if the annuity was paid under the 60/30 provision of the 1983 Amendments, or
- December 1999.

Federal income taxes were deducted from the accrual payment only for amounts paid to non-resident aliens.

### **6.8.65 Correction of SSA Benefits**

RRB corrected the July benefit for LAF E payments using the information provided by SSA. The RRB computed the accrual due in LAF E payments. The net increase in the July benefit was used to compute the accrual due from the later of:

- The SSA date of entitlement, or
- December 1999.

SSA corrected the July benefit for LAF C payments. SSA computed the accrual due for January 2001 through June 2001 using the net increase in the July benefit. For the months prior to 2001, SSA was not able to compute precise accrual amounts. Instead, SSA paid an amount to each beneficiary that was intended to approximate the total amount the beneficiary could have been underpaid in 2000. SSA based the approximation on ranges of PIA values and paid \$12, \$24, \$36, or \$48. SSA assumed the beneficiary was entitled for all months in 2000.

SSA corrected its benefit history from July 1, 2001. The accrual payments were not reflected in the rates in the benefit history. Tier 1 was reduced for the new SSA benefit payable July 1, 2001. The approximation amounts SSA paid for months before July 2001 did not impact tier 1 and were not taken into consideration when computing tier 1 rates for months before July 2001.



## 6.8.66 CPI correction notices

Form letter T-60 was released to beneficiaries to explain the CPI correction. A single letter was used to explain the adjustment in the RR annuity and LAF E SS benefits. The letter was dated July 20, 2001. Eleven different versions of the T-60 were used to explain the various situations:

- The beneficiary received an increase in monthly benefits and a retroactive accrual payment,
- The beneficiary was not eligible for the December 1999 cost-of-living,
- The beneficiary was eligible for the December 1999 cost-of-living but the CPI correction did not change the monthly rate,
- The correction could not be made mechanically in the mass adjustment operation.

RCM 6.8 Exhibits 8 through 18 provide samples of the T-60 versions. The following chart explains the situation addressed in each version of the letter:

| <b>T-60 version</b> | <b>Case category</b>   |
|---------------------|--|
| 01                  | RR only not eligible for December 1999 COL   |
| 02                  | RR only but no change in tier 1  |
| 03                  | RR only rate adjusted and accrual paid   |
| 04                  | RR and/or LAF E SS and both rejected or one rejected and the other benefit was not impacted by the correction  |
| 05                  | SS only and not eligible for December 1999 COL or correction did not change the monthly rate   |
| 06                  | SS only rate adjusted and accrual paid   |
| 07                  | RR and LAF E SS; both adjusted or one benefit was adjusted and the other benefit was not changed (either the unchanged benefit was not eligible for the December 1999 COL or the correction did not change the monthly rate) |



| <b>T-60 version</b> | <b>Case category</b>  |
|---------------------|---|
| 08                  | RR and LAF E SS; RR adjusted but SS rejected  |
| 09                  | RR and LAF E SS; SS adjusted but RR rejected  |
| 10                  | RR and LAF E SS; not eligible for the December 1999 COL or the correction did not change the monthly rate                             |
| 11                  | RR and LAF E SS; both adjusted but dollar for dollar offset in tier 1 produced no change in the monthly rate. An SS accrual was paid. |

In addition to the T-60, a form T-61 insert was included with versions 03, 06, 08 and 09 of the T-60 mailed to non-resident alien beneficiaries. The insert provided information about Federal income tax withholding from the accrual payment. Exhibit 19 in RCM 6.8 provides a sample of the T-61.

### **6.8.67 PREH records of the CPI correction**

The PREH database contains the following records of the CPI corrective actions:

| <b>PREH record</b>            | <b>What is shown</b>  |
|-------------------------------|---|
| Tier 1 (3210-RHTIER1)         | The tier 1 screen has a beginning date of 20010701. Even if the correction did not yield an increase in net tier 1 a new 3210 record was added to the tier 1 history if the annuitant was eligible for the December 1999 COL. No 3210 records were posted for the retroactive accrual payments. |
| SSA history (3206-RHSSHIST)   | The results of the mass adjustment in LAF E SS benefits are displayed even if the monthly benefit did not increase if the beneficiary was eligible for the December 1999 COL.   |
| Payment (3277-RHRCPAY)        | There is a record with a beginning date of 20010801 if the monthly payment changed.   |
| Mass adjustment (3250-RHMADJ) | The record for the RR CPI correction shows:   |



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| PREH record            | What is shown  |
|------------------------|--|
|                        | <ul style="list-style-type: none"><li>• 20010701 effective date</li><li>• type code of 5 (“Other”)</li><li>• normal reject and review information plus special CALC REJ codes:<ul style="list-style-type: none"><li>○ 87 – the beneficiary was not eligible for the 12/99 COL and therefore tier 1 was not adjusted</li><li>○ 88 – the correction did not produce a change in net tier 1. The 3210 tier 1 record was corrected to show the new tier 1 calculation, but the monthly payment was not changed.</li><li>○ 89 – the increase in LAF C SSA benefits caused net tier 1 to decrease by less than \$2.01 or the adjusted rate increased by less than \$1.00 and the CPI accrual was less than \$1.00. The 3210 tier 1 record was corrected to show the new tier 1 calculation, but the monthly payment was not changed.</li><li>○ 90 – the CPI correction could not be made because 1) the beneficiary received an SS benefit increase prior to the CPI correction for which tier 1 was never adjusted, or 2) PIA 1 was incorrect due to an AERO or RAIL reject, or 3) the dual RR offset needed to be corrected in the spouse/widow tier 1</li></ul></li></ul> |
| Accrual (3275-RHACOPO) | The record shows “CPI” as the source of the payment. The amount may be RR only, SS only, or a combination of the two. A voucher number of 477 was used for combined RR/SS accruals.  |



## **6.8.68 CPI correction for terminated beneficiaries**

Terminated annuities were not corrected in the mass adjustment. The CPI correction was done manually if the annuitant inquired about the correction and:

- the employee annuitant was born before January 2, 1938 or was rated disabled before 2000 or died before 2000, and
- the annuitant was terminated after December 1999, and
- net tier 1 was not reduced to zero by offsets, and
- the correction would increase gross tier 1 by at least \$1.00

## **6.8.69 CPI correction for deceased beneficiaries**

Annuities of deceased annuitants were not corrected in the mass adjustment. The CPI correction was done manually if an inquiry was received and:

- the person inquiring was receiving a monthly annuity from the RRB, and
- the employee was born before January 2, 1938 or was rated disabled before 2000 or died before 2000, and
- the deceased annuitant died after December 1999, and
- net tier 1 was not reduced to zero by offsets, and
- the correction would increase gross tier 1 by at least \$1.00

## **6.8.70 Student Suspension/Family Adjustment**

The Social Security Act (SSA) Amendments of 1981 limit the definition of educational institutions to elementary or secondary schools effective August 1, 1982. The legislation also provides for a gradual phase-out of student beneficiaries on the rolls in August 1981 who are enrolled in a post-secondary school previous to May 1982. Although entitlement provisions to a Railroad Retirement Act (RRA) annuity remain unchanged, the RRA annuity amount payable is affected by the 1981 SSA Amendments. This is because a survivor student's annuity under the Railroad Retirement Act consists of a tier I amount, which is computed under the social security formula, and a tier II amount, which is computed under the railroad retirement formula.



Unless students in post-secondary school met certain criteria, their benefits were terminated effective August 1982. While the phase-out aspects of the 1981 Amendments allow benefits to continue to certain post-secondary students beyond August 1982, they also place certain limitations on these benefits. Specifically, these are:

- Benefits will not be paid for the months of May through August.
- No cost-of-living increase in tier I will be paid.
- In September 1982, the tier I original rate of a phase-out student will be reduced to 75 percent of the tier I original rate that was applicable in August 1981.
- In September 1983, the tier I original rate of a phase-out student will be reduced to 50 percent of the August 1981 tier I original rate level.
- In September 1984, the tier I original rate of a phase-out student will be reduced to 25 percent of the August 1981 tier I original rate level.
- Payment to all phase-out student beneficiaries will terminate effective August 1985.

These provisions are implemented for survivor students by a mechanical program twice a year starting with June 1, 1982 and continuing through

June 1, 1985. The program has been set up to:

- mechanically suspend phase-out students effective with the check dated 6-1
- mechanically reinstate phase-out students effective with the check dated 10-1
- mechanically adjust the rates of family members for the period of May, June-August, and September-April, whenever the maximum applies.

### **6.8.71 Type Of Notification**

#### **A. Phase-out Student Notification in May**

A code letter is mechanically released through the G-96 suspension program during the last week in May.

#### **B. Phase-out Student Notification in September - A letter is mechanically released to each student in the third week in September. There are 3 versions of the letter**



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because there are 3 kinds of computations at which the student can be reinstated:

- sole survivor minimum rate
- phase-out (6-1981 PIA xx .75, .50 or .25)
- phase-out student original rate reduced for the maximum

The adjustment letter used is the RL-119. There is no folder record or copy for the field.

- C. Family Member Notification - If the maximum applies, the rates of the other family members are affected by the exclusion of the student for May through August, and the inclusion of the student in September. Therefore, in maximum cases, each payee code is sent a letter explaining the new rates payable to each beneficiary on that payee code. If applicable, the amount of the accrual check which will be sent out later that month is included in the letter. The letter format used is the RL-119. There is no folder record or copy for the field.

### 6.8.72 Microfilm/Microfiche

- A. June 1, Microfilm/Microfiche - A microfilm of the June 1, student suspension and family adjustment is available for examiners. A microfiche is available for the field. The standard format as explained in Appendix A, Section II is used. The only exception is that in column (D) "GROSS TIER 1," either the original rate or reduced for maximum rate (whichever applies) is shown. No code is shown, and no DRC's are shown.
- B. October 1, Microfilm/Microfiche

A microfilm of the October 1, student reinstatement and family adjustment is available for examiners. A microfiche is available for the field. The standard format as explained in Appendix A is used. The only exceptions are:

- Maximum Determined by Research Shown - Under column (A), "RES MAX XXX.XX" will be shown. This will be on the first line, before any other data for all family members and all students on that claim number.
- Original or Reduced for Max Rate - Column (D), "GROSS TIER I" shows either the original or reduced for maximum rate, whichever applies. No code is shown. DRC's are not included.



- Student in Suspense - If the phase-out student was in suspense before the May mechanical suspension, he will be on the microfilm as a NO MASTER RECORD.

The following special effects are added if the October 1 adjustment includes 3 rate breaks:

- Three Rate Breaks Shown - The first 2 lines in a combined check case show the claim number, PC, and columns (Y) through (d) for May. The next 2 lines show the same information as it pertains to June through August. The next 2 lines show the same information as it pertains to September. The effective date for each rate break is shown in the "CLAIM NUMBER" column.

After the "combined check" information is shown, each beneficiary on the payee code has 3 sets of data (3 rate breaks). Each rate break takes up 2 lines (per usual). The effective date for each rate break is shown in the "CLAIM NUMBER" column.

- Accrual Check Shown - The amount of the accrual check sent to each payee of the family group is shown in column (c). That column is labeled "SUP ANN RED FOR RRA MAX" but will show the amount of the accrual check released in mid-October.

### 6.8.73 Computations

The mechanical adjustment computes cases the same way they would be handled manually, with 3 exceptions. These exceptions are explained below. In all cases, the rate which is paid in the mechanical job should be considered correct, and used as the basis for future adjustments. Only if the beneficiary requests a review of his case should the rate be questioned or changed.

#### A. Sole Survivor Minimum

In the mechanical job, the sole survivor minimum (SSM) is computed for students as follows:

- If the year of eligibility is before 1979, the SSM equals the minimum AMW PIA.
- If the year of eligibility is in 1979 or later, \$122.00 is increased for COL's. In the October 1982 adjustment, all COL's were given, even if no individual was entitled to a benefit in each year. In the October 1983 adjustment, \$122 was increased only by 1.074 for the June 1982 COL.



**B. RIB Limitations**

In the maximum cases, when the student is out of the computations in the summer, the RIB LIMIT will not be tested to see if it applies. The widow(er)'s rate is calculated without regard to any possible RIB limitation.

**C. Determination of Saving Clause Maximum**

The savings clause maximum can be hundreds of dollars over the table maximum, or cents over the table maximum; each case is different. Since this information is not in the research record, the mechanical operations will try to create the savings clause. It may not be exactly what you would get if computing the case manually.

### **6.8.74 RRSIA RRA Maximum Removal**

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminated the RRA maximum test for retirement annuities payable for months after 2001. Beginning in January 2002 and later, regular retirement annuities and supplemental annuities are no longer subject to RRA maximum reductions.

### **6.8.75 Mass Mailing to Annuitants with RRA Maximum Reductions**

In January of 2002, form letter T-75 (Exhibit 29) was released to employee and spouse annuitants who had RRA maximum reductions in force in tier 2 and/or the supplemental annuity. The T-75 advised annuitants that the RRA maximum would be removed in the near future.

During the years the RRA maximum provision was in force, situations arose in which the spouse did not file for an annuity because the combined spouse and employee rates would cause the RRA maximum to apply. Letter T-76 (Exhibit 30) was released to employees if no spouse annuity was in force and the PREH RHEE record indicated the spouse would invoke the RRA maximum. The purpose of the T-76 was to alert employees that the RRA maximum no longer applied beginning in January 2002 in case the employee's spouse wanted to file for an annuity.

### **6.8.76 Mass Adjustment to Remove RRA Maximum Reductions**

A mass adjustment operation was performed in May 2002 to remove the RRA maximum reduction from the tier 2 of employees and spouses who were paid final before May 17, 2002. The tier 2 benefits of 13,711 annuitants were adjusted.



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The mass operation also removed the RRA maximum reduction from the supplemental annuity of 340 employee annuitants.

The increased monthly rates were reflected on the June 1, 2002 payment.

Retroactive accrual amounts were paid in the mass operation. Accruals were calculated for tier 2 from the later of:

- January 1, 2002, or
- The annuity beginning date, or
- The vested dual benefit effective date, or
- The effective date of LPE work deductions, or
- The ending date of LPE work deductions.

Supplemental annuity accruals were calculated from the later of:

- January 1, 2002, or
- The supplemental annuity beginning date, or
- The effective date of LPE work deductions, or
- The ending date of LPE work deductions.

If the accrual amounts were restricted to a date later than January 1, 2002 or the benefit beginning date, referrals were issued to RBD to pay any additional accrual due.

If the accrual amount calculated in the mass operation was less than \$1.00, no accrual was issued.

### **6.8.77 RRA Maximum**

#### **Benefit Calculations**

The tier 2 calculations performed by the mass operation included tier 2 take back reductions. The December 1983 and December 1984 take back amounts found in the RHTIER2 record were used in the computation of tier 2. If the RHTIER2 record did not contain take back amounts (i.e., tier 2 was reduced to zero by the RRA maximum reduction), the total tier 2 take back amount found in the RHRRID record of PREH was



used in the calculation of tier 2. Seventy percent of the total take back amount was used as the December 1983 take back amount, and the balance of the total take back was subtracted as the December 1984 take back amount. The \$10.00 tier 2 minimum guaranty was applied where appropriate.

Railroad pension information found in the RHPENS record in PREH was used in the computation of the adjusted supplemental annuity.

If LPE work deductions were in force, a work deduction amount was calculated for the adjusted tier 2 and/or supplemental annuity. If a partial work deduction amount was in force, that deduction amount was continued in the new rate. If full work deductions were in force, half the adjusted tier 2 and/or half the adjusted supplemental annuity were withheld from the new rate. If PREH indicated the annuitant was in LPE, but no work deductions were previously assessed because the RRA maximum reduced tier 2 and/or the supplemental annuity to zero, the mass operation initiated LPE work deductions in the monthly rate.

### **Mass Operation Voucher Dates and Numbers**

The voucher date for the adjustment in the recurring monthly payment was May 17, 2002. The voucher date for the accrual payment was May 18, 2002.

If only tier 2 or only the supplemental annuity was adjusted, the voucher number was 473. If both tier 2 and the supplemental annuity were adjusted, the voucher number was 477.

### **Mass Operation Notifications**

The following letters were released to adjusted annuitants:

| <b>Circumstances</b>  | <b>Letter</b> | <b>RCM 6.8 Exhibit</b> |
|---|---------------|------------------------|
| The RRA maximum was removed in the mass operation   | T-84          | Exhibit 22             |
| Only the supplemental annuity was reduced for the RRA maximum, and the net supplemental annuity continues to be zero due to a RR pension. | T-85          | Exhibit 23             |



| <b>Circumstances</b>                                      | <b>Letter</b> | <b>RCM 6.8 Exhibit</b> |
|---|---------------|------------------------|
| The attempt to remove the RRA maximum reduction rejected. | T-86          | Exhibit 24             |

### **Mass Operation Referral Codes**

Referrals were issued to RBD if the RRA maximum could not be removed in the mass operation, or if the mechanical adjustment needed to be followed with further examiner action. The referral codes are found in Appendix P

### **6.8.81 Widow(er)'s Initial Minimum Amount**

The Railroad Retirement and Survivors' Improvement Act of 2001 (RRSIA) created an initial minimum amount for aged and disabled widow(er)s and young mothers and fathers paid under the 1981 amendments. The "widow(er)'s initial minimum amount" (WIMA) is based on amounts payable to the annuitant on the original beginning date (OBD). If the annuitant's rate is adjusted for the family maximum, amounts are computed that would have been payable on the OBD based on the current family group. The WIMA is a fixed amount; it is not adjusted for cost-of-living-increases that are payable after the OBD. The WIMA is an alternative to the regular widow(er)'s annuity computation. The WIMA was effective February 1, 2002.

### **6.8.82 Initial WIMA Mailing**

In January of 2002, letters were sent to all widow(er)'s on the rolls to make them aware of the WIMA provision of the RRSIA:

| <b>Letter</b> | <b>Released to</b>  | <b>Text sample</b> |
|---------------|---|--------------------|
| T-71          | 1981 amendment widow(er)s who were eligible for an increase in monthly benefits because of the WIMA.  | Exhibit 25         |
| T-72          | 1981 amendment widow(er)s who were not eligible for an increase under the WIMA provision. In these cases, the widow(er) had been on the rolls long enough so that annual cost-of-living increases made the regular annuity rate higher than the | Exhibit 26         |



| Letter | Released to   | Text sample |
|--------|---|-------------|
|        | person's WIMA.  |             |
| T-73   | Remarried widow(er)s and surviving divorced spouses to explain why those annuities were not subject to the WIMA provision       | Exhibit 27  |
| T-74   | Widow(er)s paid under the 1937 or 1974 acts to explain why those annuities were not subject to the WIMA provision               | Exhibit 28  |
| T-77   | 1981 amendment widow(er)s if a determination of WIMA eligibility could not be made in advance of the mass adjustment operation. | Exhibit 31  |

### 6.8.83 WIMA Adjustments

Two WIMA mass operations were performed in 2002:

- In April, the WIMA operation tested the WIMA for 114,700 1981 amendment widow(er)s who were paid first before April . The WIMA was paid to 46,213 of these widow(er)s. In the rest of the cases, the widow(er)'s current regular annuity rate exceeded the WIMA.
- In June, a WIMA clean-up operation was performed to test the WIMA for the 713 widow(er)s who came on the rolls after the April operation and before changes were finalized in SURPASS to test the WIMA on all initial widow(er) awards.

### 6.8.84 WIMA Computations

In both WIMA operations, the WIMA amount was computed as follows:

- WIMA tier 1 component – the statutory share of the OBD PIA adjusted for the family maximum (based on the family group in force at the time of the operation) and reduced for the RIB limit or the number of months the widow(er) was under FRA on the OBD
- WIMA tier 2 component – 100 percent of the deceased employee's tier 2 adjusted for vested dual benefit entitlement and cost-of-living increases accrued between the employee's date of death and the widow(er)'s OBD. The tier 2 amount was adjusted for the family maximum, the number of months the widow(er) was under FRA on the OBD, and any employee actual or fictional section 4(d) takeback.



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The total WIMA amount computed as described above was compared to the following amount from the February 1, 2002 regular annuity rate:

- Tier 1 adjusted for cost-of-living increases, the family maximum, and the RIB limit or the number of months the widow(er) was under FRA on the OBD. The tier 1 amount was before reductions for social security benefit, public service pension and/or dual railroad retirement entitlement.
- Tier 2 adjusted for early retirement and section 4(d) takebacks and increased for the spouse minimum amount. The regular tier 2 used for the comparison did not include any dual entitlement restored amount.

If the WIMA was higher than the regular annuity amount, the May 1, 2002 monthly rate was increased for the main operation, and the July 1, 2002 payment was increased in the subsequent clean-up operation.

Retroactive accruals were computed from the later of:

- February 1, 2002, or
- The OBD, or
- The month after February in which the family group changed.

If the total accrual was less than \$1.00, no accrual was paid in the mass operations.

### **6.8.85 Rules Used in the Automated WIMA Computation**

The following rules were applied in both automated operations:

- If there was no RHTIER1 record for the OBD in PREH, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1 amount. If PREH contained tier 1 information for the annuity rate payable on the OBD, that information was used to calculate the WIMA tier 1 amount, unless tier 1 was subject to the 2001 CPI correction.
- If the OBD was after November 30, 1999 and the tier 1 was adjusted in the July 2001 CPI correction, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1.
- If the tier 1 beginning date was after the OBD, the WIMA tier 1 was zero.



- If the family maximum applied on the OBD or in April 2002, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1.
- If the family group changed in March or April, the computation of the accrual was restricted to that month. Referrals were issued for SBD to determine the amount payable from February 1, 2002 up to the month the family group changed.
- If the widow(er) was under FRA on the OBD, the number of age reduction months applicable on the OBD (before any ARF) were used to calculate the WIMA tier 1 and tier 2.

### **6.8.86 WIMA Mass Operation Notifications**

Letter T-78 was released to widow(er)s if the May payment was increased because the WIMA was higher than the regular annuity rate. The text of the T-78 can be found in Exhibit 20.

Letter T-79 was released if the WIMA test could not be done in the mass operations. The text of the T-79 is provided in Exhibit 21.

Letter T-72 (Exhibit 26) was released to widow(er)s who received the T-77 in the initial WIMA mailing in January, and the mass operation determined no WIMA increase was payable.

### **6.8.87 WIMA Mass Operation Referral Codes**

If the WIMA could not be tested by the mass operation, or if the mechanical adjustment action needed to be followed by further examiner action, a referral was issued to SBD. The referral codes are provided in Appendix O.

### **6.8.88 RESCUE Overview**

The system to for service and compensation upside to EDM (RESCUE) was developed to automate annuity adjustments in response to changes in railroad service, railroad compensation, or social security wages posted to the Employment Data Maintenance database (EDM). RESCUE also issues SALSA payments in response to changes made in the separation payments master records.

RESCUE replaces the following annual mass adjustments: RAIL, AERO, SALSA. In addition, RESCUE adjusts annuities for all corrective reports made by railroad employers and for internally-generated corrections to EDM.

The first RESCUE run considered all EDM and SALSA activity posted after 2005.



Generally, RESCUE runs four times a year, approximately once every three months. The RESCUE runs do not necessarily conform to standard calendar quarters. In the month of a RESCUE run, RESCUE awards are sent to ROC in the last week of the month. The awards are vouchered the first of the following month.

RESCUE only processes annuity adjustments for retirement cases. If there is a survivor annuity being paid, RESCUE will request a wage record. A manual evaluation of the survivor annuity is made to determine if an adjustment is needed. Any necessary survivor adjustments are done manually in SBD. Because examiners always obtain fresh PIA and tier 2 computations when a survivor application is filed, most survivor annuities already reflect the service and earnings changes that RESCUE applies to the retirement annuity.

### **6.8.89 RESCUE Triggers**

There are several ways for a case to be activated in RESCUE:

- A change in service months (reported and/or deemed) is posted to EDM
- A change in railroad compensation (regular or miscellaneous) is posted to EDM
- A change in social security wages is posted to EDM
- Delayed retirement credits (DRCs) earned in the ABD year need to be included in tier 1 either in the following January or in the month the employee attains age 70
- Tier 1 needs to be adjusted for RRSIA 60/30 cases to include ABD earnings in tier 1 beginning in January after the year the employee attains age 62.

RESCUE sweeps EDM to find changes in service and/or earnings. RESCUE also checks the Payment, Rate and Entitlement History database (PREH) in the first run each year to identify full age employees with ABDs in the previous calendar year who need DRCs added to tier 1 and to identify RRSIA 60/30 employees who are due a PIA 1 recomputation because the employee turned 62 the previous year.

If RESCUE is activated for a change in service and/or earnings but there is no record in PREH, RESCUE will check APPLE for a pending retirement or survivor application. If an application is found, a referral is issued for RBD/SBD to check to make sure the initial award considers all service and earnings found in EDM.

Dates for each RESCUE run are provided below:



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| <b>EDM activity posted</b>           | <b>RESCUE G90 date</b> | <b>ROC voucher</b> |
|--------------------------------------|------------------------|--------------------|
| January 1, 2006 – June 16, 2006      | June 23, 2006          | July 3, 2006       |
| June 16, 2006 – September 15, 2006   | September 26, 2006     | October 2, 2006    |
| September 15, 2006 – April 13, 2007  | April 24, 2007         | May 1, 2007        |
| April 13, 2007 – July 13, 2007       | July 25, 2007          | August 1, 2007     |
| July 13, 2007 - October 12, 2007     | October 29, 2007       | November 1, 2007   |
| October 12, 2007 – February 15, 2008 | February 22, 2008      | March 3, 2008      |
| February 15, 2008 – May 14, 2008     | May 27, 2008           | June 2, 2008       |
| May 14, 2008 – September 15, 2008    | September 24, 2008     | October 1, 2008    |
| September 15, 2008 – January 4, 2009 | April 30, 2009         | May 5, 2009        |
| January 4, 2009 – May 13, 2009       | May 21, 2009           | June 9, 2009       |
| May 14, 2009 – August 12, 2009       | August 19, 2009        | September 1, 2009  |
| August 13, 2009 – January 2, 2010    | February 22, 2010      | March 2, 2010      |
| January 2, 2010 – May 12, 2010       | May 25, 2010           | June 1, 2010       |
| May 12, 2010 – August 16, 2010       | August 23, 2010        | September 1, 2010  |

A special RESCUE run in November 2006 adjusted non-terminated employees for any service or earnings changes posted to EDM prior to 2006. The cases were identified by comparing new SEARCH PIA 1 and gross tier 2 computations to the amounts being paid. Approximately 42,000 employees were considered in this special run. Adjusted annuities have a voucher date of November 2, 2006.

The special run also included the spouses and divorced spouses of the active employees. If the spouse/divorced spouse was deceased, any accrued annuity due



was released to the employee. If the spouse was terminated for other than death, the accrued annuity was posted to PREH and a STAR referral was issued for RBD to pay the accrual to the spouse. If the former spouse was in receipt of a divorced spouse annuity, the accrued spouse annuity was released to the divorced spouse.

A special RESCUE run in March 2007 paid accrued annuities resulting from service or earnings changes posted to EDM prior to 2006. The terminated employee annuities were identified by comparing new SEARCH PIA 1 and gross tier 2 amounts to the amounts in PREH. Approximately 15,000 employees were considered in this special run.

If there was an active widow(er)/young mother on the rolls, RESCUE paid the employee's accrued annuity to this survivor annuitant. Based on the high percentage of widow(er)s/young mothers who meet "living with" requirements, the Board agreed to have RESCUE release the employee's accrued annuity without a "living with" determination in order to facilitate automated handling of the cases. If RESCUE was not able to pay the employee's accrued annuity (the case rejected or there was no active widow(er)/young mother on the rolls), examiners should investigate "living with" in the normal manner before paying the employee's accrued annuity.

If the only active survivor annuitant was a child, a parent, a remarried widow(er), or a surviving divorced spouse, RESCUE computed the employee's accrued annuity and posted a 3275-RHACOPO record to PREH with OPO type code A. A STAR referral was issued for SBD to pay the accrued annuity to the appropriate recipients.

If there was no active survivor annuitant on the rolls, no further action was taken on the case after the special RESCUE run. APPLE will issue a referral if a survivor application is ever filed; SBD should take action to pay the employee's accrued annuity that was posted to PREH. If RESCUE rejected the case, SBD must have the accrued annuity computed by RBD. The Board will waive the two year filing requirement for these accrued annuity payments.

In the special run in March 2007, RESCUE also paid spouse/divorced spouse accrued annuities if the spouse/divorced spouse was receiving a survivor annuity. If the spouse/divorced spouse was not on the rolls as a survivor, RESCUE computed the accrued annuity and posted a 3275-RHACOPO record (OPO type code A) to PREH. A STAR referral was issued for RBD to pay the spouse/divorced spouse accrued annuity.

### **6.8.90 RESCUE SEARCH Computations**

RESCUE will obtain PIAs and AMC computations from the SEARCH system for all activated cases found in PREH in final payment status except cases activated solely to add delayed retirement credits.



If RESCUE adjusts the annuity a RESCUE G90 is loaded to the G90 Online Database (GOLD). If RESCUE issues a reject referral to STAR, a RESCUE G90 is loaded to GOLD unless the reason for the reject indicates the G90 may be incorrect.

### **6.8.91 RESCUE Evaluation**

After obtaining computations from SEARCH, RESCUE evaluates the case to determine if an adjustment is needed in:

- Tier 1 to adjust PIA 1 or to include DRCs earned in the ABD year
- Tier 2 to correct the basic annuity
- The supplemental annuity, including both initial payment of a supplemental annuity or adjustment of an existing supplemental annuity
- A SALSA payment is due, including an initial payment or an additional payment

If the case needs one or more of the above adjustment actions, RESCUE edits the information in EDM and PREH and the SEARCH computations to determine if the automated adjustment can be made or if the case must be referred for examiner handling.

RESCUE evaluates spouse and divorced spouse annuities if the employee is activated. The spouse/divorced spouse tier 1 will be adjusted only if half of the new PIA 1 is greater than the spouse/divorced spouse's current gross tier 1.

RESCUE does not apply any tolerance when it determines if the annuity needs to be adjusted. If RESCUE sees any increase in PIA 1, the tier 2 basic annuity, or the gross supplemental annuity amount, RESCUE will send the case to ROC to compute an adjustment. If ROC determines that the net monthly rate will not change (for instance, tier 1 is reduced to zero by other benefits), an update only award will be sent to PREH.

### **6.8.92 RESCUE Processing for Terminated Records**

RESCUE will update the monthly annuity rates for terminated records. The only terminated records not activated by RESCUE are:

- Terminated spouses/divorced spouses when RESCUE rejects the employee
- Terminated spouses/divorced spouses where the payee code of the record is the same as another CPS or terminated spouse/divorced spouse record.



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If an accrued annuity is due in a terminated annuity, RESCUE will post the amount due on PREH (3275-RHACOPO record) and STAR referral will be issued if RESCUE cannot determine who is entitled to receive the accrued money. If the employee is deceased, the STAR referral will be under the unit code SPR. OPNS must determine appropriate payees for the accrued annuity. Unpaid accruals posted by RESCUE in terminated cases can be recognized by the following:

- The activity source code on the 3275 record is "RESCUR R CO 7205."
- The OPO type code on the 3275 record is "COMP ONLY A"

Prior to November 2006, RESCUE processed PREH update only awards for all terminated annuities. Beginning in November 2006, RESCUE processes PREH update only awards for the following terminated annuities:

- Deceased employee – SBD must determine the appropriate payees. If there is an active widow, SBD must verify that the widow met "living with" requirements and is entitled to the accrued annuity

In normal RESCUE runs, a change in service or earnings may be detected for deceased employees where the annuity was terminated more than two years ago. The two year period during which survivors can file an application for the accrued annuity should be counted from the date of the RESCUE run, not the date the employee was terminated. In this situation, the application should be submitted with code 6 manual review on APPLE.

In order to automate deceased employee accrued annuity payments due in cases where service/earnings changes were reported before 2006, the Board authorized payment of accrued annuities to active widow(er)s/young mothers without a "living with" investigation in the special RESCUE run in March 2007. The waiver of the "living with" investigation applies only to cases paid by RESCUE. SBD must investigate for "living with" before paying deceased employee accrued annuities that RESCUE was not able to pay.

- If there was no active survivor annuitant on the rolls at the time of the special RESCUE run in March 2007, no further action was taken. APPLE will issue a referral in these cases if a survivor application is ever filed. The Board has waived the two year filing requirement for payment of the deceased employee's accrued annuity in the cases RESCUE could not pay. Deceased spouse/divorced spouse if the employee is deceased
- Annuities terminated for other than death – RBD must determine if the annuitant is alive and obtain a current address



Beginning in November 2006, RESCUE releases accrued annuity payments in the following situations:

- Deceased spouse/divorced spouse – the accrued annuity is released to the active employee
- Terminated spouse converted to divorced spouse – the accrued annuity is released to the divorced spouse
- Terminated spouse/divorced spouse who is now an active widow(er)/surviving divorced spouse – the accrued annuity is released to the active widow(er) or surviving divorced spouse

### **6.8.93 ROC Processing for RESCUE**

Once RESCUE determines that an annuity needs to be adjusted, RESCUE uses ROC to compute the new annuity rates. RESCUE gives ROC the adjustment effective date(s) and the G90 ID number. ROC obtains the PIA, service and AMC information that it needs from the SEARCH database, and ROC performs its normal computations.

ROC will obtain RUIA clearance where needed for RESCUE cases. If the RUIA recovery amount exceeds the RESCUE accrual, the case will be referred to WORKLIST in the normal manner. The list will show that the award originated in RESCUE.

Voucher number 575 is used for all RESCUE retirement awards.

ROC does the following as part of its processing for RESCUE awards:

- Tier 1 social security offset amounts are obtained from PREH's tier 1 records. ROC does not call JADE for RESCUE awards.
- If temporary work deductions are in force (regular and/or LPE) equal to the full work deduction component amount, ROC recomputes the work deduction components based on the new tier 1, tier 2 and supplemental annuity and continues to withhold the maximum amounts. RESCUE will ask ROC to adjust the tier only from the later of January of the current year or the month TWDs began; ROC will restrict its accrual calculation to that date. If the TWDs are only partial amounts, RESCUE will refer the case for examiner handling.
- If the annuity is reduced for a fixed non-partition deduction, ROC derives the beginning date of the deduction by comparing the annuity rate and deduction history in PREH. All cases with partition deductions and all cases with percentage deductions are referred by RESCUE for examiner handling.



- If the spouse tier 1 is reduced for dual RR entitlement, ROC goes to the spouse's employee annuity to obtain the amount (gross or net employee tier 1) by which to reduce the spouse tier 1. If the employee annuity is archived (no tier 1 history in PREH), ROC will use the maximum dual offset amount found in the spouse's tier 1 records.
- If tier 1 is adjusted for months between December 1999 and June 2001, RESCUE gives ROC a deduction amount representing the CPI accrual paid for those months.
- RESCUE performs special computations to derive accrual amounts payable for years before 1995. ROC adds these pre-1995 accrual amounts to the accrual which it computes for years after 1994.
- ROC will process PREH-update-only awards if the current recurring monthly rate does not change

RESCUE awards are processed in ROC during the last week of the month. **If a RESCUE award is pending vouchering in ROC, examiners should defer any award action on the case until after the RESCUE award is vouchered, unless the RESCUE award will create an error in the case. If the pending RESCUE award should not be allowed to voucher, a lead examiner or supervisor should delete the RESCUE award from ROC. The service and earnings change that RESCUE was going to voucher should be taken into consideration in the examiner award.**

If a RESCUE award rejects in DAISY, the ROC award will be sent to the ROC reject Inbox in WORKFLOW. Examiners can correct the problem that caused the reject and submit the RESCUE computations again. **If examiners decide to recompute the RESCUE award in any way, the RESCUE award should be deleted from ROC. In preparing their own awards examiners should consider the service and earnings change that RESCUE was going to voucher.**

### 6.8.94 RESCUE Pre-1995 Accruals

ROC is able to perform calculations for RESCUE only for the months for which history is available in PREH. For the majority of cases that were already on the rolls at the time PREH was first loaded in June 1995, the database only has history retroactive to December 1994. The earliest adjustment effective date RESCUE gives to ROC for calculations is January 1, 1995.

If the ABD of the case is before 1995 and tier 2 is increasing or the PIA 1 is increasing prior to 1995, RESCUE uses special processing to compute amounts payable for



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months prior to January 1995. The special accruals calculated are then given to ROC to add to the accrual ROC calculates for months after 1994.

Tier 1 accrual for months before 1995 is calculated as follows by RESCUE:

- The new raw PIA 1 is adjusted for all tier 1 cost-of-living increases through December 1994.
- The new tier 1 amount payable for December 1994 is computed. The computation uses the DRCs shown in PREH for December 1994, and all offset amounts that are shown in PREH for December 1994 (social security benefit, public service pension, maximum dual entitlement offset). The age reduction amount is computed using the number of age reduction months shown in PREH.
- This amount is compared to the December 1994 net tier 1 in PREH
- The difference in the two rates is multiplied by the number of months from the PIA 1 effective date through December 1994
- Sample: The employee tier 1 is reduced by 3 months. The net tier 1 previously paid for December 1994 was \$979.40. The eligibility year is 1980. RESCUE finds the employee is due a PIA 1 increase from January 1983. RESCUE computes the pre-1995 tier 1 accrual as follows:

| Step | Computation  |
|------|--|
| 1    | Add cumulative COLs to the January 1983 raw PIA 1:<br>$\$484.70$ (raw PIA 1) $\times$ $2.05756$ (cumulative COLs 1980-1994) =<br>$\$997.20$ new December 1994 PIA 1          |
| 2    | Age reduce the December 1994 gross tier 1:<br>$\$997.00$ (new December 1994 gross tier 1) $\times$ $.98333$ (age reduction factor) = $\$980.38$ new December 1994 net tier 1 |
| 3    | Compute the December 1994 net increase in tier 1<br>$\$980.38 - \$979.40 = 0.98$ net increase in December 1994 tier 1  |
| 4    | Compute total pre-1995 tier 1 accrual:   |



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| Step | Computation   |
|------|---|
|      | $\$0.98 \times 144 \text{ months (January 1983 – December 1994)} = \$141.12$ pre-1995 tier 1 accrual paid by RESCUE |

Tier 2 accrual amounts for months before 1995 are computed as follows by RESCUE:

- The current tier 2 basic annuity shown in PREH is subtracted from the new tier 2 basic annuity computed by SEARCH for RESCUE
- The difference in the two amounts is reduced for age using the age reduction months shown in PREH. For spouses, the increase in the tier 2 basic annuity is multiplied by 45 percent, and this amount is reduced for age.
- The age reduced increase in the tier 2 basic annuity is adjusted for each tier 2 cost of living increase to which the annuitant is entitled through December 1994. Each COL-adjusted amount is multiplied by the appropriate number of months for which that amount is payable.
- Sample: The employee is due a tier 2 increase from the ABD of August 1, 1991. The annuity is age reduced by 28 months.

| Step | Computation  |
|------|--|
| 1    | Compute the increase in the tier 2 basic annuity:<br>$\$422.17$ (new basic tier 2) - $\$414.72$ (current basic tier 2) = $\$7.45$  |
| 2    | Age reduce the increase in the basic tier 2:<br>$\$7.45 \times .84444$ (age reduction factor) = $\$6.29$   |
| 3    | Add COLs to the age-reduced increase in the tier 2 basic annuity and round up to the penny:<br>$\$6.29 \times 1.012$ (December 1991 COL) = $\$6.37$<br>$\$6.37 \times 1.01$ (December 1992 COL) = $\$6.44$<br>$\$6.44 \times 1.008$ (December 1993 COL) = $\$6.50$ |



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| Step | Computation   |
|------|---|
|      | $\$6.50 \times 1.009$ (December 1994 COL) = \$6.56  |
| 4    | Accrue the increase amounts:<br>$\$6.29 \times 4$ (August 1991 – November 1991) = \$25.16<br>$\$6.37 \times 12$ (December 1991 – November 1992) = \$76.44<br>$\$6.44 \times 12$ (December 1992 – November 1993) = \$77.28<br>$\$6.50 \times 12$ (December 1993 – November 1994) = \$78.00<br>$\$6.56 \times 1$ (December 1994) = \$6.56 |
| 5    | The total pre-1995 tier 2 accrual paid by RESCUE is \$263.44  |

The tier 1 and tier 2 computations described above produce accrual amounts that are different from the amounts that would be computed if the tier 1 and tier 2 accruals were computed manually using history found in the folder for years before 1995. In the majority of cases, the formula RESCUE uses for tier 1 will produce an amount higher than the amount that would be computed manually. The formula used by RESCUE to compute pre-1995 tier 2 accruals produces an amount that may be a few dollars more than the amount that would be computed manually.

Board Order 05-72 dated November 23, 2005 authorizes the use of these formulas by RESCUE in order to facilitate automated annuity adjustments for years prior to 1995. Accrual amounts calculated and paid by RESCUE in accordance with these formulas are considered by Board Order 05-72 to be the correct amount due for the period prior to 1995. Annuitants who are paid an accrual by RESCUE for years before 1995 can ask for verification that RESCUE followed the rules of the formulas, but they cannot appeal the fact that RESCUE used the formulas for its calculations.

The formulas authorized by Board Order 05-72 are strictly for use by the RESCUE system. If a case referred by RESCUE for manual handling needs adjustment for years before 1995, the computations should be done on ROC. If PREH does not have complete history for the case, history for years before 1995 should be obtained from the folder.

### 6.8.95 RESCUE ROC Awards

RESCUE awards can be viewed in:



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- The ROC database using the normal online viewing screens (RESCUE awards will be purged from the ROC database using the normal purge schedule), and
- The electronic folder in the Imaging system if the RESCUE award is vouchered

The ROC RESCUE awards display explanatory information on both the award forms and the online screens:

| ROC screen                           | Award form  | Explanation   |
|--------------------------------------|---|---|
| General Information                  | Remarks   | Remarks message explains the actions taken by RESCUE. For example, "RESCUE/PIA/T2/SUPP/ADJ"   |
| Tier 1 Payment Summary               | Remarks   | Remarks message explains any restrictions on the RESCUE tier 1 adjustment effective date. For example, "RESCUE T1 ACCR LIMITED BY WORK DED"   |
| Tier 2 Payment Summary               | Remarks   | Remarks message explains any restrictions on the RESCUE tier 2 adjustment effective date. For example, "RESCUE T2 ACCR LIMITED BY PREV OM".   |
| Supplemental Annuity Payment Summary | Remarks   | Remarks message explains any restrictions on the RESCUE supplemental annuity adjustment effective date. For example, "RESCUE SUPP ACCR LIMITED BY PREH HISTORY"   |
| Additional Amounts                   | Additional Amounts block<br><br>RESCUE ADDITIONS<br><br>T1 B4 11-83 | If RESCUE computes pre-1995 accrual amounts, the tier 1 and/or tier 2 amounts paid are displayed along with the accrual period beginning date . The amounts are broken down into the appropriate tax accounting components. |



| ROC screen                      | Award form   | Explanation  |
|---------------------------------|--|--|
|                                 | T1 B4 11-85<br>T1 B4 12-94<br>T2 B4 11-83<br>T2 B4 12-94 | <b><u>Note: If the RESCUE award is preempted by an examiner, the pre-1995 accrual information should be deleted using the PF4 key.</u></b>   |
| Tier 1 Accrual Summary          | Deduction Amounts block                                  | The CPI accrual deduction, if any, is displayed as a "PREV OPO"  |
| Tier 1 Accrual Summary          | Remarks  | If RESCUE computes a pre-1995 tier 1 accrual, the accrual effective date and the 1994 raw PIA 1 are displayed.   |
| Tier 2 Accrual Summary          | Remarks  | If RESCUE computes a pre-1995 tier 2 accrual, the accrual effective date and the gross tier 2 increase amount are displayed.   |
| Final Rates and Accrual Summary | Remarks  | <ul style="list-style-type: none"> <li>If RESCUE computed an accrued annuity for a terminated case, "ACCRL DUE AT TERM" is displayed in Remarks.</li> <li>The ACCRUAL PER FROM date displayed is the date from which ROC calculated accrual amounts. If RESCUE paid accrual amounts for years before 1995, ACCRUAL PER FROM date will be 01/01/1995, the date from which ROC calculated its portion of the total accrual.</li> </ul> |

### 6.8.96 RESCUE Award Letters

Form letters RL-119R (recertification award) and RL-45R (one-time payment) are used to notify annuitants of RESCUE award actions. A sample of the letter templates can be



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found in Exhibit 32 (RL-119R) and Exhibit 33 (RL-45R). A copy of the RESCUE letter can be found in the electronic folder in the Imaging system.

One or more special paragraphs are used to explain the RESCUE award action. The RESCUE paragraphs are provided below:

| Reason for adjustment  | RESCUE paragraph  |
|--|---|
| Add DRCs to tier 1   | "Additional credits are payable in the tier 1 portion of your annuity. You earned a credit for each month before your annuity began last year during which you were between full retirement age and age 70."  |
| Increase PIA 1 or tier 2 (supplemental annuity may also be adjusted)   | "An adjustment was made to the service months and/or earnings reported for you. The adjustment increases the amount of your monthly annuity. A total of ___ service months are used to compute your annuity. This is the number of reported service months and creditable military service months prior to the beginning date of your annuity."   |
| Increase in PIA 1, tier 2, or supplemental annuity due to service/earnings changes posted before 2005 (released in the special backlog run to employees with ABDs before 2005) | Recent system improvements make it possible for us to review all our records. This review shows your service and earnings record was adjusted sometime after you retired. The adjustment increases the amount of your monthly annuity. A total of ___ service months are used to compute your annuity. This is the number of reported railroad service months and creditable military service months prior to the beginning date of your annuity. |
| Add deemed service months  | "For one or more years after 1984, your former railroad employer reported more compensation than the amount allowable for the number of service months reported. We used the extra compensation to give you additional service months."   |
| RRSIA 60/30 with delayed tier 1 increase for ABD year earnings   | "Because your tier 1 annuity component is computed under Social Security Act rules, the additional earnings cannot be included in your tier 1 until the year after you attain age 62. We will adjust your tier  |



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| Reason for adjustment  | RESCUE paragraph  |
|--|---|
|  | 1 automatically when you become eligible.”  |
| RRSIA 60/30 tier 1 increase at age 62  | “An increase is payable in your railroad retirement annuity because you have attained age sixty-two. Your earnings in the year your annuity began and later years can now be used in the tier 1 portion of your annuity.”   |
| Tier 1 adjustment for additional SS wages                                      | “Additional wages that you earned outside the railroad industry are now available to include in the tier 1 portion of your annuity.”  |
| Increase in supplemental annuity (used if the regular annuity is not adjusted) | “An adjustment was made to the service months reported for you. The additional service months increase the amount of your monthly supplemental annuity.”  |
| Initial supplemental annuity payment   | “An adjustment was made to the service months reported for you. You are now entitled to a supplemental annuity.”  |
| Initial SALSA payment  | “Your former railroad employer paid to you a separation allowance or severance payment. Your employer correctly deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. As a result, you are due a special payment based on these taxes.”  |
| Additional SALSA payment   | “Your former railroad employer paid to you a separation allowance or severance payment. Your employer correctly deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. After you retired, we sent to you a special payment based on these taxes. We have now received new information from your former employer. As a result, you are due another special payment based on the taxes you paid.” |
| Spouse or divorced spouse  | “An adjustment in the employee’s annuity results in   |



| <b>Reason for adjustment</b>   | <b>RESCUE paragraph</b>  |
|--|--|
| adjustment   | an increase in your annuity.”  |
| Deceased spouse accrued annuity paid to employee   | The adjustment in your annuity results in an increase in the annuity that was previously paid to your spouse. By law, you are entitled to receive all unpaid accrual due on your spouse’s account. |
| Terminated spouse accrued annuity paid to divorced spouse  | A change has been made to the service and earnings record of the railroad employee. This results in an increase in the spouse annuity previously paid to you.                                      |
| Deceased employee accrued annuity paid to widow(er)/young mother (used only in the special RESCUE run in March 2007) | “A change has been made to the service and earnings record of the railroad employee. By law you are entitled to receive all unpaid accrual due on the employee’s account.”                         |

## 6.8.97 Tracking RESCUE Actions

If RESCUE determines the annuity should be adjusted, the results of the RESCUE run can be determined by the following:

- Adjusted cases will have a RESCUE ROC award and a letter in the electronic folder in the Imaging system and a G90 in GOLD. PREH records of the RESCUE adjustment will contain the source code of “RESCUR”.
- Rejected cases will have a referral in STAR under the unit code “RUE” or “SPR” and a G90 in GOLD (unless RESCUE decided the SEARCH computations were not reliable).

If RESCUE determines the annuity does not need to be adjusted, there is no STAR referral and there is no G90 in GOLD. For each RESCUE run, an Excel spreadsheet is available in the RESCUE NAN folder in the Share server of the USRRB domain ([\\Share\RESCUE](#)) containing the claim numbers of records in which activity was posted to EDM and considered by RESCUE but the activity did not result in a change in the annuity. The spreadsheet provides the following information:

- The last railroad earnings year on record at the time of the RESCUE run



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- The railroad service months and compensation in the last earnings year on record at the time of the RESCUE run
- The last social security earnings year on record at the time of the RESCUE run
- The social security wages in the last wage year on record at the time of the RESCUE run (wages will be shown only if the wage year is within twenty years of the current calendar year).

A second spreadsheet is available in the RESCUE NAN folder with the claim numbers of RRSIA 60/30 employees who attained age sixty-two in the previous calendar year and ABD year earnings do not produce an increase in PIA 1. This spreadsheet contains the ABD year and the date of birth.

When Field Service representatives check to determine if a case was considered by RESCUE, they should take the following steps:

- Start by checking PREH and/or the electronic folder in the Imaging system. If no RESCUE award is found, then
- Check FieldStar for a referral with unit code RUE. For further information about a RESCUE referral, send an email to the general RBD mailbox. If no RESCUE referral is found in STAR, then
- Check the RESCUE NAN folder in the shared area of USRRB ([\\Share\RESCUE](#) )

### 6.8.98 RESCUE Referrals

RESCUE edits the EDM, PREH and SEARCH information before attempting to adjust any case. The evaluation process may result in a reject from the automated system, or the case may be adjusted by RESCUE but a referral is issued for further examiner action. The chart below provides the referral codes and explanations for those situations in which RESCUE cannot adjust the annuity or the automated adjustment must be followed by additional examiner review.

**Note 1: When handling a RESCUE reject, always check for and make all necessary adjustments in tier 1, tier 2, the supplemental annuity and the SALSA.**

**Note 2: When handling an employee reject, always check PREH for terminated spouse and divorced spouse records and determine if accrued annuities are due.**



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| <b>STAR referral code</b> | <b>Reject or review</b> | <b>Explanation</b>   |
|---------------------------|-------------------------|--|
| 01                        | Review                  | The OM was previously payable and PIA 9 is now increasing. Adjust the OM for the months it was in effect.  |
| 02                        | Reject                  | The OM is currently payable or was previously payable and PIA 9 is now decreasing. Investigate the reason for the decrease. Adjust the OM, and check for any increase/decrease in the regular RR formula rate. |
| 03                        | Not used                |  |
| 04                        | Reject                  | Service months have increased for the 1937/1974 Act employee annuity. Obtain a G90 and pay any tier 1 and tier 2 increase due.   |
| 05                        | Reject                  | The tier 2 basic annuity has decreased. Investigate the reason for the decrease. Adjust tier 2 and check for any changes in tier 1, the supplemental annuity or the SALSA.                                     |
| 06                        | Reject                  | PIA 1 is decreasing. Investigate the reason for the decrease. Adjust tier 1 and check for any changes in tier 2, the supplemental annuity or the SALSA.  |
| 07                        | Reject                  | PIA 1 is increasing for the 1937/1974 Act age-reduced annuity.   |
| 08                        | Review                  | The SALSA amount has decreased. Investigate the reason for the decrease and take appropriate recovery actions.   |
| 09                        | Reject                  | A service/earnings report submitted by the railroad rejected from EDM. Send the case to A&T – Compensation and Employer Service (CES) to resolve the problem, then request a new G90.                          |
| 10                        | Review                  | Deeming of service months has not been resolved for one or more years. Referral goes to A&T – CES to resolve the deeming.  |
| 11                        | Reject                  | Service is reported for months after the ABD. If EDM indicates an investigation is pending, hold the case for a resolution then  |



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| STAR referral code | Reject or review | Explanation  |
|--------------------|------------------|--|
|                    |                  | request a new G90. If a return to RR service has been confirmed, request a new G90 and make all necessary adjustments.   |
| 12                 | Review           | Tier 1 and tier 2 compensation discrepancies exist in one or more years. Referral goes to A&T – CES to resolve the problem .   |
| 13                 | Reject           | The account number in EDM is not verified. Send the case to A&T- CES to resolve the problem then request a new G90.  |
| 14                 | Reject           | Earnings before 1975 have changed and the employee receives a VDB. Adjust tier 1, tier 2, the VDB, and the supplemental annuity as needed.   |
| 15                 | Reject           | The disabled employee has earnings over \$4999.99 in a year after the ABD but before attainment of FRA. Adjust the annuity as needed with appropriate disability work deductions.  |
| 16                 | Reject           | SEARCH rejected RESCUE's request for computations. Request a new G90 and make any necessary changes in the annuity.  |
| 17                 | Reject           | SS wages posted on the account may be a duplication of RR earnings for the year. Investigate and request a new G90.  |
| 18                 | Reject           | There is a discrepancy between the type of annuity according to PREH and the type of annuity according to SEARCH. Request a new G90 and make all necessary changes in the annuity. |
| 19                 | Reject           | EDM does not show a sufficient number of service months for the type of annuity being paid.  |
| 20                 | Review           | The Frozen Minimum PIA may apply. Recertify tier 1.  |
| 21                 | Reject           | The employee has multiple SSNs. Send the case to A&T-CES to validate the information in EDM. Request a new G90 when the earnings record is correct.                                |



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| <b>STAR referral code</b> | <b>Reject or review</b> | <b>Explanation</b>   |
|---------------------------|-------------------------|--|
| 22                        | Reject                  | The PIA 1 eligibility year in PREH and the eligibility year used by SEARCH are discrepant. Request a new G90.  |
| 23                        | Review                  | The employee has more than 4 periods of MS. Request new PIA and tier 2 computations using all appropriate MS.  |
| 24                        | Reject                  | The correct 1959 earnings amount could not be determined. Request a new G90.   |
| 25                        | Reject                  | The RRSIA 5 year annuity contains a tier 1 amount but the employee does not have the required SS insured status to receive a tier 1.   |
| 26                        | Review                  | Railroad service and/or compensation are reported for the current calendar year. Control the case until SEARCH can include the current year information in PIAs and tier 2 then request a new G90.   |
| 27                        | Reject                  | PREH military service records may not be accurate. Validate the number of MS months used as RR service on the RESCUE G90. Request a new G90 as needed.   |
| 28                        | Reject                  | The employee's earnings record contains a previously reported error. Request new PIA and or tier 2 computations as needed.   |
| 29                        | Reject                  | The annuity is in suspense. Control for reinstatement and adjust the annuity for the change in service and/or earnings. If the annuity is suspended for debt recovery, prepare a ROC award and use any accrual to reduce the debt. Voucher the award as a reinstatement if the accrual fully recovers the debt. Voucher the award as a PREH update only if the accrual does not fully recover the overpayment. Take necessary actions to update the PARS records also. |
| 30                        | Reject                  | There is an unhandled COLA reject in the case.   |
| 31                        | Reject                  | PIA 1 must be modified for NCSP.   |



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| STAR referral code | Reject or review | Explanation  |
|--------------------|------------------|--|
| 32                 | Reject           | The annuity has not yet been paid final.   |
| 33                 | Reject           | <ul style="list-style-type: none"><li>• The annuity is currently reduced for any type of party partition deduction, or</li><li>• The annuity is reduced for a non-partition deduction that is based on a percentage, or</li><li>• ROC cannot determine the correct beginning date for the party deduction, or</li><li>• The annuity was previously reduced for a party deduction that is now terminated.</li></ul> |
| 34                 | Reject           | Tier 2 must be indexed   |
| 35                 | Reject           | Tier 1 is reduced for worker's compensation benefits or public disability benefits and the change in earnings may affect those offset amounts.   |
| 36                 | Reject           | The administrative finality date of birth is missing from PREH. Request a new G90.   |
| 37                 | Reject           | Administrative finality was previously applied to a change in the earnings record or to previous payments.   |
| 38                 | Reject           | The employee is also entitled to a spouse/survivor annuity and the spouse/survivor tier 1 is greater than zero. Adjust both annuities.   |
| 39                 | Reject           | A record was found in PARS for this claim number but there is no annuitant identification code for the overpayment.  |
| 40                 | Reject           | A supplemental annuity is now payable but the supp attainment code in PREH does not indicate if the employee has a RR pension or not. RESCUE adjusted tier 1, tier 2 and the SALSA as needed.  |
| 41                 | Reject           | The spouse annuity is based on a child who has attained age  |



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| STAR referral code | Reject or review | Explanation  |
|--------------------|------------------|--|
|                    |                  | 18.  |
| 42                 | Reject           | The divorced spouse was previously entitled as a spouse, but the ABD for the previous annuity is missing from PREH.  |
| 43                 | Reject           | An activity is already pending in ROC for this claim number.   |
| 44                 | Review           | PREH does not contain complete tier 1 history after 1994. Adjust tier 1 for months prior to the RESCUE adjustment effective date.  |
| 45                 | Reject           | PREH history has been archived for the annuitant. Contact BIS-DMG to have the history restored to PREH.  |
| 46                 | Reject           | There are gaps in the tier 1 and/or tier 2 history in PREH.  |
| 47                 | Review           | The annuitant is deceased. RESCUE adjusted the tier history and posted an accrued annuity to PREH. Pay the accrual to appropriate survivor annuitants.   |
| 48                 | Reject           | The annuitant is entitled to more than one annuity and both annuities are active in the RESCUE run.  |
| 49                 | Reject           | The adjustment effective date determined by RESCUE is a future date, or the termination effective date is before the RESCUE adjustment effective date.   |
| 50                 | Reject           | The employee receives an age reduced annuity, but the employee has acquired 30 years of railroad service. Remove the age reduction.  |
| 51                 | Reject           | There is a survivor A-prefix record but there is no employee record in PREH. RESCUE could not obtain survivor SEARCH computations.   |
| 52                 | Reject           | The OM is currently payable. Adjust the OM if PIA 9 is increasing. Update the regular RR formula annuity information for any changes in PIA 1 and/or tier 2. Check for a supplemental annuity change or a SALSA payment due. |



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| <b>STAR referral code</b> | <b>Reject or review</b> | <b>Explanation</b>  |
|---------------------------|-------------------------|---|
| 53                        | Review                  | The OM formula was previously paid. RESCUE adjusted tier 1 from the date the RR formula was paid. Make any further payments or updates to PREH for tier 1.  |
| 54                        | Reject                  | No current RESCUE SEARCH computations were found. Request a new G90.  |
| 55                        | Review                  | Military service months were previously required to establish eligibility. Additional RR service has been posted to EDM and the employee is now eligible without MS. Check for potential impact on vesting. |
| 56                        | Reject                  | The employee has service months prior to 1937. Verify both the total service and the AMC; request a new G90 if needed.  |
| 57                        | Reject                  | PIA 1 is modified for NCSP and the YOCs have increased.   |
| 58                        | Review                  | A retirement application is pending on APPLE. Check to see if the initial G90 reflects all service and earnings shown in EDM.   |
| 59                        | Review                  | A survivor application is pending on APPLE. Check to see if the wage record reflects all service and earnings shown in EDM.   |
| 60                        | Reject                  | The case has an outstanding overpayment and either the OIG is investigating the case or the beneficiary's due process rights have not yet expired.  |
| 61                        | Reject                  | PARS has more than 5 overpayment balances on the claim number.  |
| 62                        | Reject                  | PARS has more than 1 type of overpayment for the annuitant (for example, both an RRA debt and a Medicare debt).   |
| 63                        | Reject                  | PARS type of overpayment does not agree with PREH partial withholding overpayment source code.  |
| 64                        | Review                  | PREH does not contain complete tier 2 history after 1994. Adjust tier 2 for months prior to the RESCUE adjustment   |



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| STAR referral code | Reject or review | Explanation   |
|--------------------|------------------|---|
|                    |                  | effective date.   |
| 65                 | Review           | Non-exclusion applies to PIA 1 and the employee has earnings after the eligibility year. Request new PIA calculations to include the additional wages.  |
| 66                 | Review           | The disabled employee has earnings between the disability onset and FRA. Request new PIA calculations to include the additional earnings.   |
| 67                 | Review           | PREH does not contain complete supplemental annuity history after 1994. Adjust the supplemental annuity for months prior to the RESCUE adjustment effective date.   |
| 68                 | Reject           | RUIA clearance is needed for the annuity adjustment and there is an open RUIA debt on PARS. The clearance amount returned to ROC may or may not include the open debt on PARS.  |
| 69                 | Reject           | The supplemental annuity is increasing but the current supplemental annuity payment is not reduced for the RR pension shown in PREH. Adjust tier 1 and tier 2 as needed also.   |
| 70                 | Reject           | The supplemental annuity needs to be adjusted but the RR pension effective date cannot be determined from the supplemental annuity history in PREH. RESCUE adjusted tier 1, tier 2 and the SALSA as needed.   |
| 71                 | Reject           | The initial PIA 1 formula is TRANS but the formula switches to AIME.  |
| 72                 | Reject           | PREH indicates military service has been used as RR service, but the current tier 2 does not include MS.  |
| 73                 | Review           | The effective date of the tier 1 adjustment was restricted to January of the year after tier 1 work deductions ceased to be withheld. If tier 1 work deductions ended in the current year, the tier 1 adjustment was restricted to the month after the work |



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| STAR referral code | Reject or review | Explanation  |
|--------------------|------------------|--|
|                    |                  | deductions ended. Adjust tier 1 and work deductions for earlier months.  |
| 74                 | Reject           | <ul style="list-style-type: none"><li>• Partial work deduction withholding is currently in force, or</li><li>• Work deductions were previously withheld but the ending date of the work deduction withholding is unknown (either there is no ending date in PREH or the ending date conflicts with the withholding history)</li><li>• Tier 1 work deductions are in force but there is no PIA 17 available</li></ul> |
| 75                 | Reject           | <ul style="list-style-type: none"><li>• The termination effective date is later than the termination accounting date. The case may have been in suspense prior to termination, or</li><li>• The annuitant died prior to 1995. Obtain payment history from the folder.</li></ul>  |
| 76                 | Reject           | There is EDM activity for an employee with an ABD before 1950. Obtain manual PIA and AMC computations.   |
| 77                 | Reject           | No record was found in PREH for the annuitant.   |
| 78                 | Reject           | The spouse has a dual entitlement reduction in tier 2, or PREH does not contain the tier 2 restored amount effective date for the dual spouse.   |
| 79                 | Reject           | RRSIA 5 year age reduced annuity with tier 1 SS offset but there is no information in PREH about the type of SS benefit or the date of entitlement.  |
| 80                 | Reject           | The case involves more than one active spouse or more than one active divorced spouse.   |
| 81                 | Reject           | Additional service gives the employee 120 service months. Recalculate the annuity under non-RRSIA rules and correct PREH information.  |



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| STAR referral code | Reject or review | Explanation   |
|--------------------|------------------|---|
| 82                 | Review           | The effective date of the tier 2 adjustment was restricted to January of the year after tier 2 work deductions ceased to be withheld. If tier 2 work deductions ended in the current year, the tier 2 adjustment was restricted to the month after the work deductions ended. Adjust tier 2 and work deductions for earlier months.   |
| 83                 | Review           | The effective date of the supplemental annuity adjustment was restricted to January of the year after supplemental annuity work deductions ceased to be withheld. If supplemental annuity work deductions ended in the current year, the supplemental annuity adjustment was restricted to the month after the work deductions ended. Adjust the supplemental annuity and work deductions for earlier months. |
| 84                 | Reject           | Service months have decreased. The supplemental annuity is overpaid, or may be overpaid for months before the RR pension began.   |
| 85                 | Reject           | Tier 1 needs to be adjusted but tier 1 has a felony code for a period after January 1995.   |
| 86                 | Review           | Temporary work deductions are in force. RESCUE adjusted tier 1 from January of the current year or the month TWDs began if later. Adjust tier 1 for previous months.  |
| 87                 | Reject           | The spouse current gross tier 2 is more than 45% of the employee's basic tier 2.  |
| 88                 | Reject           | The spouse current gross tier 1 is more than 50% of the employee's PIA.   |
| 89                 | Reject           | Non-exclusion applies to PIA 1 but the eligibility year in PREH appears incorrect.  |
| 90                 | Review           | The employee who receives a disability annuity has acquired 30 years of service. Correct the annuity type code in PREH to insure proper payment of spouse annuities.  |



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| STAR referral code  | Reject or review | Explanation  |
|---------------------|------------------|--|
| 91                  | Reject           | The divorced spouse has excess earnings.   |
| 92                  | Review           | The special minimum PIA applies in tier 1. The regular PIA 1 has increased; update the regular PIA 1, AIME/AMW and YOCs in PREH.   |
| 93                  | Review           | The OM formula was previously paid. RESCUE adjusted tier 2 from the date the RR formula was paid. Make any further payments or updates to PREH for tier 2.   |
| 94                  | Review           | Temporary work deductions are in force. RESCUE adjusted tier 2 from January of the current year or the month TWDs began if later. Adjust tier 2 for previous months.   |
| 95                  | Review           | Supplemental annuity temporary work deductions are in force. RESCUE adjusted the supplemental annuity from January of the current year or the month TWDs began if later. Adjust the supplemental annuity and work deductions for previous months.  |
| 96                  | Reject           | Earnings are posted to EDM for a year after the employee died.   |
| 97                  | Reject           | The terminated spouse has the same payee code as another spouse record.  |
| 98                  | Reject           | ROC calculated a rate decrease or a negative accrual.  |
| 99                  | Reject           | <ul style="list-style-type: none"><li>• The spouse was rejected because the employee rejected, or</li><li>• ROC rejected the employee because the spouse award had to be rejected</li></ul>  |
| 100<br>(1A on STAR) | Review           | Pre-1995 tier 2 accrual may be due. RESCUE did not pay an accrual for years before 1995 because: <ul style="list-style-type: none"><li>• Tier 2 was previously reduced to zero by the VDB, the takeback, or the RRA maximum, or</li><li>• The OM formula was in force in December 1994, or</li></ul> |



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| STAR referral code               | Reject or review | Explanation   |
|----------------------------------|------------------|---|
|                                  |                  | <ul style="list-style-type: none"> <li>• Tier 2 was withheld in December 1994 due to a return to RR service, or</li> <li>• Disability work deductions were withheld in December 1994, or</li> <li>• The spouse is a dual RR annuitant and tier 1 increased for years before 1995 so the tier 2 restored amount needs to be adjusted, or</li> <li>• LPE work deductions were withheld before 1995</li> </ul>   |
| <p>101<br/><br/>(1B on STAR)</p> | <p>Review</p>    | <p>Pre-1995 tier 1 accrual may be due. Rescue did not pay an accrual for years before 1995 because:</p> <ul style="list-style-type: none"> <li>• The OM formula was in force in December 1994, or</li> <li>• Tier 1 was withheld in December 1994 due to a return to RR service, or</li> <li>• Disability work deductions were withheld in December 1994, or</li> <li>• PREH does not contain a tier 1 record for December 1994, or</li> <li>• Tier 1 was withheld in December 1994 for felony, non-citizenship, or deportation, or</li> <li>• RESCUE previously paid a tier 1 accrual for years before 1995, or</li> <li>• The tier 1 PIA is AMW formula or TRANS formula, or</li> <li>• The spouse is a dual RR annuitant and the December 1994 maximum dual offset amount is zero in PREH or the tier 2 restored amount needs to be adjusted before 1995, or</li> <li>• Tier 1 work deductions were withheld before 1995, or</li> <li>• Tier 1 was reduced for worker's compensation or public disability benefits in December 1994</li> </ul> |
| <p>102<br/><br/>(1C on STAR)</p> | <p>Review</p>    | <p>Multiple PIA 1 increases are due before 1995. RESCUE paid the latest increase. Adjust tier 1 for the earlier increases.</p>  |
| <p>103<br/><br/>(1D on STAR)</p> | <p>Review</p>    | <p>1937/1974 Act dual spouse and the tier 2 restored amount must be adjusted.</p>   |



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| STAR referral code  | Reject or review | Explanation  |
|---------------------|------------------|--|
| 104<br>(1E on STAR) | Review           | The annuitant is deceased and there are no active survivor annuitants. RESCUE computed an accrued annuity and posted it to PREH. Determine if there are any payees entitled to the accrued annuity.  |
| 105<br>(1F on STAR) | Review           | The annuitant is terminated for a reason other than death. RESCUE computed an accrued annuity and posted it to PREH. Investigate to determine if the annuitant is still alive, obtain the correct address, and pay the accrued annuity. If the annuitant is deceased, determine if there are survivors who should receive the accrued annuities. |
| 106<br>(1G on STAR) | N/A              | Used in June and September of 2006 only.   |
| 107<br>(1H on STAR) | Review           | RESCUE adjusted the supplemental annuity from January 1995. Pay the supplemental annuity accrual due before 1995.  |
| 108<br>(1J on STAR) | Reject           | One of the following is true: <ul style="list-style-type: none"><li>• VDB waiver code is set in PREH, or</li><li>• Part of the annuity is being waived, or</li><li>• Part of the annuity was previously waived</li></ul>   |
| 109<br>(1K on STAR) | Reject           | PIA 1 has increased but the PIA formula is not AIME. Adjust tier 1.  |
| 110<br>(1L on STAR) | Reject           | One or more records in PREH have more than 50 occurrences.   |
| 111                 | Reject           | RESCUE computed a pre-1995 tier 2 accrual of more than \$15,000.00 (employee) or \$7,000.00 (spouse).  |



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| STAR referral code  | Reject or review | Explanation   |
|---------------------|------------------|---|
| (1M on STAR)        |                  |   |
| 112<br>(1N on STAR) | Reject           | RESCUE computed a pre-1995 tier 1 accrual of more than \$5,000.00 (employee) or \$2,500.00 (spouse).  |
| 113<br>(1P on STAR) | Reject           | Tier 1 is paid with the special minimum PIA 1 and the YOCs are increasing.  |
| 114<br>(1Q on STAR) | Reject           | ROC calculated an accrual greater than \$20,000.00 (employee) or \$10,000.00 (spouse).  |
| 115<br>(1R on STAR) | Reject           | ROC cannot determine the maximum dual offset amount for the spouse because the spouse's own employee annuity is archived.   |
| 116<br>(1S on STAR) | Reject           | Tier 2 needs to be adjusted but the \$10.00 minimum guaranty applies or previously applied to the current tier 2.   |
| 117<br>(1T on STAR) | Reject           | Employee and spouse rejected because one or both has an outstanding overpayment, or divorced spouse rejected because the divorced spouse has an outstanding overpayment. The indication of an outstanding overpayment is: <ul style="list-style-type: none"><li>• An open debt on PARS, or</li><li>• The annuity is currently reduced for partial withholding</li></ul> |
| 118                 | Reject           | ROC was unable to correctly prefill information from PREH, or   |



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| <b>STAR referral code</b> | <b>Reject or review</b> | <b>Explanation</b>   |
|---------------------------|-------------------------|--|
| (1U on STAR)              |                         | there was an error in the ROC calculations.  |
| 119<br>(1V on STAR)       | Reject                  | The employee tier 2 was previously reduced for the RRA maximum. Roc cannot compute tier 2 correctly because the employee and spouse tier 2 adjustments have different effective dates.   |
| 120<br>(1W on STAR)       | Review                  | Tier 2 decreased but the PIA 1 increased by a greater amount so ROC adjusted the annuity. Investigate the reason for the tier 2 decrease; request EDM corrections and/or adjust the annuity where appropriate.                     |
| 121<br>(1X on STAR)       | Review                  | PIA 1 decreased but tier 2 increased by a greater amount so ROC adjusted the annuity. Investigate the reason for the PIA 1 decrease; request EDM corrections and/or adjust the annuity where appropriate.                          |
| 122<br>(1Y on STAR)       | Reject                  | There was an active widow(er)/young mother on the rolls but RESCUE could not compute the entire accrued annuity for the deceased employee. Compute the accrued annuity and investigate for "living with" before paying the amount. |
| 123<br>(1Z on STAR)       | Reject                  | SEARCH computed incorrect PIA 1 recomputations for the RRSIA 60/30 employee.   |
| 124                       | Reject                  | Independent XA – request a G90 to obtain the latest wage record and adjust annuity if necessary. Also consider possible partition entitlement and needed change in rate due to additional earnings.                                |



## Appendices

### Appendix A - Mass Adjustment Reject And Review Codes

- I. The following described mass adjustment microfilm format is used for all mass mechanical annuity adjustment operations beginning December 1, 1988 through December 1991. Information for all 1991 and later mass adjustments is stored in the Mass Adjustment Inquiry System (MAIS) in RRAPID. See RCM 16 for details.

| Item   | Title                                    | Contents  |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
|--------|--|---|--------|---------------------|---|------------------|---|------------------|---|-------------|---|----------------|---|-----------------|---|--|---|--------------|---|----------------|---|--------|---|----------------|---|---------|---|------------|---|---------------|
| (1)    | CLAIM NUMBER                             | <p>The beneficiary symbol, prefix and claim number.</p> <p>Below this information "PC" is followed by the CHICO payee code and in divorced spouse and survivor cases "SYM" is followed by one of the symbols below:</p> <table><thead><tr><th>Symbol</th><th>Type of Beneficiary</th></tr></thead><tbody><tr><td>A</td><td>Disabled Widower</td></tr><tr><td>B</td><td>Father (Widower)</td></tr><tr><td>C</td><td>Minor child</td></tr><tr><td>D</td><td>Disabled child</td></tr><tr><td>F</td><td>Father (parent)</td></tr><tr><td>G</td><td>Minor, Disabled or Student Grandchildren</td></tr><tr><td>H</td><td>Aged Widower</td></tr><tr><td>M</td><td>Mother (Widow)</td></tr><tr><td>P</td><td>Parent</td></tr><tr><td>R</td><td>Disabled Widow</td></tr><tr><td>S</td><td>Student</td></tr><tr><td>W</td><td>Aged Widow</td></tr><tr><td>X</td><td>Divorced Wife</td></tr></tbody></table> | Symbol | Type of Beneficiary | A | Disabled Widower | B | Father (Widower) | C | Minor child | D | Disabled child | F | Father (parent) | G | Minor, Disabled or Student Grandchildren | H | Aged Widower | M | Mother (Widow) | P | Parent | R | Disabled Widow | S | Student | W | Aged Widow | X | Divorced Wife |
| Symbol | Type of Beneficiary                      |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| A      | Disabled Widower                         |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| B      | Father (Widower)                         |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| C      | Minor child                              |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| D      | Disabled child                           |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| F      | Father (parent)                          |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| G      | Minor, Disabled or Student Grandchildren |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| H      | Aged Widower                             |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| M      | Mother (Widow)                           |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| P      | Parent                                   |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| R      | Disabled Widow                           |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| S      | Student                                  |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| W      | Aged Widow                               |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |
| X      | Divorced Wife                            |   |        |                     |   |                  |   |                  |   |             |   |                |   |                 |   |  |   |              |   |                |   |        |   |                |   |         |   |            |   |               |



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| Item        | Title | Contents  |
|-------------|-------|---|
|             |       | KA Divorced disabled widower  |
|             |       | KB Divorced father (widower)  |
|             |       | KH Divorced aged widower  |
|             |       | KM Divorced mother (widow)  |
|             |       | KR Divorced disabled widow  |
|             |       | KS 37 or 74 Act nonphase-out student  |
|             |       | KW Divorced aged widow  |
|             |       | LF Parent(father) if both parents are entitled under 1983 SS amendments   |
|             |       | LP Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled |
|             |       | LS 83 RRA amendment nonphase-out student  |
|             |       | NS 81 amendment continuing entitlement student  |
|             |       | PS 81 amendment nonphase-out student  |
|             |       | RA Remarried disabled widower   |
|             |       | RB Remarried father (widower)   |
|             |       | RH Remarried aged widower   |
|             |       | RM Remarried mother (widow)   |
|             |       | RR Remarried disabled widow   |
|             |       | RW Remarried widow  |
|             |       | TS 37 or 74 Act continuous entitlement student  |
| Tier 1 Data |       | Items (2) through (15) are blank if no RR annuity is being paid or the RR annuity adjustment rejects.             |



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|------|--------------------|--|------|-------------|---|------|---|-------|---|-----|---|---------|---|-----------|---|-----------------|---|----------------|
| (2)  | Tier 1 PIA/CODE    | <p>In employee and survivor cases, the PIA 1 based on the employee's earnings record upon which the tier 1 computation is based. Shown in dollars and dimes.</p> <p>If the employee is a law year 83 60/30 case in which no tier 1 COL is payable, item (2) is blank.</p> <p>Item (2) is blank in spouse cases, except in the RAIL mass adjustment.</p> <p>If a PIA is shown, the type of PIA code is as follows:</p> <table data-bbox="704 835 1068 1327"> <thead> <tr> <th>Code</th> <th>Type of PIA</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>AIME</td> </tr> <tr> <td>T</td> <td>TRANS</td> </tr> <tr> <td>W</td> <td>AMW</td> </tr> <tr> <td>S</td> <td>SPC MIN</td> </tr> <tr> <td>P</td> <td>Old Start</td> </tr> <tr> <td>R</td> <td>Alternative PIA</td> </tr> <tr> <td>F</td> <td>Frozen minimum</td> </tr> </tbody> </table> <p>In the RAIL, REJ and the reason code is shown in item (2) if the tier 1 cannot be calculated mechanically. If the lag compensation does not increase PIA 1, "NO CHGE" is shown.</p> | Code | Type of PIA | A | AIME | T | TRANS | W | AMW | S | SPC MIN | P | Old Start | R | Alternative PIA | F | Frozen minimum |
| Code | Type of PIA        |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| A    | AIME               |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| T    | TRANS              |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| W    | AMW                |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| S    | SPC MIN            |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| P    | Old Start          |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| R    | Alternative PIA    |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| F    | Frozen minimum     |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| (3)  | Gross Tier 1/ CODE | <p>The gross tier 1 amount. For employees, the COL increased PIA, including DRCs rounded down to the nearest dollar or dime as appropriate. For spouses, fifty percent of the employee's COL increased PIA rounded down to the nearest dollar or dime as a appropriate. For survivors, the COL increased original rate, including DRCs and rounded down to the nearest dime.</p> <p>Codes are as follows:</p> <table data-bbox="704 1822 964 1852"> <thead> <tr> <th>Code</th> <th>Situation</th> </tr> </thead> </table>  | Code | Situation   |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |
| Code | Situation          |  |      |             |   |      |   |       |   |     |   |         |   |           |   |                 |   |                |



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|------|---|---|------|-----------|---|--|---|---|---|--|---|--|---|---|---|---|---|---|
|      |   | <p>A PL 94-547 applies</p> <p>B Survivor maximum case</p> <p>D Reduced 60/30 employee or spouse not eligible for tier 1 COL</p> <p>E Reduced 60/30 employee eligible for tier 1 COL</p> <p>F Reduced 60/30 spouse eligible for tier 1 COL</p>   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| (4)  | AGE RED/CODE  | <p>In retirement cases, the tier 1 age reduction amount. In survivor cases, the tier 1 after age reduction or RIB limitation.</p> <p>Codes are as follows:</p> <table border="0"> <thead> <tr> <th data-bbox="706 1035 776 1062">Code</th> <th data-bbox="849 1035 963 1062">Situation</th> </tr> </thead> <tbody> <tr> <td data-bbox="706 1098 727 1125">A</td> <td data-bbox="849 1098 1401 1125">Survivor case with entitlement before 1978</td> </tr> <tr> <td data-bbox="706 1161 727 1188">B</td> <td data-bbox="849 1161 1377 1188">Survivor case with entitlement after 1977</td> </tr> <tr> <td data-bbox="706 1224 727 1251">C</td> <td data-bbox="849 1224 1417 1293">Retirement case with reduction factor based on 1/180</td> </tr> <tr> <td data-bbox="706 1329 727 1356">D</td> <td data-bbox="849 1329 1393 1398">Spouse or divorced spouse with reduction factor based on 1/144</td> </tr> <tr> <td data-bbox="706 1434 727 1461">E</td> <td data-bbox="849 1434 1401 1503">Survivor with RIB limitation amount as first adjusted rate.</td> </tr> <tr> <td data-bbox="706 1539 727 1566">F</td> <td data-bbox="849 1539 1393 1608">Survivor with 82-1/2 percent of the PIA as first adjusted rate.</td> </tr> <tr> <td data-bbox="706 1644 727 1671">G</td> <td data-bbox="849 1644 1409 1713">Employee or spouse with lawyear 83 60/30 age reduction and tier 1 COL payable</td> </tr> </tbody> </table> <p>Item (4) is blank in law year 83 cases in which tier 1 COL is not payable.</p> | Code | Situation | A | Survivor case with entitlement before 1978 | B | Survivor case with entitlement after 1977 | C | Retirement case with reduction factor based on 1/180 | D | Spouse or divorced spouse with reduction factor based on 1/144 | E | Survivor with RIB limitation amount as first adjusted rate. | F | Survivor with 82-1/2 percent of the PIA as first adjusted rate. | G | Employee or spouse with lawyear 83 60/30 age reduction and tier 1 COL payable |
| Code | Situation   |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| A    | Survivor case with entitlement before 1978                                    |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| B    | Survivor case with entitlement after 1977                                     |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| C    | Retirement case with reduction factor based on 1/180                          |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| D    | Spouse or divorced spouse with reduction factor based on 1/144                |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| E    | Survivor with RIB limitation amount as first adjusted rate.                   |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| F    | Survivor with 82-1/2 percent of the PIA as first adjusted rate.               |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| G    | Employee or spouse with lawyear 83 60/30 age reduction and tier 1 COL payable |   |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |
| (5)  | INCR 1/CODE   | <p>In the 12/88 COL the recalculated 10/88 net tier 1 amount for dual widows. In the AERO or RAIL mass</p>  |      |           |   |  |   |   |   |  |   |  |   |   |   |   |   |   |



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|      |                 | adjustment, the tier 1 monthly increase amount payable on the tier 1 accrual effective date. The code indicates the effective date of the adjustment. RCM 6.8 Appendices E and F provide effective date codes for the AERO and RAIL respectively.  |
| (6)  | DRC             | The number of delayed retirement credits used in tier 1.   |
| (7)  | %               | The DRC increase percentage. If 1/12 of one percent is used, 1 is shown. If 1/4 of one percent is used, 3 is shown. If a variable percent is used because the employee's DOB is after 1-1-25, 5 is shown.  |
| (8)  | PSP             | The PSP offset amount subtracted from a spouse or widow(er) tier 1.  |
| (9)  | SSA OFFSET      | The SSA offset amount in tier 1 as determined by Research. The amount shown is rounded to the dollar. The amount in (9) may differ from the amount in (37). In LAF E cases, only the SS benefit certified by the Board is shown in (37).<br><br>If the beneficiary is also receiving a benefit certified by SSA, the amount in (9) will reflect both benefits. |
| (10) | DUAL OFFSET     | The amount by which a spouse or widow annuitant is reduced because of entitlement to his/her own employee annuity.   |
| (11) | INCR 2          | In the AERO and RAIL, the tier 1 monthly increase amount payable on the second date break, if any, in the accrual period. In the COLA, the tier 1 work deduction amount.   |
| (12) | NET TIER 1/CODE | The net tier 1 amount after DRC's and COL increase are included, and after all reductions except tax withholding are considered (maximum, age, public pension, own employee annuity tier 1, SS benefit, (worker's comp).<br><br>The code is as follows:<br><br>Code      Situation<br><br>A          Alien suspension  |



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|--------------|--|--|------|-------------------|---|--|
|              |  | <p>F      Felony suspension</p> <p>T      Spouse or widow tier 1 terminated</p> <p>D      LY83 spouse with net tier 1 decrease due to SSA benefit increase</p> <p>E      Deportation</p> <p>If tier 1 is zero due to reductions or because of non-payment provisions "000.00" is shown.</p> <p>If no reductions are required in tier 1, the rate in (3) is repeated in retirement cases. In survivor cases, the rate in (4) is shown rounded down to the dollar.</p>   |      |                   |   |  |
| (13)         | PREV TIER 1  | The net tier 1 amount before the current adjustment action. If the previous net tier 1 is zero, "000.00" is shown. Blank in OM cases.  |      |                   |   |  |
| (14)         | WC/PDB   | The worker's compensation and/or public disability benefit offset amount. In the RAIL, the item shows the tier 1 monthly increase amount, payable on the third date break, if any, in the accrual period. In the AERO, the new tier I work deduction amount.   |      |                   |   |  |
| (15)         | TOTAL ACCRUAL  | In the 12/88 COL the total accrual amount computed for dual widows. In the AERO or RAIL mass adjustment, the total tier 1 accrual amount. If the accrual is a reject "REJ" is shown.   |      |                   |   |  |
| Tier II Data |  | Items (16) through (31) are blank if no RR annuity is being paid, the annuitant is not entitled to tier 2 or the record rejects in the adjustment operation.   |      |                   |   |  |
| (16)         | COMP 1/CODE  | <p>The amount shown is indicated by the code as follows:</p> <table border="0"> <thead> <tr> <th data-bbox="704 1671 776 1696">Code</th> <th data-bbox="850 1671 1105 1696">Amount Represents</th> </tr> </thead> <tbody> <tr> <td data-bbox="704 1738 727 1764">A</td> <td data-bbox="850 1738 1422 1898">Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has only a component 1 in tier</td> </tr> </tbody> </table> | Code | Amount Represents | A | Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has only a component 1 in tier |
| Code         | Amount Represents  |  |      |                   |   |  |
| A            | Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has only a component 1 in tier |  |      |                   |   |  |



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| Item | Title | Contents  |
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|      |       | <p>2 and the \$10.00 takeback minimum guaranty applies, the component 1 before the guaranty is shown.</p> <p>B Employee was initially awarded under the 1981 or 1983 amendments. Tier 2 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the \$10.00 takeback minimum guaranty applies, the net tier 2 before the guaranty is shown.</p> <p>C Spouse base rate is 50% of the employee's tier 2. (SP awarded before the 1981 Amendments.) The amount shown is the tier 2 after restoration of the tier 1 dual offset after COL increase, age reduction, RRA max reduction and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>D Spouse base rate is 45% of the employee's tier 2 (spouse awarded under 1981 or 1983 Amendments). The amount shown is after restoration of the tier 1 dual offset, after COL increase and after reduction for RRA max and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>If the spouse ABD is before 1-1-84, the amount shown is after age reduction. If the spouse ABD is 1-1-84 or later, the amount shown is before reduction for age.</p> |
|      |       | <p>E 30% of the survivor 5/82 or OBD original or reduced for maximum rate reduced for age, increased for additional COL increases and reduced for 12/83 and 12/84 takebacks but before \$10.00 takeback minimum guaranty.</p> <p>F Applicable percentage of the employee's tier 2 on the survivor's OBD reduced for age, increased for COL and reduced for 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p>  |



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|      |              | If tier 2 is reduced to zero, (16) should be blank.  |
| (17) | SURV EQL AMT | The equalized amount added to a survivor tier 2.   |
| (18) | LAG BAS ANN  | The new tier 2 basic annuity computed in the RAIL mass adjustment.   |
| (19) | INCR 1/CODE  | The tier 2 monthly increase amount payable on the tier 2 accrual effective date in the RAIL. The code indicates the adjustment effective date. RCM 6.8 Appendix F provides the effective date codes.   |
| (20) | COMP 2       | <p>If the employee was initially awarded under the 1974 Act, component 2 after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown.</p> <p>Item (20) is blank if the employee is a 1937 Act case, a 1981 or 1983 amendment case or a 1974 Act case with only one component payable in tier 2. Item (20) is blank in spouse and survivor cases.</p> |
| (21) | SURV RST AMT | If the annuitant is a widow(er), the amount shown is the amount to be restored in tier 2 if the widow(er)'s own employee annuity tier 1 was deducted from the widow(er)'s tier 1.  |
| (22) | AGE RED      | The tier 2 age reduction amount. In 1974 employee cases in which tier 2 is composed of three components, Item (22) is the sum of prorated age reduction amounts for each of the components. The age reduction amount is already subtracted from the tier 2 amounts shown in (16), (20) and (24), except in spouse cases with an ABD of 1-1-84 or later.          |
| (23) | INCR 2       | In the RAIL, the tier 2 monthly increase amount payable on the second date break, if any, in the tier 2 accrual period.  |
| (24) | COMP 3       | If the employee was initially awarded under the 1974 Act, component 3 after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown. Item (24) is blank if the employee   |



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|      |             | is a 1937 Act case, a 1981 or 1983 Amendment case, or a 1974 Act case in which only one component is payable in tier 2. Item (24) is blank in spouse and survivor cases.  |
| (25) | SP MIN GUAR | The amount added to the survivor tier 2 for the spouse minimum guaranty. In the RAIL the RRA maximum reduction amount subtracted from the spouse tier 2.  |
| (26) | AMC W/LAG   | The new tier 2 AMC computed in the RAIL mass adjustment.  |
| (27) | UNTITLED    | In the COLA, the new tier 2 work deduction amount. In the AERO, the tier 2 work deduction amount. In the RAIL, the tier 2 monthly increase amount payable on the third date break, if any, in the tier 2 accrual period.  |
| (28) | NET TIER 2  | <p>In employee and spouse cases, the net tier 2 amount payable after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks and after application of the \$10.00 takeback minimum guaranty. Item (28) is the sum of items (16), (20) and (24), or \$10.00 if the takeback guaranty applies.</p> <p>If the spouse ABD is 1-1-84 or later, item (28) equals item (16) minus item (22).</p> <p>In survivor cases, the net tier 2 amount payable after COL increases and after reduction for age and 12/83 and 12/84 takebacks and after the application of the \$10.00 takeback minimum guaranty, plus any restored amount, equalized amount or spouse minimum guaranty amount. Item (28) is the sum of (16), or \$10.00 if the takeback minimum guaranty applies, and items (17), (21) and (25).</p> <p>If net tier 2 is zero, 0000.00 is shown.</p> |
| (29) | PREV TIER 2 | The net tier 2 amount before the current adjustment action. If the previous net tier 2 is zero, "000.00" is shown. Blank in O/M cases.  |
| (30) | SM W/LAG    | The new total railroad service months computed in the RAIL mass adjustment. The number includes any   |



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|      |                               | military service months used as railroad service.   |
| (31) | TOTAL ACCRUAL<br><br>VDB Data | The total tier 2 accrual paid in the RAIL mass adjustment. If the accrual rejects, REJ and the code are shown. If the spouse tier 2 decreases because of the RRA maximum reduction, the tier 2 overpayment amount is shown. In the SALSA, the payment amount or the reject code is shown.<br><br>Items (32) through (34) are blank if no RR annuity is being paid, the annuitant is not entitled to a vested dual benefit, or the record rejects in the adjustment operation. |
| (32) | NET VDB                       | The net vested dual benefit after age reduction and any cutback. If a survivor VDB was computed as zero, "000.00" is shown.   |
| (33) | AGE RED                       | The VDB age reduction amount in retirement cases.   |
| (34) | C/B                           | The VDB cutback amount if a funding restriction is in force.  |
| (35) | UNTITLED                      | In the COLA and the AERO, the VDB work deduction amount. In the RAIL, the amount of employee accrual used to recover the spouse overpayment caused by the RRA maximum reduction.  |
|      | SS Ben Data                   | In the COLA, these items are used for SS benefit information. Data is shown if the person is entitled to an SS benefit even if the RR annuity is a reject.<br><br>In the RAIL, these items are used to show RR annuity work deduction information.  |
| (36) | SSA PIA                       | In the COLA, the PIA upon which the SS benefit is based. If the person receives dual benefits, the PIA on the person's own account number ("A" benefit) is shown.<br><br>In the RAIL, the tier I work deduction amount.   |
| (37) | SSA AMOUNT                    | In the COLA, the amount of the SS benefit after dollar rounding, but before SMI premium deduction. In cases   |



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|------|---|---|------|----------|---|------|---|-------|---|-----|---|---------|
|      |   | <p>where the annuitant is receiving more than one SSA benefit, it is possible that RRB is paying one of the benefits and SSA the other. In such cases, the amount shown is what RRB is paying. The offset amount shown in the tier 1 data will reflect all the SS benefits. If the SS benefit rejects, item (37) is left blank.</p> <p>In the RAIL, the tier 2 work deduction amount.</p>   |      |          |   |      |   |       |   |     |   |         |
| (38) | <p>In the COLA, if the person receives SS benefits, "BIC" is shown followed by the benefit suffix (the alpha character indicating the type of benefit - A, B, C, D, etc.).</p> <p>In the RAIL, the VDB work deduction amount.</p> |   |      |          |   |      |   |       |   |     |   |         |
| (39) | UNTITLED  | <p>If the person receives an SSA benefit, "LAF" is shown followed by E if RRB pays the benefit or C if SSA pays the benefit. If the SS benefit is paid by the Board but the benefit rejects in the SS COLA "REJ" shows. In the RAIL, the total net accrual paid. For employees the amount is the sum of items 15 and 31 minus item 35. In spouse cases, the amount is the sum of items 15 and 31 plus item 35.</p>  |      |          |   |      |   |       |   |     |   |         |
| (40) | RECUR REG TAX   | <p>The tax withholding amount subtracted from the recurring regular annuity rate. If there is no regular annuity tax, "000.00" is shown.</p>  |      |          |   |      |   |       |   |     |   |         |
| (41) | RECUR SUPP TAX  | <p>The tax withholding amount subtracted from the recurring supplemental annuity rate. If there is no supp tax, "000.00" is shown.</p>  |      |          |   |      |   |       |   |     |   |         |
| (42) | SSEB PIA/CODE   | <p>For employee records the adjusted SSEB PIA. The code indicates the type of SSEB PIA:</p> <table border="0" data-bbox="704 1570 971 1864"> <thead> <tr> <th data-bbox="704 1570 781 1604">Code</th> <th data-bbox="846 1570 971 1604">PIA Type</th> </tr> </thead> <tbody> <tr> <td data-bbox="704 1640 727 1673">A</td> <td data-bbox="846 1640 922 1673">AIME</td> </tr> <tr> <td data-bbox="704 1709 727 1743">T</td> <td data-bbox="846 1709 948 1743">TRANS</td> </tr> <tr> <td data-bbox="704 1778 727 1812">W</td> <td data-bbox="846 1778 922 1812">AMW</td> </tr> <tr> <td data-bbox="704 1848 727 1881">S</td> <td data-bbox="846 1848 971 1881">SPC MIN</td> </tr> </tbody> </table> | Code | PIA Type | A | AIME | T | TRANS | W | AMW | S | SPC MIN |
| Code | PIA Type  |   |      |          |   |      |   |       |   |     |   |         |
| A    | AIME  |   |      |          |   |      |   |       |   |     |   |         |
| T    | TRANS   |   |      |          |   |      |   |       |   |     |   |         |
| W    | AMW   |   |      |          |   |      |   |       |   |     |   |         |
| S    | SPC MIN   |   |      |          |   |      |   |       |   |     |   |         |



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|------|---|--|------|-----------------|---|------------|---|------------------------|---|--|---|-----------------------------|---|---------------|---|---|
|      |   | <p>P Old Start</p> <p>F Frozen Min.</p> <p>Blank in spouse and survivor cases.</p>   |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| (43) | ACCRL TAX RECUR RATE DATA                           | Tax amount, if any, withheld from a total mass adjustment accrual.   |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| (44) | OLD RATE BEFORE SMI                                 | <p>The pre-adjustment regular RR annuity rate before SMIB and tax withholding but after actuarial adjustment, partial withholding, temporary work deductions or legal process deduction.</p> <p>Item (44) is blank if the RR is a reject or RRB is paying an SS benefit only.</p>  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| (45) | NEW RATE BEFORE SMI                                 | <p>The adjusted regular RR annuity rate before SMIB and tax withholding but after actuarial adjustment, partial withholding, temporary work deductions or legal process deduction.</p> <p>If the RR annuity is a reject, item (45) will show "REJ" with one of the following codes shown to identify the type of reject:</p> <table border="0" data-bbox="704 1304 1430 1759"> <thead> <tr> <th data-bbox="704 1304 776 1335">Code</th> <th data-bbox="846 1304 1049 1335">Type of Benefit</th> </tr> </thead> <tbody> <tr> <td data-bbox="704 1371 727 1402">A</td> <td data-bbox="846 1371 992 1402">BDP reject</td> </tr> <tr> <td data-bbox="704 1438 727 1470">B</td> <td data-bbox="846 1438 1143 1470">Benefit payment reject</td> </tr> <tr> <td data-bbox="704 1505 727 1537">C</td> <td data-bbox="846 1505 1430 1537">Due Process code in benefit payment record</td> </tr> <tr> <td data-bbox="704 1572 727 1604">D</td> <td data-bbox="846 1572 1182 1604">Case in partial rate status</td> </tr> <tr> <td data-bbox="704 1640 727 1671">E</td> <td data-bbox="846 1640 1029 1671">Interim widow</td> </tr> <tr> <td data-bbox="704 1707 727 1738">F</td> <td data-bbox="846 1707 1430 1759">No adjusted record received by CHICO from Research.</td> </tr> </tbody> </table> <p>Item (45) is blank if we are paying an SS benefit but no RR annuity.</p> | Code | Type of Benefit | A | BDP reject | B | Benefit payment reject | C | Due Process code in benefit payment record | D | Case in partial rate status | E | Interim widow | F | No adjusted record received by CHICO from Research. |
| Code | Type of Benefit                                     |  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| A    | BDP reject  |  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| B    | Benefit payment reject                              |  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| C    | Due Process code in benefit payment record          |  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| D    | Case in partial rate status                         |  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| E    | Interim widow                                       |  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |
| F    | No adjusted record received by CHICO from Research. |  |      |                 |   |            |   |                        |   |  |   |                             |   |               |   |   |



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| (46) | NEW RATE AFTER SMI | <p>The new regular RR annuity rate after actuarial adjustment, partial withholding, temporary work deductions, legal process deduction and tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown.</p> <p>This rate does not include the Supp annuity if one is payable or the SS benefit if RRB is paying it.</p> <p>This column is blank if the regular annuity rejects unless a deduction is needed for the SMI premium or tax withholding.</p>  |
| (47) | CHECK RR/SS/SUPP   | <p>The total monthly payment amount.</p> <p>The amount is the total of the RR annuity (after actuarial adjustment, partial withholding, temporary work deductions, legal process deduction tax withholding and SMIB), the Supp annuity (after tax withholding) and the SS benefit (if RRB is paying the SS benefit).</p> <p>The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not issued because the claim is suspended for other than cause code 98 or was terminated, item (47) will be blank.</p> <p>An asterisk(*) immediately follows the amount if a code 98 suspension is in effect.</p> |
| (48) | SMIB PREM/CODE     | <p>The SMIB premium amount (table or variable) being subtracted from the monthly payment. An F is shown in the code box if the premium is being deducted from the SS benefit instead of the RR annuity.</p>  |
| (49) | SMIB CODE          | <p>The five position code on CHICO which describes the SMIB status.</p> <p>Rate Table Indicator (S, P, or C)</p> <p>Variable Rate Indicator (V or N)</p> <p>Penalty Percentage Indicator (000 through 220)</p>   |



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|------|--|--|------|-----------|---|----------------------|---|---------------------|---|--------------------------------------|---|-------------------------|---|--|---|--|---|---|---|---|---|---|---|---|---|--|---|---|---|--|---|---|
| (50) | OTHER DED/CODE   | <p>The rate deductions if any, subtracted from the gross annuity rate.</p> <p>The code indicates the type of deductions.</p> <table><thead><tr><th data-bbox="704 604 781 636">Code</th><th data-bbox="850 604 964 636">Situation</th></tr></thead><tbody><tr><td data-bbox="704 667 727 699">A</td><td data-bbox="850 667 1117 699">Actuarial adjustment</td></tr><tr><td data-bbox="704 730 727 762">P</td><td data-bbox="850 730 1084 762">Partial withholding</td></tr><tr><td data-bbox="704 793 727 825">W</td><td data-bbox="850 793 1349 825">Retirement temporary work deductions</td></tr><tr><td data-bbox="704 856 727 888">G</td><td data-bbox="850 856 1166 888">Legal process deduction</td></tr><tr><td data-bbox="704 919 727 951">B</td><td data-bbox="850 919 1414 951">Actuarial adjustment and partial withholding</td></tr><tr><td data-bbox="704 982 727 1014">C</td><td data-bbox="850 982 1382 1056">Actuarial adjustment and temporary work deductions</td></tr><tr><td data-bbox="704 1087 727 1119">D</td><td data-bbox="850 1087 1349 1161">Partial withholding and temporary work deductions</td></tr><tr><td data-bbox="704 1192 727 1224">E</td><td data-bbox="850 1192 1422 1266">Actuarial adjustment, partial withholding and temporary work deductions</td></tr><tr><td data-bbox="704 1297 727 1329">F</td><td data-bbox="850 1297 1360 1360">Actuarial adjustment, and legal process deduction</td></tr><tr><td data-bbox="704 1392 727 1423">J</td><td data-bbox="850 1392 1325 1455">Partial withholding and legal process deduction</td></tr><tr><td data-bbox="704 1486 727 1518">K</td><td data-bbox="850 1486 1433 1549">Temporary work deduction and legal process deduction</td></tr><tr><td data-bbox="704 1581 727 1612">M</td><td data-bbox="850 1581 1422 1654">Actuarial adjustment, partial withholding and legal process deduction</td></tr><tr><td data-bbox="704 1686 727 1717">Q</td><td data-bbox="850 1686 1349 1749">Actuarial adjustment, temporary work deduction and legal process deduction</td></tr><tr><td data-bbox="704 1780 727 1812">R</td><td data-bbox="850 1780 1349 1843">Partial withholding, temporary work deduction and legal process deduction</td></tr></tbody></table> | Code | Situation | A | Actuarial adjustment | P | Partial withholding | W | Retirement temporary work deductions | G | Legal process deduction | B | Actuarial adjustment and partial withholding | C | Actuarial adjustment and temporary work deductions | D | Partial withholding and temporary work deductions | E | Actuarial adjustment, partial withholding and temporary work deductions | F | Actuarial adjustment, and legal process deduction | J | Partial withholding and legal process deduction | K | Temporary work deduction and legal process deduction | M | Actuarial adjustment, partial withholding and legal process deduction | Q | Actuarial adjustment, temporary work deduction and legal process deduction | R | Partial withholding, temporary work deduction and legal process deduction |
| Code | Situation  |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| A    | Actuarial adjustment   |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| P    | Partial withholding  |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| W    | Retirement temporary work deductions                                       |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| G    | Legal process deduction  |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| B    | Actuarial adjustment and partial withholding                               |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| C    | Actuarial adjustment and temporary work deductions                         |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| D    | Partial withholding and temporary work deductions                          |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| E    | Actuarial adjustment, partial withholding and temporary work deductions    |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| F    | Actuarial adjustment, and legal process deduction                          |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| J    | Partial withholding and legal process deduction                            |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| K    | Temporary work deduction and legal process deduction                       |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| M    | Actuarial adjustment, partial withholding and legal process deduction      |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| Q    | Actuarial adjustment, temporary work deduction and legal process deduction |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |
| R    | Partial withholding, temporary work deduction and legal process deduction  |  |      |           |   |                      |   |                     |   |                                      |   |                         |   |  |   |  |   |   |   |   |   |   |   |   |   |  |   |   |   |  |   |   |



# Retirement Claims Manual

## December 30, 2010

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| Item | Title          | Contents   |
|------|----------------|--|
|      |                | S Actuarial adjustment, partial withholding, temporary work deduction and legal process deduction  |
| (51) | SUP BEFORE TAX | The monthly supplemental annuity rate before tax withholding.  |
| (52) | RJ/RV          | <p>The reject and special handling review codes. "SA" is shown for cases with LAF E SSA benefits which are due an AERO increase.</p> <p>An asterisk(*) is shown if the record rejected or was earmarked for special handling and review in a previous mechanical COL operation. The asterisk will show even if the case does not reject or is not earmarked for review in the current COL operation.</p> |

- II. The following described format was used for all mass adjustments December 1, 1985 through November 1988. All items described below were used on cost-of-living microfilms. Selected items were used on the microfilms for other mass adjustments.

| Item   | Title               | Contents and Instructions  |        |                     |   |                  |   |                  |   |             |
|--------|---------------------|--|--------|---------------------|---|------------------|---|------------------|---|-------------|
| (A)    | CLAIM NUMBER        | Beneficiary symbol, prefix, and claim number are shown.  |        |                     |   |                  |   |                  |   |             |
| (B)    | PC                  | Payee Code   |        |                     |   |                  |   |                  |   |             |
| (C)    | SYM                 | <p>Blank for employee and the spouse records. For divorced spouse and survivor records the symbol is derived as follows:</p> <table> <tr> <td>Symbol</td> <td>Type of beneficiary</td> </tr> <tr> <td>A</td> <td>Disabled Widower</td> </tr> <tr> <td>B</td> <td>Father (Widower)</td> </tr> <tr> <td>C</td> <td>Minor child</td> </tr> </table> | Symbol | Type of beneficiary | A | Disabled Widower | B | Father (Widower) | C | Minor child |
| Symbol | Type of beneficiary |  |        |                     |   |                  |   |                  |   |             |
| A      | Disabled Widower    |  |        |                     |   |                  |   |                  |   |             |
| B      | Father (Widower)    |  |        |                     |   |                  |   |                  |   |             |
| C      | Minor child         |  |        |                     |   |                  |   |                  |   |             |



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| Item | Title | Contents and Instructions   |
|------|-------|---|
|      |       | D Disabled child  |
|      |       | F Father (parent)   |
|      |       | G Minor, Disabled or Student Grandchild   |
|      |       | H Aged Widower  |
|      |       | M Mother (Widow)  |
|      |       | P Parent  |
|      |       | R Disabled Widow  |
|      |       | S Student   |
|      |       | W Aged Widow  |
|      |       | X Divorced Wife   |
|      |       | KA Divorced disabled widower  |
|      |       | KB Divorced father (widower)  |
|      |       | KH Divorced aged widower  |
|      |       | KM Divorced mother (widow)  |
|      |       | KR Divorced disabled widow  |
|      |       | KS 37 or 74 Act nonphase-out student  |
|      |       | KW Divorced aged widow  |
|      |       | LF Parent(father) if both parents are entitled under 1983 SS amendments   |
|      |       | LP Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled |
|      |       | LS 83 RRA amendment nonphase-out student  |
|      |       | NS 81 amendment continuing entitlement  |



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| Item | Title  | Contents and Instructions   |
|------|--|---|
|      |  | <p>student</p> <p>PS 81 amendment nonphase-out student</p> <p>RA Remarried disabled widower</p> <p>RB Remarried father (widower)</p> <p>RH Remarried aged widower</p> <p>RM Remarried mother (widow)</p> <p>RR Remarried disabled widow</p> <p>RW Remarried widow</p> <p>TS 37 or 74 Act continuous entitlement student</p>   |
|      | <p>Tier 1 Items (D) through (J) are blank if:</p> <ul style="list-style-type: none"> <li>• the RR annuity is a reject, or</li> <li>• RRB is paying only an SS benefit</li> </ul> |   |
| (D)  | TIER 1 PIA   | <p>In employee and survivor cases, the PIA 1 based on the employee's earnings record upon which the tier 1 computation is based. Shown in dollars and dimes.</p> <p>If the employee is a Lawyear 83 60/30 case in which no tier 1 COL is payable, item (D) is blank.</p> <p>Item (D) is blank in spouse cases.</p>  |
| (E)  | GROSS TIER 1 CODE  | <p>The gross tier 1 amount is shown with an explanatory code.</p> <ul style="list-style-type: none"> <li>• If the annuitant is an employee, the COL increased PIA, including DRC's, rounded down to the nearest dollar.</li> <li>• If the annuitant is a spouse or divorced spouse, 50% of the employee's COL increased PIA rounded down to the nearest dollar.</li> <li>• If the annuitant is a survivor, the COL increased</li> </ul> |



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| Item | Title                   | Contents and Instructions  |
|------|-------------------------|--|
|      |                         | <p>original rate. The amount shown will include DRC's and is rounded to the nearest dime.</p> <p>Code    Amount Represents</p> <p>A        PL 94-547 rate for an employee or spouse, rounded down to the nearest dollar.</p> <p>B        Survivor maximum case. The PIA upon which the reduced for maximum rates are based. The amount shown will include DRC's and is rounded to the nearest dime.</p> <p>D        Reduced 60/30 employee or spouse not eligible for tier 1 COL (annuitant under age 62, or age 62 but tier 1 recalculation has not been performed prior to COL mass adjustment). No amount will show in (E).</p> <p>E        Reduced 60/30 employee eligible for tier 1 COL. Gross tier 1 equals PIA 1 (not rounded to the dollar.)</p> <p>F        Reduced 60/30 spouse eligible for tier 1 COL. Gross tier 1 equals 50% of employee's PIA 1 rounded to the dime.</p> |
| (F)  | <p>DRC</p> <p>DRC %</p> | <p>The number of increment months, if any, used to compute the employee's or survivor's delayed retirement credit.</p> <p>A "1" is shown if the DRC's used are based on 1/12 of one percent for each month. A "3" is shown if DRC's used are based on 1/4 of one percent for each month.</p>   |
| (G)  | AGE REDUCTION           | <p>In retirement cases, the age reduction amount is it applies in tier 1. In survivor cases, the first adjusted rate, i.e., the rate after age reduction or RIB limitation. The codes are as follows:</p> <p>Code    Meaning</p> <p>A        Percentage increase method used (entitlement before 1978). Applies to survivor cases only.</p>  |



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| Item | Title      | Contents and Instructions  |
|------|------------|--|
|      |            | <p>B Initial reduction months based on a factor of 19/40 if aged widow(er) or 19/40 and 43/240 if disabled widow(er). Applies to survivor cases only.</p> <p>C Initial reduction months based on factor of 1/180. Applies to retirement cases only.</p> <p>D Initial reduction months based on a factor of 1/144. Applies to spouses only.</p> <p>E The first adjusted rate is the RIB limitation amount. Applies only to widows.</p> <p>F The first adjusted rate is 82 1/2% of the PIA. Applies only to widows.</p> <p>G Lawyear 83 reduced 60/30 tier 1 age reduction amount. Shown only if tier 1 COL is payable.</p> <p>In Lawyear 83 reduced 60/30 cases in which no tier 1 COL is payable, item (G) is blank.</p> |
| (H)  | SSA OFFSET | <p>The SSA, offset amount in tier 1 as determined by Research. This amount is rounded to the dollar. The amount in (H) may differ from the amount in (V). The LAF E cases, only the SS benefit certified by the Board is shown in (V). If the beneficiary is also receiving in (H) will reflect both benefits.</p> <p>In code 34 and code 37 special handling cases, the amount shown in (H) is an assumed amount.</p>   |
| (I)  | NET TIER 1 | <p>The net tier 1 amount shown in this item is the amount after DRC's and COL increase are included, and after all reductions except tax withholding are considered (maximum, age, public pension, own employee annuity tier 1, SS benefit, worker's comp).</p> <p>If the tier 1 is reduced for amounts other than age and SS benefits, the code indicates the type of additional reductions:</p> <p>Code Meaning</p>  |



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| Item | Title       | Contents and Instructions   |
|------|-------------|---|
|      |             | <p>A Gross tier 1 is reduced by the annuitant's own employee annuity tier 1 amount.</p> <p>B Gross tier 1 is reduced by the annuitant's public pension amount.</p> <p>C Gross tier 1 is reduced by both the annuitant's public pension and his/her own employee annuity tier 1 amount.</p> <p>D Gross tier 1 is reduced by the annuitant's worker's comp amount.</p> <p>E Gross tier 1 is reduced by the annuitant's worker's comp and public pension amounts.</p> <p>F Gross tier 1 is reduced by both the annuitant's worker's comp and own employee annuity tier 1 amounts.</p> <p>G Gross tier 1 is reduced by the annuitant's worker's comp, public pension and own employee annuity tier 1 amounts.</p> <p>H Felony case. Tier 1 not payable.</p> <p>I Lawyear 83 60/30 spouse not entitled to a tier 1 COL and net tier 1 decreases due to the increase in the spouse's SSA benefit and/or the increase in the spouse's own employee annuity tier 1 amount.</p> <p>If tier 1 is wiped out due to reductions or nonpayment due to felony conviction, "000.00" is shown.</p> <p>If no reductions are required in tier 1, the (E) rate is repeated in retirement cases. In survivor cases, the (G) rate is shown rounded down to the dollar.</p> <p>In Lawyear 83 reduced 60/30 cases which no tier 1 COL is payable, item (I) is the only tier 1 item with an entry.</p> |
| (J)  | PREV TIER 1 | The amount shown in this item is the net tier 1 amount  |



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| Item | Title  | Contents and Instructions   |
|------|--------|---|
|      |        | <p>before the current COL adjustment. Blank in O/M cases.</p> <p>Tier 2 Items (K) through (P) are blank if:</p> <ul style="list-style-type: none"> <li>• the RR annuity is a reject, or</li> <li>• only an SS benefit is being paid, or</li> <li>• the annuitant is not eligible for a tier 2</li> </ul>  |
| (K)  | COMP 1 | <p>The amount shown is indicated by the code as follows. If the takeback reduces tier 2 to zero, (K) is blank.</p> <p>Code    Amount Represents</p> <p>A        Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has only a component 1 in tier 2 and the \$10.00 takeback minimum guaranty applies, the component 1 before the guaranty is shown.</p> <p>B        Employee was initially awarded under the 1981 amendments. Tier 2 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the \$10.00 takeback minimum guaranty applies, the net tier 2 before the guaranty is shown.</p> <p>C        Spouse base rate is 50% of employee's tier 2. The amount shown is the tier 2 after restoration of own EE annuity tier 1, after COL increase and after reduction for the RRA max and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>D        Spouse base rate is 45% of employee's tier 2. The amount shown is after restoration for own EE annuity tier 1 after COL increase and after reduction for RRA max and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> |



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| Item | Title  | Contents and Instructions  |
|------|--------|--|
|      |        | <p>If the spouse ABD is before 1-1-84, the amount shown is after age reduction. If the spouse ABD is 1-1-84 or later, the amount shown is before reduction for age.</p> <p>E 30% of the survivor 5/82 or OBD original or reduced for maximum rate reduced for age, increased for additional COL increases and reduced for 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>F Applicable percentage of the employee's tier 2 on the survivor's OBD reduced for age, increased for COL and reduced for 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> |
| (L)  | COMP 2 | <p>If the employee was initially awarded under the 1974 Act, component 2 after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown.</p> <p>Item (L) is blank if the employee is a 1937 Act case, a 1981 Amendment case or a 1974 Act case with only one component payable in tier 2.</p> <p>Item (L) is blank in spouse cases.</p> <p>If the annuitant is a widow(er), the amount shown is the amount to be restored in tier 2 if the widow(er)'s own employee annuity tier 1 was deducted from the widow(er)'s tier 1.</p>  |
| (M)  | COMP 3 | <p>If the employee was initially awarded under the 1974 Act, component 3 after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown.</p> <p>Item (M) is blank if the employee is a 1937 Act case, a 1981 Amendment case, or a 1974 Act case in which only one component is payable in tier 2.</p> <p>Item (M) is blank in spouse cases.</p>  |



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| Item | Title                              | Contents and Instructions  |
|------|------------------------------------|--|
|      |                                    | <p>In survivor cases, the amount to be added to the widow(er)'s tier 2 for the spouse minimum guaranty or the amount to be added to a survivor's tier 2 for 1/75 conversion equalization is shown.</p>   |
| (N)  | AGE REDUCTION                      | <p>The total tier 2 reduction amount.</p> <p>In 1974 employee cases in which tier 2 is composed of three components, Item (N) is the sum of the prorated age reduction amounts for each of the components.</p> <p>The age reduction amount shown is already subtracted from the tier 2 amounts shown in (K), (L) and (M), except in spouse cases with an ABD of 1-1-84 or later.</p>   |
| (O)  | NET TIER 2                         | <p>In employee and spouse cases, the net tier 2 amount payable after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks and after application of the \$10.00 takeback minimum guaranty. Item (O) is the sum of items (K), (L) and (M), or \$10.00 if the takeback guaranty applies.</p> <p>If the spouse ABD is 1-1-84 or later, item (O) equals item (K) minus item (N).</p> <p>In survivor cases, the net tier 2 amount payable after COL increases and after reduction for age and 12/83 and 12/84 takebacks and after the application of the \$10.00 takeback minimum guaranty, plus any restored amount or spouse minimum guaranty amount. Item (O) is the sum of (K), or \$10.00 if the takeback minimum guaranty applies, and items (L) and (M).</p> |
| (P)  | <p>PREV TIER 2</p> <p>Windfall</p> | <p>The tier 2 amount to be entered in this item is the net amount before the current COL adjustment. Blank in O/M cases.</p> <p>Items (Q) through (R) are blank if:</p> <ul style="list-style-type: none"> <li>• the RR annuity is a reject, or</li> <li>• only an SS benefit is being paid, or</li> <li>• the annuitant is not entitled to a windfall</li> </ul>  |



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|------|---------------|--|
| (Q)  | NET WINDFALL  | The amount of the windfall after age reduction.<br><br>The survivor cases if a windfall was calculated but it resulted in a zero rate, "000.00" is shown.  |
| (R)  | AGE REDUCTION | The age reduction amount applied to the windfall.<br>Blank in survivor cases.  |
| (S)  | UNTITLED      | The tier 1 non-SSEB taxable amount. This amount is included in the annuity amount subject to withholding upon which the tax withholding amount is calculated.  |
| (T)  | TAX W/H       | Total taxes withheld from the recurring regular RR and Supp annuity monthly payment.<br><br>If no taxes are withheld, "000.00" is shown.   |
|      | SS Benefit    | SS benefit data is shown even if the RR annuity is a reject.   |
| (U)  | SSA PIA       | The COL increased PIA in dollars and dimes upon which the SS benefit is based. For various reasons, the PIA is not always updated for the COL even though the benefit amount is increased. In this case the PIA will be left to avoid confusion.   |
| (V)  | SSA AMOUNT    | The amount of the SS benefit after dollar rounding, but before SMI premium deduction. This amount is shown in pure LAF E SS cases as well as cases involving RR payments and LAF E or LAF C SS benefits.<br><br>In cases where the annuitant is receiving a combined benefit as SSA, it is possible that RRB is paying one of the benefits and SSA and other.<br><br>In such cases, the amount shown is what RRB is paying. The offset amount shown in the tier 1 data will reflect all the SS benefits.<br><br>In the SS benefit rejects, item (V) is left blank. |
| (W)  | Suffix        | The suffix that describes the type of SS benefit, e.g., A, B, H, C, D, etc. If RRB is paying SS benefits, the suffix from the CHICO record is shown. Otherwise the suffix  |



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|------|---|---|------|----------------|---|--|---|--|---|--|
|      |   | from the MBR record is shown.   |      |                |   |  |   |  |   |  |
| (X)  | Paid<br><br><br><br><br><br><br><br><br><br>Monthly Rate Data | <p>The codes described below indicate which agency is paying the SS benefit:</p> <table border="0"> <tr> <td>Code</td> <td>Description</td> </tr> <tr> <td>C</td> <td>LAF C case - SSA is paying the benefit</td> </tr> <tr> <td>E</td> <td>LAF E case - RRB is paying the benefit</td> </tr> <tr> <td>R</td> <td>LAF E case - increase rejected</td> </tr> </table> <p>These columns show the old and new rates, show a reject or are left blank under certain circumstances.</p>  | Code | Description    | C | LAF C case - SSA is paying the benefit | E | LAF E case - RRB is paying the benefit | R | LAF E case - increase rejected             |
| Code | Description   |   |      |                |   |  |   |  |   |  |
| C    | LAF C case - SSA is paying the benefit                        |   |      |                |   |  |   |  |   |  |
| E    | LAF E case - RRB is paying the benefit                        |   |      |                |   |  |   |  |   |  |
| R    | LAF E case - increase rejected                                |   |      |                |   |  |   |  |   |  |
| (Y)  | OLD RATE BEFORE SMI   | <p>The pre-adjustment regular RR annuity rate before tax withholding but after actuarial adjustment or partial withholding.</p> <p>Item (Y) is blank if the RR is a reject or RRB is paying an SS benefit only.</p>   |      |                |   |  |   |  |   |  |
| (Z)  | NEW RATE BEFORE SMI   | <p>The adjusted regular RR annuity rate before tax withholding but after actuarial adjustment or partial withholding.</p> <p>If the OM formula is paid, the rate shown has no relationship to any tier or windfall amount shown in previous items. Item (Z) is blank if we are paying an SS benefit but no RR annuity.</p> <p>If the RR annuity is a reject, item (Z) will show "REJ". One of the following codes is shown to identify the type of reject:</p> <table border="0"> <tr> <td>Code</td> <td>Type of Reject</td> </tr> <tr> <td>A</td> <td>BDP (Research) reject</td> </tr> <tr> <td>B</td> <td>Benefit payment (Checkwriting) reject</td> </tr> <tr> <td>C</td> <td>Due Process code in benefit payment record</td> </tr> </table> | Code | Type of Reject | A | BDP (Research) reject                  | B | Benefit payment (Checkwriting) reject  | C | Due Process code in benefit payment record |
| Code | Type of Reject  |   |      |                |   |  |   |  |   |  |
| A    | BDP (Research) reject   |   |      |                |   |  |   |  |   |  |
| B    | Benefit payment (Checkwriting) reject                         |   |      |                |   |  |   |  |   |  |
| C    | Due Process code in benefit payment record                    |   |      |                |   |  |   |  |   |  |



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|------|---|--|------|-------------------|---|----------------------|---|---------------------|---|--|---|-------------------------|---|--|---|---|---|---|---|---------------------------|---|--|
|      |   | <p>D Case in partial rate status</p> <p>E Interim Widow</p> <p>F No adjusted record received by CHICO from Research.</p>   |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| (a)  | NEW RATE AFTER SMI  | <p>The regular RR annuity rate after actuarial adjustment, partial withholding and tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown.</p> <p>This rate does not include the Supp annuity if one payable or the SS benefit if RRB is paying it.</p> <p>This column is blank if regular annuity rejects unless a deduction is needed for the SMI premium.</p> <p>The following codes are used to describe any special provisions used to make the annuity adjustment:</p> <table border="0"> <tr> <td>Code</td> <td>Special Provision</td> </tr> <tr> <td>A</td> <td>Actuarial adjustment</td> </tr> <tr> <td>B</td> <td>Partial withholding</td> </tr> <tr> <td>C</td> <td>Actuarial adjustment and partial withholding</td> </tr> <tr> <td>D</td> <td>Elected tax withholding</td> </tr> <tr> <td>E</td> <td>Elected tax withholding and actuarial adjustment</td> </tr> <tr> <td>F</td> <td>Elected tax withholding, actuarial adjustment and partial withholding</td> </tr> <tr> <td>G</td> <td>Elected tax withholding, actuarial adjustment and partial withholding</td> </tr> <tr> <td>H</td> <td>Mandatory tax withholding</td> </tr> <tr> <td>I</td> <td>Mandatory tax withholding and actuarial adjustment</td> </tr> </table> | Code | Special Provision | A | Actuarial adjustment | B | Partial withholding | C | Actuarial adjustment and partial withholding | D | Elected tax withholding | E | Elected tax withholding and actuarial adjustment | F | Elected tax withholding, actuarial adjustment and partial withholding | G | Elected tax withholding, actuarial adjustment and partial withholding | H | Mandatory tax withholding | I | Mandatory tax withholding and actuarial adjustment |
| Code | Special Provision   |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| A    | Actuarial adjustment  |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| B    | Partial withholding   |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| C    | Actuarial adjustment and partial withholding                          |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| D    | Elected tax withholding   |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| E    | Elected tax withholding and actuarial adjustment                      |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| F    | Elected tax withholding, actuarial adjustment and partial withholding |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| G    | Elected tax withholding, actuarial adjustment and partial withholding |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| H    | Mandatory tax withholding   |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |
| I    | Mandatory tax withholding and actuarial adjustment                    |  |      |                   |   |                      |   |                     |   |  |   |                         |   |  |   |   |   |   |   |                           |   |  |



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 Chicago Illinois, 60611-2092 Web: <http://www.rrb.gov>

| Item | Title                   | Contents and Instructions   |
|------|-------------------------|---|
|      |                         | <p>J Mandatory tax withholding and partial withholding</p> <p>K Mandatory tax withholding, actuarial adjustment and partial withholding</p>   |
| (b)  | ADJUSTMENT CHECK AMOUNT | <p>The amount of the adjustment check for each payee.</p> <p>The amount is the total of the RR annuity (after actuarial adjustment and/or partial withholding), the Supp annuity and the SS benefit if RRB is paying the SS benefit minus any reduction for tax withholding and/or SMI.</p> <p>The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not issued because the claim is suspended for other than cause code 98 or was terminated, item (b) will be blank.</p> <p>An asterisk(*) immediately follows the amount if a code 98 suspension is in effect.</p> <p>A code D indicates the check is going to a financial institution.</p> |
| (c)  | SUPP ANN                | The monthly supplemental annuity rate payable after RRA max reduction and before tax withholding.   |
| (d)  | REJ/REV                 | <p>This area will show the reject and special handling review codes. A list of codes is provided on RCM 6.8 Appendix B.</p> <p>An asterisk(*) is shown if the record rejected or was earmarked for special handling and review in a previous mechanical COL operation. The asterisk will show even if the case does not reject or is not earmarked for review in the current COL operation.</p>   |

- III. The following described format was used for all mechanical adjustments February 1, 1982 through November 30, 1985. An explanation of microfilm before February 1982 is available in binder "RCM 6.8 PRE-FEB 1982 MASS ADJ" located on your supervisor's desk.



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| COLUMN | TITLE   | CONTENT AND INSTRUCTIONS  | ADJUSTMENT            |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
|--------|---|---|-----------------------|---------------------|---|------------------|---|------------------|---|-------------|---|----------------|---|--|---|--------------|---|----------------|---|--------|---|----------------|---|---------|---|------------|--|
|        | <ul style="list-style-type: none"> <li>DATE</li> <li>TITLE</li> </ul> | <p>Date the microfilm tape record is prepared.</p> <p>Name of the adjustment.</p>   | <p>All</p> <p>All</p> |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| (A)    | CLAIM NUMBER  | Beneficiary symbol, prefix and claim number. Includes cases where we are paying an SS benefit but no RR annuity. All  |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| (B)    | PC  | Payee code. If there is more than one survivor beneficiary in the payee code (combined check case), the payee code is shown only on the line containing the combined check rate. All  |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| (C)    | SYM   | <p>Blank for employee and spouse annuitants. All</p> <p>The divorced wife and survivor beneficiary symbol is based on the following:</p> <table> <thead> <tr> <th>Symbol</th> <th>Type of Beneficiary</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>Disabled Widower</td> </tr> <tr> <td>B</td> <td>Father (Widower)</td> </tr> <tr> <td>C</td> <td>Minor Child</td> </tr> <tr> <td>D</td> <td>Disabled Child</td> </tr> <tr> <td>G</td> <td>Minor, Disabled, or Student Grandchild</td> </tr> <tr> <td>H</td> <td>Aged Widower</td> </tr> <tr> <td>M</td> <td>Mother (Widow)</td> </tr> <tr> <td>P</td> <td>Parent</td> </tr> <tr> <td>R</td> <td>Disabled Widow</td> </tr> <tr> <td>S</td> <td>Student</td> </tr> <tr> <td>W</td> <td>Aged Widow</td> </tr> </tbody> </table> | Symbol                | Type of Beneficiary | A | Disabled Widower | B | Father (Widower) | C | Minor Child | D | Disabled Child | G | Minor, Disabled, or Student Grandchild | H | Aged Widower | M | Mother (Widow) | P | Parent | R | Disabled Widow | S | Student | W | Aged Widow |  |
| Symbol | Type of Beneficiary   |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| A      | Disabled Widower  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| B      | Father (Widower)  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| C      | Minor Child   |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| D      | Disabled Child  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| G      | Minor, Disabled, or Student Grandchild                                |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| H      | Aged Widower  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| M      | Mother (Widow)  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| P      | Parent  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| R      | Disabled Widow  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| S      | Student   |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |
| W      | Aged Widow  |   |                       |                     |   |                  |   |                  |   |             |   |                |   |  |   |              |   |                |   |        |   |                |   |         |   |            |  |



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| COLUMN | TITLE | CONTENT AND INSTRUCTIONS  | ADJUSTMENT |
|--------|-------|---|------------|
|        |       | X Divorced Wife   |            |
|        |       | KA Divorced disabled widower  |            |
|        |       | KB Divorced father (widower)  |            |
|        |       | KH Divorced aged widower  |            |
|        |       | KM Divorced mother (widow)  |            |
|        |       | KR Divorced disabled widow  |            |
|        |       | KS 37 or 74 Act nonphase-out student  |            |
|        |       | KW Divorced aged widow  |            |
|        |       | LF Parent(father) if both parents are entitled under 1983 SS amendments   |            |
|        |       | LP Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled |            |
|        |       | LS 83 RRA amendment nonphase-out student  |            |
|        |       | NS 81 amendment continuing entitlement student  |            |
|        |       | PS 81 amendment nonphase-out student  |            |
|        |       | RA Remarried disabled widower   |            |
|        |       | RB Remarried father (widower)   |            |
|        |       | RH Remarried aged widower   |            |
|        |       | RM Remarried mother (widow)   |            |
|        |       | RR Remarried disabled widow   |            |
|        |       | RW Remarried widow  |            |
|        |       | TS 37 or 74 Act continuous entitlement student  |            |



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| COLUMN | TITLE             | CONTENT AND INSTRUCTIONS  | ADJUSTMENT  |
|--------|-------------------|---|---|
|        | TIER 1            | <p>If there is more than one beneficiary in a payee code (combined check case), the payee code lines are blank.</p> <p>Columns (D), (E), (F), (G), and (H) are blank if:</p> <ul style="list-style-type: none"> <li>• The RR annuity is a reject, or</li> <li>• We are paying only an SS benefit, or</li> <li>• The annuity is adjusted only for the SMI premium increase, or</li> <li>• The spouse adjustment is based on the "Tack-On" method.</li> </ul>   | <p>All, except 2-16-82 WF<br/>         Accrual<br/>         Payment</p> |
| (D)    | GROSS TIER I CODE | <p>The term "Gross TIER 1" is defined below.</p> <p>Code    Amount Represents</p> <ul style="list-style-type: none"> <li>• If the annuitant is an employee the COL increased PIA (including DRC's if applicable) rounded down to the nearest dollar.</li> <li>• The SS Act wife's/husband's/divorced wife's benefit based on the employee annuitant's cost-of-living increased PIA. (50% of the PIA rounded down to the nearest dollar.)</li> <li>• The SS Act survivor's cost-of-living increased original rate. The amount shown will include DRC amounts (if applicable as indicated in column (F), DRC).</li> </ul> |   |



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| COLUMN | TITLE | CONTENT AND INSTRUCTIONS   | ADJUSTMENT |
|--------|-------|--|------------|
|        |       | <p>A The PL-94-547 rate for an employee or spouse. This rate is the 12-1974 annuity rate based on the pass-thru PIA and increased annually by the cost-of-living increase percentage applied to SS Act benefits.</p> <p>B In a survivor maximum case, the PIA upon which the reduced for maximum rates are based. The amount shown will include DRC amounts (if applicable as indicated in column (F), DRC).</p> <p>C The new rate was determined by the "tack on" method because the sum of the old rate tier amounts plus the windfall minus deductions does not total within \$1.00 of the old annuity rate. This will apply only for spouse cases, only the "new rate", "old rate" SS benefit date, "new rate after SMI" and the adjustment check will be shown.</p> <p>D Reduced 60/30 employee or spouse under age 62 and not eligible for tier 1 COL.</p> |            |



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| COLUMN | TITLE      | CONTENT AND INSTRUCTIONS   | ADJUSTMENT  |
|--------|------------|--|---|
| (E)    | NET TIER 1 | <p>The net tier 1 amount is the amount after DRC's are included, and after all reductions are considered (maximum, age, public pension, employee annuity net tier 1, SS). The amount shown in column (D) is always reduced by the amount of the age reduction (in retirement cases, the amount of age reduction is shown in column (G)), and for the SS benefit amount shown in column (V). The SS amount shown in column (V) is after dollar rounding but before SMI deduction. (See code (D) for exception.) If a public pension or employee annuity net tier 1 are reducing the gross tier 1 amount, the code will indicate the reduction. If the tier 1 is wiped out, "000.00" is shown. If no adjustment is required, the (D) rate is repeated. The codes and amounts represented are as follows:</p> <p>Code    Amount Represents</p> <p>A        The gross tier 1 amount is reduced by the annuitant's own employee net tier 1 amount.</p> <p>B        The gross tier 1 amount is reduced by the annuitant's public pension amount.</p> <p>C        The gross tier 1 amount is reduced by both the annuitant's public pension amount and their employee net tier 1 amount.</p> <p>D        The SS benefit amount used to reduce tier 1 is different than the SS benefit RRB is paying (column V). The column (V) amount is from the benefit payment master.</p> | All, except 2-16-82 WF<br>Accrual<br>Payment<br>benefit). |



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| COLUMN | TITLE   | CONTENT AND INSTRUCTIONS   | ADJUSTMENT  |
|--------|---------|--|---|
|        |         | The SS amount deducted in tier 1 is determined by Research. If the amounts differ by a \$1.00 (tolerance) or more and the RR rate results in an increase, this code will appear.                     |   |
| (F)    | DRC     | The number of increment months, if any, used to compute the employee's delayed retirement credit. 2-16-82 WF   | All, except Accrual Payment   |
|        | DRC %   | A "1" is shown if the DRC's used are based on 1/12 of one percent for each month (1 percent a year). A "3" is shown if DRC's used are based on 1/4 of one percent for each month (3 percent a year). | All, Accrual except 2-16-82 WF Payment  |
| (G)    | AGE RED | In retirement cases, the age reduction amount as it applies in tier 1 is shown. In survivor cases, the first adjusted rate is shown, i.e., the rate after age reduction or RIB limitation.           | All, except 2-16-82 WF Accrual Payment  |
|        |         | The codes and meaning of each code are as follows:   |   |
|        |         | Code   | Meaning   |
|        |         | A  | Percentage increase method used (entitlement before 1978). Applies to survivor cases only.  |
|        |         | B  | Initial reduction months used based on a factor of 19/40 if aged widow(er) or if disabled widow(er). Applies to survivor case only. |
|        |         | C  | Initial reduction months used based on a factor of 1/180. Applies to retirement case only.  |
|        |         |  | All, beginning 1-1-84   |





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| COLUMN | TITLE       | CONTENT AND INSTRUCTIONS  | ADJUSTMENT  |
|--------|-------------|---|---|
| (J)    | COMPONENT 1 | <p>The amount shown is indicated by the code as follows:</p> <p>Code    Amount Represents</p> <p>A        The employee was initially awarded before the 1981 Amendments. Component 1 after COL increase is shown.</p> <p>B        The employee was initially awarded before the 1981 Amendments. The column is left.</p> <p>C        Base rate is 50% of EE's tier 2. The amount shown is the tier 2 before age and M/S reduction reduced for the RRA Max, if applicable, and increased for the COL.</p> <p>D        Base rate is 45% of EE's tier 2. The amount shown is before age and M/S reduction, reduced for RRA Max, if applicable, and increased for the COL.</p> <p>E        30% of the survivor's 5-1982 or OBD original or reduced for maximum rate increased for additional COL increases as applicable.</p> <p>F        Applicable percentage of the employee's tier 2 on</p> | <p>All except 2-1-82 EE LAG ADJ. 2-16-82 WF Payment, and 4-1-82 AERO ADJ. Accrual</p> <p>Effective 9-1-83 the reduction for M/S no longer applies</p> |



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| COLUMN | TITLE          | CONTENT AND INSTRUCTIONS   | ADJUSTMENT                            |
|--------|----------------|--|---------------------------------------|
|        |                | the survivor's OBD increased for applicable COL increases.   |                                       |
| (K)    | COMPONENT 2    | <p>If the employee was initially awarded before the 1981 Amendments, component 2 of tier 2 is shown.</p> <p>If the annuitant is a spouse or widow(er), the amount, if any, to be restored in tier 2 because the spouse or widow's own employee annuity tier 1 was deducted from the spouse or widow tier 1.</p>  | All except 2-16-82 WF Accrual Payment |
| (L)    | COMPONENT 3    | <p>If the employee was initially awarded before the 1981 Amendments, component 3 increased for COL is shown.</p> <p>In the survivor cases, the amount to be added to a widow(er)'s tier 2 on account of the spouse minimum guaranty, or the amount to be added to a survivor's tier 2 on account of 1-1975 conversion equalization. The amount to be added if more than one of the above conditions applies.</p> | All except 2-16-82 WF Accrual Payment |
| (M)    | RRA MAX        | Amount of deduction for the RRA maximum.   | All except 2-16-82 WF                 |
| (N)    | TIER 2 COL T/B | <p>Amount of the takeback in tier 2 due to 12-83 or 12-84 tier 1 COL increase. This column will be blank in O/M cases.</p> <p>NOTE: If the figure entered is followed by an asterisk "*", the takeback amount was computed based on a fictional 11-84 net tier 1.</p>  | All, beginning with the 12-83 COL     |



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| COLUMN | TITLE                       | CONTENT AND INSTRUCTIONS  | ADJUSTMENT   |
|--------|-----------------------------|---|--|
| (O)    | AGE RED                     | The age reduction amount as it applies in tier 2.   | All except 2-16-82 WF Accrual Payment and 1-2-85 COL ADJ |
| (P)    | PREV TIER 2<br><br>WINDFALL | <p>The net tier 2 amount before 12-84 COL adjustment. This column will be blank in O/M cases.</p> <p>Column (Q) through column (T) will be blank if,</p> <ul style="list-style-type: none"> <li>• The RR annuity is a REJECT, or</li> <li>• We are paying only an SS benefit, or</li> <li>• The annuity is adjusted only for the SMI premium increase, or</li> <li>• The spouse adjustment is based on the "tack on" method.</li> </ul> <p>In a survivor combined check case, the payee code line showing the combined RR annuity check rate is left blank.</p> | All, beginning with the 12-83 COL                        |
| (Q)    | GROSS WF                    | The amount of the windfall before any reductions for age and/or military and service, and before cutback. In survivor cases if a windfall was recalculated but it resulted in a zero, "000.00" will be in this column. If no windfall this space is left blank.   | All  |
| (R)    | TOTAL T/B AMT               | 5% of the 11/83 net tier 1 amount.  | All,   |



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| COLUMN | TITLE          | CONTENT AND INSTRUCTIONS  | ADJUSTMENT  |
|--------|----------------|---|---|
|        |                | <p>NOTE: If the figure entered is followed by an asterisk "*", the takeback amount was computed based on a "fictional" 11-83 net tier 1. A fictional figure was used when the SS MBR rate for 12-83 was higher than the updated figure for 12-83 was higher than the updated figure in our record.</p>  |   |
| (S)    | AGE RED        | The age reduction amount as it applies in the windfall.   | All   |
| (T)    | NONE(Reserved) | Total taxes withheld from recurring monthly annuity payments shown beginning with the 12-84 COL. Previously used to show the amount of any retroactive accrual.   | All, beginning with the 12-84 COL   |
|        | SS BEN DATA    | <p>In a survivor combined check case, columns (U), (V), (W), and (X) are blank showing the combined RR annuity check rate. The data for these columns is shown on the line that contains the data for the beneficiary in the combined check. The SS benefit data is shown even though the RR annuity is a REJECT.</p> <p>NOTE: The MBR record is not passed to our system during the February 1 check adjustment. Therefore, if there is no CHICO record, no SS benefit data will be shown on the first line. Refer to the latest cost-of-living microfilm if MBR data is needed.</p> | All, before the November 1983 payment. After 11-1-83 there should be only 1 beneficiary per payee code. |



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| <b>COLUMN</b> | <b>TITLE</b> | <b>CONTENT AND INSTRUCTIONS</b>  | <b>ADJUSTMENT</b> |
|---------------|--------------|--|-------------------|
| (U)           | PIA          | The cost-of-living increased PIA in dollars and dimes upon which the SS benefit is based. For various reasons the PIA is not always updated for the COL even though the benefit amount is increased. In this case the PIA will be left blank to avoid confusion.   | COL adjustment    |
| (V)           | AMOUNT       | <p>The amount in dollars and dimes of SS benefit after dollar rounding, but before SMI premium deduction. This is true for pure SS cases (RRB paying and no RR annuity) as well as cases involving SS and RR payments. In cases where the annuitant is receiving a combined benefit at SSA, it is possible that RRB is paying one of the benefits and SSA the other.</p> <p>In such cases, the amount shown is what RRB is paying (code E will appear in column (X)). The offset in tier 1 is the entire combined benefit (code D will appear in column (E)). If the SS benefit rejected (as indicated in column (X)), the column is left blank. Due to program error, if no Medicare is involved and the case is pure SS benefit case, the column is left blank for 1982 COL.</p> | COL adjustment    |
| (W)           | SFX          | The suffix that describes the type of SS benefit, e.g., A, B, H, A, C, etc. If RRB is paying SS this will be the suffix from the CHICO record. Otherwise the suffix will come from the MBR record.   | COL adjustment    |



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|-------------|--|--|--|
| (X)         | RR PD<br><br><br><br><br><br><br><br><br><br>RATE BEFORE SMI | <p>The codes described below indicate which agency is paying the SS benefit.</p> <p>Code Description</p> <p>C LAF C case - SSA is paying the SS benefit</p> <p>E LAF E case - RRB is paying the SS benefit</p> <p>R LAF E case - increase rejected</p> <p>These columns show the old and new rates, show a reject or are left blank under certain circumstances.</p>   |  |
| (Y) and (Z) | OLD AND NEW RATES  | <p>(a) If there is only one beneficiary in the payee code, the old rate is the pre-adjustment annuity rate; the new rate is the adjusted annuity rate. If actuarial adjustment or partial withholding is involved the amount shown is after reduction. Rates are before tax withholding.</p> <p>(b) If there is more than one survivor beneficiary in the payee code, the old rate and the new rate on the payee code line is the combined annuity rate. Succeeding date lines reflect the old and new rate for each beneficiary in the payee code. The old and new rates on the payee code line should equal the total of the old and new rates for each beneficiary.</p> | <p>All except 2-16-82 WF Accrual Payment</p> <p>All, before the November 1983 payment. After 11-1-83, there should be only 1 beneficiary per payee code.</p> |



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| COLUMN | TITLE | CONTENT AND INSTRUCTIONS  | ADJUSTMENT |
|--------|-------|---|------------|
|        |       | <p>(c) The new rate for 100% O/M cases and 100% O/M Grandfather cases has no relationship to any tier or windfall amount that may be shown. Only the 100% O/M cases will get a COL adjustment. The old and new rates for the 100% O/M Grandfather cases, is the same.</p> <p>(d) The old rate column is blank for an RR annuity reject and the abbreviation "REJ" is shown in the new rate column. One of the following codes is shown to identify the type of reject:</p> <p>A DP&amp;A Reject</p> <p>B Benefit Payment Reject</p> <p>C Due Process Code in Benefit Payment Record</p> <p>D Interim Widow</p> <p>(e) The old rate column and new rate columns are blank if:</p> <ul style="list-style-type: none"> <li>• We are paying an SS benefit but no RR annuity, or</li> <li>• The RR annuity is adjusted only for the SMI premium increase.</li> </ul> |            |



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| COLUMN | TITLE   | CONTENT AND INSTRUCTIONS   | ADJUSTMENT |                   |   |                      |   |                     |   |   |   |                         |   |
|--------|---|--|------------|-------------------|---|----------------------|---|---------------------|---|---|---|-------------------------|---|
| (a)    | NEW RATE AFTER SMI                                      | <p>The new regular RR annuity rate after tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown. If SMI premiums begin or stop in month of adjustment, rate shown reflect SMI status in month before adjustment. This rate does not include a SUP ANN if one is payable or the SS benefit if we are paying it. Tax withholding applied to any SUP ANN is not considered in this rate.</p> <p>The new combined annuity rate if there is more than one beneficiary in the payee code. This column is blank on the lines containing the beneficiary data. payment.</p> <p>Also, this column is blank if the regular annuity rejects (REJ printed in column (D)) unless a deduction is needed for the new SMI Premium.</p> <p>The following codes are used to describe any special provisions used to make the annuity adjustment.</p> <table border="0"> <tr> <td>Code</td> <td>Special Provision</td> </tr> <tr> <td>A</td> <td>actuarial adjustment</td> </tr> <tr> <td>B</td> <td>partial withholding</td> </tr> <tr> <td>C</td> <td>actuarial adjustment and partial withholding both apply</td> </tr> <tr> <td>D</td> <td>elected tax withholding</td> </tr> </table> | Code       | Special Provision | A | actuarial adjustment | B | partial withholding | C | actuarial adjustment and partial withholding both apply | D | elected tax withholding | <p>All, except 2-16-82 WF</p> <p>All, before November 1983<br/>       After 11-1-83, there should be only 1 beneficiary per payee code.</p> |
| Code   | Special Provision                                       |  |            |                   |   |                      |   |                     |   |   |   |                         |   |
| A      | actuarial adjustment                                    |  |            |                   |   |                      |   |                     |   |   |   |                         |   |
| B      | partial withholding                                     |  |            |                   |   |                      |   |                     |   |   |   |                         |   |
| C      | actuarial adjustment and partial withholding both apply |  |            |                   |   |                      |   |                     |   |   |   |                         |   |
| D      | elected tax withholding                                 |  |            |                   |   |                      |   |                     |   |   |   |                         |   |



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| COLUMN | TITLE                   | CONTENT AND INSTRUCTIONS   | ADJUSTMENT   |
|--------|-------------------------|--|--|
|        |                         | <p>E elected tax withholding and actuarial adjustment</p> <p>F elected tax withholding and partial withholding</p> <p>G elected tax withholding, actuarial adjustment, and partial withholding</p> <p>H mandatory tax withholding</p> <p>I mandatory tax withholding and actuarial adjustment</p> <p>J mandatory tax withholding and partial withholding</p> <p>K mandatory tax withholding, actuarial adjustment, and partial withholding</p>   |  |
| (b)    | ADJUSTMENT CHECK AMOUNT | <p>The amount of the adjustment check for each payee code. The amount is the total the RR annuity, SUP ANN and the SS benefit (if we are paying it) after reduction for the new SMI premium, if enrolled for SMI and SUP ANN tax withholding. The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not printed because the claim was suspended for other than cause 98 (investigation of address) or was terminated, the amount column 1 will be blank. An asterisk(*) immediately follows the amount if a code 98 suspension (investigation of address) is in effect.</p> | All. After tax with holding beginning with 12-84 COL |



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| COLUMN | TITLE                    | CONTENT AND INSTRUCTIONS   | ADJUSTMENT   |
|--------|--------------------------|--|--|
|        |                          | If there is more than one survivor beneficiary in the payee code, only the date and the amount of the combined check are shown. This column is blank on the lines that contain data for the beneficiaries in the payee code. should be only 1 beneficiary per payee code. A code "D" indicates whether the check is going to a financial organization. | All, 1983. After 11-1-83, there  |
| (c)    | SUPP ANN RED FOR RRA MAX | This column is used to show several items as explained below: <ul style="list-style-type: none"> <li>The amount of reduction in the SUP ANN because of the RRA maximum.</li> <li>The AERO accrual amount, if it was computed. "REJ" and a reject code, if the accrual rejected.</li> <li>The amount of the windfall accrual.</li> </ul>                | COL ADJUSTMENT<br><br>AERO<br><br>WINDFALL ACCRUAL ADJUSTMENT starting 10-1-82 |
| (d)    | REJ/REV                  | This area will show the reject and special handling review codes.  | All adjustment   |

**Appendix B - COLA Mass Adjustment Reject and Review Codes**

Introduction

This appendix explains the reject and review codes for annual COLA mass adjustment operation. In each COLA mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. The type of reject is identified as follows:



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| Type         | Microfilm      | MAIS        | PREH - general inquiry | PREH - full inquiry  |
|--------------|----------------|-------------|------------------------|----------------------|
| Calculation  | "A" in item 45 | "CALC REJ"  | "REJ CD - CALC"        | MASS-ADJ-CALC-REJ-CD |
| Checkwriting | "B" in item 45 | "CHICO REJ" | "REJ CD - PYMNT"       | MASS-ADJ-PYMT-REJ-CD |

### Does a reject/review code require work?

Most reject and review codes are indications that further work must be done in the case. The codes that do not require further examiner handling are identified with an asterisk (\*) by the number in the list of codes below. The information in PREH also indicates if a reject/review requires examiner handling:

**NOTE:** Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (MASS-ADJ-PYMT-REJ-CD). The PREH earmark should be removed with RREM8 when the COL is included in the reinstatement-recertification award.

| Type             | MASS-ADJ-RESULT-CD | MASS-ADJ-SPEC-1-CD                    |
|------------------|--------------------|---------------------------------------|
| Reject - to work | 2                  | N/A                                   |
| Reject - NAN     | 1                  | N/A                                   |
| Review - to work | N/A                | First position of the code is not "X" |
| Review - NAN     | N/A                | First position of the code is "X"     |

### Clearing PREH earmarks in terminated records

An open earmark on PREH on a terminated record can be cleared with an OPO recert award by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction system

### Earlier code definitions



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The definition for some reject and review codes has changed over the years. This appendix provides the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

### **Calculation rejects - retirement RR**

The following list provides the code definitions for retirement RR formula calculation rejects:

| <b>Code</b> | <b>Definition</b>   |
|-------------|---|
| 01#         | Unknown type of legal process deduction or unknown type of party payment                    |
| 02          | Waiver  |
| 03*#        | COL already paid on December award - NAN if MASS-ADJ-PYMT-REJ-CD is 09                      |
| 04          | Percentage legal process deduction but no party record in PREH                              |
| 06          | No tiers in the employee's PREH records   |
| 07#         | party payee with SSA payment  |
| 08          | Percentage legal process deduction or party payment but the factor is missing               |
| 09          | No PIA 1 in PREH  |
| 10          | Calculated COL gross tier 1 is less than pre-COL gross tier 1                               |
| 11#         | Partition case but party's rate does not equal the tier components                          |
| 12#         | RR formula case with partition deduction and tier 1 partition amount                        |
| 13          | The type of annuity is age reduced but the annuitant is over 65 on the ABD                  |
| 14          | The sum of the calculated COL tier 1 and tier 2 is less than the pre-COL tier 1 plus tier 2 |



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| Code | Definition  |
|------|---|
| 15#  | The type of legal process computation is unknown or the type of computation in the employee's record does not agree with the type of computation code in one or more party records. |
| 16   | The employee's calculated COL rate is higher than the pre-COL rate by more than the COL percentage  |
| 17   | The employee's calculated COL net tier 1 is zero  |
| 18   | The employee's calculated COL rate is zero due to the increase in LAF C SS benefits   |
| 19   | The employee's calculated COL rate is zero and either there is no SS benefit or the SS benefit is LAF E   |
| 20   | The employee and spouse are paid under different formulas (RR versus OM)  |
| 21   | Partition case but party's tier components do not equal the employee's partition deduction amount   |
| 22#  | Non-partition case but party's rate does not equal the employee's non-partition deduction amount  |
| 23   | The employee's calculated COL rate is less than the pre-COL rate  |
| 24   | The 1937 or 1974 Act employee has no tier 2 components in PREH  |
| 25   | Percentage partition case and one or more of the party's pre-COL components is not correct  |
| 26   | The calculated COL rate is less than the pre-COL rate   |
| 27#  | The number of DRCs is excessive for the employee's DOB  |
| 28   | Percentage non-partition case but the party's pre-COL rate is not correct   |
| 29   | Spouse has percentage legal process deduction   |
| 41   | The spouse is entitled to his/her own employee annuity and has SS benefits on an account other than the employee's or the spouse's.   |



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| Code | Definition  |
|------|---|
| 42   | The divorced spouse has no previous spouse entitlement and the number of calculated age reduction months is erroneous   |
| 43   | The divorced spouse was previously entitled as a spouse and the number of calculated age reduction months is erroneous  |
| 44   | The spouse's tier 2 is blank in PREH  |
| 45   | The spouse's tier 1 must be reduced by the total annuity (s)he is entitled to as an employee  |
| 46   | The number of age reduction months calculated for the spouse is erroneous   |
| 47#  | The spouse is based on a child over 18 who is not disabled; the spouse has not been terminated (refer to RCM 1.3.18A, "When A New Application Is Required After Entitlement Ends.") |
| 48   | The sum of the COL tier 1 and tier 2 calculated for the spouse is less than the pre-COL tier 1 and tier 2   |
| 49   | The spouse pre-COL rate is zero but the calculated COL rate is greater than zero.   |
| 50   | The dual RR offset needed for the spouse cannot be calculated because the spouse's own employee tier 1 has a WC/PDB reduction   |
| 51   | The COL rate calculated for the spouse is higher than the pre-COL rate by more than the COL percentage  |
| 52   | The COL gross tier 1 calculated for the spouse is zero because there is no PIA in the employee's record in PREH   |
| 53*# | Both the spouse's pre-COL rate and the rate calculated with the COL are zero  |
| 54   | The COL rate calculated for the spouse is zero due to the increase in LAF C SS benefits   |
| 55   | There are no tiers in the spouse's PREH records   |
| 56   | The employee is a disability annuitant under the 1983 Amendments but the spouse is not age reduced  |



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| Code | Definition  |
|------|---|
| 57   | The employee and spouse are not paid under the same Act   |
| 58   | The spouse's pre-COL gross tier 1 is incorrect  |
| 59#  | The spouse's tier 2 is not reduced for the employee's vested dual benefit   |
| 60   | The COL rate calculated for the spouse is less than the pre-COL rate  |
| 61   | The spouse is entitled to an annuity as an employee but no dual offset amount was calculated for the COLA                 |
| 62   | The dual offset amount in the spouse tier 1 is erroneous  |
| 63   | The spouse is entitled to an annuity as an employee but the spouse tier 1 is not offset for the dual entitlement          |
| 64   | The spouse is entitled to an annuity as an employee and the employee annuity is missing some previous COL increases       |
| 65   | There are multiple non-divorced spouses on the rolls  |
| 66   | The COL rate calculated for the spouse is zero but the spouse is not entitled to SS benefits or the SS benefits are LAF E |
| 67   | The previous ABD is needed to calculate the spouse/divorced spouse age reduction amount                                   |
| 68   | Based on the spouse ABD, the tier 2 after COL should be age reduced but no age reduction was calculated                   |
| 69   | The spouse's PSP information in PREH contains errors  |
| 87   | The COL increase in the party payment is too large  |
| 88*  | The calculated COL rate equals the pre-COL rate   |
| 89   | The party COL-increased rate is less than the pre-COL rate  |
| 90   | The employee has a percentage non-partition deduction and a variable SMIB premium   |



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| Code | Definition  |
|------|---|
| 91   | The RRSIA 5-year case includes an illegal component: <ul style="list-style-type: none"><li>• The disabled employee is under age 62 but the rate includes a tier 2, or</li><li>• The employee does not have an SSIS but the rate includes a tier 1</li></ul> |
| 92   | The regular annuity and/or the supplemental annuity is still reduced for the RRA maximum  |
| 93   | The COL-increased RR formula rate is higher than the COL-increased OM formula rate but the annuity is reduced for a percentage non-partition deduction  |
| 94   | The employee or spouse has an age reduction in tier 1 but the annuity should be calculated under the RRSIA 60/30 provision  |
| 95   | Annuity is missing the previous COL increase.   |
| 99   | The spouse rejected because the employee rejected   |

### Calculation rejects – retirement OM

The following list provides the code definitions for retirement OM formula calculation rejects:

| Code | Definition  |
|------|---|
| 05   | The OM could not be calculated because: <ul style="list-style-type: none"><li>• The spouse/divorced spouse has a PSP, or</li><li>• The employee also receives a survivor annuity, or</li><li>• The IPI is over age 19 and not a DAC</li></ul> |
| 08   | OM formula grandfather clause applies   |
| 70   | The special minimum PIA applies   |



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| <b>Code</b> | <b>Definition</b>  |
|-------------|--|
| 71          | Work deductions apply  |
| 72          | The spouse's share is less than the spouse's SS benefit amount   |
| 73          | The spouse is also entitled to an employee annuity   |
| 74          | The calculated COL rate is less than the pre-COL rate  |
| 75          | The COL share calculated for the employee is higher than the pre-COL share by more than the COL percentage   |
| 76          | The COL share calculated for the spouse is higher than the pre-COL share by more than the COL percentage   |
| 77          | The COL share calculated for the employee is less than the pre-COL share   |
| 78          | The COL share calculated for the spouse is less than the pre-COL share   |
| 79          | The spouse should not be included in the OM because the all the children are over 16 and none of them are disabled                                       |
| 80          | The pre-COL OM amount is not offset for the SS benefits the family are receiving   |
| 81          | There are multiple spouses included in the OM  |
| 82#         | The total family SS benefit amount on the employee's account includes an amount paid to a divorced spouse; or the divorced spouse's formula code is "OM" |
| 83          | Felony case  |
| 84          | The COL rate calculated is less than zero  |
| 85          | The SS benefit amount in PREH is greater than \$999.99   |
| 86          | The calculated COL OM amount is less than the calculated COL RR rate but the RR rate may not be correct  |



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### Calculation rejects – survivor

The following list provides the code definitions for survivor calculation rejects:

| Code | Definition   |
|------|--|
| 06   | Annuitant has a percentage legal process deduction   |
| 10   | Waiver   |
| 13   | Disabled widow(er) is still reduced for months before age 60   |
| 15   | No tier information in PREH  |
| 16   | Disabled widow is not age reduced  |
| 19#  | The annuitant is suspended because of excess earnings. The tier 1 and tier 2 amounts in PREH have been updated for the COL. The checkwriting record was not updated; when the annuitant's rate can again be paid, prepare a reinstate-recertification award. |
| 50   | The family has SS benefits and the calculated COL RR rate is less than the pre-COL rate  |
| 51   | One or more COL rates calculated for the family is higher than the pre-COL rate by more than the COL percentage  |
| 52   | There is an error in the number of age reduction months  |
| 53   | The dual RR offset needed for the widow(er) cannot be calculated because the widow(er)'s own employee tier 1 has a WC/PDB reduction  |
| 54   | MBR received from SSA but tier 1 is not currently reduced for SS   |
| 55   | The widow(er) is entitled to an annuity as an employee but no dual offset amount was calculated for the COLA   |
| 56#  | Not currently used   |
| 57#  | Not currently used   |
| 58#  | Not currently used   |



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| Code | Definition  |
|------|---|
| 59   | The calculated COL family rate is higher than the pre-COL family rate by more than \$300.00   |
| 60#  | WIMA error: <ul style="list-style-type: none"><li>• 1981 amendment widow(er) but WIMA total is missing, or</li><li>• WIMA tier 2 increase amount is incorrect</li></ul>   |
| 61   | The dual RR offset in the widow(er)'s tier 1 is still the gross employee tier 1 instead of the net employee tier 1  |
| 62   | The employee had no earnings after 1936; the widow(er) is not entitled to tier 1 and the rest of the annuity (tier 2 and/or the VDB) are frozen   |
| 63   | Sole survivor conditions appear to apply to the disabled widow  |
| 64   | The employee's RIB limit amount is invalid  |
| 65   | The calculated COL rate is zero due to the increase in LAF C SS benefits  |
| 66   | The calculated COL rate is zero and either there is no SS benefit or the SS benefit is LAF E  |
| 67#  | Not currently used  |
| 68#  | COL WIMA tier 2 increase amount is incorrect  |
| 69   | The widow has an equalized amount and a restored amount   |
| 70   | The widow has an equalized amount and a spouse minimum amount   |
| 71   | Family members have the same payee code   |
| 72   | The spouse minimum applies and either of the following conditions was detected: <ul style="list-style-type: none"><li>• The rate calculated for the COL is less than the pre-COL rate</li><li>• The rate calculated for the COL is higher than the pre-COL rate</li></ul> |



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| Code | Definition   |
|------|--|
| 73   | The dual RR offset amount calculated for the COL tier 1 is less than the pre-COL dual RR offset amount   |
| 74   | The pre-COL tier 1 exceeds the PIA and the sole survivor limit   |
| 75   | The sole survivor amount applies and the annuitant has an age reduction and an OBD after 1977  |
| 76   | The SS benefit amount received for the COL includes a B benefit for which the RW should not be reduced   |
| 77   | The widow(er) is entitled to an annuity as an employee and the employee annuity is missing some previous COL increases                           |
| 78   | The widow(er)'s tier 1 must be reduced by the total annuity (s)he is entitled to as an employee  |
| 79   | The rate calculated for the COL is higher than the pre-COL rate by more than the COL percentage  |
| 80   | The rate calculated for the COL is less than the pre-COL rate; the decrease is not attributable to SS benefits or dual RR entitlement            |
| 81   | The widow(er) is entitled to an annuity as an employee but the widow(er) tier 1 is not offset for the dual entitlement                           |
| 82   | The rate calculated for the COL is less than the pre-COL rate; the decrease exceeds the increase in SS benefits and/or the dual RR offset amount |
| 83   | The RW should be reduced for all SS benefits   |
| 84   | WIMA applies and COL rate decreases, but decrease amount is not valid  |
| 88*  | The calculated COL rate equals the pre-COL rate  |
| 93*  | Both the pre-COL rate and the rate calculated for the COL are zero   |
| 94   | The pre-COL rate is zero and the rate calculated for the COL is greater than zero  |



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| Code | Definition  |
|------|---|
| 95*  | COL already paid on December award – NAN if MASS-ADJ-PYMT-REJ-CD is 09  |
| 96   | Unable to determine the DRC increase percentage because the deceased employee's day of birth is blank         |
| 97   | There is an error in the PSP information in PREH  |
| 98   | Unable to determine the deceased employee's age reduction factor because the employee's day of birth is blank |

### **Calculation rejects – retirement/survivor MBR matching**

| Code | Definition   |
|------|--|
| 30   | The COL SS benefit rate is less than the pre-COL SS benefit  |
| 31   | The COL SS benefit rate is higher than the pre-COL SS benefit amount by more than the COL percentage                     |
| 32   | The pre-COL SS benefit amount is zero  |
| 35   | An MBR record was matched to the annuity but tier 1 is not currently offset for SS benefits                              |
| 38#  | The survivor annuitant is entitled to more than one SS benefit but the correct tier 1 offset amount cannot be determined |
| 39   | The SS benefit is a Prouty benefit   |

### **Checkwriting rejects – retirement/survivor**

The following list provides the code definitions for retirement and survivor checkwriting rejects:

| Code | Definition |
|------|------------|
|------|------------|



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| Code | Definition  |
|------|---|
| 01   | There is no checkwriting record for the annuitant under the prefix, claim number and payee code that are in PREH  |
| 02   | The annuity is terminated   |
| 03   | The annuity is suspended for other than codes 35, 69, 88 or 98  |
| 04*  | The annuitant is an interim widow   |
| 05*  | The pre-COL checkwriting rate equals the calculated COL rate  |
| 07   | The pre-COL rate in PREH does not equal the pre-COL checkwriting rate   |
| 09*  | The COL was already paid on a December voucher  |
| 10   | A LAF E SS benefit is subtracted from the calculated COL tier 1 and either of the following is true:  |
|      | <ul style="list-style-type: none"><li>• there is no SS benefit on checkwriting, or</li><li>• the SS benefit on checkwriting is less than the tier 1 offset amount</li></ul>   |
| 11   | The COL tier 1 is not offset for SS benefits but there is an SS benefit on checkwriting   |
| 12   | No MBR was matched for the RR COLA so the COL tier 1 SS offset was calculated by adding the COL percentage to the pre-COL tier 1 SS offset; the resulting offset amount is less than the SS benefit on checkwriting |
| 13   | The calculated COL rate is more than \$3000.00 and the COL rate is higher than the pre-COL rate by more than the COL percentage   |
| 14   | The case is still being paid a partial rate   |
| 15   | The SS MBR is terminated for death but the RRB is still paying an annuity   |
| 16#  | Not currently used  |
| 18   | The SS benefit paid by the RRB is higher than the SS offset amount in tier 1  |



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| Code | Definition  |
|------|---|
| 20   | The checkwriting record for the employee shows a December voucher that paid the COL but this voucher is not reflected in PREH; the spouse was rejected to avoid an overpayment  |
| 22   | party record rejected because the primary annuitant rejected.   |
| 96*  | SS only case adjusted for SMIB  |
| 97*  | SS only case adjusted for the COL and SMIB  |
| 98*  | The RR annuity was adjusted for SMIB but not the COL  |
| 99   | No COL rate was calculated for the annuitant; one of the following conditions is true: <ul style="list-style-type: none"><li>• the spouse was not selected for the COLA because the employee has been in suspense more than two years, or</li><li>• the payment is a legal process payment that is not correctly identified as such on checkwriting, or</li><li>• the survivor record was not selected for the COLA because PREH shows the rate as a partial payment, or</li><li>• PREH and the checkwriting record do not have the same prefix, claim number or payee code for the annuitant</li></ul> |

### Review codes – retirement

The following list provides the definitions for retirement review codes:

| Code | Definitions   |
|------|---|
| 01   | The 1983 Amendment annuitant is under age 62 but PREH indicates tier 1 has already been adjusted for the recalculation not due until age 62 |
| 02#  | Not currently used  |
| 03*# | Not currently used  |



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| Code | Definitions  |
|------|--|
| 04*# | Not currently used   |
| 05   | The OM formula is in force; the RR formula rate needs to be updated for previous COL increases   |
| 06   | The MBR SS benefit did not reflect a COL increase so the COL percentage was added to the tier 1 SS offset.   |
| 09   | The spouse receives his/her own employee annuity and the tier 1 dual RR offset amount was not adjusted for a change that was made in the employee annuity sometime before the COLA                     |
| 10   | The spouse's pre-COL gross tier 1 is less than half the employee's PIA   |
| 11   | PREH indicates the spouse should be paid the \$10.00 guaranty in tier 2; the actual tier 2 is zero in PREH so the spouse is underpaid if the actual tier 2, with the COL increase, now exceeds \$10.00 |
| 12   | No tier 1 COL was calculated for the 1983 Amendment employee because tier 1 has not been adjusted for the recalculation due at age 62  |
| 13   | No tier 1 COL was calculated for the 1983 Amendment spouse because tier 1 has not been adjusted for the recalculation due at age 62  |
| 14   | Administrative finality was applied to a DOB discrepancy but the original DOB is not in PREH   |
| 15   | The special minimum PIA exceeds the regular PIA; the SPC MIN PIA was used for the COL but the pre-COL annuity needs to be adjusted to include the SPC MIN PIA  |
| 16   | The pre-COL gross tier 1 is underpaid for the 1983 Amendment spouse  |
| 17   | The employee has attained age 62 or age 65 but the WC/PDB reduction is still in force  |
| 18*# | Not currently used   |
| 19   | The WC/PDB offset amount is erroneous because it exceeds the gross tier 1  |



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| Code | Definitions   |
|------|---|
| 20   | The 1981 Amendment employee has amounts in PREH for components 2 and 3 of tier 2  |
| 21*# | Not currently used  |
| 22   | The spouse was paid the OM formula and the RR rate could not be accurately updated for the COL  |
| 23   | <p>The OM was paid with an SS reduction but no MBR was received from SSA because the SS benefits are paid on an account other than the employee's; the pre-COL SS amount in PREH was updated by COL percentage. The examiner should verify that the COL SS amount is correct; if the actual SS amount on the MBR is different from the amount used in the COLA take one of the following actions:</p> <ul style="list-style-type: none"><li>• Correct the amount in PREH (3200 record) if the discrepancy is \$1.00 or less, or</li><li>• recertify the monthly rate if the discrepancy is more than \$1.00</li></ul> |
| 24   | The 1983 Amendment spouse is eligible for but has not yet received the tier 1 recalculation due at age 62; the recalculated tier 1 will be greater than zero.   |
| 25   | The OM formula was paid; the COL update of the RR formula rate rejected   |
| 26   | The 1983 Amendment spouse is eligible for but has not yet received the tier 1 recalculation due at age 62; the recalculated tier 1 will be zero.  |
| 27#  | PREH shows a previous COL reject has not yet been handled   |
| 28   | An MBR record was received for the spouse; tier 1 is currently reduced for dual RR entitlement but not for SS benefits  |
| 29   | The offset for dual RR entitlement in the spouse's tier 1 was calculated by adding the COL percentage to the previous offset amount   |
| 40   | The spouse's gross tier 2 is less than 45 percent of the employee's tier 2 and the spouse's net tier 2 is greater than zero   |
| 41   | The spouse's gross tier 2 is less than 45 percent of the employee's tier 2 and the spouse's net tier 2 is zero.   |



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| Code | Definitions  |
|------|--|
| 42   | The spouse tier 1 is reduced for a non-OPM PSP. Net tier 1 was zero before the COL, but the COL net tier 1 is greater than zero. |

### Review codes – survivor

The following list provides the definitions for survivor review codes:

| Code | Definitions   |
|------|---|
| 61*# | Not currently used  |
| 62   | The spouse minimum guaranty applies   |
| 63   | The case has one annuitant who is receiving less than the minimum PIA   |
| 65#  | Not currently used  |
| 66   | The pre-COL tier 1 of the annuitant(s) is less than the statutory share; a family member may have been terminated but the corresponding adjustment was not made in the shares of the family maximum |
| 67   | The offset for dual RR entitlement in the widow(er)'s tier 1 was calculated by adding the COL percentage to the previous offset amount  |
| 68   | The family group has SS benefits and the COL rate is less than the pre-COL rate   |
| 69   | The MBR SS benefit did not reflect a COL increase so the COL percentage was added to the tier 1 SS offset.  |
| 70   | The widow(er) receives his/her own employee annuity and the tier 1 dual RR offset amount was not adjusted for a change that was made in the employee annuity sometime before the COLA               |
| 71#  | Not currently used  |
| 72   | The special minimum PIA exceeds the regular PIA; the SPC MIN PIA was used for the COL but the pre-COL annuity needs to be adjusted to include the SPC MIN PIA                                       |



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| Code | Definitions   |
|------|---|
| 73   | The remarried widow or surviving divorced spouse has tier 2 and/or VDB information in PREH  |
| 74   | PREH shows a previous COL reject has not yet been handled   |
| 75   | PREH shows DRCs that were not included in the pre-COL tier 1. The COLA did not use the DRCs. The examiner should adjust the rate to include the DRCs, or, if the DRCs are erroneous, remove them from PREH. |
| 76   | Conditions exist for Parisi redistribution; pre-COL tier 1 does not include Parisi increase.  |
| 77   | The widow's tier 1 is reduced for a non-OPM PSP. Net tier 1 was zero before the COL, but the COL net tier 1 is greater than zero.   |

### Review codes – MBR

The following list provides definitions for MBR review codes:

| Code | Definition   |
|------|--|
| 30   | <p>One of the following is true about the MBR:</p> <ul style="list-style-type: none"><li>• it is terminated, or</li><li>• it is in suspense for waiver, or</li><li>• it is in suspense for felony imprisonment, or</li><li>• it is in suspense for a trial work period</li></ul> <p>Check to be sure the MBR information is correct.</p> <p>If the MBR information is correct, remove the SS offset from tier 1; if the SS benefit is suspended for a trial work period, set a call-up to restore the tier 1 SS offset when the SS benefit is reinstated.</p> <p>If the MBR information is not correct, make the necessary corrections (eg., remove the erroneous MBR earmark, etc.)</p> |



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| Code          | Definition  |
|---------------|---|
| 31#           | The LAF is E or the RRIC is R and the SS date of entitlement is prior to the current year, but tier 1 is not offset for the SS benefit  |
| 32            | The MBR is terminated for death   |
| 33            | No MBR was matched. Tier 1 is reduced for SSA; the COL SS offset was calculated by adding the COL percentage to the pre-COL offset. Net tier 1 is zero before and after the COLA.   |
| 34            | No MBR was matched. Tier 1 is reduced for SSA; the COL SS offset was calculated by adding the COL percentage to the pre-COL offset. Net tier 1 is greater than zero.  |
| 35*<br>(Surv) | An MBR was received for survivor benefits on the deceased employee's account. Review the case to verify which agency has jurisdiction for payment of the survivor benefits. If the review confirms RRB jurisdiction, advise SSA to correct the laf code to "T0" effective with the month and year of the railroad employee's death via RR-3 using the priority fax process. |
| 35<br>(Ret)   | The 1937/1974 Act annuitant is age reduced. The SS benefit (LAF C or E) was increased before the COLA, but tier 1 was not adjusted for the increase. The correct SS offset was used in the COLA, but tier 1 must be adjusted to correct the calculation of the age reduction.   |
| 36            | The LAF C SS benefit was increased before the COLA, but tier 1 was not adjusted for the increase. The correct SS offset was used in the COLA but the pre-COL rate(s) are overpaid.  |
| 37            | The SS offset in tier 1 is higher than the SS rate received on the MBR.   |
| 38*           | The SS offset in tier 1 is higher than the SS rate received on the MBR, and net tier 1 is zero.   |
| 39            | SSA and the RRB do not agree on one or more of the following: <ul style="list-style-type: none"><li>• Name</li><li>• DOB</li><li>• BOAN</li></ul>   |



| Code | Definition   |
|------|--|
|      | <ul style="list-style-type: none"><li>The MBR matched for the COLA may not actually belong to the annuitant.</li></ul> |

### Appendix C - Survivor Decombining Adjustment (paper)

### Appendix D - Folder Notice Format (paper)

### Appendix E - AERO Mass Adjustment History

IntroductionThe following charts provide historical information for the AERO mass adjustment operations. The first chart describes the data that was displayed on microfilm and microfiche for the AERO operations from 1978 through 1992.

Beginning in 1993, micrographics were no longer used; the AERO information was provided on MAIS for the operations performed in 1993 through 1995. Beginning in 1995, AERO information is located in PREH. MAIS was not updated after 1995. The second chart provides the dates for operations after 1992.

#### Chart 1 – 1978 through 1991 AEROs

The following chart describes the information provided on micrographics for the AERO operations performed from 1978 through 1991. An asterisk(\*) next to the OPO payment date means the actual release of the accrual must be verified on the AERO SAMM tape if the annuitant was in suspense on the date the accrual was paid or if the annuitant had excess earnings in the AERO earnings year:

| Earnings year | Payment adjusted | OPO date | OPO information  | Film display      |
|---------------|------------------|----------|--|-------------------|
| 1977          | 12-1-78          | 9-25-79* | 1-1-1978 or the ABD accrued through 10-31-1978                               | N/A               |
| 1978          | 4-1-82           | 4-13-82* | 1-1-1979, 1-1-1980, 1-1-1981, 1-1-1982, or the ABD accrued through 2-28-1982 | Accrual in item c |
| 1979 and 1980 | 4-1-83           | 4-15-83* | 1-1-1980, 1-1-1981, 1-1-1982, 1-1-1983 or the ABD accrued                    | Accrual in item c |



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| Earnings year | Payment adjusted | OPO date | OPO information           | Film display  |
|---------------|------------------|----------|---------------------------|---|
|               |                  |          | through 2-28-1983         |   |
| 1981          | 8-1-84           | 9-20-84* | Accrued through 6-30-1984 | Effective date: <ul style="list-style-type: none"> <li>• A = 1-1-1982</li> <li>• B = 1-1-1983</li> <li>• C = 1-1-1984</li> <li>• D = ABD</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>• in item Q</li> <li>• in item S</li> <li>• in item T</li> </ul> Total accrual: item c |
| 1982          | 8-1-85           | 9-20-85* | Accrued through 6-30-1985 | Effective date: <ul style="list-style-type: none"> <li>• A = 1-1-1983</li> <li>• B = 1-1-1984</li> <li>• C = 1-1-1985</li> <li>• D = ABD</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>• in item M</li> <li>• in item M</li> <li>• in item S</li> </ul> Total accrual: item c |



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| Earnings year | Payment adjusted | OPO date | OPO information           | Film display  |
|---------------|------------------|----------|---------------------------|---|
| 1983          | 8-1-86           | 7-18-86  | Accrued through 6-30-1986 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1984</li> <li>● B = 1-1-1985</li> <li>● C = 1-1-1986</li> <li>● D = ABD</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>● in item K</li> <li>● in item M</li> <li>● in item O</li> </ul> Total accrual: item S |
| 1984          | 10-1-86          | 9-24-86  | Accrued through 8-31-1986 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1985</li> <li>● B = 1-1-1986</li> <li>● C = ABD</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>● in item K</li> <li>● in item M</li> </ul> Total accrual: item O  |
| 1985          | 10-1-87          | 9-24-87  | Accrued through 8-31-1987 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1986</li> <li>● B = 1-1-1987</li> </ul>  |



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| Earnings year | Payment adjusted | OPO date | OPO information           | Film display   |
|---------------|------------------|----------|---------------------------|--|
|               |                  |          |                           | <ul style="list-style-type: none"> <li>● C = ABD</li> <li>● D = month 62</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>● in item K</li> <li>● in item M</li> </ul> Total accrual: item O   |
| 1986          | 8-1-88           | 7-25-88  | Accrued through 6-30-1988 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1987</li> <li>● B = 1-1-1988</li> <li>● C = ABD</li> <li>● D = month 62</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>● in item K</li> <li>● in item L</li> </ul> Total accrual: item M |
| 1987          | 5-1-89           | 4-17-89  | Accrued through 3-31-1989 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1988</li> <li>● B = 1-1-1989</li> <li>● C = ABD</li> <li>● D = month 62</li> </ul> Increase amounts:  |



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| Earnings year | Payment adjusted | OPO date | OPO information           | Film display   |
|---------------|------------------|----------|---------------------------|--|
|               |                  |          |                           | <ul style="list-style-type: none"> <li>● in item 5</li> <li>● in item 11</li> </ul> Total accrual: item 15   |
| 1988          | 5-1-90           | 4-17-90  | Accrued through 3-31-1990 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1989</li> <li>● B = 1-1-1990</li> <li>● C = ABD</li> <li>● D = month 62</li> <li>● E = month EE 62</li> <li>● F = SSA DOE</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>● in item 5</li> <li>● in item 11</li> </ul> Total accrual: item 15 |
| 1989          | 5-1-91           | 4-18-91  | Accrued through 3-31-1991 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1990</li> <li>● B = 1-1-1991</li> <li>● C = ABD</li> <li>● D = month 62</li> <li>● E = month EE 62</li> <li>● F = SSA DOE</li> </ul>  |



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| Earnings year | Payment adjusted | OPO date | OPO information           | Film display  |
|---------------|------------------|----------|---------------------------|---|
|               |                  |          |                           | <ul style="list-style-type: none"> <li>● G = 12-1-1990</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>● in item 5</li> <li>● in item 11</li> </ul> Total accrual: item 15  |
| 1990          | 5-1-92           | 4-17-92  | Accrued through 3-31-1992 | Effective date: <ul style="list-style-type: none"> <li>● A = 1-1-1991</li> <li>● B = 1-1-1992</li> <li>● C = ABD</li> <li>● D = month 62</li> <li>● E = month EE 62</li> <li>● F = SSA DOE</li> <li>● G = 12-1-1991</li> </ul> Increase amounts: <ul style="list-style-type: none"> <li>● in item 5</li> <li>● in item 11</li> </ul> Total accrual: item 15 |

Chart 2 - AEROs after 1992

The following chart provides the dates for the AERO operations performed after 1992:

| Earnings year | Payment adjusted | OPO date | OPO accrued through |
|---------------|------------------|----------|---------------------|
|---------------|------------------|----------|---------------------|



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| Earnings year | Payment adjusted | OPO date  | OPO accrued through |
|---------------|------------------|-----------|---------------------|
| 1991          | 5-1-1993         | 4-20-1993 | 3-31-1993           |
| 1992          | 5-1-1994         | 4-19-1994 | 3-31-1994           |
| 1993          | 10-1-1994        | 9-20-1994 | 8-31-1994           |
| 1994          | 10-1-1995        | 9-19-1995 | 8-31-1995           |
| 1995          | 10-1-1996        | 9-18-1996 | 8-31-1996           |
| 1996          | 10-1-1997        | 9-18-1997 | 8-31-1997           |
| 1997          | 10-1-1998        | 9-18-1998 | 8-31-1998           |
| 1998          | 10-1-1999        | 9-20-1999 | 8-31-1999           |
| 1999          | 10-1-2000        | 9-19-2000 | 8-31-2000           |
| 2000          | 10-1-2001        | 9-18-2001 | 8-31-2001           |
| 2001          | 10-1-2002        | 9-18-2002 | 8-31-2002           |
| 2002          | 10-1-2003        | 9-19-2003 | 8-31-2003           |
| 2003          | 10-1-2004        | 9-23-2004 | 8-31-2004           |
| 2004          | 10-1-2005        | 9-22-2005 | 8-31-2005           |

## Appendix F - RAIL Mass Adjustment History

### Introduction

The following charts provide historical information for the RAIL mass adjustment operations. The first chart describes the data that was displayed on microfilm and microfiche for the RAIL operations from 1989 through 1991.

Beginning in 1992, micrographics were no longer used; the RAIL information was provided on MAIS for the operations performed in 1992 through 1995. The second chart provides the dates for these operations.

Beginning in 1995, RAIL information is located in PREH. MAIS was not updated after 1995. The second chart provides the dates for operations in 1995 and later.



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### Chart 1 - 1989-1991 RAILS

The following chart describes the information provided on micrographics for the RAIL operations performed from 1989 through 1991:

| Lag year | Payment adjusted | Accrual paid | Tier 1 eff. date (film code)   | Tier 1 increase amounts (film items)                                     | Tier 2 eff. date (film code)        | Tier 2 increase amounts (film items)                                      |
|----------|------------------|--------------|--|--|-------------------------------------|---|
| 1988     | 9-1-89           | 8-21-89      | A = ABD<br>B = 1/89<br>C = month 70<br>D = month 62<br>E = month spouse 62<br>F = SSA DOE<br>G = 12/88 | #5 = increase<br>#11 = increase<br>#15 = total accrual                   | A = ABD<br>B = VDB DOE<br>C = 12/88 | #19 = increase<br>#23 = increase<br>#31 = total accrual                   |
| 1989     | 9-1-90           | 8-20-90      | A = ABD<br>B = 1/90<br>C = month 70<br>D = month 62  | #5 = increase<br>#11 = increase<br>#14 = increase<br>#15 = total accrual | A = ABD<br>B = VDB DOE              | #19 = increase<br>#23 = increase<br>#27 = increase<br>#31 = total accrual |



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| Lag year | Payment adjusted | Accrual paid | Tier 1 eff. date (film code)  | Tier 1 increase amounts (film items)                                     | Tier 2 eff. date (film code) | Tier 2 increase amounts (film items)  |
|----------|------------------|--------------|---|--|------------------------------|---|
|          |                  |              | E = month spouse 62<br>F = SSA DOE  |  |                              |   |
| 1990     | 9-1-91           | 8-16-91      | A = ABD<br>B = 1/91<br>C = month 70<br>D = month 62<br>E = month spouse 62<br>F = SSA DOE | #5 = increase<br>#11 = increase<br>#14 = increase<br>#15 = total accrual | A = ABD<br>B = VDB DOE       | #19 = increase<br>#23 = increase<br>#27 = increase<br>#31 = total accrual<br>#35 = spouse o/p amount<br>#39 = net T1 + T2 accrual |

Chart 2 - RAILs 1992 and later

The following chart provides the dates for the RAIL operations performed after 1991:

| Lag year | Payment adjusted | Accrual paid |
|----------|------------------|--------------|
| 1991     | 9-1-92           | 8-17-92      |
| 1992     | 9-1-93           | 8-18-93      |
| 1993     | 9-1-94           | 8-19-94      |



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| Lag year | Payment adjusted | Accrual paid |
|----------|------------------|--------------|
| 1994     | 9-1-95           | 8-18-95      |
| 1995     | 7-1-96           | 6-18-96      |
| 1996     | 7-1-97           | 6-18-97      |
| 1997     | 7-1-98           | 6-18-98      |
| 1998     | 7-1-99           | 6-18-99      |
| 1999     | 7-1-00           | 6-20-00      |
| 2000     | 7-1-01           | 6-19-01      |
| 2001     | 7-1-02           | 6-18-02      |
| 2002     | 7-1-03           | 6-18-03      |
| 2003     | 7-1-04           | 6-22-04      |
| 2004     | 7-1-05           | 6-23-05      |

### Appendix G - COL Increase Percentages

#### Percentages

The following table provides the annual COL increase percentages for tier 1 and tier2.

| Date   | Tier 1 % | Tier 2 % | Date    | Tier 1 % | Tier 2 % |
|--------|----------|----------|---------|----------|----------|
| 1965   | 7        | N/A      | 12/1992 | 3        | 1        |
| 1968   | 13       | N/A      | 12/1993 | 2.6      | 0.8      |
| 1970   | 15       | N/A      | 12/1994 | 2.8      | 0.9      |
| 1971   | 10       | N/A      | 12/1995 | 2.6      | 0.8      |
| 9/1972 | 20       | N/A      | 12/1996 | 2.9      | 0.9      |



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| Date    | Tier 1 % | Tier 2 % | Date    | Tier 1 % | Tier 2 % |
|---------|----------|----------|---------|----------|----------|
| 3/1974  | 7        | N/A      | 12/1997 | 2.1      | 0.7      |
| 6/1974  | 3.74     | N/A      | 12/1998 | 1.3      | 0.4      |
| 6/1975  | 8        | N/A      | 12/1999 | 2.5      | 0.8      |
| 6/1976  | 6.4      | N/A      | 12/2000 | 3.5      | 1.1      |
| 6/1977  | 5.9      | 1.9      | 12/2001 | 2.6      | 0.8      |
| 6/1978  | 6.5      | 2.1      | 12/2002 | 1.4      | 0.5      |
| 6/1979  | 9.9      | 3.2      | 12/2003 | 2.1      | 0.7      |
| 6/1980  | 14.3     | 4.6      | 12/2004 | 2.7      | 0.9      |
| 6/1981  | 11.2     | 3.6      | 12/2005 | 4.1      | 1.3      |
| 6/1982  | 7.4      | 2.4      | 12/2006 | 3.3      | 1.1      |
| 6/1983  | N/A      | 1.1      | 12/2007 | 2.3      | 0.7      |
| 12/1983 | 3.5      | N/A      | 12/2008 | 5.8      | 1.9      |
| 12/1984 | 3.5      | 1.1      | 12/2009 | 0        | 0        |
| 12/1985 | 3.1      | N/A      | 12/2010 | 0        | 0        |
| 12/1986 | 1.3      | 0.4      |         |          |          |
| 12/1987 | 4.2      | 1.4      |         |          |          |
| 12/1988 | 4        | 1.3      |         |          |          |
| 12/1989 | 4.7      | 1.5      |         |          |          |
| 12/1990 | 5.4      | 1.8      |         |          |          |
| 12/1991 | 3.7      | 1.2      |         |          |          |



## Appendix H - Non-Current Mass Adjustment Reject And Review Codes

Appendix H provides lists of reject and review codes for mass adjustment operations which are either no longer performed or are not performed on an annual basis. The operations covered are:

- i. Section 1: Vested Dual Benefit Cutback
- j. Section 2: Retirement Lag/DRC Adjustment
- k. Section 3: Student Phase-Out Operations

### Section 1: Vested Dual Benefit Cutback Reject Codes

The following is a list of the reject codes for VDB Cutback adjustments.

#### Retirement DP&A RR Calculation Reject Codes for VDB Cutback Adjustment

| Reject Code | Explanation   |
|-------------|---|
| 11          | Appears no CB in force (used in mass adjustment to remove CB reduction)                     |
| 12          | Research VDB after cutback greater than Research VDB after age reduction                    |
| 13          | The gross windfall minus the age reduction and military service reduction is less than zero |
| 14          | VDB after Adjustment is less than zero  |
| 15          | Annuity after VDB adjustment is less than zero  |
| 16          | Invalid increase  |
| 17          | VDB after CB is zero  |
| 20          | Entire VDB is being withheld for work deductions  |
| 21          | Part of VDB is being withheld for work deductions   |
| 23          | Total VDB equals VDB after CB   |



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| Reject Code | Explanation                      |
|-------------|----------------------------------|
| 24          | Invalid VDB age reduction amount |

### Survivor DP&A RR Calculation Reject Code for VDB Cutback Adjustment

| Reject Code | Explanation  |
|-------------|--|
| 50          | Net VDB after adjustment is zero                       |
| 51          | Widow(er's) annuity after adjustment is less than zero |
| 52          | Family annuity rate after Adjustment is less than zero |
| 53          | No change in widow(er)'s annuity after adjustment      |
| 54          | No change in family annuity rate after adjustment      |
| 55          | Record indicates VDB not previously adjusted           |
| 56          | Annuity after adjustment is out of range               |
| 57          | Appears CB amount incorrect                            |
| 58          | Error in net annuity                                   |

### Retirement and Survivor Benefit Payment (Checkwriting) Reject Codes for VDB Cutback Adjustment

| Reject Code | Explanation   |
|-------------|---|
| 01          | There is no CHICO master.   |
| 04          | The CHICO record is interim widow.  |
| 05          | The CHICO pre VDB cutback rate equals the rate after VDB cutback from Research. |
| 07          | The pre VDB cutback rate in CHICO does not equal the pre VDB                    |



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| Reject Code | Explanation                 |
|-------------|-----------------------------|
|             | cutback rate from Research. |

### Section 2: EE LAG Reject and Review Codes

The following is a list of the reject and review codes for the EE LAG adjustment. The last LAG mass adjustment was performed in May 1988, Beginning in 1989, the RAIL job (Section 6) added lag service to annuity computations.

### Employee DP & A RR Calculation Reject Codes for EE LAG Adjustment

| Reject Code | Explanation   |
|-------------|---|
| 08          | COL Reject  |
| 10          | J & S Option  |
| 11          | Waiver  |
| 12          | Tier 1 withheld- felony                                     |
| 13          | Computed gross Tier 1 unequal to gross Tier 1 in RES record |
| 14          | Computed old rate unequal to old rate in RES record         |
| 17          | O/M Case  |
| 22          | Reduced LY83 case age 62 but tier 1 not yet recalculated    |
| 40          | Invalid age reduction months                                |
| 41          | Tier Increase negative or too high                          |
| 42          | Decrease case   |
| 43          | Lag recomp - increase too high                              |
| 44          | Additional DRC increase too high                            |
| 46          | New Rate Zero   |



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| Reject Code | Explanation  |
|-------------|--|
| 47          | No offset, and increase percentage too high            |
| 48          | Incorrect ABD --DRC's invalid                          |
| 49          | Administrative finality applied to E/E DOB discrepancy |

### Spouse DP & A RR Calculation Reject Codes for EE LAG Adjustment

| Reject Code | Explanation  |
|-------------|--|
| 18          | Waiver   |
| 19          | Computed old rate unequal to old rate in RES record        |
| 20          | O/M Case   |
| 52          | Gross tier 1 not recomputed                                |
| 53          | Spouse has other RR benefit amount but not own E/E annuity |
| 54          | 1937/74 Act - Tier 1 decrease before age                   |
| 55          | Age reduction months greater than 36                       |
| 56          | Spouse alone - no matching EE record                       |
| 57          | Net increase in the spouse tier 1 is negative or too high  |
| 58          | Spouse decrease case                                       |
| 59          | Administrative finality applied to SP DOB discrepancy      |
| 60          | Spouse increase percentage too high                        |
| 61          | New rate zero  |
| 62          | SP has WC reduction  |
| 63          | SP has own E/E annuity                                     |



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| Reject Code | Explanation   |
|-------------|---|
| 64          | SP has other RR annuity amount equal to SP gross tier 1 |
| 65          | Calculated age reduction months are zero                |
| 66          | Error in divorced spouse age reduction months           |

### Employee and Spouse Benefit Payment (Checkwriting) Reject Codes for EE LAG Adjustment

| Reject Code | Explanation  |
|-------------|--|
| 01          | No CHICO Master  |
| 02          | CHICO record terminated  |
| 03          | CHICO record in suspense for other than cause 98   |
| 04          | CHICO record is interim widow  |
| 05          | Matched on new rate  |
| 07          | Unmatched on old rate  |
| 11          | Railroad adjustment computed without social security offset - SS benefit in active pay status on CHICO |
| 12          | Due process  |
| 13          | New rate more than \$2000 or too small for SMI premium deduction                                       |

### Employee and Spouse Special Handling (Review) Codes For EE LAG Adjustment

| Reject Code | Explanation     |
|-------------|-----------------|
| 31          | Dual RR case    |
| 32          | Retro DRC's due |



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| Reject Code | Explanation                                     |
|-------------|---|
| 33          | Check LAG PIA - may be paid too early           |
| 34          | SP tier 1 withheld - felony or alien suspension |

### Section 3 - Student Reinstatement and Family Adjustment Reject Codes

The following is a list of the reject and special handling codes the Student Reinstatement and Family Adjustment.

### DP&A Calculation Reject Codes for Student/Family Adjustment

| Reject Code | Explanation   |
|-------------|---|
| 1           | Waiver of benefits is involved  |
| 2           | Partial award   |
| 3           | Widow(er) with own RR annuity   |
| 4           | Tier I PIA equals zero or tier I PIA is over \$1,200  |
| 5           | Disabled widow(er) with no age reduction  |
| 6           | More than one widow(er) or remarried widow(er)  |
| 7           | Retirement to survivor conversion phase-out student involved                                |
| 8           | Non-student CPS family member was COL reject  |
| 9           | Non-student CPS family member with net tier 1 and no 4(g) takeback amount                   |
| 10          | Family composition in force is greater than family composition in CPS                       |
| 11          | Redetermination savings clause--aged widow(er) and student only involved                    |
| 12          | Redetermination savings clause applies--aged widow(er) and 2 or more other members involved |



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| Reject Code | Explanation  |
|-------------|--|
| 13          | Student alone receiving SS benefit   |
| 14          | Family member other than widow(er) has an SS benefit   |
| 15          | 1937 Act Conversion case where the additional amount payable in tier II applies  |
| 16          | Non-student family member with net tier I but no 4(g) amount recovered   |
| 26          | 1981 Act case  |
| 27          | No student in family with date of birth after 10-01-61.  |
| 41          | Deemed PIA is greater than regular PIA in force  |
| 42          | Disabled widow with less than 60 or more than 180 age reduction months   |
| 43          | May individual rate increased by more than [15%]   |
| 44          | May individual rate decreased  |
| 45          | May individual rate increased more than \$200.00   |
| 46          | May family rate increased by more than \$400.00  |
| 47          | June 1982 individual rate increased by more than 65%<br><br>In June 1983 and June 1984 this code means: additional tier 2 amount |
| 48          | June 1982 individual rate decreased  |
| 49          | June individual rate increased 58 more than \$200.00   |
| 50          | June 1982 family rate increased more than \$400.00   |
| 51          | Frozen minimum or special minimum PIA applies  |
| 52          | EE year of eligibility is zero or after 1981   |



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| Reject Code | Explanation  |
|-------------|--|
| 53          | PIA not in PIA table   |
| 54          | EE year of eligibility is after 1978 and EE DOD is after (1982)                            |
| 55          | 1981 Act Case (1982) Increase Case   |
| 56          | September individual rate increased more than 35%  |
| 57          | Student September net tier I is greater than May net tier I (does not include SSM Student) |
| 58          | Student September rate is less than 70% (1982) or 60% of the May rate                      |
| 59          | Deemed PIA is greater than regular and special minimum PIA                                 |

### Benefit Payment (Checkwriting) Reject Codes for Student/Family Adjustments

| Reject Codes | Explanation   |
|--------------|---|
| 01           | There is no CHICO master  |
| 05           | The CHICO pre adjustment rate equals the rate after adjustment from Research          |
| 07           | The pre adjustment rate in CHICO does not equal the pre adjustment rate from Research |

### Special Handling Codes for Student/Family Adjustment

| Code | Explanation   |
|------|---|
| 10   | Widowed Mother/Father in suspense, should be terminated                                 |
| 17   | Computed net annuity not within dollar tolerance of net annuity in the Research record. |



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| Code | Explanation   |
|------|---|
| 41   | No May 1982 family maximum amount.                              |
| 42   | One member student family with sole survivor equal to \$122.00. |
| 43   | Student with EE years of eligibility zero or after 1981.        |
| 44   | Sole survivor student with no tier 1 benefit.                   |

**Appendix I - Supplemental Annuity Sequestration History**

| Check Dates  | %   | Notice                | Microfilm      | Description   |
|--|-----|-----------------------|----------------|---|
| 12-1-87 through 2-1-88<br>(benefit for 11/87-1/88)   | 8.5 | T-10 check<br>stuffer | 11-87 SUPP ADJ | Benefits reduced  |
| 3-1-88(benefit for 2/88)                             | N/A | T-17 check<br>stuffer | 2-88 SUPP ADJ  | <p>Cutback removed. Full refund for 1/87 - 1/88 paid unless:</p> <ul style="list-style-type: none"> <li>employee suspended other than code 98</li> <li>cutback removed by examiner on January voucher</li> </ul> <p>January 1988 TAS Recert removed cutback from 2/1/88 payment. February mass adjustment issued refund for 11/87 - 12/87</p> |
| 11-1-89 through 2-1-90<br>(benefit for 10/89 - 1/90) | 2.7 | T-10 letter           | 10-89 SUPP ADJ | Benefits reduced  |
| 3-1-90 through 10-1-90<br>(benefit for 2/90 - 9/90)  | 0.7 | T-48 letter           | 2-90 SUPP ADJ  | Percentage reduced. Difference between 2.7% and 0.7% for 10/89 - 1/90 paid unless:  |



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| Check Dates                 | %   | Notice      | Microfilm | Description   |
|-----------------------------|-----|-------------|-----------|---|
|                             |     |             |           | <ul style="list-style-type: none"> <li>suspended for other than code 98</li> <li>amount less than \$1.00</li> </ul> |
| 11-1-90 (benefit for 10/90) | N/A | T-10 letter | None      | Cutback removed. No refund.   |

**Appendix J - Vested Dual Benefit Adjustment History**

| ADJ DT   | CB%  | CHECK DT | EXPLANATION  |
|----------|------|----------|--|
| 09/17/81 | 21%  | 10/01/81 | VDB reduced effective 9/81<br>Notice - mechanical letter<br>Record - 10/01/81 VDB CB microfilm       |
| 11/16/81 | 100% | 12/01/81 | VDB for 11/81 withheld<br>Notice - postcard<br>Record - 12/01/81 MOMS microfilm                      |
| 12/04/81 | N/A  | 12/04/81 | OPO issued for 79% of VDB for 11/81<br>Notice - postcard<br>Record - 12/01/81 VDB SUPP PMT microfilm |
| 12/16/81 | 15%  | 01/01/82 | VDB reduced effective 12/81<br>Notice - T-18 insert<br>Record - 01/02/82 VDB CB microfilm            |
| 02/16/82 | N/A  | 02/16/82 | OPO issued for 6% of VDB for 9/81, 10/81 and 11/81   |



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| ADJ DT   | CB%  | CHECK DT | EXPLANATION  |
|----------|------|----------|--|
|          |      |          | Notice - T-5 insert<br>Record - 02/16/82 VDB ACCL microfilm  |
| 09/20/82 | 0%   | 10/01/82 | Full VDB paid retroactively effective 7/82. The VDB was increased eff with the 10/01 payment for 9/82. The accrual for 7/82 and 8/82 was included in the 10/01 pymt.<br><br>Notice - T-6 insert<br>Record - 10/01/82 VDB ADJ microfilm |
| 03/18/86 | 7.7% | 04/01/86 | VDB reduced effective 3/86<br><br>Notice - T-32 insert<br>Record - 03/01/86 VDB CB microfilm   |
| 09/15/86 | 0%   | 10/01/86 | Full VDB paid effective 9/86<br><br>Notice - T-16 insert<br>Record -09/01/86 AERO/WF ADJ microfilm   |
| 03/01/88 | 5.3% | 04/01/88 | VDB reduced effective 3/88<br><br>Notice - T-8 insert<br>Record - 04/01/88 VDB CB microfilm  |
| 09/19/88 | 0%   | 10/01/88 | Full VDB paid effective 9/88<br><br>Notice - T-16 insert<br>Record - 09/01/88 VDB ADJ microfilm  |
| 12/15/95 | 64%  | 01/01/96 | VDB reduced effective 12/95<br><br>Notice - T-60 letter<br>Record - PREH   |



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| ADJ DT   | CB% | CHECK DT | EXPLANATION  |
|----------|-----|----------|--|
| 01/19/96 | 0%  | 02/01/96 | Full VDB paid effective 12/95. The monthly payment for 1/96 was increased. An OPO was issued for 12/95.<br><br>Notice - T-60 letter<br><br>Record - PREH |

### Appendix K - AERO Mass Adjustment Reject and Review Codes

This appendix explains the reject and review codes for the annual AERO mass adjustment operation.

In each AERO mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. Calculation rejects are type "A" in item 45 of the microfilm, "CALC REJ" on MAIS and "REJ CD CALC" on the MAD screen of PREH. Checkwriting rejects are type "B" in item 45 of the microfilm, "CHICO REJ" on MAIS and "REJ CD PYMNT" on the MAD screen of PREH.

Most reject and review codes are indications that further work must be done in the case. Some reject and review codes do not cause the case to be earmarked for further handling by examiners. The codes that do not require further examiner handling are identified with an asterisk (\*) by the number.

**NOTE:** Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (PREH: 'REJ CD PAYMENT'). Prior to the 1998 AERO, the earmark was only present on PREH, not DATAQ. Before submitting a reinst/recert award, verify any earmarks on PREH, screen 3250, and remove them if appropriate. Beginning with the 1998 AERO, earmarks are no longer present on DATAQ regardless of the reject or review code.

An open earmark on PREH is to be cleared on a terminated record by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards and processing an OPO recert award. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction facility.



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The definition of some codes has changed over the years. This appendix gives the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

### DPA RR Calculation Reject Codes for AERO Adjustment (Film:"REJ A")(MAIS:"CALC REJ")(PREH:"REJ CD CALC")

| Reject | Explanation   |
|--------|---|
| Codes  |   |
| 01*    | Increase in years of coverage but not PIA   |
| 02*    | Termination   |
| 03     | DRCs exceed maximum number allowable based on age   |
| 04     | Partial Award   |
| 05*    | AERO wages but insufficient to increase PIA or already included in the PIA  |
| 06*    | Temporary rate  |
| 07     | Work deduction information out-of-balance or tier 1 work deduction with SSA offset or VDB work deduction but no VDB or tier 1 work deduction with prior COLA reject |
| 08     | Tier 1 PIA missing  |
| 09     | Error in pre-AERO net tier 1 in PREH  |
| 10     | Joint and survivor option   |
| 11     | Employee waiver   |
| 12     | Record shows reduced age annuity but no age reduction or full age or disability annuity with age reduction  |
| 13     | Pre-AERO Gross tier 1 in PREH incorrect   |
| 14     | Error in employee pre-AERO annuity rate in PREH   |



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| Reject | Explanation  |
|--------|--|
| 15     | Employee adjusted rate is negative   |
| 16     | EE has multiple SSN's, SSA indicates the SSN is incorrect or the wage record may have an error; the PIA increase seems excessive so the case has been rejected |
| 17     | EE paid under O/M  |
| 18     | Spouse Waiver  |
| 19     | Error in spouse pre-AERO annuity rate in PREH  |
| 20     | Spouse paid under O/M  |
| 21     | Worker's compensation or other disability benefit reduction  |
| 22     | Increase in employee adjusted net annuity rate is excessive; the wages posted may be erroneous; request a field office investigation where appropriate         |
| 23     | Employee type of annuity code blank in PREH  |
| 24     | Recomp not payable until future date   |
| 25     | 1937 Act case and wage record may be incorrect or employee's age makes the wages suspect   |
| 26     | PIA must be modified for NCSP  |
| 27     | The employee's lawyear type code in the record is invalid  |
| 28     | EE is LY83 disability but SP not age reduced   |
| 29     | Current PIA is AIME PIA; AERO PIA is not AIME PIA  |
| 30     | Discrepancy between the annuity type code used by SEARCH and the annuity type code now in PREH   |
| 31     | Discrepancy between the PIA 1 eligibility year used by SEARCH and the eligibility year now in PREH   |



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| Reject | Explanation   |
|--------|---|
| 32     | SP has own RR annuity but the offset amount in the record does not reduce the adjusted spouse tier 1 to zero  |
| 33     | SP annuity type code blank in PREH  |
| 34     | SP PSP amount must be verified before tier 1 increase can be paid   |
| 35     | RRA max applies and tier I increase payable from ABD; use FAMC on AERO G90 if employee paid final after 4-27-94; otherwise request FAMC computation under old rules. Not used after 2001. |
| 36     | RRA max may apply; use FAMC on AERO G90 if employee paid final after 4-27-94; otherwise request FAMC computation under old rules. Not used after 2004.                                    |
| 37     | RR Earnings may be posted as SS wages   |
| 38     | Employee net tier 1 zero but rate increases   |
| 39     | SEARCH Reject   |
| 40     | Employee calculated age reduction months exceed the maximum allowable   |
| 41     | Decrease in employee net tier I   |
| 42     | Employee rate decrease more than a dollar   |
| 43*    | Employee rate decrease less than a dollar   |
| 44     | Divorced spouse age reduction based on previous spouse annuity ABD - previous ABD not in PREH   |
| 45     | Lawyear 83 spouse is less than 62 but the record shows the age 62 tier 1 recalculation has been done  |
| 47     | RRA max applies; PIA I increase may be due from ABD; new FAMC provided on AERO G90. Not used after 2001.  |
| 48     | Spouse based on non-disabled child who has attained age 16  |
| 52     | Current SPC MIN PIA exceeds current regular PIA 1 but SPC MIN not used  |



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| <b>Reject</b> | <b>Explanation</b>  |
|---------------|---|
|               | for tier 1  |
| 53            | Spouse rate decrease more than a dollar   |
| 54*           | Spouse rate decrease less than a dollar   |
| 55            | Calculated spouse age reduction months exceed the maximum allowable or do not equal the number of months PREH   |
| 56            | Spouse net tier 1 zero but total rate increases   |
| 57            | Decrease in spouse net tier I   |
| 58            | Spouse adjusted rate is negative  |
| 59            | Increase in spouse new rate is excessive  |
| 61            | Annuity type is full age 65 but EE under 65 on ABD  |
| 62            | Lawyear 83 EE - less than 360 RR Service months in EDM  |
| 63            | Administrative finality applied to employee DOB but original DOB not in record  |
| 64            | Administrative finality applied to spouse DOB but original DOB not in record  |
| 65            | AERO PIA program calculated TRANS or 1977 O.S PIA; current PIA is AIME or AMW   |
| 66            | Employee has earnings in the AERO year or the prior year; RBD previously reported an error in the employee's earnings record. Determine if the previous error has been corrected. |
| 67            | Total work deduction amount increased by more than the increase in tier 1 or case has tier 1 work deduction and net annuity changed   |
| 68            | No wage record received for AERO; AERO PIA less than PREH PIA   |
| 69            | EE currently overpaid because RR earnings erroneously duplicated by SSA were used in the current PIA  |
| 70            | AERO PIA must be recomputed to include deemed MS credits  |



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| Reject | Explanation   |
|--------|---|
| 72     | No change in AMW/AIME but PIA decreases - possible error in previous payments   |
| 73     | Percentage of EE's annuity is being garnished   |
| 74     | AERO PIA eligibility year is different from current PIA eligibility year; AERO PIA less than current PIA  |
| 75*    | EE has more than 4 periods of M/S   |
| 76     | AERO PIA less than current PIA - AERO wages included in PIA   |
| 77     | Dual EE receives spouse or widow annuity which must be reduced for EE AERO increase   |
| 78     | Multiple non-divorced spouses on record   |
| 79*    | Tier 1 zero but rate increases- increase less than \$1.00   |
| 80     | 1959 RR compensation code blank in PREH; AERO PIA must be recomputed  |
| 81     | Employee has miscellaneous compensation 1982-84 and AERO PIA less than PREH PIA   |
| 82     | Correct SS benefit rate not available for tier 1 offset   |
| 83     | Lawyear 83 employee with pre-ABD earnings that increase the ABD PIA   |
| 84     | SEARCH did not use correct special drop out years for the PIA calculation; request a new PIA computation  |
| 85     | Open RAIL reject  |
| 86     | Employee returned to service after the ABD and the annuity was suspended for a period of months.  |
| 87     | Employee has wages in the AERO year but administrative finality was previously applied to the earnings record. Request a PIA computation from CCU using the new wages with the earnings record to which finality was applied. |



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| Reject | Explanation   |
|--------|---|
| 88*    | No change in net annuity rate   |
| 89     | More than 3 service months have been reported for periods after the ABD – A&T must investigate for a return to RR service; adjust the case based on the revised G90 |
| 90     | RRSIA 5 year annuity with gross tier 1 but employee does not have SS insured status.  |
| 99     | Spouse rejected because employee rejected   |

Checkwriting Reject Codes for AERO Adjustment (Film:"REJ B")(MAIS:"CHICO REJ")(PREH:"REJ CD PYMNT")

| Reject | Explanation   |
|--------|---|
| 01     | No CHICO master   |
| 02     | CHICO record terminated   |
| 03     | CHICO record in suspense for other than cause 35, 69, 88 or 98                |
| 04*    | CHICO record is interim widow   |
| 05*    | Calculated AERO rate equals the rate already being paid                       |
| 07     | Pre-AERO rate in PREH not equal to rate being paid on the checkwriting record |
| 11     | No SSA offset in computed annuity but SSA benefit in pay status               |
| 12     | Due process   |
| 13     | New rate too small for SMI premium rate.                                      |
| 14     | CHICO record still in partial rate status.                                    |
| 15     | MBR indicates annuitant deceased  |



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| Reject | Explanation  |
|--------|--|
| 19     | Employee address is foreign (non-Canadian) - AERO wages may be erroneous |
| 20     | Unhandled RAIL reject  |

Special Handling Review Codes for AERO Adjustment (MAIS:"REV 1, 2, 3")(PREH:"SPEC HNDL CODE 1")

| Codes | Explanation   |
|-------|---|
| 27#   | Based on the service months in EDM, an increase is due in the supplemental annuity, or the employee is now entitled to a supplemental annuity                           |
| 28#   | Disability freeze is terminated; AERO PIA may need to be adjusted   |
| 29    | LY 83 case due increase from first month 62 entire month; AERO paid increase from January of year age 63  |
| 30    | LY83 tier 1 needs to be adjusted from an earlier date.  |
| 31*   | All or part of the PIA increase is due to earnings record corrections for years prior to last year, but the corrections do not produce a PIA increase of \$1.00 or more |
| 32#   | Tier 1 accrual effective date restricted to the SSA benefit date of entitlement   |
| 33    | Reduced Lawyear 83 annuitant over 62 on ABD   |
| 34    | Tier 1 accrual effective date restricted to either the effective date or the ending date of tier 1 work deductions.   |
| 35    | Tier 1 accrual effective date restricted to the month the formula switched from OM to RR.   |
| 36    | Tier 1 accrual effective date is the ABD for a dually entitled spouse; the tier 2 restored amount may need to be adjusted.  |
| 37    | Tier 1 accrual effective date restricted to the DRC effective date.   |



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| Codes | Explanation   |
|-------|---|
| 38    | Tier 1 accrual effective date restricted to one of the following: <ul style="list-style-type: none"><li>• The date the SSA benefit offset changed for other than the COL, or</li><li>• The date the SSA benefit offset terminated, or</li><li>• The date of entitlement to a PSP, or</li><li>• The date the PSP changed, or</li><li>• The date the spouse became entitled to her own employee annuity</li></ul>   |
| 40    | The PIA increase paid from January of the current year is payable from an earlier date (AERO G90 has one PIA); or in addition to the PIA increase paid from January of the current year, there is another recomp payable from an earlier date (AERO G90 has 2 PIAs). An "earlier date" does not necessarily refer to January of the previous year. Please refer to RCM 8.11, PIA Determinations, for further instructions. Request appropriate recomps via G-563. |
| 41    | The FAMC has increased; the annuity is currently reduced for the RRA maximum; the maximum should be re-tested with the new FAMC and any tier 1 increase payable on the ABD. Not used after 2001.  |

AERO Accrual Calculation Reject Codes for AERO Adjustment(MAIS:"T1 ACCRL REJ")(PREH:"SPEC HNDL CODE 2: "A")

| Reject Codes | Explanation   |
|--------------|---|
| 90#          | Not currently used  |
| 91           | Invalid ABD.  |
| 92*          | Invalid accrual date, eg. no accrual payable because the increase is effective only from the current month (i.e., September 1st). |
| 93#          | Not currently used  |
| 94*          | Accrual less than \$1.00.   |



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| Reject Codes | Explanation   |
|--------------|---|
| 95           | There are no tier 1 work deductions in force in the recurring monthly rate, but deductions were in force in the accrual period, or the tier 1 work deduction currently in force is a partial amount |
| 98           | LAF C SS benefit ("A" benefit if employee; "B" benefit if spouse)   |
| 99           | The annuitant has a tier 1 SSA benefit offset, but the entitlement date for the benefit (3205-SS-BENF-CURR-ENT-DT) is missing in PREH   |

### Appendix L - RAIL Mass Adjustment Reject and Review Codes

This appendix explains the reject and review codes for the annual Retirement Adjustment to Include Lag (RAIL) mass adjustment operation. In the RAIL mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. Calculation rejects are type "A" in item 45 of the microfilm, "CALC REJ" on MAIS and "REJ CD CALC" on the MAD screen of PREH. Checkwriting rejects are type "B" in item 45 of the microfilm, "CHICO REJ" on MAIS and "REJ CD PYMNT" on the MAD screen of PREH.

Most reject and review codes are indications that further work must be done in the case. In this situation, DATAQ will show "RE" under the specific mass adjustment operation earmark code. Some reject and review codes do not cause the case to be earmarked for further handling by examiners. The DATAQ display in these instances will be "OK". The codes that do not require further examiner handling are identified with an asterisk (\*) by the number.

**NOTE:** Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (PREH: 'REJ CD PAYMENT'). The earmark is only present on PREH, not DATAQ. Therefore, when doing a reinst/recert verify any earmarks on PREH, screen 3250, and remove them if appropriate.

An open earmark on PREH is to be cleared on a terminated record by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards and processing an OPO recert award. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction facility.



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The definition of some codes has changed over the years. This appendix gives the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

Annuity calculation recurring rate rejects(Film:"REJ A")(MAIS:"CALC REJ")(PREH:"REJ CD CALC")

| Code | Explanation  |
|------|--|
| 01   | Annuitant terminated for death – compute any accrued annuity due; if there is a survivor annuitant on the rolls, refer the case to SBD to adjust the survivor annuity  |
| 02   | Annuitant terminated for reason other than death   |
| 03   | SEARCH was not able to provide PIA or tier 2 amounts   |
| 04   | Employee's post-1977 railroad earnings may also be erroneously posted as SS wages  |
| 05   | OM formula currently paid or the OM was paid for a past period   |
| 06   | Employee's Research record coded as LY83 half-age reduction or as 1981 Amendment 60/30   |
| 07   | One of the following applies: 1) temporary rate is being paid, 2) employee has non-entitlement months due to return to service, or 3) employee is disabled and has non-entitlement months due to excess earnings |
| 08   | Gross VDB Zero   |
| 09   | DRC case with unreliable PIA or tier 1 calculation   |
| 10   | Annuity reduced for percentage legal process deduction   |
| 11   | Tier 1 reduced for WC or PDB   |
| 12   | Annuity waiver in force  |
| 13   | Divorced spouse not coded as 1981 Amendment annuity, or spouse type of lawyear is not the same as the employee's.  |
| 14   | Spouse ABD before EE ABD or SP ABD not current or prior year   |



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| Code | Explanation  |
|------|--|
| 15   | Annuitant also entitled to other RR annuity. Make all necessary adjustments in both annuities. |
| 16   | 60/30 employee but EDM has less than 360 service months  |
| 17   | Spouse in partial status-RASI final award will not reflect employee RAIL information           |
| 18   | Employee occupational disability under age 60 on ABD but EDM has less than 240 service months  |
| 19   | EDM has less than 120 service months   |
| 20   | Too many M/S months may be included in RAIL total months                                       |
| 21   | Computed employee age reduction months negative or greater than the maximum allowable          |
| 22   | Employee coded as full lawyear 83 62/30 but also coded as being age reduced                    |
| 23   | Spouse coded as lawyear 83 half age reduction  |
| 24   | Spouse of lawyear 83 disability employee but spouse tier 1 is not age reduced                  |
| 25   | Computed spouse age reduction months do not equal age reduction months in the research record  |
| 26   | Spouse adjusted tier 2 less than current tier 2  |
| 27   | Employee adjusted annuity rate less than current annuity rate                                  |
| 28*  | Employee adjusted rate changed less than \$1.00  |
| 29   | Increase in employee adjusted annuity rate seems too high                                      |
| 30   | Spouse adjusted annuity rate less than current annuity rate                                    |
| 31*  | Spouse adjusted rate changed less than \$1.00  |
| 32   | Increase in spouse adjusted annuity rate seems too high  |



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| Code | Explanation  |
|------|--|
| 33   | DRC only case, additional DRCs payable on ABD and RRA Max. reduction currently greater than zero         |
| 34   | RRA maximum cannot be tested because correct ABD PIA not available                                       |
| 35   | Calculated RRA max reduction greater than zero and adjustment cannot be made                             |
| 36   | Error in computed tier 2 VDB reduction   |
| 37   | Decrease in total service months resulting in tier 2 decrease  |
| 38   | Employee adjusted tier 2 less than current tier 2  |
| 39   | Increase in employee adjusted tier 2 seems too high  |
| 40   | Increase in spouse adjusted tier 2 seems too high  |
| 41   | RRA max no longer applies and increase in employee adjusted tier 2 seems too high                        |
| 42   | RRA max no longer applies and increase in spouse adjusted tier 2 seems too high                          |
| 45   | Employee ABD not current or prior year.  |
| 46   | Divorced spouse previously entitled to spouse annuity but previous ABD not in record                     |
| 47   | Employee adjusted annuity rate less than zero  |
| 48   | Reduced lawyear 83 spouse under 62 but research record code indicates spouse has received age 62 Recalc. |
| 49   | Employee adjusted tier 1 less than current tier 1  |
| 50   | Employee adjusted tier 1 less than current tier 1 and earnings record has compensation/wage duplication  |
| 51   | Spouse adjusted tier 1 less than current tier 1  |



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| Code | Explanation  |
|------|--|
| 52   | Spouse has PSP and adjusted net tier 1 greater than zero   |
| 53   | Calculated number of DRCs negative or less than current number of DRCs.  |
| 54   | Service months credited after ABD used in tier 2 calculation   |
| 55   | Difference between total service months with M/S and total service months without M/S is more than total M/S months in research record                                       |
| 56   | Research record shows M/S used as comp but M/S months are not included in current total service months - new total service months include M/S and therefore may be incorrect |
| 58   | Employee has multiple SSN's and wage record may be incorrect   |
| 59   | Multiple spouses with more than one non-divorced spouse.   |
| 60   | Excessive increase in years of service   |
| 61   | Rate increase too large  |
| 62   | EE alone RRA maximum applies   |
| 63   | Spouse based on non-disabled child - child has attained age 18   |
| 64   | Error in MS dates in the record  |
| 65   | Error in work deduction data in the record   |
| 66   | More than 3 service months reported after the ABD - A&T will investigate for return to RR service; adjust the case based on the revised G90                                  |
| 68   | Erroneous work deduction DRCs in the record  |
| 69   | Open RAIL reject from previous year  |
| 70   | BNSF report for lag year includes compensation but no reported service months.   |
| 71   | Disability annuity based on 5 years of service after 1995; employee not insured for tier 1 and too young for tier 2  |



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| Code | Explanation   |
|------|---|
| 72   | Tier 2 or supplemental annuity is still reduced for the RRA maximum |
| 88*  | No change in rate   |
| 99   | Spouse rejected because employee rejected                           |

Annuity calculations tier 1 rejects(tier 2 adjusted)(MAIS:"Tier 1 REJ")(PREH:"SPEC  
HNDL CODE 2: "T")

| Code | Explanation  |
|------|--|
| 03   | RAIL PIA 1 eligibility year different from eligibility year on research record   |
| 04   | Research record indicates current PIA 1 is AIME but RAIL PIA 1 is not AIME   |
| 05   | Research record indicates current PIA 1 is AMW or AIME but RAIL PIA 1 is TRANS   |
| 06   | Adjusted tier 1 is less than current tier 1 and no wage record was received from SSA for RAIL  |
| 07   | PIA 1 must be modified for employee NCSP   |
| 09   | Increase in employee adjusted tier 1 seems too high  |
| 10*  | Spouse previous ABD needed to calculate tier 1   |
| 11*  | Reduced lawyear 83 spouse under 62 but employee over 62 - no PIA available for spouse tier 1 calculation                                     |
| 12   | Spouse adjusted gross tier 1 is zero   |
| 13   | Spouse has tier 1 work deduction which cannot be updated because the spouse is suspended and/or tier 1 is not yet adjusted for the last COL. |
| 14   | Increase in spouse adjusted tier 1 seems to high   |
| 16   | EE has post 1956 M/S but RAIL PIA does not reflect deemed M/S credits.   |
| 89*  | No change in PIA 1   |



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Accrual rejects (MAIS:"T1 ACCRUAL REJ","T2 ACCRL REJ")(PREH:Tier 1 accrual reject - "SPEC HNDL CODE 2:"A"; Tier 2 accrual reject - "SPEC HNDL CODE 3:"A"):

| Code | Explanation  |
|------|--|
| 01   | Accrual effective date invalid (future date or impossible date)                    |
| 02   | Research record information indicates there is an error in the current tier amount |
| 03   | Tier I work deductions currently in force  |
| 04   | Unhandled COL reject   |
| 05*  | Accrual less than \$1.00   |

Review codes(MAIS:"REV 1, 2, 3")(PREH:"SPEC HNDL CODE 1")

| Code | Explanation  |
|------|--|
| 20   | Tier 1 adjusted for recomp PIA 1 - additional adjustment due from ABD or age 62  |
| 21   | Supplemental annuity being paid but EDM shows less than 25 years of service  |
| 22   | Spouse due tier 1 accrual for months before child attained 16  |
| 23   | RAIL rate must be adjusted to include prior service  |
| 24   | Employee paid as regular reduced age but lag provides 30 YOS- employee entitled to full 62/30 annuity  |
| 25#  | DRC only adjustment in RAIL; RRA maximum reduction is in force and lag compensation changes the FAMC. Re-test the RRA max  |
| 26   | Increase in service months will result in supplemental annuity entitlement or higher supp annuity amount   |
| 27   | ABD year DRCs accrued based on age were included in tier 1 from the date the work deduction DRCs are payable. The age-based DRCs are also payable from an earlier date; adjust tier 1 for the earlier months |



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| Code | Explanation   |
|------|---|
| 28   | Tier 1 adjusted from DRC effective date - additional adjustment needed from ABD for PIA increase  |
| 29   | Tier 1 adjusted for recomp PIA 1 - additional adjustment needed for DRC's from ABD or month 70  |
| 30   | Tier 1 adjusted for recomp PIA 1 - additional adjustment needed for prior months for lawyear 83 age 62 recalc   |
| 31   | Employee tier 1 adjusted from SSA date of entitlement - additional adjustment due for prior months  |
| 32   | Reduced lawyear 83 tier 1 adjusted for age 62 recalc and adjustment also needed from ABD  |
| 33#  | Disabled employee's disability freeze was terminated; freeze not considered in RAIL PIA; check for possible impact of terminated freeze   |
| 34   | Spouse tier 1 adjusted from SSA date of entitlement or PSP date of entitlement or the date a change was made in either the PSP or the SSA benefit (other than the SSA COL) - additional adjustment due for prior months |
| 35#  | The accrual effective date was restricted to a) the month after disability work deductions were withheld or b) the month after the employee stopped work after returning to RR service                                  |
| 36   | Spouse tier 2 adjusted from employee VDB effective date - additional adjustment needed from ABD up to VDB date  |
| 37   | Spouse tier 1 adjusted for Recomp PIA 1 - additional adjustment needed for prior months for lawyear 83 age 62 Recalc  |
| 38   | Employee tier 2 adjusted from VDB effective date - additional adjustment needed from ABD up to VDB date   |
| 39   | No wage record received from SSA  |
| 40   | No SSA effective date on record - additional accrual due if SS effective date is later than RAIL tier 1 accrual date  |
| 41   | No VDB effective date - additional accrual due if VDB effective date later than   |



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| Code | Explanation  |
|------|--|
|      | ABD  |
| 42   | No DRCs were included on initial award - ABD rate should be adjusted for DRCs.   |
| 43   | RRA max does not apply - adjust supplemental annuity.  |
| 44   | Annuitant had tier 2 work deductions for unknown period after ABD - half of tier 2 accrual withheld.   |
| 45   | Lawyear 83 annuitant adjusted from December - pre-COL SS benefit amount needed to adjust to ABD  |
| 46   | The accrual effective date was restricted to January 1, 2002 because the employee and/or spouse annuity was reduced for the RRA maximum before 2002 or the annuity should be reduced for the RRA maximum for months prior to 2002. |

### Checkwriting Reject Codes (Film:"REJ B")(MAIS:"CHICO REJ")(PREH:"REJ CD PYMNT")

| Code | Explanation   |
|------|---|
| 01   | No CHICO record for record received from Research               |
| 02   | Terminated Record - Research Record not terminated              |
| 03   | Suspended Record  |
| 04*  | Interim widow   |
| 05*  | RAIL adjustment already made manually                           |
| 07   | CHICO and Research pre-adjustment check rates do not match      |
| 09   | Manual voucher in RAIL voucher month                            |
| 11   | LAF E SS benefit being paid - tier 1 computed without SS offset |
| 13   | Monthly rate exceeds \$3500.00                                  |



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| Code | Explanation  |
|------|--|
| 14   | Case still in partial status                                   |
| 17   | RRA Maximum applies- spouse rejected because employee rejected |

### Appendix M - SALSA Mass Adjustment Reject Codes

This appendix explains the reject and review codes for the annual SALSA mass adjustment operation.

| Code | Explanation   |
|------|---|
| 01   | No SALSA is payable. The employee received a separation allowance payment but the entire amount was used to provide retirement service credits. |
| 02   | Employee terminated   |
| 03   | Employee not paid final   |
| 04   | SEARCH cannot calculate SALSA due to an error in the employer report.   |
| 05   | Employee suspended  |
| 06   | SALSA is less than \$1.00   |
| 07   | The current SALSA calculated by SEARCH is less than a previous SALSA payment issued to the employee   |
| 08   | SEARCH cannot calculate SALSA; SALSA previously paid manually or mechanically   |
| 09   | Mechanical SALSA rejected to prevent duplication of a payment made manually in the same month.  |

### Appendix N - Previous Mass Adjustment Reject/Review Definitions

#### Introduction



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The definition of some mass adjustment reject and review codes has changed over the years. This appendix gives previous definitions for the codes that have changed. These codes are earmarked with '#' in Appendices B (COLA), K (AERO) and L (RAIL).

### Previous COLA definitions

The following definitions were previously used for COLA codes:

| Code | Type              | Used        | Definition   |
|------|-------------------|-------------|--|
| 01   | Retirement reject | Before 2002 | Joint and survivor option  |
| 02   | Retirement review | Before 1996 | Spouse has PSP that must be policed;<br>tier 1 COL not paid  |
| 03   | Retirement reject | Before 1995 | Previous COL reject not yet handled  |
| 03   | Retirement review | Before 1997 | Spouse tier 2 takeback code missing  |
| 04   | Retirement review | Before 1997 | Invalid tier 2 takeback amount   |
| 07   | Retirement reject | Before 2002 | RR formula grandfather clause applies  |
| 08   | Retirement reject | Before 2002 | OM formula grandfather clause applies  |
| 11   | Retirement reject | Before 2002 | 1937 act employee has age reduced<br>disability annuity  |
| 12   | Retirement reject | Before 2002 | MBR received from SSA but tier 1 no<br>currently reduced for SSA                                       |
| 15   | Retirement reject | Before 1995 | Increase in EE LAF C SS benefits<br>causes RR decrease more than<br>\$30.00                            |
| 16   | CHICO reject      | 1993        | MBR received from SSA but no tier 1<br>SS offset; SSA and RRB DOBs<br>discrepant but last name matches |
|      |                   | 1994-1997   | Previous unhandled COL reject  |
| 18   | Retirement review | Before 1997 | Invalid EE tier 2 takeback amount  |



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| Code | Type              | Used                    | Definition   |
|------|-------------------|-------------------------|--|
| 19   | Survivor reject   | Before 1994             | Previous unhandled COL reject  |
| 21   | Retirement review | Before 1997             | Tier 1 not payable (felony, alien suspension, deportation, termination)  |
| 22   | Retirement reject | Before 1990             | EE increased by too high a percentage  |
| 27   | Retirement reject | Before 1994             | Discrepant work deduction information in MBF   |
| 27   | Retirement review | Before 1990             | Increase in LAF C SS benefits causes RR decrease less than \$30.00   |
| 31   | MBR review        | Before 1994             | MBR indicates partial benefit rate   |
| 38   | MBR reject        | Before 1994             | SS benefit amount from SSA includes survivor benefit on deceased RR employee   |
| 47   | Retirement reject | Before 1991<br><br>1991 | Divorced spouse not 1981 Amendment case<br><br>Spouse based on child and either child over 16 and tier 1 not terminated or child over 18 and tier 2 not terminated |
| 49   | Retirement reject | Before 1991             | Increase in spouse LAF C SS benefits causes RR decrease more than \$30.00  |
| 53   | Retirement reject | Before 1991             | Spouse increased by too high a percentage  |
| 56   | Survivor reject   | Before 1990             | COL rate increases by too high a percentage  |
| 57   | Survivor reject   | Before 1990             | COL rate decreased   |
| 58   | Survivor reject   | Before 1990             | COL rate increased by too high an amount   |



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| Code | Type              | Used        | Definition  |
|------|-------------------|-------------|---|
| 59   | Retirement reject | Before 1992 | Spouse has PSP that does not exceed tier 1; PSP must be policed         |
| 60   | Survivor reject   | Before 1990 | Increase in LAF C SS benefits causes RR decrease more than \$30.00      |
| 61   | Survivor review   | Before 1997 | Tier 1 not payable (felony, alien suspension, deportation, termination) |
| 65   | Survivor review   | Before 1990 | Increase in LAF C SS benefits causes RR decrease less than \$30.00      |
| 67   | Survivor reject   | Before 1992 | Widow has PSP that does not exceed tier 1; PSP must be policed          |
| 68   | Survivor reject   | Before 1992 | Remarried or divorced widow has tier 2                                  |
| 71   | Survivor review   | Before 1996 | Widow has PSP that must be policed; tier 1 COL not paid                 |
| 82   | Retirement reject | Before 1992 | Divorced SP in OM family  |

## Previous AERO definitions

The following definitions were previously used for AERO codes:

| Code | Type   | Used        | Definition  |
|------|--------|-------------|---|
| 27   | Review | Before 1992 | Review employee's other RR annuity for change in tier 1 offset  |
| 28   | Review | Before 1997 | All or part of the PIA increase is due to earnings record corrections for years prior to last year. The increase has been paid only from January of the current year. |
| 32   | Review | Before 1994 | Tier 1 accrual restricted to 1)SSA DOE  |



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| Code | Type           | Used        | Definition   |
|------|----------------|-------------|--|
|      |                |             | or 2) previous December because of a COLA reject     |
| 71   | Reject         | Before 1997 | PIA decrease for unknown reason                      |
| 90   | Accrual reject | Before 1990 | SSA benefit effective date within the accrual period |
| 93   | Accrual reject | Before 1991 | Accrual amount seems excessive                       |

### Previous RAIL definitions

The following definitions were previously used for RAIL codes:

| Code | Type   | Used        | Definition   |
|------|--------|-------------|--|
| 25   | Review | Before 1995 | More than 3 service months reported after the ABD; RAIL did not use these months. Investigate for return to RR service |
| 33   | Review | 1989        | Employee accrual effective date restricted to December 1988 due to military service in PL100-647 period                |
| 35   | Review | 1989        | Spouse accrual effective date restricted to December 1988 due to employee's military service in PL100-647 period       |

### **Appendix O - WIMA Mass Adjustment Reject Codes/**

In April and June of 2002, the "widow(er)'s initial minimum amount" was tested in a mass adjustment for aged and disabled widow(er)s, young mothers and young fathers paid under the 1981 amendments. The following reject codes were used in the mass adjustments.

### Calculation reject codes:



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| Code | Explanations   |
|------|--|
| 01   | The annuity was suspended before January 2002, and the reason for the suspension was something other than excess earnings or small overpayment recovery, or<br>The annuity was suspended for excess earnings and either the suspension was effective before January 2001 or there is no net annuity rate in PREH |
| 02   | There is an unhandled COLA reject in the case.   |
| 03   | The annuitant has a gross tier 2, but the deceased employee's tier 2 on the OBD is zero.   |
| 04   | DIB age reduction rules apply, the annuitant is over 65, and there is no OBD tier 1 information in PREH.   |
| 05   | The annuitant's OBD is after November 1983, the deceased employee's ABD was before 1984, and there is no employee actual or fictional takeback amount in PREH.   |
| 06   | A "D" case and the annuitant's OBD is after November 1983, the employee died before 1984, and there is no employee actual or fictional takeback amount in PREH.  |
| 07   | The annuitant's gross tier 2 is less than 50% of the employee's tier 2 on the OBD and the gross tier 2 is not restricted by the family maximum.  |
| 08   | The current tier 1 is reduced for age or the RIB limit but the OBD tier 1 is not reduced.  |
| 09   | The OBD tier 1 is reduced for age or the RIB limit but the current tier 1 is not reduced. There is no ARF in the case, and the DIB age reduction rules do not apply.   |
| 10   | The case involves both the DIB age reduction rules and an ARF.   |
| 11   | The annuitant's OBD is after November 1983 and PREH does not contain any takeback information.   |
| 12   | The WIMA increase amount is more than 50% of the employee's tier 2 on the OBD.   |
| 13   | The WIMA tier 1 is greater than the current tier 1 before reductions for other benefits.   |
| 14   | The calculated new rate is less than zero.   |
| 15   | The calculated new rate is less than the current rate.   |
| 16   | The calculated new rate is higher than the current rate by more than the WIMA increase amount.   |



# Retirement Claims Manual

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| Code | Explanations  |
|------|---|
| 17   | The number of months the widow(er) is under FRA on the OBD were calculated and one of the following is true: <ul style="list-style-type: none"><li>• The months calculated are zero but PREH has age reduction months for either tier 1 or tier 2</li><li>• The months calculated are greater than zero but there are no months in PREH and there is no ARF in the case.</li><li>• The months calculated do not equal the months in PREH and there is no ARF in the case.</li></ul> |
| 18   | The age reduction factor does not correspond to the number of age reduction months.   |
| 19   | The OBD information in PREH does not reflect the CPI correction but a backdated tier 1 was not computed.  |
| 20   | PREH does not contain an OBD gross tier 1, and a backdated gross tier 1 could not be calculated.  |
| 21   | Tier 1 was restricted by the family maximum on the OBD and the correct WIMA tier 1 could not be calculated.   |
| 22   | The widow(er)s' tier 1 is based on the ALT PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.   |
| 23   | The widow(er)s' tier 1 is not based on the ALT PIA or the special minimum PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.  |
| 24   | PREH does not contain OBD age/RIB adjusted tier 1 information, and a backdated age/RIB adjusted tier 1 could not be calculated.   |
| 25   | The calculated gross WIMA tier 2 is greater than the deceased employee's tier 2 on the OBD.   |
| 26   | A WIMA tier 2 could not be calculated.  |
| 27   | The necessary age reduction could not be calculated for the WIMA tier 2.  |
| 28   | The WIMA tier 2 takeback amount could not be determined.  |
| 29   | There was an error in the calculation of the WIMA tier 2.   |
| 30   | The takeback guaranty should be applied to the WIMA tier 2 but the net WIMA tier 2 is not \$10.00.  |
| 31   | The WIMA is higher than the current rate but the case is in suspense.   |
| 32   | The widow(er)s' tier 1 is based on the special minimum PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.   |



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| Code | Explanations  |
|------|---|
| 33   | The annuitant was terminated after February 2002 and the WIMA is higher than the last rate paid.  |
| 34   | Tier 1 is restricted by the family maximum but the annuitant's current share of the maximum is not correct based on the number of people in the family group. |
| 35   | The annuitant's gross tier 2 amount is more than 50% of the deceased employee's tier 2 on the OBD.  |

### Checkwriting reject:

| Code | Explanation   |
|------|---|
| 01   | The annuity was not found on the checkwriting master.                                     |
| 02   | The annuity is terminated.  |
| 03   | The annuity is suspended.   |
| 04   | The annuitant is an interim widow.  |
| 05   | The new rate equals the rate already being paid.  |
| 07   | The pre-adjustment rate in PREH does not equal the rate being paid.                       |
| 25   | The RR annuity is in pay status but the LAF E SS benefit is terminated with a death code. |

### Review codes:

| Code | Explanation  |
|------|--|
| 01   | There are multiple widow's on the rolls; verify the family group and the computation of the WIMA tier 1.   |
| 02   | The accrual was restricted to the date the family group changed. Compute and pay an WIMA accrual due from February up to the month the family group changed. |

## **Appendix P - RRSIA RRA Maximum Mass Adjustment**

In May 2002, a mass adjustment was performed to remove RRA maximum reductions from tier 2 and supplemental annuities in accordance with the Railroad Retirement and Survivors' Improvement Act of 2001. Reductions for the maximum were removed effective with annuities payable for January 2002 and later. The reject and review cause codes used in the operation are provided below.



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### Calculation Reject Codes:

| Code | Explanation   |
|------|---|
| 01   | Employee receives a 1974 Act formula annuity.   |
| 02   | A prior COLA reject has not yet been handled.   |
| 03   | A takeback should apply to the employee's tier 2 but there is no takeback amount in PREH.   |
| 04   | The employee's rate is reduced for a percentage legal process deduction.  |
| 05   | The annuity is paid under the OM formula.   |
| 06   | The annuity is terminated; the termination effective date is after January 2002. OPNS should take the following actions: <ul style="list-style-type: none"><li>• RBD should compute and pay any accrued annuity due prior to the termination effective date</li><li>• RBD should forward the case to SBD to determine any impact on survivor benefits</li><li>• SBD should re-test the spouse minimum using the increased spouse tier 2 where appropriate</li></ul> |
| 07   | The annuity is suspended.   |
| 08   | There is an error in the current employee tier 2.   |
| 09   | The employee's tier 2 VDB reduction cannot be calculated because the gross VDB is not in PREH.  |
| 10   | The employee's calculated tier 2 after the VDB reduction does not equal the tier 2 after VDB reduction in PREH.   |
| 12   | The employee's adjusted tier 2 is less than the current tier 2.   |
| 13   | The increase in the employee's adjusted tier 2 is too high.   |



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| <b>Code</b> | <b>Explanation</b>  |
|-------------|---|
| 14          | The employee's adjusted annuity rate is less than zero.   |
| 15          | The employee's adjusted annuity rate is less than the current rate.   |
| 16          | The increase in the employee's adjusted annuity rate does not equal the increase in tier 2.   |
| 17          | The employee's adjusted tier 2 work deduction amount is less than the current tier 2 work deduction amount.   |
| 18          | The employee tier 2 was reduced for the RRA maximum but the supplemental annuity is not reduced.  |
| 19          | The age reduction months calculated for the employee's tier 2 do not equal the age reduction months in PREH.  |
| 30          | The supplemental annuity attainment code in PREH indicates the employee does not have a RR pension, but there is pension information in PREH.           |
| 31          | There is no RR pension information in PREH but the employee worked for a RR that pays a pension for which the supplemental annuity needs to be reduced. |
| 32          | The supplemental annuity attainment code in PREH indicates the employee has a RR pension, but there is no pension information in PREH.                  |
| 33          | The adjusted supplemental annuity is less than the current supplemental annuity.  |
| 34          | The increase in the adjusted supplemental annuity is too high.  |
| 35          | The adjusted supplemental annuity work deduction amount is less than the current supplemental annuity work deduction amount.                            |
| 50          | A takeback should apply to the spouse's tier 2 but there is no takeback amount in PREH.   |
| 51          | The spouse record contains a total takeback amount, but the 1983 and 1984 takeback reduction amounts are zero.  |
| 52          | The spouse's ABD is before 1984 and there is an error in the current tier 2   |



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| Code | Explanation  |
|------|--|
|      | amount.  |
| 53   | The spouse's ABD is after 1983 and there is an error in the current tier 2 amount.   |
| 54   | The spouse's gross tier 2 is more than 45% of the employee's tier 2 after VDB reduction.                                     |
| 56   | The pre-1984 tier 2 COL calculated for the spouse is not equal to the COL amount in PREH.                                    |
| 57   | The spouse tier 2 age reduction amount is missing in PREH.   |
| 58   | The spouse tier 2 dual restoration effective date is not in PREH.  |
| 59   | The spouse 1984 tier 2 COL increase cannot be calculated because the dual restoration effective date is after November 1986. |
| 60   | The spouse's adjusted tier 2 is less than the current tier 2.  |
| 61   | The increase in the spouse's adjusted tier 2 is too high.  |
| 62   | The spouse's adjusted annuity rate is less than zero.  |
| 63   | The spouse's adjusted annuity rate is less than the current rate.  |
| 64   | The increase in the spouse's adjusted annuity rate is too high.  |
| 65   | The spouse's adjusted tier 2 work deduction amount is less than the current tier 2 work deduction amount.                    |
| 66   | The spouse's gross tier 2 amount is not in PREH.   |
| 67   | The age reduction months calculated for the spouse tier 2 do not equal the age reduction months in PREH.                     |

### Checkwriting rejects:

#### Explanation

|    |  |
|----|--|
| 01 | There is no record on the checkwriting master for the annuitant. |
|----|--|



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|    |  |
|----|--|
| 02 | The checkwriting master record is terminated.  |
| 03 | The checkwriting master record is suspended.   |
| 04 | The spouse is an interim widow.  |
| 05 | The calculated new annuity rate equals the rate the annuitant is currently being paid.                               |
| 07 | The current annuity rate in PREH does not equal the current annuity rate on the checkwriting master.                 |
| 13 | The adjusted annuity rate is more than \$3,500.00.   |
| 22 | The current supplemental annuity in PREH does not equal the current supplemental annuity on the checkwriting master. |

### **Accrual reject codes:**

#### **Explanation**

|    |   |
|----|---|
| 01 | The regular annuity accrual effective date cannot be determined.      |
| 02 | The supplemental annuity accrual effective date cannot be determined. |

### **Review codes:**

#### **Explanation**

|    |   |
|----|---|
| 01 | The spouse gross tier 2 is less than 45% of the employee's tier 2 after VDB reduction.  |
| 02 | The regular annuity accrual date was restricted because of VDB entitlement, LPE work deductions or dual annuity entitlement; additional accrual is due for months prior to this date. |
| 03 | The supplemental annuity accrual date was restricted because of LPE work deductions; additional accrual is due for months prior to this date.   |

## **Appendix Q - RESCUE FAQs**

**Q.** What causes RESCUE to adjust an annuity?



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**A.** Any of three events will cause RESCUE to evaluate the need to adjust an annuity (RCM6.8.89):

- A change in railroad service, railroad earnings (including miscellaneous compensation and separation/severance payments), or social security wages, or
- Delayed retirement credits (DRCs) are earned in the ABD year but cannot be included in tier 1 until the following January or the month the employee attains age 70, or
- ABD year earnings increase the PIA 1 of a RRSIA 60/30 annuity effective with January of the year following the year the employee attains age 62.

**Q.** When does RESCUE process annuity adjustments?

**A.** RESCUE runs four times a year, about every 3 months though not necessarily at the end of standard calendar quarters. RESCUE sends annuity adjustments to ROC the last week of the month, and the awards are vouchered the first of the following month.

**Q.** What types of annuities does RESCUE adjust?

**A.** RESCUE will adjust all types of employee and spouse annuities. RESCUE does not adjust survivor annuities. If a change in service and/or earnings is detected for a survivor annuity, RESCUE refers the case to SBD to adjust.

**Q.** Does RESCUE decrease annuity rates?

**A.** RESCUE only pays annuity increases. If RESCUE's evaluation of a case reveals that the annuity needs to be decreased, the case is referred for RBD to determine the cause of the decrease and adjudicate any overpayment. If the decrease is the result of a record error in EDM or PREH, RBD will resolve the error and adjust the case.

**Q.** How does RESCUE handle terminated cases?

**A.** RESCUE computes accrued annuities due in terminated cases. The accrued annuity is posted to PREH. If the employee is deceased, SBD will determine payees for the accrual. If the employee is alive, RBD will issue the accrued annuity.(RCM6.8.92)

**Q.** How can I determine if RESCUE considered a case?



**A.** Three steps determine if a case was considered by RESCUE (RCM6.8.97):

- Go to PREH and look for a check record and/or an OPO record with a source of RESCUR or a voucher number of 575
- Go to STAR and look for a referral with unit code RUE. Field representatives should check FieldStar. A referral is generated if RESCUE rejects the case.
- Go to the RESCUE NAN folder on the SHARE server of the USRRB domain ([\\Share\RESCUE NAN](#)). A case will appear in this folder if the case was considered in the RESCUE operation, but there was no change in the annuity rate.

**Q.** How do I determine the problem in a case if I find a RESCUE referral in STAR?

**A.** Descriptions of the RESCUE referral codes can be found in RCM6.8.98. If further information is needed, an email can be sent to the general RBD mailbox.

**Q.** Where can I find information about a RESCUE annuity adjustment?

- A.** Information about RESCUE awards is provided in several places:
- The ROC award (RCM6.8.95) and the award letter (RCM6.8.96) can be viewed in Imaging.
  - The results of the adjustment action can be viewed in PREH. Look for check and OPO records with the source code RESCUR and voucher number 575. There is no mass adjustment screen (MAD) for RESCUE adjustments.

**Q.** How is the RESCUE accrual computed?

**A.** ROC computes the accrual for months beginning with January 1, 1995 in the normal manner. ROC calculates all the necessary rate breaks and extracts previous payment history from PREH. For months before 1995, RESCUE computes the accrual using special formulas authorized by the Board to facilitate automated adjustments by RESCUE (RCM6.8.94). RESCUE adds the accrual computed using the special formulas to the accrual ROC computes in the normal manner. Information is displayed on ROC awards for both the normal accrual computation and the special formula amounts (RCM6.8.95).



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## Exhibits

### Exhibit 2 - T-13 Employee AERO Notice

T-13(10-99)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

---

Office of Programs

Operations

RRB Claim Number

A

Visit Our Web Site at [www.rrb.gov](http://www.rrb.gov)

An increase in your railroad retirement annuity is payable. Your earnings through \_\_\_\_ are now available to include in the tier 1 portion of your annuity. Your October 1, 20\_\_ payment is \$\_\_\_\_. The rate shown includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is effective \_\_\_\_\_. You will receive a payment for \$\_\_\_\_\_ within the next ten days. This is the total increase through August minus Federal income taxes of \$\_\_\_\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations



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The final paragraph may vary. If the entire accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is effective \_\_\_\_\_. The total increase through August is \$\_\_\_\_. We withheld \$\_\_\_\_\_ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before September at a later date.

### **Exhibit 3 - T-14 Spouse AERO Notice**

T-14(10-99)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

---

Office of Programs

Operations

RRB Claim Number

MA

Visit Our Web Site at [www.rrb.gov](http://www.rrb.gov)



## Retirement Claims Manual

December 30, 2010

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An increase in your railroad retirement annuity is payable. An adjustment in the tier 1 portion of the employee's annuity results in an increase in your tier 1 amount. Your October 1, 20\_\_ payment is \$\_\_\_\_. The rate shown includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from you last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is effective \_\_\_\_\_. You will receive a payment for \$\_\_\_\_\_ within the next ten days. This is the total increase through August minus Federal income taxes of \$\_\_\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations

The final paragraph may vary. If the entire accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is effective \_\_\_\_\_. The total increase through August is \$\_\_\_\_. We withheld \$\_\_\_\_ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before September at a later date.

### **Exhibit 4 - T-11 Employee RAIL Notice**

<sup>1</sup> the lag year is shown; eg. for the 2005 RAIL, the lag year is 2004

T-11(7-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board



# Retirement Claims Manual

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844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs

RRB Claim Number

Operations

A

Always Use these Letters and  
Numbers When Writing Us

Visit our Web site at [www.rrb.gov](http://www.rrb.gov)

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date.

The wages you earned in non-railroad employment through \_\_ are included in the calculation of your annuity.

Your July 1, \_\_ payment is \$\_\_\_. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is payable for months before June \_\_\_. You will receive a payment for \$\_\_\_ within the next ten days. This is the total increase through May minus Federal income taxes of \$\_\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations



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**The first paragraph will vary. If the employee is adjusted only to add delayed retirement credits, the first paragraph reads:**

An increase is payable in your railroad retirement annuity. Additional credits are payable in the tier 1 portion of your annuity. You earned one credit for each month in <sup>1</sup> before your annuity began during which you were between ages 65 and 70.

**If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:**

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in <sup>1</sup> before your annuity began during which you were between ages 65 and 70.

**If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations (used prior to 2002), the first paragraph reads:**

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

**If the employee receives an age annuity based on 30 years of service (used beginning in 2002), the following paragraph is included:**

We adjusted your tier 2 for your earnings in (*ABD year shown*). Your (*ABD year shown*) earnings cannot be included in your tier 1 until the year after you attain age 62. We will adjust your tier 1 automatically when you become eligible.

**If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:**

Your July 1, \_\_\_\_ payment is \$\_\_\_\_. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.



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**The final paragraph may vary. If the accrual is withheld for Federal income taxes, the final paragraph reads:**

The increase in your annuity is payable for months before June \_\_. The total increase through May is \$\_\_. We withheld \$\_\_ in Federal income taxes from this payment.

**If the accrual is rejected, the final paragraph reads:**

We will send any back payments for months before June at a later date.

### **Exhibit 4a - T-11a Employee RAIL Notice**

<sup>1</sup> the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-11a(7-99)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

---

Office of Programs  
Operations

RRB Claim Number  
A  
Always Use These Letters And Numbers  
When Writing Us  
Visit our Web site at [www.rrb.gov](http://www.rrb.gov)



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An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date.

The wages you earned in non-railroad employment through \_\_ are included in the calculation of your annuity.

Your July 1, \_\_ payment is \$\_\_. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and your spouse are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on your earnings in the ten years before your annuity began. Because of the benefit ceiling, the increase in your annuity causes a decrease in your spouse's annuity.

The adjustment in your annuity and your spouse's annuity is effective for months before June \_\_. The total decrease in your spouse's benefits through May is \$\_\_. We recovered this amount from the increase payable to you for those months.

Robert J. Duda  
Director of Operations

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The first paragraph may vary. If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in <sup>1</sup> before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, \_\_\_\_ payment is \$\_\_\_\_. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

If the entire accrual was not needed to recover the spouse's overpayment, an additional paragraph will close the letter. If the net accrual is withheld for Federal income taxes, the closing paragraph reads:

The balance of your increase through May is \$\_\_\_\_. We withheld \$\_\_ in Federal income taxes from this payment.

If the net accrual is not withheld for Federal income taxes, the closing paragraph reads:

You will receive a payment for \$\_\_ within the next ten days. This is the balance of your increase through May minus Federal income taxes of \$\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

---

### **Exhibit 4b - T-11b Employee RAIL Notice**

<sup>1</sup> the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-11b(7-98)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

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Office of Programs

Operations

RRB Claim Number

A

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Numbers When Writing Us

Visit our Web site at [www.rrb.gov](http://www.rrb.gov)



## Retirement Claims Manual December 30, 2010

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>

---

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date.

The wages you earned in non-railroad employment through \_\_ are included in the calculation of your annuity.

Your July 1, \_\_ payment is \$\_\_. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and your spouse are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on your earnings in the ten years before your annuity began.

The adjustment in your annuity and your spouse's annuity is effective for months before June \_\_. Through May your spouse received \$\_\_ which is no longer payable because of the maximum provision. We recovered this amount from the increase payable to you through May.

Robert J. Duda

Director of Operations

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## Retirement Claims Manual

### December 30, 2010

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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The first paragraph may vary. If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in <sup>1</sup> before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through <sup>1</sup> are now included in your annuity. The number of <sup>1</sup> service months used in your annuity is \_\_; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, \_\_\_\_ payment is \$\_\_\_\_. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

If the entire accrual was not needed to recover the spouse's overpayment, an additional paragraph will close the letter. If the net accrual is withheld for Federal income taxes, the closing paragraph reads:

The balance of your increase through May is \$\_\_\_\_. We withheld \$\_\_ in Federal income taxes from this payment.

If the net accrual is not withheld for Federal income taxes, the closing paragraph reads:

You will receive a payment for \$\_\_ within the next ten days. This is the balance of your increase through May minus Federal income taxes of \$ \_\_\_\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.



# Retirement Claims Manual

## December 30, 2010

U.S. Railroad Retirement Board Phone: (312) 751-7139  
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### Exhibit 5 - T-12 Spouse RAIL Notice

<sup>1</sup> the lag year is shown; eg., for the 2005 RAIL, 2004 was the lag year

T-12(7-02)

#### RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

Office of Programs  
Operations

RRB Claim Number  
MA  
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Visit our Web site at [www.rrb.gov](http://www.rrb.gov)

An increase in your railroad retirement annuity is payable. The railroad service and compensation earned by the employee through <sup>1</sup> are now included in your annuity.

Your July 1, \_\_\_ payment is \$\_\_\_. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is payable for months before June \_\_\_. You will receive a payment for \$\_\_ within the next ten days. This is the total increase through May minus Federal income taxes of \$\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda  
Director of Operations

**The opening paragraph may vary. If the spouse is adjusted because additional**



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**wages are included in the employee's PIA, the first paragraph reads:**

An increase is payable in your railroad retirement annuity. The wages earned by the employee through \_\_\_\_ are now included in your annuity.

**If the lawyear 83 age 62 recalculation is also performed and the spouse tier 1 increases (used before 2002), the first paragraph reads:**

An increase is payable in your railroad retirement annuity. The railroad service and compensation earned by the employee through <sup>1</sup> are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

**If the lawyear 83 age 62 recalculation results in a decrease in tier 1 but the lag RR service increases tier 2 (used before 2002), the first paragraph reads:**

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through <sup>1</sup> are now included in the tier 2 portion of your annuity. We also adjusted the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable. Your tier 1 is now reduced for the number of months you are under age 65. The change in your tier 1 results in a decrease in your annuity rate.

**If the lawyear 83 age 62 recalculation results in a decrease in tier 1 and there is no increase in tier 2 (used before 2002), the first paragraph reads:**

An adjustment is due in your railroad retirement annuity. We adjusted the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable. Your tier 1 is now reduced for the number of months you are under age 65. The change in your tier 1 results in a decrease in your annuity rate.

**If the spouse annuity is reduced for the RRA maximum and the maximum reduction increases (used before 2002), the following paragraph is included in the letter:**

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began. The increase in your annuity is limited by this provision.

**If Federal income taxes are not withheld from the monthly payment, the middle**



# Retirement Claims Manual

## December 30, 2010

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

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### paragraph reads:

Your July 1, \_\_\_\_ payment is \$\_\_\_\_. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

### **The last paragraph may vary. If tier 2 increases but tier 1 decreases due to the law year 83 age 62 recalculations (used before 2002), the final paragraph reads:**

The increase in your tier 2 is payable for months before June \_\_. You will receive a payment for \$\_\_ within the next ten days. This is the total increase through May minus Federal income taxes of \$\_\_\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

### **If the accrual is withheld for Federal income taxes, the final paragraph reads:**

The increase in your annuity is payable for months before June \_\_. The total increase through May is \$\_\_\_\_. We withheld \$\_\_ in Federal income taxes from this payment.

### **If only tier 2 increases and the accrual is withheld for Federal income taxes, the final paragraph reads:**

The increase in your tier 2 is payable for months before June \_\_. The total increase through May is \$\_\_\_\_. We withheld \$\_\_ in Federal income taxes from this payment.

### **If the accrual is rejected, the final paragraph reads:**

We will send any back payments for months before June at a later date.

### **Exhibit 5a - T-12a Spouse RAIL Notice**

<sup>1</sup> the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-12a(7-98)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

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# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
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Office of Programs  
Operations

RRB Claim Number  
MA  
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An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through <sup>1</sup> are now included in your annuity.

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began.

Because of the maximum provision, the increase in the employee's annuity causes a decrease in your annuity. Your July 1, \_\_ payment is \$\_\_. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The change in your annuity and the employee's annuity is effective for months before June \_\_. The total decrease in your benefits through May is \$\_\_. We recovered this amount from the increase payable to the employee for the same months.

Robert J. Duda  
Director of Operations

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# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
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---

The opening paragraph may vary. If the lawyear 83 age 62 recalculation is also performed, the first paragraph reads:

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through <sup>1</sup> are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Because of the maximum provision, the increase in the employee's annuity causes a decrease in your annuity. Your July 1, 1999 payment is \$\_\_\_\_\_. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

### **Exhibit 5b - T-12b Spouse RAIL Notice**

<sup>1</sup> the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-12b(7-97)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
844 N. Rush St.  
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Date:

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Office of Programs  
Operations

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An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through <sup>1</sup> are now included in your annuity.



## Retirement Claims Manual December 30, 2010

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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Your July 1, \_\_\_ payment is \$\_\_\_. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$\_\_ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began.

The change in your annuity and the employee's annuity is effective for months before June \_\_. Before \_\_\_\_\_, you received \$\_\_ which is no longer payable because of the maximum provision. We recovered this amount from the increase payable to the employee for the same months.

Robert J. Duda  
Director of Operations

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The opening paragraph may vary. If the lawyear 83 age 62 recalculation is also performed, the first paragraph reads:

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through <sup>1</sup> are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, \_\_\_ payment is \$\_\_\_\_\_. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

### **Exhibit 6 - T-30 SALSA Notice**

T-30(8-00)



# Retirement Claims Manual

## December 30, 2010

U.S. Railroad Retirement Board Phone: (312) 751-7139  
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## RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

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Office of Programs  
Operations

RRB Claim Number  
A  
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Before this year, your former railroad employer paid to you a separation allowance or severance payment. Your employer legally deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits.

You are receiving a special payment based on these taxes. You will receive the payment of \$\_\_\_ thin the next ten days. We will deposit this payment in your checking or savings account if you are in the direct deposit program. This payment is not subject to Federal income tax.

You have the right to request reconsideration of this payment within 60 days. If you have any questions, contact the nearest office of the Railroad Retirement Board.

Robert J. Duda  
Director of Operations

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# Retirement Claims Manual

## December 30, 2010

U.S. Railroad Retirement Board Phone: (312) 751-7139  
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If a SALSA has previously been paid, the letter reads:

Before this year, your former railroad employer paid to you a separation allowance or severance payment. Your employer legally deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. After you retired, we sent to you a special payment based on these taxes.

We have now received new information from your former employer. You are receiving another special payment based on the taxes you paid. You will receive the payment of \$\_\_\_\_\_ within the next ten days. We will deposit this payment in your checking or savings account if you are in the direct deposit program. This payment is not subject to Federal income tax.

### **Exhibit 7 - T-51 December 1st SSA Offset Correction Notice**

T-51(12-09)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

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Office of Programs  
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# Retirement Claims Manual

## December 30, 2010

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Chicago Illinois, 60611-2092 Web: <http://www.rrb.gov>

The tier 1 portion of your railroad retirement annuity must be reduced by the amount of any social security benefit to which you are entitled. The Social Security Administration advises that your total social security benefit amount (before any deduction for a Medicare premium) is \$ \_\_\_\_\_. Your tier 1 is currently reduced by a lower amount of \$ \_\_\_\_\_.

Your tier 1 amount will be corrected as soon as possible but not before January 1, \_\_\_\_\_. Your tier 1 will be reduced by your current social security benefit amount.

If the social security benefit amount provided by the Social Security Administration is not correct, contact the nearest office of the Railroad Retirement Board within thirty days of the date of this letter.

Robert J. Duda  
Director of Operations

### Exhibit 8 - CPI T-60 Version 1

Railroad Retirement Board  
Field Office Address Line 1  
Field Office Address Line 2  
Field Office Address Line 3  
Field Office Address Line 4

POSTAL BAR CODE  
COA7516061199999999989  
Name and Address Line 1  
Name and Address Line 2  
Name and Address Line 3  
Name and Address Line 4  
Name and Address Line 5  
Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number  
XXX 999-99-9999



# Retirement Claims Manual

## December 30, 2010

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>

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits. Benefits are only affected by this change if, before January 2000, the employee on whose record the benefits are based was age 62 or older, determined to be disabled, or deceased.

If you have questions about this notice, write to us at the address shown above or call us at

(999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (01)  
07/01

### Exhibit 9 - CPI T-60 Version 2

Railroad Retirement Board  
Field Office Address Line 1  
Field Office Address Line 2  
Field Office Address Line 3  
Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent, a difference of 0.1 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits. The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security, a public service pension, or another railroad retirement annuity. Because of these benefit calculation rules, the small increase of 0.1 percent in the cost-of-living adjustment did not change the amount of your monthly benefits.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (02)



# Retirement Claims Manual

## December 30, 2010

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Chicago Illinois, 60611-2092 Web: <http://www.rrb.gov>

07/01

### Exhibit 10 - CPI T-60 Version 3

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999



## Retirement Claims Manual December 30, 2010

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>

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly railroad retirement annuity.

Your August 1, 2001 payment will be \$ 9999.99. This new rate includes any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (03)

07/01

### **Exhibit 11 - CPI T-60 Version 4**

Railroad Retirement Board  
Field Office Address Line 1  
Field Office Address Line 2  
Field Office Address Line 3



# Retirement Claims Manual

## December 30, 2010

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TTY: (312) 751-4701  
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Field Office Address Line 4

POSTAL BAR CODE

COA751606119999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. Most beneficiaries affected by this change will receive an increase in their August 1, 2001 payments.

We did not adjust your August 1 payment. We need to review the calculation of your monthly benefits. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board



# Retirement Claims Manual

## December 30, 2010

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T-60 (04)

07/01

### Exhibit 12 - CPI T-60 Version 5

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

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Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

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## Retirement Claims Manual

### December 30, 2010

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Phone: (312) 751-7139  
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Web: <http://www.rrb.gov>

Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, a small increase in monthly Social Security benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits because of one of the following reasons.

Benefits are only affected by this change if, before January 2000, the person on whose record the benefits are based was age 62 or older, determined by the Social Security Administration to be disabled, or deceased.

Because of rounding rules, the small increase of 0.1 percent did not change your monthly Social Security rate.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (05)

07/01

### **Exhibit 13 - CPI T-60 Version 6**

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

### POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly Social Security benefits.

Your August 1, 2001 payment will be \$ 9999.99. If a Medicare premium was deducted from your last payment, this new rate is after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

T-60 (06)

07/01

### Exhibit 14 - TCI T-60 Version 7

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999



## Retirement Claims Manual December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly benefits.

Your August 1, 2001 payment will be \$ 9999.99. This new rate includes your Social Security benefits and any supplemental annuity paid to you by the Railroad Retirement Board. The new rate is after any Federal income tax withholding from your monthly payment. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (07) 07/01

### Exhibit 15 - CPI T-60 Version 8

Railroad Retirement Board  
Field Office Address Line 1  
Field Office Address Line 2  
Field Office Address Line 3  
Field Office Address Line 4



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

---

### POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999



## Retirement Claims Manual December 30, 2010

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>

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent.

We are adjusting your August 1, 2001 payment to include the increase due in your monthly tier 1 railroad retirement benefits. Your August 1 payment will be \$ 9999.99. This new rate includes your Social Security benefits and any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due in your tier 1 benefits for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

We did not adjust your Social Security benefits. We need to review the calculation of your monthly rate. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (08)

07/01

### **Exhibit16 - CPI T-60 Version 9**

Railroad Retirement Board

Field Office Address Line 1



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

---

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999



## Retirement Claims Manual December 30, 2010

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>

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent.

We adjusted your August 1, 2001 payment to include the increase due in your monthly Social Security benefits. Your August 1 payment will be \$ 9999.99. This new rate includes any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due in your Social Security benefits for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

We did not adjust your tier 1 railroad retirement benefits. We need to review the calculation of your monthly railroad retirement benefits. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (09)

07/01

### **Exhibit 17 - CPI T-60 Version 10**

Railroad Retirement Board

Field Office Address Line 1



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

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Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999



## Retirement Claims Manual

### December 30, 2010

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>

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent, a difference of 0.1 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits and Social Security benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits because of one or both of the following reasons.

Benefits are only affected by this change if, before January 2000, the employee on whose record the benefits are based was age 62 or older, determined to be disabled, or deceased.

The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security, a public service pension, or another railroad retirement annuity. Because of these benefit calculation rules, the small increase of 0.1 percent in the cost-of-living adjustment did not change the amount of your monthly benefits.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (10)

07/01

### **Exhibit 18 - CPI T-60 Version 11**

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999



## Retirement Claims Manual

### December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

Your August 1, 2001 payment will not change. The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security. Because of these benefit calculation rules, the total amount of your current monthly payment does not change.

Even though your current monthly payment does not change, you are due a small increase in your Social Security benefits for months before July 2001. You will receive a separate payment of \$99.99 within the next few days. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at [www.rrb.gov](http://www.rrb.gov) and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (11)

07/01

### Exhibit 19 CPI T-61

#### Notice About U. S. Federal Income Taxes

If your regular monthly payments are reduced because of United States Federal income tax withholding, we also deducted U. S. Federal income taxes from the separate payment you are due for months before July 2001. The amount of the payment that is shown in the accompanying letter is after we reduced the payment for income tax withholding.



**Retirement Claims Manual**  
December 30, 2010

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>

Form T-61 (07/01)

**Exhibit 20 T-78 WIMA Mass Adjustment Notice**

T-78(04-02)

**RAILROAD RETIREMENT NOTICE**

U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

Office of Programs

Operations

RRB Claim Number

A

Visit our Web site at

[.rrb.gov](http://www.rrb.gov)

Your May 1, 2002 payment (your annuity for April) will increase to \$\_\_\_\_\_. The increase in your annuity is also payable for months before April. You will receive a payment for \$\_\_\_\_\_ within the next ten days. This is the increase amount due through March minus Federal income taxes of \$\_\_\_\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

The increase in your monthly payment is a result of the Railroad Retirement and Survivors' Improvement Act of 2001. The new law created a widow(er)'s initial minimum amount beginning with annuities payable for February 2002 (March 1, 2002 and later payments). Your initial minimum amount is higher than your current tier 1 and tier 2



# Retirement Claims Manual

## December 30, 2010

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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benefits. Your monthly payment will be based on your initial minimum amount until annual cost-of-living increases raise your regular annuity to a higher amount.

If you have any questions, contact the nearest office of the Railroad Retirement Board. You have the right to request reconsideration of this rate change within 60 days of the date of this letter.

Robert J. Duda

Director of Operations.

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If the accrual payment is reduced to zero by Federal income tax withholding, or no accrual is payable, the first paragraph is worded to describe those situations.

### Exhibit 21 - T-79

T-79(04-02)

#### RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

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Office of Programs

Operations

RRB Claim Number

A

Visit our Web site at



# Retirement Claims Manual

## December 30, 2010

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>

[.rrb.gov](http://www.rrb.gov)

The Railroad Retirement and Survivors' Improvement Act of 2001 created a widow(er)'s initial minimum amount beginning with annuities payable for February 2002 (March 1, 2002 and later payments). We are not able to compute your initial minimum amount at this time. We will complete our review of your case within the next 90 days, and we will send you another letter to let you know if your initial minimum amount will increase your monthly payment.

Robert J. Duda

Director of Operations

### Exhibit 22 RRA Max T-84

T-84 RRA Maximum Mass Adjustment Notice

T-84(05-02)

### RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

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Office of Programs

Operations

RRB Claim Number

A

Visit our Web site at

[.rrb.gov](http://www.rrb.gov)

Your June 1, 2002 payment (your annuity for May) will increase to \$\_\_\_\_\_.  
We are withholding \$\_\_\_\_\_ in Federal income taxes from your monthly payment.



## Retirement Claims Manual

### December 30, 2010

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>

The increase in your annuity is also payable for months before May. You will receive a payment for \$\_\_\_\_\_ within the next ten days. This is the increase amount due through April minus Federal income taxes of \$\_\_\_\_\_. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

The increase in your monthly payment is a result of the Railroad Retirement and Survivors' Improvement Act of 2001. The new law eliminates the maximum amount that reduces some monthly employee and spouse annuities. The maximum amount ends effective with annuities payable for January 2002 (February 1, 2002 and later payments).

If you have any questions, contact the nearest office of the RRB. You have the right to request reconsideration of this rate change within 60 days of the date of this letter.

Robert J. Duda

Director of Operations.

If the accrual payment is reduced to zero by Federal income tax withholding, or no accrual is payable, the first paragraph is worded to describe those situations.

If the RRA maximum reduction reduced tier 2 to zero and RRB records indicate the annuitant (or the employee if the annuitant is a spouse) is currently working in LPE, an additional paragraph is included to advise the annuitant that LPE work deductions were withheld now that tier 2 is greater than zero. The special paragraphs are as follows:

Annuitant is an employee:

"We are withholding a portion of your annuity because our records show that you are working for your last pre-retirement employer. If this is not correct, contact the nearest office of the Railroad Retirement Board."

Annuitant is a spouse:

"We are withholding a portion of your annuity because our records show that you or your spouse are working for a last pre-retirement employer. If this is not correct, contact the nearest office of the Railroad Retirement Board."

### **Exhibit 23 RRA Max T-85**

T-85 RRA Maximum Mass Adjustment Notice

T-85(05-02)



**Retirement Claims Manual**  
**December 30, 2010**

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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**RAILROAD RETIREMENT NOTICE**

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U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

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Office of Programs  
Operations

RRB Claim Number

A

Visit our Web site at  
[.rrb.gov](http://www.rrb.gov)

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminates the maximum amount that reduces some employee supplemental annuities. Your monthly payment will not change. Your supplemental annuity is also reduced by the pension you receive from your former railroad employer. Because of this pension reduction, your monthly supplemental annuity amount does not change.

Robert J. Duda

Director of Operations.

**Exhibit 24 RRA Max T-86**

T-86 RRA Maximum Mass Adjustment Notice

T-86(05-02)

**RAILROAD RETIREMENT NOTICE**

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U.S. Railroad Retirement Board  
844 N. Rush St.  
Chicago, IL 60611-2092

Date:

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# Retirement Claims Manual

## December 30, 2010

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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Office of Programs  
Operations

RRB Claim Number

A

Visit our Web site at

[.rrb.gov](http://www.rrb.gov)

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminates the maximum amount that reduces some monthly employee and spouse annuities. We are not able to adjust your annuity at this time, but we will adjust it within the next 90 days. You will receive another letter that will provide your new monthly payment amount, and you will receive any back payments due.

Robert J. Duda

Director of Operations.



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**Exhibit 25 T-71 WIMA Increase Advance Notice**

T-71(01-02)

**RAILROAD RETIREMENT NOTICE**

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U.S. Railroad Retirement Board  
(Field Office address)

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Issued: January 23, 2002

RRB Claim Number

A recent change in the law will affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases.

Your initial base amount is compared to the monthly tier 1 and tier 2 benefits to which you are entitled beginning in February 2002. We have reviewed our records, and determined that your initial base amount is higher than your tier 1 and tier 2 benefits effective February 2002. We are working on your case to determine the exact amount of the increase you are due. We will finish our determination by May 1, 2002. At that time your monthly payment will be adjusted and you will receive another letter explaining the increase. You will also receive a special payment for the additional amount you are due for months beginning with February 2002.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at [.rrb.gov](http://www.rrb.gov), or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."



# Retirement Claims Manual

## December 30, 2010

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

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### U.S. Railroad Retirement Board

#### Exhibit 26, T-72 No WIMA Increase

T-72(1-02)

#### RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
(Field Office address)

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Issued: January 24, 2002

RRB Claim Number

A recent change in the law does not affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases.

Your initial base amount is compared to the monthly tier 1 and tier 2 benefits to which you are entitled beginning in February 2002. After careful review of your payment, we find that your tier 1 and tier 2 benefits computed under the regular formula as of February 2002 are higher than your initial base amount. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at [.rrb.gov](http://www.rrb.gov), or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it



## Retirement Claims Manual December 30, 2010

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

affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

### Exhibit 27 T-73 No WIMA for Remarried Widow(er)s or Surviving Divorced Spouses

T-73(01)02

#### RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
(Field Office address)

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Issued: January 28, 2002

RRB Claim Number

This is to notify you of a recent change in the law and to explain why your monthly payment is not affected by the change.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. The law does not change the annuity computation for remarried widow(er)s or surviving divorced spouses. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at [.rrb.gov](http://www.rrb.gov), or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board



**Retirement Claims Manual**  
**December 30, 2010**

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**Exhibit 28 T-74 No WIMA for 1937/1974 act Widow(er)s annuities**

T-74(01-02)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
(Field Office address)

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Issued: January 31, 2002

RRB Claim Number

This is to notify you of a recent change in the law and to explain why your monthly payment is not affected.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s if the railroad employee began receiving a payment or died after September 1981, or the widow(er) began receiving a payment after September 1986. After a careful review of your records, we find that the new law does not apply to your monthly payment because it began before October 1, 1986, and the railroad employee died or began receiving a payment before October 1, 1981. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at [.rrb.gov](http://rrb.gov), or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board



# Retirement Claims Manual

## December 30, 2010

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>

## Exhibit 29 T-75 Notice to Employees and Spouses with RRA Maximum Reduction

T-75(01-02)

### RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
(Field Office address)

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Issued: January 25, 2002

#### RRB Claim Number

A recent change in the law affects the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 repealed the maximum retirement benefit provision of the Railroad Retirement Act effective with monthly benefits payable for January 2002. This provision had limited monthly family benefits to an amount based on an employee's average earnings in the 10-year period prior to retirement. Reductions were applied to employee and/or spouse payments so that benefits did not exceed the maximum amount.

Your monthly payment is currently reduced because of the maximum provision. We will remove the reduction in your monthly payments by June 1, 2002. At that time we will mail you another letter to explain the increase in your monthly payments. You will also receive a special payment for the additional benefits due you for months after December 2001.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at [.rrb.gov](http://www.rrb.gov), or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board



**Retirement Claims Manual**  
**December 30, 2010**

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844 North Rush Street            TTY: (312) 751-4701  
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**Exhibit 30 T-76 Notice to Employees of Impact on Potential Spouse Benefits  
Resulting From Elimination of the RRA Maximum**

T-76(01-02)

RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
(Field Office address)

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Issued: January 18, 2002

RRB Claim Number

A recent change in the law may affect the amount of railroad retirement benefits payable based on your earnings.

The Railroad Retirement and Survivors' Improvement Act of 2001 repealed the maximum benefit provision of the Railroad Retirement Act effective with monthly benefits payable for January 2002. This provision had limited monthly family benefits to an amount based on an employee's average earnings in the 10-year period prior to retirement. Reductions were applied to employee and spouse annuities so that benefits did not exceed the maximum amount.

Under the maximum benefit provision, combined employee and spouse benefits could sometimes be less than the benefits paid to the employee alone. In this situation, we advised the spouse not to file for benefits. With the repeal of this provision, it is now advantageous for these spouses to file for benefits.

If you have a spouse who is not receiving monthly railroad retirement payments and may be eligible for benefits, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience.

You can also get general information about the change in the law by going to "Latest News" on our Web site at [.rrb.gov](http://rrb.gov), or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board



# Retirement Claims Manual

## December 30, 2010

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Chicago Illinois, 60611-2092 Web: <http://www.rrb.gov>

### Exhibit 31 T-77 WIMA Eligibility Cannot be Determined

T-77(01-02)

#### RAILROAD RETIREMENT NOTICE

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U.S. Railroad Retirement Board  
(Field Office address)

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Issued: January 22, 2002

#### RRB Claim Number

A recent change in the law may affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases. The initial base amount is compared to the tier 1 and tier 2 benefits to which you are entitled effective February 2002.

We are working on your case to determine if your initial base amount is higher than the monthly tier 1 and tier 2 benefits payable to you effective February 2002. We will finish our determination by May 1, 2002. At that time we will mail you another letter to let you know if you are due an increase in your monthly payment. If you are due an increase, we will also tell you the amount of the increase.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at [.rrb.gov](http://www.rrb.gov), or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board



# Retirement Claims Manual

## December 30, 2010

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Chicago Illinois, 60611-2092 Web: <http://www.rrb.gov>

### Exhibit 32 RL-119R RESCUE adjustment letter

#### RAILROAD RETIREMENT AWARD NOTICE

U.S. Railroad Retirement Board

844 N. Rush Street Chicago, Illinois 60611-2092

Date:

RL-119R

Office of Programs

Operations

NAME

A 999-99-9999

ADDRESS LINE 1

ADDRESS LINE 2

Your monthly annuity payments have been adjusted.

(RESCUE paragraphs)

*[the following paragraph is included in employee letters if only the regular annuity is adjusted]*

Your new regular monthly annuity amount is \$\_\_\_\_\_. This is only your regular annuity rate; it does not include any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include your new regular annuity rate plus any supplemental annuity or social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

*[the following paragraph is included in employee letters if both the regular annuity and the supplemental annuity are adjusted]*

Your new regular monthly annuity amount is \$\_\_\_\_\_. Your new monthly supplemental annuity amount is \$\_\_\_\_\_. Your next monthly payment will include both your new regular annuity rate and your new supplemental annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.



## Retirement Claims Manual

### December 30, 2010

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*[the following paragraph is included in employee letters if only the supplemental annuity is adjusted]*

Your new supplemental annuity amount is \$\_\_\_\_\_. This is only your supplemental annuity rate; it does not include your regular annuity or any social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include both your regular annuity rate and your new supplemental annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

*[the following paragraph is included in spouse letters]*

Your new monthly annuity amount is \$\_\_\_\_\_. This is only your railroad retirement annuity rate; it does not include any social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include both your new regular annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

*[the following paragraph is included if taxes are withheld from the monthly payment]*

We are withholding \$\_\_\_\_\_ in Federal income taxes from your monthly payment. This may include taxes withheld from the social security equivalent benefit portion of tier 1 based on your IRS Form W-4V voluntary withholding request.

*[the following paragraph is included only if a regular annuity accrual is paid]*

The increase in your regular annuity is payable for earlier months. You will receive a payment for \$\_\_\_\_\_. This payment is the difference between the amount of regular annuity benefits that were due and any benefits that have already been paid minus Federal income taxes of \$\_\_\_\_\_.

*[the following paragraph is included only if a supplemental annuity accrual is paid]*

The increase in your supplemental annuity is payable for earlier months. You will receive a payment for \$\_\_\_\_\_). This payment is the difference between the amount of supplemental annuity benefits that were due and any benefits that have already been paid minus Federal income taxes of \$\_\_\_\_\_.

If you are enrolled in the Direct Deposit Program, your back payment(s) will be sent to your checking or savings account. If you have not already received your back payment(s), you should receive it within the following two weeks. If you do not receive this payment, please refer to this number when writing to us: Voucher number 575.

**YOUR RIGHTS TO RECONSIDERATION AND APPEAL**



# Retirement Claims Manual

## December 30, 2010

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>

If you believe that this rate change is not correct, you may request that the rate be reconsidered. Your right to reconsideration applies only to the Railroad Retirement Board's rate change in this case; it does not apply to the adjustment for federal income tax withholding. If you wish this reconsideration, you must request it in writing, and your request must be received by the Railroad Retirement Board WITHIN 60 DAYS from the date of this notice. You may send your request to any field office of the Railroad Retirement Board or you may send it directly to the following address: Railroad Retirement Board, Reconsideration Section, 844 North Rush Street, Chicago Illinois 60611-2092. If you have any additional evidence to be considered, please include it with your request.

If you disagree with the reconsideration, you may then appeal to the Bureau of Hearings and Appeals within 60 days from the date of the Reconsideration decision.

If you do not request a reconsideration within 60 days from the date of this notice, you may not be able to file an appeal at a later date.

### IF YOU HAVE ANY QUESTIONS

If you have any questions about your railroad retirement payments or if you wish to change the amount of taxes withheld each month, you should contact a representative in our \_\_\_\_\_ field office. That office is located at:

The telephone number is XXX-XXX-XXXX.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have an appointment, but the Railroad Retirement Board's representatives can serve you better with an appointment. Most Railroad Retirement Board offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday.

### **Exhibit 33 RL-45R RESCUE One Payment Only Letter**

#### RAILROAD RETIREMENT AWARD NOTICE

U.S. Railroad Retirement Board

844 N. Rush Street Chicago, Illinois 60611-2092

Date:

RL-45R

Office of Programs



# Retirement Claims Manual

## December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

### Operations

NAME A 999-99-9999

ADDRESS LINE 1

ADDRESS LINE 2

You are entitled to an adjustment payment of \$\_\_\_\_\_.

### INFORMATION ABOUT THIS AWARD

(RESCUE paragraphs)

### INFORMATION ABOUT YOUR PAYMENT

Since you are enrolled in the Direct Deposit Program, this payment will be sent to your checking or savings account,

OR

The payment will be delivered to you at the address shown on this letter.

If you have not already received this payment, you should receive it within the following two weeks.

If you do not receive this payment, please refer to this number when writing to us:  
Voucher number 575.

### YOUR RIGHTS TO RECONSIDERATION AND APPEAL

If you believe that this rate change is not correct, you may request that the rate be reconsidered. Your request must be in writing and you should explain why you disagree. If you wish this reconsideration, your request must be received by the Board WITHIN 60 DAYS from the date of this notice. You may file your request at any field office of the Railroad Retirement Board or you may send it directly to the following address: Railroad Retirement Board, Reconsideration Section, 844 North Rush Street, Chicago, Illinois, 60611-2092. If you have additional evidence to be considered, please include it with your request.

If you disagree with the reconsideration decision, you may then appeal to the Bureau of Hearings and Appeals within 60 days from the date of the reconsideration decision.



## Retirement Claims Manual December 30, 2010

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

Phone: (312) 751-7139  
TTY: (312) 751-4701  
Web: <http://www.rrb.gov>

If you do not request a reconsideration within 60 days from the date of this notice, you may not file an appeal at a later date.

### IF YOU HAVE ANY QUESTIONS

If you have any questions about this notice, you should contact a representative in our \_\_\_\_\_ field office. That office is located at:

The telephone number is XXX-XXX-XXXX.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have an appointment, but the Railroad Retirement Board's representatives can serve you better with an appointment. Most Railroad Retirement Board offices are open to the public from 9:00 a.m to 3:30 p.m. Monday through Friday

### IF YOU HAVE ANY QUESTIONS

If you have any questions about your railroad retirement payments or if you wish to change the amount of taxes withheld each month, you should contact a representative in our \_\_\_\_\_ field office.

That office is located at \_\_\_\_\_  
\_\_\_\_\_

The telephone number is XXX-XXX-XXXX.

If you have any questions about the amount of taxes you may owe, contact an office of the Internal Revenue Service.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have



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