INSTRUCTIONS for FORM OE-1
U. S. RAILROAD RETIREMENT BOARD
Revised 2016

The following instructions are to assist system subordinate units* in reporting creditable service and compensation and taxable earnings to the National Secretary-Treasurer or National Reporting Officer of their labor organization and in reporting and paying retirement taxes and unemployment contributions.

Form OE-1 is used to report creditable compensation and service for system units of national rail labor organizations covered under the provisions of the Railroad Retirement Act (RRA) and the Railroad Unemployment Insurance Act (RUIA). The report should be sent to your National Secretary-Treasurer or National Reporting Officer within 15 days after the end of the period covered by the report. ***DO NOT SEND FORM OE-1 TO THE RAILROAD RETIREMENT BOARD (RRB) OR TO THE INTERNAL REVENUE SERVICE (IRS)***.

*System subordinate units include:

DISTRICT COUNCILS	**DISTRICT LODGES**
GENERAL COMMITTEE	**GENERAL COMMITTEES OF ADJUSTMENT**
GENERAL GRIEVANCE COMMITTEES	**JOINT PROTECTIVE BOARDS**
STATE LEGISLATIVE BOARDS	**STATE LEGISLATIVE COMMITTEES**
SYSTEM BOARDS	**SYSTEM COUNCILS**
SYSTEM FEDERATIONS	**REGIONAL ASSOCIATIONS OF**
FEDERATIONS OF GENERAL CHAIRMEN	**GENERAL CHAIRMEN**

WHERE TO GO FOR ADDITIONAL INFORMATION

- For additional forms or questions about these instructions contact either your national organization or a Compensation Reporting Specialist at the Railroad Retirement Board's Quality Reporting Service Center at (312) 751-4992 or email qrsc@rrb.gov.

- For questions about completing Form CT-1, tax deposit rules, or obtaining an employer identification number (EIN), call the IRS at 1-800-829-4933 (Business and Specialty Tax Line) or 1-800-829-4059 (TDD/TTY) for persons who are deaf, hard of hearing, or have a speech disability, Monday-Friday 7:00 a.m. – 7 p.m. local time.

- For more information on Additional Medicare Tax, visit http://www.irs.gov and search for ""Questions and Answers for the Additional Medicare Tax " Form 8959, *Additional Medicare Tax*, and Instructions for Form 8959

- For information on the Electronic Federal Tax Payment Systems (EFTPS) or to enroll in EFTPS, visit the EFTPS website at www.eftps.gov or call 1-800-555-4477; en español, 1-800-244-4829; for TDD (hearing impaired) call 1-800-733-4829 from 8 a.m. – 8 p.m. ET M-F. Assistance is available 24/7 unless otherwise noted. Additional information about EFTPS is also available in the Internal Revenue Service Publication (Pub.) 966, Electronic Federal Tax Payment System: A Guide to Getting Started .

- For questions regarding enrollment on the http://www.Pay.gov website, please contact Pay.gov customer support at either 1-800-624-1373 or email at pay.govclev@clev.frb.org. Assistance is available 7 a.m. – 7 p.m. (ET) Monday-Friday, except Holidays.

A. INSTRUCTIONS FOR COMPLETING ITEMS 1-21

1. Enter the name of your national organization.
2. Enter the page number and the total number of pages included in this report. Example: Page 1 of 2.
3. Enter the name and/or number of your reporting unit.
4. Enter the RRB unit number (BA number) assigned to your national organization. To obtain your unit number, contact your national organization.
5. Enter the appropriate month or quarter and year. Example: Mar 2013 or 1st Q 2013.
6. Enter the employee's last name followed by the employee's first name and middle initial. Also, enter the employee's nine-digit social security number.
7. Enter the appropriate month of the quarter you are filing. Example: If you are filing for the 2nd quarter of 2013, enter Apr in 1, May in 2, and Jun in 3.
8. Enter the employee's last daily pay rate for the report year exclusive of overtime and other allowances. Use the actual daily rate of pay if it is less than $200.00. If the rate is equal or greater than $200.00, report $200.00. Do not report amounts in excess of $200.00. The last daily pay rate need be reported **ONLY** for the last month the employee worked in the year. This information is used in certain situations to determine the RUIA benefit rate. Instructions for converting pay rates to daily rates are in *Part C of these instructions*.
9. Enter the gross earnings and Tier I Medicare earnings. Note: Both amounts consist of all taxable compensation. Only include amounts earned for services to your unit.
10. Enter the amount of the employee Medicare tax withheld from the employee's earnings. Instructions for calculating the withholding amounts are in *Part B of these instructions*.
11. Enter the Tier I creditable retirement compensation.
12. Enter the amount of Tier I employee tax withheld from the employee's earnings.
13. Enter the Tier II creditable retirement compensation.
14. Enter the amount of the Tier II employee tax withheld from the employee's earnings.
15. Enter the creditable RUIA compensation. Instructions for determining creditable RUIA compensation are in *Part F of these instructions*.
16. Calculate the totals for columns 9 thru 15.
17. Enter your name and title.
18. Enter the address of your organization.
19. Enter a telephone number you may be contacted at.
20. Enter the date the report was completed.
21. The box "21. Date Received by NRO" should be left blank for it is to be used by the National Reporting Officer.

SAMPLE

RAIL LABOR SYSTEM UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION									

1. Name of National Organization **Workers United**

3. Payroll Report of Reporting Unit (Name and/or Number) **Local 100**   4. RRB Unit No. **8900**

2. Page **1** of **1** Page(s)
5. For Month or Quarter Ending **1st Quarter** 20 **15**

See Form OE-1 INST for Complete Instructions

NOTE: Compensation should NOT be reported in excess of applicable yearly maximums

Tier I Maximum **118,500.00** Tier II Maximum **88,200.00** RUIA Max. **1,455.00**

6. Employee Identification	7. Month of Quarter	8. Daily Pay Rate	9. Gross Earnings and Tier I Medicare Earnings	10. Employee Medicare Tax Withheld	11. Tier I Earnings	12. Tier I Employee Tax Withheld	13. Tier II Earnings	14. Tier II Employee Tax Withheld	15. RUIA Compensation
Name **Engineer, Ed**	1 Jan		480.00	6.96	480.00	29.76	480.00	23.52	0.00
	2 Feb		512.00	7.42	512.00	31.74	512.00	25.09	512.00
SSA Number **888-88-8888**	3 Mar		512.00	7.42	512.00	31.74	512.00	25.09	512.00
Name **Trainman, Tim**	1 Jan		150.00	2.18	150.00	9.30	150.00	7.35	0.00
	2 Feb		190.00	2.76	190.00	11.78	190.00	9.31	0.00
SSA Number **777-77-7777**	3 Mar	40.00	10.00	0.15	10.00	0.62	10.00	0.49	10.00
Name **Signalman, Samuel S.**	1 Jan		3,400.00	49.30	3,400.00	210.80	3,400.00	166.60	1,455.00
	2 Feb		3,700.00	53.65	3,700.00	229.40	3,700.00	181.30	1,455.00
SSA Number **666-66-6666**	3 Mar		3,700.00	53.65	3,700.00	229.40	3,700.00	181.30	1,455.00
Name **Computers, Cora C.**	1 Jan		2,600.00	37.70	2,600.00	161.20	2,600.00	127.40	1,455.00
	2 Feb		3,000.00	43.50	3,000.00	186.00	3,000.00	147.00	1,455.00
SSA Number **555-55-5555**	3 Mar		3,000.00	43.50	3,000.00	186.00	3,000.00	147.00	1,455.00
Name **Dispatcher, Dan D.**	1 Jan		2,156.00	31.26	2,156.00	133.67	2,156.00	105.64	1,455.00
	2 Feb		2,450.00	35.53	2,450.00	151.90	2,450.00	120.05	1,455.00
SSA Number **444-44-4444**	3 Mar		2,450.00	35.53	2,450.00	151.90	2,450.00	120.05	1,455.00
Name **Carman, Carl**	1 Jan		50.00	0.73	50.00	3.10	50.00	2.45	1,455.00
	2 Feb		50.00	0.73	50.00	3.10	50.00	2.45	0.00
SSA Number **333-33-3333**	3 Mar		40.00	0.58	40.00	2.48	40.00	1.96	0.00
16. TOTALS			28,450.00	412.55	28,450.00	1,763.89	28,450.00	1,394.05	15,584.00

CAUTION: Railroad Retirement Taxes reported on the CT-1 must be deposited by electronic fund transfer with the U. S. Treasury Department. Read the instructions for the Form CT-1 for the proper depositing procedures. The frequency of your tax is NOT determined by the completion of Form OE-1. Deposits may be required more or less often.

17. Name and Title	18. Address	19. Telephone Number	20. Date Completed	21. Date Received by NRO
Pam Payroll Accountant	123 Main Street Chicago, IL 45678	(312) 555-5555	4/14/15	

B. INSTRUCTIONS FOR CALCULATING WITHHOLDING AMOUNTS

In December of each year, the RRB releases notices of the earnings maximums as well as the Tier I, Tier II, Medicare, and RUIA tax rates for the following year. The earnings maximums and tax rates are subject to change annually. This information is also posted on the RRB website (www.RRB.gov).).

Enter the annual compensation maximums in the corresponding boxes on the OE-1. Compensation should not be taxed or reported in excess of the annual earnings maximums for an individual. Tier I taxes are not assessed on earnings above the Tier I annual maximum limit. Tier II taxes are not assessed on earnings above the Tier II annual maximum limit. There is no compensation maximum for Medicare tax.

An employee pays three payroll taxes: Tier I, Tier II, and Medicare. Employees do not pay the RUIA contribution. The employee and employer tax rates are the same for Tier I and Medicare but differ for Tier II. To calculate the tax withheld, multiply the taxable earnings by the tax rate.

The following is a calculation of Ed Engineer's January withholding from the sample shown in *SECTION A.*

MEDICARE TAX WITHHELD	TIER I TAX WITHHELD	TIER II TAX WITHHELD
$ 480.00	$ 480.00	$ 480.00
X 0.0145	X 0.062	X 0.049
$ 6.96	$ 29.76	$ 23.52

NOTE: **Beginning in 2013, employees pay an additional 0.9 percent Medicare tax on yearly earnings above $200,000.** An employer is required to begin withholding Additional Medicare Tax in the pay period in which it pays railroad retirement (RRTA) compensation in excess of $200,000 to an employee and continue to withhold it each pay period until the end of the calendar year. **There is no employer match for Additional Medicare Tax.**

The following is a calculation for the Additional Medicare Tax an employer would withhold if Pam Payroll was to earn over $200,000 in RRTA compensation.

In 2015, Pam Payroll earned $250,000 in RRTA compensation. $50,000 is the amount Pam Payroll earned over the $200,000 threshold. Her employer is required to withhold the Additional Medicare Tax on this amount.

ADDITIONAL MEDICARE TAX WITHHELD
$ 50,000.00
X   0 .009
$ 450.00

C. INSTRUCTIONS FOR CALCULATING THE DAILY PAY RATE (Item 8)

To determine the daily rate of an employee paid on an:

HOURLY BASIS - Multiply the hourly rate by 8;
MONTHLY BASIS - Divide the monthly rate by 21.75;
ANNUAL BASIS - If the annual rate is adjusted for months employed, divide the annual rate by the months employed. Otherwise, divide the annual salary rate by 12. Divide the quotient by 21.75.

D. INSTRUCTIONS FOR USE OF FORM OE-1 IN COMPLETING FORM CT-1

Form CT-1, Employer's Annual Railroad Retirement Tax Return, is the IRS form used to report railroad retirement taxes. Form CT-1 is filed annually for taxes imposed on earnings paid in a calendar year. If the cumulative earnings for all employees are less than the Tier II maximum, then the cumulative gross earnings will be equal to the cumulative Tier I and Tier II earnings.

Enter the cumulative earnings totals and withholding totals in the appropriate spaces in the *TAX CALCULATION WORKSHEET* on page two of Form OE-1. **The cumulative totals are the sums of the totals from all Forms OE-1 filed in the year.**

Enter the tax rates in Items A, B, and C, on the worksheet and multiply by the earnings. The items from the *TAX CALCULATION WORKSHEET* are in the same order and directly correspond to items on Form CT-1. Transcribe the amounts from the worksheet to Form CT-1 using the "CT-1 references" column on the worksheet as a guide.

The **cumulative yearly totals** in the following example are **four** times the quarterly totals from the sample shown

in *SECTION A*.

FORM OE-1 TAX CALCULATION WORKSHEET

TAX CALCULATIONS To be used for completing Form CT-1 and in determining tax liability.		CT-1 REFERENCES
A. $ **113,800.00** **0.062** Column 11 Total x Tier I Employer Tax Rate	$ **7,055.60**	Tier I Employer Tax - Compensation
B. $ **113,800.00** **0.0145** Column 9 Total x Medicare Tax Rate	$ **1,650.10**	Tier I Employer Medicare Tax - Compensation
C. $ **113,800.00** **0.131** Column 13 Total x Tier II Employer Tax Rate	$ **14,907.80**	Tier II Employer Tax - Compensation
D. Column 12 Total	$ **7,055.56**	Tier I Employee Tax - Compensation
E. Column 10 Total	$ **1,650.20**	Tier I Employee Medicare Tax - Compensation
F. $_____ x **0.009** Additional Medicare Tax Rate [Paid on compensation exceeding $200,000 per year for an employee]	$	Tier I Employee Additional Medicare Tax - Compensation
G. Column 14 Total	$ **5,576.20**	Tier II Employee Tax - Compensation
H. Sum of columns A through G Railroad Retirement Tax Liability for period	$ **37,895.46**	Total Tax Based on Compensation
I. $ **62,296.00** **0.0065*** Column 15 Total x RUIA Contribution Rate	$ **404.92**	DC-1 RUIA Contribution Liability for Period

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

* 0.65% is the minimum RUIA Contribution Rate for any employer. To get the individual contribution rate for your organization or unit, contact the National Organization or the RRB.

E. INSTRUCTIONS FOR USE OF FORM OE-1 IN DETERMINING TAX LIABILITY

Taxes reported on Form *CT-1* are paid monthly with two exceptions: 1) your tax liability is more than $100,000, in which case taxes are paid more often than monthly, or 2) your tax liability is less than $2,500, in which case taxes may be paid annually. All federal tax deposits must be made by electronic funds transfer. Generally, an electronic funds transfer is made using the Electronic Federal Tax Payment System (EFTPS). If you do not wish to use EFTPS, have an authorized financial institution make the electronic deposit on your behalf. Taxes must be deposited with the U.S. Department of Treasury; **taxes must not be paid to the IRS or to the RRB.**

The RUIA contributions reported on the Form *DC-1* are filed quarterly by your National Secretary-Treasurer or National Reporting Officer after they receive Form OE-1 from all of their system subordinate units. The RUIA contribution payments should be made electronically using http://www.Pay.gov. If your National Secretary-Treasurer or National Reporting Officer does not wish to use Pay.gov, they can submit a check or money order made out to the 'U. S. Railroad Retirement Board' at the following address:

> Chief Financial Officer
> U. S. Railroad Retirement Board
> 844 N. Rush Street
> Chicago, Illinois 60611-1275.

The frequency, monthly or quarterly, for filing Form OE-1 is determined by your national organization. If you file Form OE-1 monthly, the form can be used to calculate your monthly tax liability by completing Items A through I on the *TAX CALCULATION WORKSHEET*. It will be necessary to sum the RUIA compensation for the three months in the quarter to calculate the quarterly DC-1 RUIA contribution amount. If you file Form OE-1 quarterly, the form can be used to calculate your DC-1 tax liability by completing Item I of the *TAX CALCULATION WORKSHEET.* If you develop the monthly earnings and withholding totals, you can enter the monthly totals in the *TAX CALCULATION WORKSHEET* to calculate the monthly tax liability.

If all employees' earnings are less than the Tier II maximum, another option for determining monthly tax liability is to multiply the monthly gross earnings by the combined tax rate. The combined tax rate is the sum of the six tax rates: Employee Medicare, Employee Tier I, Employee Tier II, Employer Medicare, Employer Tier I, and Employer Tier II. For example, the sum of the six tax rates for 2015 is 33.3%. If all of the employees' combined earnings are less than the Tier II maximum, multiply the monthly 2015 gross earnings by 0.333 to obtain the monthly 2015 tax liability.

The following example demonstrates the calculation of tax liability for **March 2015** and DC-1 contributions for the first quarter of 2015 using data from the sample shown in *SECTION A.* The totals in Items A through I were developed from the figures shown for *the third month of the first quarter*.

FORM OE-1 TAX CALCULATION WORKSHEET

TAX CALCULATIONS To be used for completing Form CT-1 and in determining tax liability.		CT-1 REFERENCES
A. $ **9,712.00** **0.062** Column 11 Total x Tier I Employer Tax Rate	$ 602.14	Tier I Employer Tax - Compensation
B. $ **9,712.00** **0.0145** Column 9 Total x Medicare Tax Rate	$ 140.82	Tier I Employer Medicare Tax - Compensation
C. $ **9,712.00** **0.131** Column 13 Total x Tier II Employer Tax Rate	$ 1,272.27	Tier II Employer Tax - Compensation
D. Column 12 Total	$ 602.14	Tier I Employee Tax - Compensation
E. Column 10 Total	$ 140.83	Tier I Employee Medicare Tax - Compensation
F. $ _____ x _0.009_ Additional Medicare Tax Rate [Paid on compensation exceeding $200,000 per year for an employee]	$	Tier I Employee Additional Medicare Tax - Compensation
G. Column 14 Total	$ 475.89	Tier II Employee Tax - Compensation
H. Sum of columns A through G Railroad Retirement Tax Liability for period	$ 3,234.09	Total Tax Based on Compensation
I. $ **4,887.00** **0.0065** Column 15 Total x RUIA Contribution Rate	$ 31.77	DC-1 RUIA Contribution Liability for Period

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

F. INSTRUCTIONS FOR DETERMINING CREDITABLE RUIA COMPENSATION (Item 15)

If an employee worked only for the system unit in a month, earnings are creditable under the RUIA up to the monthly RUIA maximum. If an employee of a system unit also worked for a railroad carrier in the same month, the employee's combined earnings are creditable up to the RUIA monthly maximum. If the combined earnings exceed the RUIA monthly maximum, the creditable RUIA compensation may be prorated or allocated between the two employers. The method of prorating is not set by the RRB but by agreement between the two employers. Any method which yields the correct total RUIA compensation is acceptable to the RRB. If RUIA compensation is apportioned between the system unit and the railroad carrier, the system unit must retain, for the full payroll records retention period, the records of earnings paid by the carrier provided by the employee for determining the apportionment.

Method 1
One common method of apportioning RUIA compensation between two employers is for the system unit to report RUIA compensation only in the amount not reported by the primary employer. For example, the 2015 RUIA monthly maximum is $1,455. If both the system unit and the primary employer pay $1,000 in earnings for the month of January 2015, the primary employer reports RUIA compensation of $1,000 for January 2015 and the system unit reports $455. The sum of RUIA compensation reported by the two employers is $1,455 the maximum for the month.

Method 2
Another method of apportioning RUIA compensation is for each employer to report RUIA compensation in a ratio equal to the ratio of the gross earnings paid by the two employers.
1. Determine the total earnings for the month and the total creditable RUIA compensation based on the total earnings.
2. Determine the ratio of the system unit earnings to the total earnings.
3. Multiply the creditable RUIA compensation by the system unit ratio. This will yield the system unit share of RUIA compensation under this method.

The following example is based on Ed Engineer from the sample shown in *SECTION A.*

Month	Local 100 Earnings	RR Carrier Earnings	RUIA Compensation Method 1	RUIA Compensation Method 2
January	$ 480.00	$1,500.00	$ 0.00	$ 349.20
February	$ 512.00	$ 500.00	$ 512.00	$ 516.12
March	$ 512.00	$ 0.00	$ 512.00	$ 512.00

Jan: $ 480.00 + $1,500.00 = $1,980.00; 2) $480.00 ÷ $1,980.00 = 0.24; 3) 0.24 x $1,455.00 = $349.20
Feb: $ 512.00 + $ 500.00 = $1,012.00; 2) $512.00 ÷ $1,012.00 = 0.51; 3) 0.51 x $1,012.00 = $516.12

A second example is based on Tim Trainman from the sample shown in *SECTION A.*

Month	Local 100 Earnings	RR Carrier Earnings	RUIA Compensation Method 1	RUIA Compensation Method 2
January	$ 150.00	$2,000.00	$ 0.00	$ 101.85
February	$ 190.00	$2,000.00	$ 0.00	$ 126.59
March	$ 10.00	$ 300.00	$ 10.00	$ 9.92

Jan: $150.00 + $2,000.00 = $2,150.00; 2) $150.00÷$2,150.00 = 0.070; 3) 0.070 x $1,455.00= $ 101.85
Feb: $190.00 + $2,000.00 = $2,190.00; 2) $190.00÷$2,190.00 = 0.087; 3) 0.087 x $1,455.00 = $ 126.59
Mar: $ 10.00 + $ 300.00 = $ 310.00; 2) $ 10.00÷$310.00 = 0.032; 3) 0.032 x $310.00 = $ 9.92