

Labor Employer Reporting Instructions
Part IV – Particular Types of Compensation Payments
Chapter 2: RUIA Compensation and Multiple Employers

Prorating RUIA Contributions Among Multiple Employers

Unlike compensation under the Railroad Retirement Act and the Railroad Retirement Tax Act, compensation and contributions under the Railroad Unemployment Insurance Act (RUIA) may be prorated among the multiple employers. If an employee of a national or system unit also worked for another covered employer in the same month, the employee's combined earnings are creditable up to the monthly RUIA 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 an agreement between the two employers. Any method which yields the correct RUIA compensation is acceptable to the RRB.

If the RUIA compensation is prorated between a national or system unit and another covered employer, the national or system unit must retain the records of the employee's earnings from the other employer for the full payroll retention period (5 years), provided by the employee. Information regarding employer record retention is in [Part V, Chapter 9](#).

Example of Prorating RUIA Contributions with Primary Employer

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. If the primary employer has reported RUIA compensation in an amount less than the monthly maximum, subtract the compensation reported by the primary employer from the monthly maximum. This remainder is the amount of RUIA compensation to be reported by the system unit. However, do not exceed the total earnings paid by the system unit for the month.

Example of Prorating RUIA Contributions as a Percentage

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.

- Determine the total earnings for the month and the total creditable RUIA compensation based on the total earnings.
- Determine the ratio of the system unit earnings to the total earnings.
- Multiply the creditable RUIA compensation by the system unit ratio. This will yield the system unit share of RUIA compensation under this method.

These two methods of RUIA compensation prorating are illustrated in [Appendix V](#).