

Program Letter

United States Railroad Retirement Board Office of Programs



Quality Reporting Service Center

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Date: October 9, 2013

TO: Certification Registration, Retirement and Unemployment Contact Officials

SUBJECT: Impact of Sequestration under the Balanced Budget and Emergency Deficit Control Act on RUIA Benefits for Fiscal Year 2014

Please distribute this notice to all individuals within your organization who may need the information in connection with their work.

Unemployment and sickness benefits payable under the Railroad Unemployment Insurance Act (RUIA) for days beginning October 1, 2013 must be reduced by 7.2 percent, as required by the sequestration order issued by the President on April 10, 2013 in accordance with the Balanced Budget and Emergency Deficit Control Act, as amended. The reduction is based on projected claims and will continue through September 30, 2014. Reductions for fiscal years 2015 and beyond, should they occur, will be calculated based on applicable law.

Only the reduced amount of sickness or unemployment benefits paid to a claimant will be charged to the claimant's base year employer's benefit account balance and consequently will be used when calculating the base year employer's experience rated RUIA contribution rate for any future years. The sequestered amount will not be charged to the claimant's base year employer's benefit account balance.

Any reduced special extended unemployment benefits paid based on the American Taxpayer Relief Act of 2012 (ATRA) will be charged to the \$175 million appropriation. These benefits will not be charged to the claimant's base year employer's benefit account balance and consequently will not be used when calculating the base year employer's experience rated RUIA contribution rate for any future years.

If you have any questions regarding the reduction or sequestration of benefits paid based on the Balanced Budget and Emergency Deficit Control Act, please contact the Railroad Retirement Board's Quality Reporting Service Center at (312) 751-4992.