

Rail Employer Reporting Instructions

Appendix VI: Service and Compensation Referrals to Employers

Service And Compensation Referrals To Employers Alphabetical Order by Referral Message	
Adjustment Beyond Statute Of Limitations S&C Rejected	This referral is produced when an adjustment is for a year that is more than four years before the current year. By law, employers are required to keep records for only the last four years. Employers have four years from the date of the annual report to make any corrections to that report. For more information about the time frame for filing adjustments, see Part VII, Chapter 2 of the Reporting Instructions for Rail Employers. You may also call the supervisor of the Wage Accounting section at (312) 751-3371 to discuss the adjustment.
Adjustment Caused RUIA To Become Incompatible To Tier I/Tier II S&C Posted	This referral is produced if, after the adjustment, there is one or no service months and the reported Tier I compensation is less than the monthly RUIA maximum but the reported RUIA compensation does not equal the reported Tier I compensation. Prepare Form BA-4 to increase RUIA compensation to the amount of the Tier I compensation.
Adjustment Caused Tier II To Become Greater Than Tier I S&C Posted	This referral is produced when the adjustment results in the Tier II compensation being greater than the Tier I compensation. For more information about the relationship between Tier I and Tier II compensation see, "Understanding Edit Checks of Tier I and Tier II Compensation" at the end of this chapter. Determine the correct compensation and prepare Form BA-4 to either increase Tier I or decrease Tier II accordingly.
Adjustment Caused Under Reported Tier II S&C Posted	This referral occurs when the adjustment causes the resulting Tier II compensation to be less than the Tier I compensation and Tier I is less than the Tier II annual maximum. For more information about the relationship between Tier I and Tier II compensation see, "Understanding Edit Checks of Tier I and Tier II Compensation" at the end of this chapter. Determine the correct compensation and prepare Form BA-4 to either increase Tier I or decrease Tier II accordingly.
Adjustment Results In Invalid Service Month Count For Year S&C Rejected	This referral is produced when an adjustment causes the total service months to differ from the detail service months reported. For example, there are 4 total service months but January, February, March, April and May are reported on the service

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	<p>detail. First determine what service months should be reported. Then make an adjustment so that the total service months and the service month detail match.</p>
Adjustment Results In Invalid Tier I Amount For Year S&C Rejected	<p>This referral occurs when the adjustment decreases Tier I to zero but Tier II is greater than zero. Determine the correct compensation and prepare Form BA-4 to either increase Tier I or decrease Tier II accordingly.</p>
Adjustment Results In Invalid Tier II Amount For Year S&C Rejected	<p>This referral is produced when the adjustment decreases Tier II to zero but Tier I is greater than zero. Determine the correct compensation and prepare Form BA-4 to either increase Tier II or decrease Tier I accordingly.</p>
Adjustment Results In Negative Service Months Count For Year S&C Rejected	<p>All the referrals beginning "Adjustment results in negative." are produced when an adjustment decreases service and/or compensation by an amount greater than the amount currently on record at the RRB. This may occur if the adjustment was sent in for an incorrect year or if the employer's record of service and compensation for this employee prior to the adjustment does not agree with the RRB record. If the employer and RRB records do not agree, it is advisable to determine the cause, but if that is not possible, an adjustment bringing the employee's record to the correct totals can still be filed. Determine what the correct service and compensation should be and, using the information shown on the referral, create an adjustment to yield that result. Remember to also prepare an adjustment to offset the previous adjustment that rejected.</p>
Adjustment Results In Negative Total RUIA S&C Rejected	
Adjustment Results In Negative Total Tier I S&C Rejected	
Adjustment Results In Negative Total Tier II S&C Rejected	
Adjustment Results In Negative Total Miscellaneous Compensation S&C Rejected	
Adjusted Tier II Total Is Over The Yearly Maximum S&C Posted	
Daily Pay Less Than Federal Minimum	

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	<p>next annual report. The daily pay rate is used in determining the employee's benefit rate under the RUIA Act. The daily pay rate you submitted is less than the Federal Minimum, please review.</p>
<p>Decrease Adjustment With No Previous Activity S&C Rejected</p>	<p>This referral is produced if a decrease adjustment is received and the employer did not file an initial service and compensation report for that employee for that year. This most commonly occurs when an employee previously worked for a related railroad and the current railroad does not file the adjustment under the correct BA number. This may also occur if the SSN or the year on the adjustment is in error or if the adjustment should have been an increase. Determine the correct SSN for the employee and the correct year, employer number, and type of adjustment. Prepare Form BA-4 with a two-line adjustment. The first line should remove the original report. Since the original report was a decrease adjustment, remove it with an identical increase adjustment. The second line will report the adjustment correcting the erroneous data.</p>
<p>Duplicate Service Months Reported- S&C Rejected S&C Rejected</p>	<p>This referral is produced if an increase adjustment includes service months that are already reported. This usually occurs when the compensation for a month is being increased and the service month is also included in the adjustment even though it was already reported. Prepare Form BA-4 with a two-line adjustment. The first line is to decrease or remove the previous adjustment. The second line is to create the correct adjustment without the duplicate service month.</p>
<p>Incompatible RUIA S&C Posted</p>	<p>This referral is produced if there is one or no service months and the Tier I compensation is less than the monthly RUIA compensation but the RUIA compensation does not equal the Tier I compensation. If compensation for a year is paid in a single month, it is expected that all three compensation amounts would be equal. If Tier compensation is being reported on a paid basis but RUIA compensation is being reported on an earned basis and this accounts for the differences, explain this on the referral. Otherwise... Prepare Form BA-</p>

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	4 to increase RUIA compensation to the amount of the Tier I compensation.
Invalid Service Month Count	This referral is produced if the total service months from the BA-4 is greater than or less than the sum of the individual months. Prepare a BA-4 to adjust the service months accordingly.
Invalid Service Month Indicator	This referral is produced if an increase adjustment includes service months that are already reported. This usually occurs when the compensation for a month is being increased and the service month(s) are also included in the adjustment, even though they were previously reported. Prepare a BA-4 with a two-line adjustment. The first line is to decrease or remove the previous adjustment. The second line is to create the correct adjustment without the invalid service month.
Miscellaneous Compensation After Date of Death	This referral is produced if Miscellaneous Compensation (MC) is reported for a year after the employee's year of death or after the employee died but in the same year as the date of death. If the payment made to an employee's estate in the year after the year of death, remove the MC and take a tax credit for the MC, since payments made after the calendar year of death are not subject to railroad retirement taxes. Pay the employee share of the tax withheld to the estate. If payment was made after the employee died but in the same year as the date of death, tax a tax credit on the next Form DC-1 , Employer's Quarterly Report of Contributions under the RUIA, if unemployment insurance contributions were made after the employee's date of death. Railroad Retirement taxes for Tier I and Tier II are due for payments made before the close of the calendar year in which the employee died.
Miscellaneous Compensation Adjustment Makes Tier 2 Greater than the Maximum	This referral is produced if the Tier II from the annual report is greater than the Tier II annual maximum for the year. This may occur if the employer was using the wrong Tier II maximum, if two of the digits were reversed, or if the decimal was in the wrong place. Determine the correct Tier II compensation and prepare a Form BA-4 to decrease the reported Tier II accordingly.

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Miscellaneous Compensation Is Over The Tier I Maximum	This referral is produced if the Miscellaneous Compensation is reported in an amount that exceeds the Tier I annual maximum for the year. Please see the table of the last Tier I maximum reported. This referral may result because a decimal was in the wrong place or two digits have been inverted. Determine the correct amount of Miscellaneous Compensation for the year. Prepare a BA-4 to reduce the Miscellaneous Compensation in RRB records accordingly. Your employer records may or may not contain the same error.
Name Does Not Match RRB Records S&C Rejected	This referral is produced if the name and social security number (SSN) from the employer's report do not agree with the name and social security number established in RRB records. This referral could occur because the employer changed the employee's name in their records but did not notify the RRB. This referral could also occur if the SSN was shown incorrectly in the employer report and happened to match an existing SSN for a different employee. If the referral occurred because you neglected to notify the RRB of an employee name change, put the correct name and SSN on the referral and return it to the RRB. If this referral occurred because the SSN was correct on your report, prepare Form BA-4 with a two-line adjustment. The first line will decrease or remove the original report under the incorrect SSN. The second line will create an increase adjustment under the correct SSN.
Name Is Missing S&C Rejected	This literally means that you forgot to enter the employee's name on the report. We will not process a report without a name because the name is an important part of our verification process. Without the name verification, all reports with incorrect SSNs would be posted to the incorrect record. Missing names rarely occur, but occasionally a magnetic report will have missing data. Names can be shown right on the referral. Do not file an adjustment report to include or correct a name.
Name Misspelled S&C Posted	This referral is produced if the name from the report matches the name in the RRB record except for one or two letters. This would indicate that either the employer or the RRB has misspelled the employee's

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	<p>name. If the RRB record is correct, no action is necessary except to ensure that any subsequent reports use the correct spelling of the name. If the RRB name is misspelled, please indicate the correct spelling on the referral and return to the RRB.</p>
Pay rate Is Missing S&C Posted	<p>Generally, this referral is informational only advising that pay rates need to be included in your next annual report. Missing pay rates delay the payment of unemployment and sickness benefits while the information is obtained from the employer. When missing pay rates become a serious problem to the payment of timely benefits, the RRB may require supplemental reports of pay rates from all employers who failed to include them on their annual reports.</p>
Reported RUIA Is Over The Maximum S&C Posted	<p>This referral is produced if the RUIA compensation from the annual report exceeds 12 times the monthly RUIA maximum. Determine the correct RUIA compensation and prepare Form BA-4 to decrease the reported RUIA accordingly.</p>
Reported Tier I Is Over The Maximum S&C Posted	<p>This referral is produced if the Tier I or Tier II from the annual report is greater than the Tier I or Tier II annual maximums for the year. This may occur if the employer was using the wrong Tier I or Tier II maximums or if two of the digits were reversed or if the decimal was in the wrong place. Determine the correct Tier I or Tier II compensation and prepare Form BA-4 to decrease the reported Tier I or Tier II accordingly.</p>
Reported Tier II Is Greater Than The Yearly Maximum S&C Posted	
RUIA Missing. Not Local Lodge Or Productivity Fund	<p>This referral is produced if there is one or more service months and; 1.) the Tier I compensation is less than the monthly RUIA compensation, but the RUIA compensation does not equal the tier I compensation; or 2.) the reported RUIA is zero. Prepare a BA-4 to increase RUIA compensation to the amount of the Tier I compensation.</p>
Service And Compensation After Date Of Death S&C Posted	<p>This referral is produced if the employer reports a service month on the annual report that is after the month of death in the RRB record. This could occur if the employer erroneously reported service when service was not creditable or if the RRB received an erroneous notice of death. Determine if the</p>

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	<p>employee is due service for the months referred. If not, prepare Form BA-4 to remove the erroneous months. If the employee actually worked in the months or otherwise earned the service, note this on the referral and return it to the RRB.</p>
<p>Sick Pay After Date Of Death Sick Pay Posted</p>	<p>This referral is produced if sick pay is reported for a year after the employee's year of death. Payments made to an employee's estate or survivor in the year following the employee's death are not creditable or taxable. This includes regular compensation as well as sick pay compensation. Prepare Form BA-4 to remove the sick pay reported for any years after the year of death.</p>
<p>Sick Pay Is Over Tier I Maximum Sick Pay Posted</p>	<p>This referral is produced if sick pay is reported in an amount that exceeds the Tier I annual maximum for the year. This referral usually results because a decimal is in the wrong place or two digits have been inverted. Determine the correct amount of sick pay for the year. Prepare Form BA-4 to reduce sick pay compensation in RRB records accordingly. Your employer records may or may not contain the same error.</p>
<p>Tier I Is Missing S&C Rejected</p>	<p>This referral is produced if the Tier I compensation on an annual report is zero but the Tier II compensation is greater than zero. If Tier I compensation is correctly reported as zero, then the Tier II compensation should also be zero. If Tier II compensation is greater than zero, then Tier I compensation should be greater than zero. Determine whether Tier I is under-reported or Tier II is over-reported and prepare Form BA-4 to adjust compensation accordingly.</p>
<p>Tier II Is Greater Than Tier I S&C Posted</p>	<p>This referral is produced if Tier II compensation on an annual report is greater than Tier I compensation. If credited correctly, Tier II will be either less than or equal to Tier I compensation. Determine whether Tier I is under-reported or Tier II is over-reported and prepare Form BA-4 to adjust compensation accordingly.</p>
<p>Tier II Is Missing S&C Rejected</p>	<p>This referral is produced if the Tier II compensation on an annual report is zero but the Tier I compensation is greater than zero. If Tier II</p>

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	<p>compensation is correctly reported as zero, then the Tier I compensation should also be zero. If Tier I compensation is greater than zero, then Tier II compensation should be greater than zero. Determine whether Tier II is under-reported or Tier I is over-reported and prepare Form BA-4 to adjust compensation accordingly.</p>
<p>Tier II May Be Under-Reported S&C Posted</p>	<p>This referral is produced if the Tier II compensation on an annual report is less than the Tier I compensation and Tier I is less than the Tier II maximum compensation. Determine whether Tier I is under-reported or Tier II is over-reported and prepare Form BA-4 to adjust compensation accordingly.</p>
<p>Total Service Months Greater Than Detail S&C Rejected</p>	<p>This referral is produced if the total service months from the annual report is greater than the sum of the individual months. Determine if the total is incorrect or if an additional month(s) should be reported. Prepare a Form BA-4 to adjust service months accordingly.</p>