

Rail Employer Reporting Instructions
Part III - Principles of Service and Compensation
Chapter 2: Employment Relation

Employment Relation Defined

An employee generally has an employment relation beginning with the effective hire date and ending with the effective termination date. An employment relation is maintained during periods in which active service is not performed because of:

- furlough;
- authorized leave of absence; or
- continuous disability.

Employment Relation Ends

An employment relation ends when an employee:

- dies;
- retires or receives a company pension;
- is discharged;
- resigns; or
- relinquishes employment rights.

Importance of Employment Relation

An employment relation is important because service months may be credited only for months in which an employment relation is maintained. This is true for deemed service as well. That is why the RRB requests information about an employee's status on Form GL-99, Deemed Service Questionnaire.

Common Error

Employers commonly report service months in error after an employment relation has ended if the employer is making a payment. Payments earned in a prior period may be credited when paid, but service months are always credited when the service was performed. An employment relation is an essential factor in crediting service months but is not a requirement in crediting compensation.

Example of Correctly Reporting Service Months

An employee retires in November. Earnings payments due are made in December and again in the following February. The payments made after November may be credited as compensation to November (or earlier months, if earned in earlier months) or to the months paid, but no service months are creditable after November. The employee is not entitled to service credit for December or February because the employment relation ended in November.