

Rail Employer Reporting Instructions
Part VI - Reports Related to Service and Compensation
Chapter 8: Benefit Recoveries Under Sections 2(f) and 12(o) of the Railroad
Unemployment Insurance Act

Overview

This chapter begins with general information about reimbursement requirements and processing which apply to both reimbursements under Sections 2(f) and 12(o). Next is information specific to Section 2(f) followed by information specific to Section 12(o).

Reimbursement for Benefits Paid by RRB

Railroad employers are required under certain circumstances to reimburse the Railroad Retirement Board (RRB) for unemployment and sickness insurance benefits paid to their employees. Such reimbursements are required under sections 2(f) and 12(o) of the Railroad Unemployment Insurance Act (RUIA).

Information Required With a Remittance

In order to insure that remittances are properly credited, be sure to include the following information on the check or on the remittance document.

<p>Your Payer Code</p>	<p>Your payer code will be shown on the RRB's response to your Form ID-3S or Form ID-3U if you indicated on the form that the employee's claim had been settled. Payer codes are also shown on billing statements issued by the RRB.</p> <p>If you do not know your payer code or the billing document ID number, then show on your remittance the employee's name, the employee's social security number, and the date of the injury or the period of time for which reimbursement is being made.</p>
<p>Billing Document ID number</p>	<p>Your billing document ID number will be shown on the RRB's response to your Form ID-3S or Form ID-3U if you indicated on the form that the employee's claim had been settled. Billing document ID numbers are also shown on billing statements issued by the RRB.</p>
<p>Unemployment or Sickness</p>	<p>Indicate if the remittance is reimbursement of unemployment (UI) or sickness (SI) benefits</p>
<p>Date</p>	<p>If remittance is based on a settlement, include the date of the settlement.</p>

Rail Employer Reporting Instructions
Part VI - Reports Related to Service and Compensation
Chapter 8: Benefit Recoveries Under Sections 2(f) and 12(o) of the Railroad
Unemployment Insurance Act

What to Do if You Get a Bill that You Already Paid

Although every effort is made to credit remittances to the correct account, if a remittance cannot be properly matched with the account receivable, a second billing notice may be issued on the debt. If you receive notice of a debt after submitting a reimbursement, please show the date and the amount of your remittance on the second notice and return a copy of the notice to the RRB.

Electronic Remittances

Remittances may be made electronically through www.RRB.Gov.

Type of Payment Requiring Reimbursement Under Section 2(f)

Section 2(f) requires that employers reimburse the RRB for benefits paid to an employee for days for which salary, wages, pay for time lost or other remuneration is later determined to be payable. Reimbursements under section 2(f) generally result from the award of pay for time lost or the payment of guaranteed wages. The term "remuneration" includes the following types of employer payments:

- Dismissal allowances paid pursuant to labor-protective conditions imposed by the Surface Transportation Board (e.g. New York Dock or Oregon Conditions), or under any related implementing agreements;
- Coordination allowances under the Washington Job Protection Agreement of 1936;
- Compensation payments under Article IV of the job stabilization agreement of February 7, 1965, or under revisions to that agreement; and any similar employer payments under any merger agreement or job protection arrangement that guarantees payment of compensation during periods when an employee has been deprived of employment.

The only exception to the types of payments listed above are payments made under a non-governmental plan for unemployment insurance that the RRB has approved under section 1(j) of the RUIA. Benefits paid under a non-governmental plan do not constitute "remuneration".

RRB Notices Under Section 2(f)

The RRB routinely mails a Form ID-30 notice to an employer when information is received that an employee who is claiming unemployment benefits either 1) may be eligible to receive a coordination or dismissal allowance or may be covered under the National Job Stabilization Agreement or a similar plan providing for a minimum amount of work or compensation, or 2) is seeking or may seek pay for time lost. Form ID-30 is notice of the RRB's right to reimbursement of benefits paid to the employee from any salary, wages, pay for time lost, or other remuneration that may become payable for days for which benefits are paid. Some railroad employers have made

Rail Employer Reporting Instructions
Part VI - Reports Related to Service and Compensation
Chapter 8: Benefit Recoveries Under Sections 2(f) and 12(o) of the Railroad
Unemployment Insurance Act

special arrangements to check with the RRB in all cases before payment of guaranteed wages or pay for time lost. Such arrangements eliminate the need for the Form ID-30 notices.

Amount of Reimbursement Under Section 2(f)

In general, the amount of reimbursement due under section 2(f) from the award of pay for time lost or other remuneration is the amount of benefits paid for days in the period for which the payment is to be made, or the amount of the payment for the period, whichever is less.

Prior to payment of pay for time lost, back pay, or guarantee pay, the employer should contact:

Sickness and Unemployment Benefits Division

Railroad Retirement Board
844 North Rush Street
Chicago, Illinois 60611-1275

Phone: (312) 751-4820

Email: SUBS@rrb.gov

to obtain information about the amount of benefits to be deducted from the award for reimbursement of benefits.

Interest and Penalty Charges Under Section 2(f)

Accounts receivable under Section 2(f) are subject to interest in the same manner as unpaid employer contributions under section 8(g) of the RUIA. Section 8(g) provides for the assessment of interest at the rate of 1 percent per month, or fraction thereof, from the due date until paid. The annual interest rate applied to debts incurred under section 2(f) is 12 percent.

Statutory Language of Section 2(f)

"If (I) benefits are paid to any individual with respect to unemployment or sickness in any registration period, and it is later determined that remuneration is payable to such employee with respect to any period which includes days in such registration period which had been determined to be days of unemployment or sickness, and (ii) the person or company from which such remuneration is payable has, before payment thereof, notice of the payment of benefits upon the basis of days of unemployment or sickness included in such period, the remuneration so payable shall not be reduced by reason of such benefits but the remuneration so payable, to the extent to which benefits were paid upon the basis of days which had been determined to be days of unemployment or sickness and which are included in the period for which such remuneration is payable, shall be held to be a special fund in trust for the Board. The amount of such special fund shall be paid to the Board and in the collection thereof the Board shall have the same authority, and the same penalties shall apply, as are provided in section 8 of this Act with respect to contributions".

Rail Employer Reporting Instructions
Part VI - Reports Related to Service and Compensation
Chapter 8: Benefit Recoveries Under Sections 2(f) and 12(o) of the Railroad
Unemployment Insurance Act

Type of Payment Requiring Reimbursement Under Section 12(o)

Under section 12(o), the RRB is entitled to reimbursement of benefits paid for days of sickness resulting from any injury or infirmity for which the employee is paid a personal injury settlement or damages by his or her employer.

RRB Notices Under Section 12(o)

A Form ID-30B, notice of lien, is mailed to an employer when an applicant for sickness benefits indicates that he or she has been injured on duty and/or has filed or expects to file a claim against the employer for personal injury. Form ID-30B is notice of the RRB's right to reimbursement of sickness benefits from any sum or damages payable on account of liability for the employee's injury or illness.

Amount of Reimbursement Under Section 12(o)

Under the RRB's regulations (20 CFR 341.5), the amount of reimbursement due the RRB under section 12(o) is the amount of the sickness benefits paid to the employee for the infirmity for which he or she is paid any sum or damages, or the net amount of the settlement, whichever is less. The net settlement is considered to be the amount of the damages paid with respect to the employee's injury or infirmity, minus the amounts of the medical, hospital and legal expenses incurred by the employee in connection with the injury. Medical and hospital expenses are deductible in determining the amount of the net settlement even if they are covered by the employee's insurance.

Advances paid to an employee on a personal injury settlement are considered to be paid on account of liability and subject to reimbursement under section 12(o). This is true even if no settlement or judgment is entered, or the employee does not prevail in a court action for damages against the employer.

Employers Must Notify RRB of Settlement Based on Injury

Under the RRB's regulations (20 CFR 341.6), when an employer makes a settlement, or must satisfy a final judgment, based on an injury for which the employee received benefits, the employer must notify the RRB in writing of the settlement or judgment. The notice must be made within 5 days of the date of the settlement or judgment, and include:

- the amount of the settlement or judgment;
- the date of settlement or final judgment; and
- the amount withheld from the settlement or judgment to satisfy the RRB's lien.

Notice of the settlement may be made by facsimile using Form ID-3S.

Rail Employer Reporting Instructions
Part VI - Reports Related to Service and Compensation
Chapter 8: Benefit Recoveries Under Sections 2(f) and 12(o) of the Railroad
Unemployment Insurance Act

Interest and Penalty Charges Under Section 12(o)

The RRB charges interest and assesses penalties on delinquent debts. Interest begins to accrue on amounts due under Section 12(o) on the day of the final settlement or judgment and is charged to the delinquent account 30 days later. Thereafter, interest is charged every 30 days until the debt is paid in full.

Statutory Language of Section 12(o)

"Benefits payable to an employee with respect to days of sickness shall be payable regardless of the liability of any person to pay damages for such infirmity. The Board shall be entitled to reimbursement from any sum or damages paid or payable to such employee or other person through suits, compromise, settlement, judgment, or otherwise on account of any liability (other than a liability under a health, sickness, accident, or similar insurance policy) based upon such infirmity, to the extent that it will have paid or will pay benefits for days of sickness resulting from such infirmity. Upon notice to the person against whom such right or claim exists or is asserted, the Board shall have a lien upon such right or claim, any judgment obtained thereunder, and any sum or damages paid under such right or claim, to the extent of the amount to which the Board is entitled by way of reimbursement".