

**Rail Employer Reporting Instructions**  
**Part V – Reports of Creditable Service and Compensation**  
**Chapter 4: Filing Instructions for Form BA-4, Report of Creditable Compensation Adjustments**

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**Purpose of Form BA-4**

Service and compensation that was omitted or incorrectly reported on a previous report can be corrected by filing an adjustment report on Form BA-4, Report of Creditable Compensation Adjustment. Adjustments for any current reporting year earnings, which cannot be included in the annual report, should be submitted on a Form BA-4 and clearly marked as current year adjustments. Otherwise the adjustments will reject from processing and the employer will receive a notification.


**Options for Submitting Form BA-4**

BA-4 may be reported by using one of following media:

- 3480 or 3490 compatible cartridge;
- 3½" floppy diskette;
- CD-ROM;
- Paper form;
- Internet Employer Reporting System (ERS) (See Part VIII).
- Secure E-mail
- File Transfer Protocol (FTP)

Please See [Part V, Chapter 1](#) for more information on filing options.

**Submitting Form BA-4**

Employers may initiate an adjustment report to correct an error the employer has discovered or the RRB may request an adjustment report to correct an error the RRB has identified. If a service month and/or compensation error or omission is identified, prepare BA-4 to make the correction. [Form G-440](#) , Report Specification Sheet, is also required to accompany each group of Form BA-4's submitted to the RRB. On the reverse of Form G-440, recap the number of items and totals for each type of adjusted compensation, with separate totals for increase and decrease items. Detailed instructions for completing Form BA-4 are located on the form.

**Service Month Adjustments**

If an employee was not credited or was erroneously credited with a service month, complete item 10 and Item 11 of BA-4. In item 10, mark only the service months that you are increasing or decreasing. In Item 11, enter the total number of service months increased or decreased. Do not report a service month on Form BA-4 unless:

- A service month was not previously reported and the omission is being corrected; or
- A service month was erroneously reported and is being corrected.

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When adjusting service months, also consider the RUIA amount. If the employee has service months credited or removed, there may be associated increases or decreases in the amount of reported RUIA compensation. RUIA compensation is subject to a monthly maximum.

**No Optional Service Month Codes**

The new service month codes cannot be used on BA-4. You can only enter service month code 1 on Form BA-4. If the employment relation information on Form BA-3 was in error and code 8 or 9 should have been a 1, this should be corrected by reporting the code 1 on Form BA-4. If, however, code 8 should have been 9 or vice versa, you cannot make this correction on Form BA-4.

**Compensation Adjustments**

To adjust compensation amounts, enter the **net** compensation increase or decrease in item 9a and/or 9b for RUIA compensation, item 12a for Tier I compensation, item 12b for Tier II compensation, item 12c for miscellaneous compensation and item 12d for sick pay.

**Example of BA-4 Adjustment**

The Railroad Retirement Board received a 2006 Form BA-3, Annual Report of Creditable Compensation that credited an employee with 12 service months; Tier I compensation of \$66,500; Tier II compensation of \$66,500; RUIA I compensation of \$14,340; and RUIA II compensation of \$18,528. Subsequently, the employer identified the following reporting error: The employee did not perform creditable railroad service in December 2006, and was erroneously credited with December compensation of \$2000 from her employer's Sick Pay plan.

**To Correct this error:**

- Employer is required to file BA-4, Report of Creditable Compensation Adjustment, to the Railroad Retirement Board;
- Enter 'D' (indicating a decrease) in column Item 8;
- Adjust the RUIA I compensation reported by entering \$1195.00 ( $\$1195.00 * 1$ ) in Item 9a;
- Adjust the RUIA compensation reported by entering \$1544.00 ( $\$1544.00 * 1$ ) in Item 9b;
- Adjust December service month by marking the December column of Item 10;
- Adjust the Tier I compensation reported by entering \$2000.00 in item 12a;
- Adjust the Tier II compensation reported by entering \$2000.00 in item 12b.

**On the next line enter the same employee identification information:**

- Enter 'I' (indicating an increase) in column Item 8;
- Adjust the Sick Pay I compensation reported by entering \$2000.00 in Item 12d.

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**Time Limits for Adjustments**

The Railroad Retirement Act imposes a four-year statute of limitations for adjusting a report of creditable compensation. If the calendar year being adjusted is prior to four years from the current reporting year, indicate the line number and the reason the employee's record is being adjusted in Item 16 of the BA-4 adjustment form.

**Dual Ledger Accounting**

The RRB uses basic dual-ledger accounting principles in processing adjustments. That is, if you filed a report for an incorrect year, you would correct this in two steps.

<b>Step</b>	<b>Action</b>
<b>1</b>	Decrease the service and compensation from the incorrect year on one line.
<b>2</b>	Increase service and compensation to the correct year on the next line.

Do not increase and decrease on the same line. By the same principle, if you under-report Tier I compensation by \$150, the way to correct this is to increase Tier I compensation by \$150. Do not file a new report with corrected totals.