

## 209.1 Definition of Lag Period

The "Lag Period" is the time between the last month for which service and compensation has been reported to the RRB on Form BA-3a *Annual Report of Creditable Compensation* and, if it is later, the employee's date last worked. The period from January of the current year through the date last worked is always a lag period; however, the preceding year may also be included in the lag period. This is because the annual service and compensation report for the preceding year is not posted to the Employment Data Maintenance (EDM) until around May 1 of the current year. Therefore, the lag period for applications filed before May can extend from January of the preceding year to the last date worked in the current year.

Use the following schedule to determine the lag period when lag is required for eligibility:

<b>Date on Which Annuity Application is Transmitted to Headquarters</b>	<b>Month Lag Period Begins</b>
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Before May 1	January of preceding calendar year
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After April 30	January of current calendar year
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Lag service and compensation must be reported to the RRB by the last day of February following the year in which the employer paid the compensation. However, the service and compensation may not be posted to the EDM or appear on SEARCH until May of the year following the year in which the employer paid the compensation. Therefore, the "Lag Period" for applications transmitted to Headquarters before May 1 can extend from January of the preceding year to the last date worked in the current year.

## 209.2 Requesting Lag Service from Employers In Retirement Cases

Most employee and spouse final payments are based upon the service already on EDM. The annuity will then be recertified with the additional service the following year, after receipt of the employer's annual BA-3a report. Prior to 2006, lag service and compensation was included in the annuity in the annual Retirement Adjustment to Include Lag (RAIL) mass adjustment. Beginning in 2006, lag service and compensation are included in retirement annuities by RESCUE.

### 209.2.1 Form G-88A.1, "Request for Verification of Last Date Carried on Payroll"

#### A. Purpose of Listing

The monthly form G-88A.1 listings are computer generated listings maintained by Policy and Systems - Records Analysis and Systems (P&S-RAS) and forwarded to last railroad employers on record each month. The monthly form G-88A.1 listings will

include cases in which the employees have lag railroad service, but the lag is not required for eligibility. These are employee applicants who have stopped railroad employment in the current month or an earlier month and have a last date carried on the payroll within the lag period. The listings inform the employers that these employees have retired and request a review of the last date carried on the payroll.

If the employee lists more than one railroad employer or labor union employer with a date last worked within the lag period, he will be on the G-88A.1 listing for each employer. For example, if the employee indicates that he last worked for BA 1621 and BA 8922, he will be listed twice - once on the BA 1621 listing and once on the BA 8922 listing.

#### **B. Items from Annuity Application**

The listings are created mechanically for most cases and indicate each employee's social security number and the following items as they were entered into APPLE on the employee's annuity application: payroll name, job title, dept-division, job location, the date last worked for the railroad, the ending date of any injury settlement, and, in age and service cases, the date the employee relinquished rights to railroad employment.

Exception - If the employee qualified for an annuity based on less than 120 months railroad service, but at least 60-119 months railroad service after 1995, the field office must forward the employee information to P&S-RAC, by RRB e-mail to include the employee on the Form G-88A.1 listings.

#### **C. Release to Railroad**

When an application is filed in advance of the annuity beginning date (up to 90 days) and a claimed date last worked after the filing date is involved, P&S-RAC will not list that employee on the form G-88A.1 until the first work day of the month in which the employee will cease railroad employment.

P&S-RAC mails the listings to the Railroad Retirement Compensation Contact Official monthly. The addresses are based on the addresses for the Compensation Contact Official "100" in the EDM's Contact Official's Database.

#### **D. Railroad Completion Items**

The railroad contact official is requested to check the dates on this listing against the payroll records. If the later of the date last worked or the ending date of an injury settlement listed for each employee agrees with the railroad's record of the employee's date last carried on the payroll, no action is required.

If the dates shown on the listing do not agree with the railroad's records, the contact official is requested to line out the incorrect information, enter the correct information above it, and sign the form at the bottom of the page. He or she will then fax the

corrected page to the Retirement Initial Section (RIS) to correct the annuity. The fax number for (RIS) is included at the bottom of each page of the listing.

### **E. Processing Returned G-88A.1 Listings**

Form G-88A.1 listings are returned by the railroad to RBD only if the dates provided are not correct. The railroad will enter the corrected DLW-RR or DRR. Since the railroads have been instructed to return pages of this G-88A.1 listing only if there are corrections, RASI, or an examiner processing an application manually, will not hold up the final payment pending the receipt of a G-88A.1 listing.

### **209.2.2 Form G-88A.2, "Notice of Retirement and Request for Verification of Service Needed" for Eligibility" - This form is available on RRAILS.**

RRAILS form G-88A.2 is a paper form sent by the RRB field office to the employee's last railroad employer(s) when lag service is needed to qualify for an annuity. This form is available on RRAILS. Instructions for completion and release of Form G-88A.2 are in [FOM-I-1720](#)

### **A. Background for Form G-88A.2**

Form G-88a.2 develops proof of railroad service months when the employee needs lag service to qualify for benefits based on:

- 60-119 months with at least 60 months of railroad service after 1995 for regular age and service annuity or total and permanent disability; or,
- 120 months for regular age and service or total and permanent disability; or,
- 240 months for occupational disability (or 120 months at age 60); or,
- 360 months for employee and spouse 60/30 eligibility; or,
- 360 months to qualify a spouse of a disabled employee under the 60/30 provisions. The employee may have enough service to qualify for a disability annuity, but the lag service may need to be developed to qualify the spouse under the 60/30 provisions.

Otherwise, if the lag service would qualify the employee or spouse to a different annuity type, develop for the lag service when the annuity application is filed. For example, if the employee has 115 months of railroad service on the EDM and 6 months of lag, process the application as a regular 120-month service annuity and develop for the lag when the application is filed. For most cases, this will not delay the annuity payment.

If claimed military service could be creditable as railroad service under the RRA, lag service should also be developed, even if there is sufficient military service that could establish eligibility.

The employee may have enough service to qualify for a disability annuity, but the lag service may need to be developed to qualify the spouse under the 60/30 provisions.

NOTE: The field offices do not need to release a form G-88A.2 for service information to establish 25 years for a supplemental annuity. The regular annuity application will process to final payment. RESCUE will pay the supplemental annuity if lag service establishes eligibility for a supplemental annuity. If RESCUE cannot pay the supplemental annuity (eg., PREH does not indicate if the employee is entitled to a pension from the railroad), a referral is sent to USTAR.

## **B. Headquarters Processing of Returned G-88A.2 Forms**

RASI will set a 958 call-up pending receipt of the form G-88A.2.

RIS personnel will submit a 958 to enter the actual railroad service months verified on form G-88A.2 into RASI as soon as possible. If the railroad changes either the date last worked - railroad (DLW-RR) or date relinquished rights (DRR) on a form G-88A.2, RIS will enter the correct date(s) into REQUEST and RASI. The service months will not be added to the EDM until the year end earnings reports are received from the railroad.

Usually a DLW-RR or DRR of the second to last railroad employer does not have to be submitted to RASI, since it will not impact the ABD.

## **209.3 Requesting Lag Service From Employers In Survivor Cases**

Most survivor final payments are based upon the service already on EDM. The annuity will then be recertified with the additional service the following year, after receipt of the employer's annual BA-3a *Railroad Service and Compensation Reports* (year-end reports). RESCUE will adjust the employee's annuity in survivor "A" cases; any accrued annuity is posted to PREH and a referral is sent to STAR so SBD can determine the proper payees. If lag service and compensation need to be included in the survivor annuity, a referral is sent to STAR. RESCUE identifies survivor "D" cases in which the employer reported lag for the year of death (see [RCM 5.3.15](#)). A referral is sent to STAR, and SBD will adjust the survivor annuity.

### **209.3.1 Lag Not Required For Eligibility**

If lag is not required for eligibility, the survivor claims examiner will pay these cases without lag. No field development for the lag is needed.

### **209.3.2 Form AA-12 "Notice of Death and Request for Verification of Service Needed for Eligibility"**

Form AA-12 is used by the RRB field office in survivor cases only when lag service is needed to qualify for a survivor annuity or lump-sum death benefit. This form is available on RRAILS. Instructions for completion and release of Form AA-12 are in [FOM-I-1710](#).

## **A. Background for Form AA-12**

Form AA-12 develops railroad service months when the employee's lag service is needed to qualify a survivor for a survivor annuity or lump-sum death benefit based on:

- 60-119 months with at least 60 months of railroad service after 1995; or,
- 120 months of railroad service; or,
- A current connection, using a return to railroad service within 30 months of the date of death to establish the 12/30 month period of railroad service.

The RRB field office should develop for the lag service when the annuity application is filed. For example, if the employee has 115 months of railroad service on the EDM and worked through the date of death in June of the lag year, the field office should release the Form AA-12 to develop for the lag.

Instructions for completion and release of Form AA-12 are in [FOM-I-1710](#).

## **B. Headquarters Processing of Returned AA-12 Forms**

Once the AA-12 is received in Headquarters, the SBD examiner will generate a SURGE request, enter the required railroad service months on the SURGE Lag Data/Prior Service screen and process the final award.

The lag railroad service months will not be posted to the EDM until the railroad reports the earnings on their BA-3a year-end reports.

The annual Survivor Adjustment to Include Lag (SAIL) operation will identify all survivor cases in which the employers reported lag service and compensation for the year of death on their Form BA-3a year-end reports (See [RCM 5.3.15](#)). This will include cases in which an AA-12 was received from the railroad. Any adjustment for railroad compensation in the lag year will be done as part of the SAIL process.

## **209.4 Acceptability Of Signature on G-88A.1 Listing, Form G-88A.2 or Form AA-12**

RBD/SBD will accept a corrected G88A.1 listing, Form G-88A.2 or Form AA-12 which has been certified in the "Certification" item, if otherwise complete, unless the certification has been made by an individual who obviously was not in possession of the compensation data reported. RBD/SBD will assume that any RRB contact representative or employer division officer or other official at a higher level would be in possession of the compensation data. Each railroad employer and employer organization has designated one or more individuals as RR contact officials for certifying information to the RRB.

