Railroad Retirement System

Annual Report Required by Railroad Retirement Act of 1974 and Railroad Retirement Solvency Act of 1983

U.S. Railroad Retirement Board
Bureau of the Actuary
June 2019

ANNUAL ACTUARIAL REPORT REQUIRED BY RAILROAD RETIREMENT ACT OF 1974 AND RAILROAD RETIREMENT SOLVENCY ACT OF 1983

I. INTRODUCTION

This report is intended to meet the requirements of Section 22 of the Railroad Retirement Act of 1974 and Section 502 of the Railroad Retirement Solvency Act of 1983.

Section 22 of the Railroad Retirement Act of 1974 requires the Railroad Retirement Board to prepare an annual report containing a five-year projection of revenues to and payments from the Railroad Retirement Account and to submit the report to the President and the Congress by July 1. The report must also contain a five-year projection of the account benefits ratio and average account benefits ratio. If the five-year projection indicates that funds in the Railroad Retirement Account will be insufficient to pay full benefits, (1) representatives of railroad employees, railroad carriers and the President must submit proposals to the Congress to preserve the financial solvency of the Railroad Retirement Account, and (2) the Railroad Retirement Board must issue regulations to reduce annuity levels during any fiscal year in which there would be insufficient funds to make full payments.

Section 502 of the Railroad Retirement Solvency Act of 1983 requires the Railroad Retirement Board to prepare an annual report on the actuarial status of the railroad retirement system and to submit the report to the Congress by July 1. The report must contain recommendations for any financing changes which might be advisable, including (1) changes in the tax rates, and (2) whether any part of the taxes on employers should be diverted to the Railroad Unemployment Insurance Account to aid in the repayment of its debt to the Railroad Retirement Account.

II. RAILROAD EMPLOYMENT

Over the years, the main source of income to the railroad retirement system has been a payroll tax on railroad employment. The amount of income that the tax produces is directly dependent on the number of railroad employees covered under the system.

An abbreviated history of average railroad employment from 1955 through 2015 is shown in the following table.

Year	Average employment for year	Average annual rate of decline for the 5-year period ending with the year
1955	1,239,000	
1960	909,000	6.0%
1965	753,000	3.7
1970	640,000	3.2

1975	548,000	3.1
1980	532,000	0.6
1985	372,000	6.9
1990	296,000	4.5
1995	265,000	2.2
2000	246,000	1.5
2005	232,000	1.2
2010	221,000	1.0
2015	247,000	-2.2

Between 1955 and 2015, the average annual rate of decline was 2.7 percent. Since 2015, average employment has continued to decline with rates of decline as follows:

Year	Average employment for year	Annual rate of decline from previous year
2016	231,000	6.5%
2017	225,000	2.6
2018	223,000	0.9

Two things become clear from the figures shown -- (1) railroad employment has generally declined over a long period of years, and (2) the rate of decline has been irregular.

Three employment assumptions were used in the 27th actuarial valuation, which served as the 2018 annual report required by Section 502. Employment assumptions I and II were based on a model developed by the Association of American Railroads, and assumed that (1) passenger employment would remain at the level of 48,000, and (2) the employment base, excluding passenger employment, would decline at a constant annual rate (0.5 percent for assumption I and 2.0 percent for assumption II) for 25 years, at a reducing rate over the next 25 years, and remain level thereafter. Employment assumption III differed from employment assumptions I and II by assuming that (1) passenger employment would decline by 500 per year until a level of 40,000 was reached and then remain level, and (2) the employment base, excluding passenger employment, would decline at a constant annual rate of 3.5 percent for 25 years, at a reducing rate over the next 25 years, and remain level thereafter.

The projected average employment for 2018, based on the three employment assumptions used in the 27th actuarial valuation, ranged from 216,000 to 222,000. The actual average employment for 2018 was 223,000 (subject to later adjustment), which was higher than the range of projected amounts. Average passenger employment for calendar year 2018 was estimated to be 48,000. Based on this result, it was decided to use 2018 average employment of 223,000 as a starting point in this year's report and continue the use of the rates of decline used in the 27th valuation. In this year's report, for employment assumptions I and II, passenger employment is assumed to remain level at 48,000. For employment assumption III, passenger employment is assumed to decline by 500 per year until a level of 40,000 is reached and then remain level. These assumptions are shown in Table 1.

With the exception of the economic and employment assumptions shown in Table 1, the assumptions used in this report correspond to those published in the Twenty-Seventh Actuarial Valuation of the Assets and Liabilities Under the Railroad Retirement Acts as of December 31, 2016 with Technical Supplement, which may be found at www.rrb.gov.

III. RESULTS

Projections were made for the various components of income and outgo under each employment assumption for the 25 calendar years 2019-2043. The projections of these components were combined and the investment income calculated to produce the projected balances in the accounts at the end of each projection year. The results are summarized in Table 2 and Figure 1.

Table 2 consists of three tables, one for each of employment assumptions I, II and III. The tables show, for the Social Security Equivalent Benefit Account (SSEBA) and the combined National Railroad Retirement Investment Trust (NRRIT) and Railroad Retirement Account (RRA), for each projection year, (1) the various elements of income and outgo, (2) the account balance on December 31, and (3) the account benefits ratio (ABR) and average account benefits ratio (AABR). [1]

Table 2 indicates that cash flow problems do not arise during the projection period under any of the three employment assumptions. The results shown in Table 2 will be discussed separately for the SSEBA and the combined NRRIT and RRA.

A. Social Security Equivalent Benefit Account

The SSEBA pays the social security level of benefits and administrative expenses allocable to those benefits, and it receives as income the social security level of taxes. The SSEBA also receives or pays the financial interchange transfers between the railroad retirement and social security systems. The financial interchange transfer, subject to the qualification in the next paragraph, should be enough to offset any surplus or deficit for the year. The SSEBA can thus be regarded as automatically funded, the financial interchange being the mechanism for correcting any surplus or deficiency.

The qualification mentioned in the preceding paragraph arises because, in a relatively small number of cases, the railroad retirement system does not pay benefits when the social security system would. In these cases, mainly dependent children of retired railroad employees, the SSEBA collects an amount through the financial interchange but

---

[1] At the end of each fiscal year (September 30), the Account Benefits Ratio (ABR) is calculated by dividing the fair market value of the assets in the RRA and the NRRIT as of the close of such fiscal year by the total benefits and administrative expenses paid from the RRA and the NRRIT during such fiscal year. The Average Account Benefits Ratio (AABR), with respect to any calendar year, is the average of the account benefits ratios for the 10 most recent fiscal years ending before such calendar year. If the AABR is not a multiple of 0.1, it is increased to the next highest multiple of 0.1. The tier 2 tax rate is determined from a tax rate table based on the AABR.

does not pay a corresponding benefit. This imbalance between outgo and income is small in any particular year.

The SSEBA must from time to time transfer to the NRRIT or RRA amounts not needed to pay current benefits and administrative expenses in such a manner as to maximize investment return to the Railroad Retirement system.

The SSEBA is assumed to maintain a target balance of approximately 1.5 months of benefit payments in order to meet benefit obligations and contingencies, and transfer any excess to the NRRIT/RRA. However, if the NRRIT/RRA runs into cash flow problems, the SSEBA is assumed to transfer enough of its accumulated funds to the NRRIT/RRA to provide for benefit payments until the SSEBA is exhausted. Thereafter, the SSEBA is assumed to transfer to the NRRIT/RRA any excess of income over outgo, maintaining a zero balance.

B. Railroad Retirement Account and National Railroad Retirement Investment Trust

The RRA receives tier 2 payroll taxes and income taxes on tier 2 and excess tier 1 benefits. Tier 2 benefits, excess tier 1 benefits, supplemental annuity benefits and administrative expenses are paid from the RRA. The NRRIT receives funds from the RRA and SSEBA for investment, pays investment expenses, and transfers funds to the RRA to meet benefit obligations.

The tier 2 payroll tax rate is determined from a tax rate table based on the AABR. The combined employer and employee tier 2 tax rate is 18% for values of the AABR between 4.0 and 6.0, inclusive. A maximum rate of 27% is reached when the AABR falls below 2.5, and a minimum rate of 8.2% is reached when the AABR reaches 9.0. Since the AABR is a 10-year average of the ABRs, whether the AABR in a given year increases or decreases from the prior year depends solely on whether the ABR in the prior year is greater or less than the ABR 10 years earlier.

Under employment assumption I (Table 2-I), the combined NRRIT and RRA balance declines through 2022 but then increases through the remainder of projection period. The combined employer and employee tier 2 tax rate remains level at 18%.

Under employment assumption II (Table 2-II), the combined NRRIT and RRA balance remains relatively level, declining through 2025 and then growing through 2041 before small declines in 2042 and 2043. The combined employer and employee tier 2 tax rate increases to 19% in 2033-2043.

Under employment assumption III (Table 2-III), the combined NRRIT and RRA balance declines through the end of the projection period. The combined employer and employee tier 2 tax rate increases in steps until reaching 27% in 2040. Despite the 27% tax rate, expenditures continue to exceed income at the end of the projection period and the ABR falls to a level of 1.07.

C. Analysis of Results

Under each employment assumption, no cash flow problems occur throughout the 25-year projection period, and the ABR remains above 0.5 in each year.

The overall conclusion is that, barring a sudden, unanticipated, large decrease in railroad employment or substantial investment losses, the railroad retirement system will experience no cash flow problems during the next 25 years. The long-term stability of the system, however, is still uncertain. Under the current financing structure, actual levels of railroad employment and investment return over the coming years will largely determine whether corrective action is necessary.

D. Comparison of Results with 2018 Report

The largest change from last year's report was due to actual investment return of -3.9% in calendar year 2018 falling below the 7.0% expected return resulting in lower account balances and higher projected tax rates in some years.

Overall payroll taxes increased due to favorable employment and wage increase experience. A change in the definition of railroad compensation resulted in expected refunds in calendar year 2019 for prior year payroll taxes and a small reduction in future payroll taxes. Lower cost of living increases assumed for 2020 and 2021 resulted in lower projected benefits.

IV. RECOMMENDATIONS

As stated in the introduction, this report must contain recommendations with regard to (1) tax rates and (2) whether any part of the taxes on employers should be diverted to the Railroad Unemployment Insurance Account to aid in the repayment of any debt to the Railroad Retirement Account.

A. Tax Rates

This report recommends no change in the rate of tax imposed on employers and employees. The tax adjustment mechanism will automatically increase or decrease tax rates in response to changes in fund balance. Even under a pessimistic employment assumption, this mechanism is expected to prevent cash flow problems for at least 25 years.

B. Diversion of Taxes to Railroad Unemployment Insurance Account

No diversion of taxes from the Railroad Retirement Account to the Railroad Unemployment Insurance Account is recommended at this time. There are currently no loans outstanding from the Railroad Retirement Account to the Railroad Unemployment Insurance Account.

Table 1. Employment, inflation and investment return assumptions

Calendar year	Average employment (thousands)			Percentage increase over prior year		Investment return
	I	II	III	Earnings	Cost of living	
2018	223	223	223	3.6%	2.0%	-3.9%
2019	222	220	217	3.6	2.8	7.0
2020	221	216	210	3.6	1.4	7.0
2021	221	213	204	3.6	2.0	7.0
2022	220	210	198	3.6	2.6	7.0
2023	219	206	192	3.6	2.6	7.0
2024	218	203	187	3.6	2.6	7.0
2025	217	200	181	3.6	2.6	7.0
2026	216	197	176	3.6	2.6	7.0
2027	216	194	171	3.6	2.6	7.0
2028	215	191	166	3.6	2.6	7.0
2029	214	188	161	3.6	2.6	7.0
2030	213	186	156	3.6	2.6	7.0
2031	212	183	152	3.6	2.6	7.0
2032	211	180	147	3.6	2.6	7.0
2033	211	177	143	3.6	2.6	7.0
2034	210	175	139	3.6	2.6	7.0
2035	209	172	136	3.6	2.6	7.0
2036	208	170	132	3.6	2.6	7.0
2037	207	167	129	3.6	2.6	7.0
2038	207	165	126	3.6	2.6	7.0
2039	206	163	123	3.6	2.6	7.0
2040	205	160	120	3.6	2.6	7.0
2041	204	158	117	3.6	2.6	7.0
2042	203	156	115	3.6	2.6	7.0
2043	203	154	112	3.6	2.6	7.0

Table 2-1. Progress of the Combined National Railroad Retirement Investment Trust (NRRIT) and Railroad Retirement Account (RRA), and Social Security Equivalent Benefit Account (SSEBA) under Employment Assumption I
(Dollar amounts in millions)

				Combined NRRIT and RRA				SSEBA				
Calendar year	Account benefits ratio[a]	Average account benefits ratio[b]	Tier 2 tax rate	Benefits and administration	Tax income[c]	Other income[d]	Balance, end year	Benefits and administration	Tax income[c]	Other income and expense[e]	Balance, end year	Combined balance, end year
2019	4.31	5.10	18.0%	$5,710	$3,625	$1,800	$24,251	$7,535	$3,033	$4,336	$938	$25,189
2020	4.25	5.00	18.0%	5,741	3,833	1,724	24,068	7,656	3,452	4,218	953	25,021
2021	4.19	4.90	18.0%	5,770	3,951	1,618	23,868	7,802	3,582	4,212	944	24,812
2022	4.15	4.80	18.0%	5,801	4,075	1,672	23,813	7,986	3,718	4,318	994	24,807
2023	4.14	4.70	18.0%	5,835	4,202	1,703	23,883	8,165	3,859	4,328	1,016	24,899
2024	4.13	4.60	18.0%	5,879	4,332	1,715	24,051	8,334	4,001	4,354	1,037	25,088
2025	4.13	4.50	18.0%	5,925	4,463	1,652	24,241	8,502	4,144	4,379	1,058	25,299
2026	4.17	4.40	18.0%	5,974	4,660	1,755	24,683	8,671	4,347	4,345	1,079	25,762
2027	4.22	4.40	18.0%	6,029	4,798	1,791	25,243	8,842	4,497	4,366	1,100	26,343
2028	4.28	4.30	18.0%	6,102	4,939	1,835	25,915	9,017	4,650	4,389	1,122	27,037
2029	4.34	4.20	18.0%	6,195	5,083	1,886	26,690	9,194	4,804	4,413	1,144	27,834
2030	4.41	4.20	18.0%	6,297	5,232	1,944	27,569	9,378	4,947	4,454	1,167	28,736
2031	4.48	4.30	18.0%	6,407	5,385	1,976	28,524	9,570	5,093	4,501	1,191	29,715
2032	4.57	4.30	18.0%	6,512	5,542	2,078	29,633	9,776	5,245	4,556	1,216	30,849
2033	4.69	4.30	18.0%	6,606	5,705	2,160	30,892	9,997	5,404	4,620	1,244	32,136
2034	4.82	4.40	18.0%	6,720	5,874	2,253	32,299	10,219	5,568	4,679	1,271	33,570
2035	4.95	4.50	18.0%	6,868	6,049	2,356	33,836	10,439	5,734	4,732	1,298	35,134
2036	5.07	4.50	18.0%	7,025	6,229	2,461	35,500	10,670	5,906	4,792	1,327	36,827
2037	5.20	4.60	18.0%	7,192	6,416	2,585	37,309	10,913	6,085	4,858	1,357	38,666
2038	5.34	4.70	18.0%	7,378	6,609	2,715	39,255	11,160	6,269	4,921	1,388	40,643
2039	5.48	4.80	18.0%	7,567	6,811	2,854	41,353	11,415	6,462	4,986	1,419	42,772
2040	5.64	5.00	18.0%	7,758	7,020	3,004	43,620	11,680	6,663	5,050	1,452	45,072
2041	5.79	5.10	18.0%	7,977	7,238	3,164	46,045	11,956	6,871	5,119	1,486	47,531
2042	5.93	5.20	18.0%	8,227	7,462	3,336	48,616	12,249	7,083	5,202	1,523	50,139
2043	6.06	5.30	18.0%	8,501	7,694	3,516	51,325	12,562	7,303	5,298	1,562	52,887

[a] The fair market value of the assets in the RRA and NRRIT as of the close of the fiscal year (September 30) divided by the total benefits and administrative expenses paid from the RRA and NRRIT during the fiscal year.

[b] The average of the account benefits ratios for the 10 most recent fiscal years ending before the calendar year.

[c] Includes payroll taxes and income taxes on benefits.

[d] Includes investment income and transfers from the SSEBA.

[e] Other income includes financial interchange income, advances from general revenues, and interest income. Other expense includes repayment of advances from general revenues and transfers to the NRRIT or RRA.

Table 2-II. Progress of the Combined National Railroad Retirement Investment Trust (NRRIT) and Railroad Retirement Account (RRA), and Social Security Equivalent Benefit Account (SSEBA) under Employment Assumption II
(Dollar amounts in millions)

				Combined NRRIT and RRA				SSEBA				
Calendar year	Account benefits ratio[a]	Average account benefits ratio[b]	Tier 2 tax rate	Benefits and administration	Tax income[c]	Other income[d]	Balance, end year	Benefits and administration	Tax income[c]	Other income and expense[e]	Balance, end year	Combined balance, end year
2019	4.31	5.10	18.0%	$5,710	$3,605	$1,799	$24,231	$7,535	$3,016	$4,353	$938	$25,169
2020	4.23	5.00	18.0%	5,741	3,776	1,721	23,987	7,656	3,402	4,269	953	24,940
2021	4.16	4.90	18.0%	5,770	3,855	1,609	23,682	7,802	3,497	4,296	945	24,627
2022	4.10	4.80	18.0%	5,801	3,938	1,654	23,474	7,986	3,598	4,438	994	24,468
2023	4.05	4.70	18.0%	5,834	4,022	1,674	23,335	8,165	3,699	4,487	1,016	24,351
2024	4.01	4.60	18.0%	5,877	4,107	1,669	23,234	8,334	3,800	4,555	1,037	24,271
2025	3.95	4.50	18.0%	5,923	4,189	1,586	23,086	8,502	3,899	4,623	1,058	24,144
2026	3.92	4.40	18.0%	5,970	4,335	1,663	23,114	8,670	4,055	4,636	1,079	24,193
2027	3.90	4.30	18.0%	6,024	4,418	1,669	23,176	8,840	4,156	4,705	1,100	24,276
2028	3.87	4.20	18.0%	6,096	4,502	1,676	23,258	9,014	4,255	4,780	1,122	24,380
2029	3.83	4.10	18.0%	6,186	4,586	1,684	23,342	9,189	4,354	4,857	1,143	24,485
2030	3.78	4.10	18.0%	6,285	4,672	1,691	23,420	9,369	4,438	4,953	1,166	24,586
2031	3.73	4.00	18.0%	6,392	4,759	1,666	23,453	9,557	4,524	5,057	1,189	24,642
2032	3.68	4.00	18.0%	6,493	4,848	1,701	23,509	9,757	4,612	5,170	1,214	24,723
2033	3.66	3.90	19.0%	6,583	5,184	1,716	23,825	9,971	4,704	5,293	1,240	25,065
2034	3.66	3.90	19.0%	6,692	5,282	1,741	24,156	10,185	4,798	5,414	1,267	25,423
2035	3.63	3.80	19.0%	6,834	5,384	1,766	24,472	10,394	4,891	5,529	1,293	25,765
2036	3.60	3.80	19.0%	6,985	5,488	1,783	24,758	10,612	4,986	5,652	1,320	26,078
2037	3.56	3.80	19.0%	7,144	5,595	1,809	25,019	10,840	5,085	5,783	1,348	26,367
2038	3.51	3.70	19.0%	7,320	5,706	1,828	25,232	11,069	5,185	5,913	1,376	26,608
2039	3.45	3.70	19.0%	7,497	5,821	1,843	25,399	11,304	5,290	6,043	1,406	26,805
2040	3.39	3.70	19.0%	7,674	5,941	1,856	25,523	11,544	5,400	6,173	1,435	26,958
2041	3.31	3.60	19.0%	7,876	6,065	1,863	25,575	11,790	5,513	6,308	1,466	27,041
2042	3.22	3.60	19.0%	8,107	6,192	1,867	25,527	12,050	5,626	6,456	1,498	27,025
2043	3.11	3.50	19.0%	8,357	6,322	1,861	25,354	12,324	5,742	6,616	1,532	26,886

[a] The fair market value of the assets in the RRA and NRRIT as of the close of the fiscal year (September 30) divided by the total benefits and administrative expenses paid from the RRA and NRRIT during the fiscal year.

[b] The average of the account benefits ratios for the 10 most recent fiscal years ending before the calendar year.

[c] Includes payroll taxes and income taxes on benefits.

[d] Includes investment income and transfers from the SSEBA.

[e] Other income includes financial interchange income, advances from general revenues, and interest income. Other expense includes repayment of advances from general revenues and transfers to the NRRIT or RRA.

Table 2-III. Progress of the Combined National Railroad Retirement Investment Trust (NRRIT) and Railroad Retirement Account (RRA), and Social Security Equivalent Benefit Account (SSEBA) under Employment Assumption III
(Dollar amounts in millions)

				Combined NRRIT and RRA				SSEBA				
Calendar year	Account benefits ratio[a]	Average account benefits ratio[b]	Tier 2 tax rate	Benefits and administration	Tax income[c]	Other income[d]	Balance, end year	Benefits and administration	Tax income[c]	Other income and expense[e]	Balance, end year	Combined balance, end year
2019	4.30	5.10	18.0%	$5,710	$3,582	$1,799	$24,207	$7,535	$2,995	$4,373	$938	$25,145
2020	4.22	5.00	18.0%	5,741	3,709	1,717	23,892	7,656	3,343	4,327	953	24,845
2021	4.13	4.90	18.0%	5,769	3,744	1,598	23,465	7,802	3,400	4,395	945	24,410
2022	4.04	4.80	18.0%	5,800	3,781	1,634	23,080	7,986	3,459	4,576	994	24,074
2023	3.95	4.70	18.0%	5,833	3,817	1,639	22,703	8,165	3,518	4,669	1,016	23,719
2024	3.86	4.60	18.0%	5,875	3,852	1,616	22,296	8,334	3,574	4,781	1,037	23,333
2025	3.74	4.40	18.0%	5,920	3,882	1,510	21,769	8,501	3,625	4,897	1,058	22,827
2026	3.64	4.30	18.0%	5,966	3,973	1,559	21,335	8,669	3,731	4,959	1,079	22,414
2027	3.53	4.20	18.0%	6,018	4,001	1,530	20,847	8,838	3,780	5,079	1,100	21,947
2028	3.40	4.10	18.0%	6,088	4,026	1,497	20,282	9,010	3,825	5,206	1,121	21,403
2029	3.28	3.90	19.0%	6,176	4,246	1,465	19,817	9,182	3,868	5,336	1,143	20,960
2030	3.14	3.80	19.0%	6,273	4,271	1,432	19,247	9,359	3,895	5,486	1,164	20,411
2031	2.98	3.70	19.0%	6,377	4,295	1,359	18,524	9,542	3,920	5,644	1,187	19,711
2032	2.82	3.60	19.0%	6,475	4,319	1,340	17,707	9,736	3,946	5,814	1,211	18,918
2033	2.64	3.50	19.0%	6,560	4,343	1,282	16,772	9,942	3,974	5,993	1,237	18,009
2034	2.47	3.40	20.0%	6,664	4,572	1,225	15,906	10,146	4,005	6,166	1,262	17,168
2035	2.28	3.20	20.0%	6,799	4,607	1,165	14,879	10,343	4,037	6,331	1,286	16,165
2036	2.06	3.10	20.0%	6,942	4,646	1,086	13,669	10,547	4,071	6,501	1,312	14,981
2037	1.90	2.90	23.0%	7,092	5,302	1,028	12,906	10,759	4,108	6,677	1,338	14,244
2038	1.73	2.70	23.0%	7,261	5,350	974	11,970	10,970	4,146	6,850	1,364	13,334
2039	1.55	2.60	23.0%	7,427	5,403	907	10,853	11,182	4,187	7,021	1,390	12,243
2040	1.44	2.40	27.0%	7,591	6,301	860	10,424	11,395	4,233	7,188	1,417	11,841
2041	1.34	2.20	27.0%	7,779	6,370	828	9,842	11,610	4,279	7,357	1,443	11,285
2042	1.21	2.10	27.0%	7,994	6,440	785	9,073	11,835	4,325	7,537	1,471	10,544
2043	1.07	1.90	27.0%	8,225	6,514	728	8,090	12,068	4,373	7,724	1,500	9,590

[a] The fair market value of the assets in the RRA and NRRIT as of the close of the fiscal year (September 30) divided by the total benefits and administrative expenses paid from the RRA and NRRIT during the fiscal year.

[b] The average of the account benefits ratios for the 10 most recent fiscal years ending before the calendar year.

[c] Includes payroll taxes and income taxes on benefits.

[d] Includes investment income and transfers from the SSEBA.

[e] Other income includes financial interchange income, advances from general revenues, and interest income. Other expense includes repayment of advances from general revenues and transfers to the NRRIT or RRA.

Figure 1. Combined NRRIT, RRA and SSEBA Balance
(In millions)