

Program Letter

United States
Railroad Retirement Board
Office of Programs



Quality Reporting Service Center

Phone: (312) 751-4992

Email: QRSC@rrb.gov

Fax: (312) 751-7123

Letter No. 2020-02

Date: May 11, 2020

TO: Certification Registration, Retirement and Unemployment Contact Officials

SUBJECT: Forms ID-4K and ID-4E Notifications for RUIA Unemployment and Sickness Benefits under The Coronavirus Aid, Relief, and Economic Security (CARES) Act

Please distribute this notice to all individuals within your organization who may need the information in connection with their work.

This program letter is to advise employers that effective May 8, 2020, the Railroad Retirement Board (RRB) prepayment verification notices (ID-4K) to employers will list claims covered under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. However, the post-payment notices (ID-4E) will not list any CARES benefit payments.

The CARES Act provides for three (3) temporary provisions each with different Treasury appropriations of approximately \$615 million to be used for the payment of unemployment (UI) and sickness (SI) benefits under the Railroad Unemployment Insurance Act (RUIA). The three provisions are extended UI benefits, enhanced UI benefits (recovery benefits) and a waiver of the first valid waiting period for UI and SI benefits. The RRB will pay the provisional benefits to employees under the following conditions:

Extended UI Benefits

- ✓ Payable to an employee who received normal UI benefits from July 1, 2019 through June 30, 2020.
- ✓ Employees with less than 10 years of service are entitled to 65 days of extended benefits consisting of 7 consecutive 2 week registration periods.
- ✓ Employees with 10 years or more of service are entitled to 65 additional days of extended benefits consisting of 7 consecutive 2 week registration periods.
- ✓ The latest day an extended benefit period can begin is December 31, 2020.

Recovery Benefits

- ✓ A recovery benefit payment in the amount of \$1,200 will be payable to an employee with an unemployment registration period beginning on or after April 1, 2020 through July 31, 2020.

- ✓ The recovery benefit payment will be in addition to what is otherwise payable under the RUIA and other CARES Act provisions.
- ✓ The recovery benefit payment is not attributable to a day or days but to the entire unemployment registration period as long as the period is a compensable registration period.

Waive of First Valid Waiting Period for UI and SI

- ✓ Waives the first valid waiting period for both benefit types with registration periods beginning on or after March 28, 2020 through December 31, 2020.

We are diligently working to make and test system programming changes needed to implement the CARES unemployment and sickness benefit provisions. We expect to start issuing the initial CARES UI and/or SI benefits no later than May 8, 2020. Subsequent CARES Act benefits will be paid retroactively. As previously stated, any of the above provisional unemployment and/or sickness benefits paid to employees will be charged to the CARES Act appropriation. These benefits will not be charged to the claimant's base year employer's benefit account balance and consequently will not be included when calculating the base year employer's experience rated RUIA contribution rate for any future years. Although employers will not be charged for these payments, certain processes will remain the same while others will change.

Form ID-4K, *Prepayment Notice of Employees' Applications and Claims for Benefits under the Railroad Unemployment Insurance Act (RUIA)* and Form ID-4E, *Notice of RUIA Claim Determinations* **will be issued as usual** for all sickness benefit claims/payments and all normal and regular extended unemployment benefit applications/claims and payments. These benefits will continue to be charged to the claimant's base year employer's benefit account balance and consequently will be used when calculating the base year employer's experience rated RUIA contribution rate for future years.

To ensure program integrity and to be good stewards over all of the appropriations and the entire RUIA process, Form ID-4K, *Prepayment Notice of Employees' Applications and Claims for Benefits under the Railroad Unemployment Insurance Act (RUIA)* will include unemployment and/or sickness claims payable under the CARES Act. Please note that there will be no code on the Form ID-4K to distinguish these CARES claims.

In addition, since the CARES benefit payments **will not** be charged to the claimant's base year employer's benefit account balance, these payments **will not** appear on the Form ID-4E, *Notice of RUIA Claim Determinations*. However, since both payment types (non-CARES and CARES benefits) are generally payable on any given day, most employers will continue to receive the Form ID-4E.

Finally, employers will continue to receive their Form ID-4K, *Prepayment Notice of Employee's Applications and Claims for Benefits under the Railroad Unemployment Insurance Act (RUIA)* and ID-4E, *Notice of RUIA Claim Determinations* in the same format as they previously chose, by either paper, File Transfer Protocol (FTP) or the Employer Reporting System (ERS).

If you have any questions regarding any unemployment and/or sickness benefits paid based on the CARES Act, please contact the Railroad Retirement Board.