



RRB News

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Railroad Retiree Earnings Limits Set To Increase in 2021

Railroad retirement annuitants subject to earnings restrictions can earn more in 2021 without having their benefits reduced as a result of increases in earnings limits indexed to average national wage increases.

Like social security benefits, some railroad retirement benefit payments are subject to deductions if an annuitant's earnings exceed certain exempt amounts. These earnings restrictions apply to those who have not attained full social security retirement age. For employee and spouse annuitants, full retirement age ranges from age 65 for those born before 1938 to age 67 for those born after 1959. For survivor annuitants, full retirement age ranges from age 65 for those born before 1940 to age 67 for those born after 1961.

For those under full retirement age throughout 2021, the exempt earnings amount rises to \$18,960 from \$18,240 in 2020. For beneficiaries attaining full retirement age in 2021, the exempt earnings amount, for the months before the month full retirement age is attained, increases to \$50,520 in 2021 from \$48,600 in 2020.

For those under full retirement age, the earnings deduction is \$1 in benefits for every \$2 of earnings over the exempt amount. For those attaining full retirement age in 2021, the deduction is \$1 for every \$3 of earnings over the exempt amount in the months before the month full retirement age is attained.

When applicable, these earnings deductions are assessed on the tier I and vested dual benefit portions of railroad retirement employee and spouse annuities, and the tier I, tier II, and vested dual benefit portions of survivor benefits.

All earnings received for services rendered, plus any net earnings from self-employment, are considered when assessing deductions for earnings. Interest, dividends, certain rental income, or income from stocks, bonds, or other investments are not considered earnings for this purpose.

(More)

Retired employees and spouses, regardless of age, who work for their last pre-retirement non-railroad employer are also subject to an additional earnings deduction, in their tier II and supplemental benefits, of \$1 for every \$2 in earnings up to a maximum reduction of 50 percent. This earnings restriction does not change from year to year and does not allow for an exempt amount.

A spouse benefit is subject to reduction not only for the spouse's earnings, but also for the earnings of the employee, regardless of whether the earnings are from service for the last pre-retirement non-railroad employer or other post-retirement employment.

Special work restrictions continue to be applicable to disability annuitants in 2021. The monthly disability earnings limit increases to \$1,020 in 2021 from \$990 in 2020.

Regardless of age and/or earnings, no railroad retirement annuity is payable for any month in which an annuitant (retired employee, spouse or survivor) works for a railroad employer or railroad union.

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