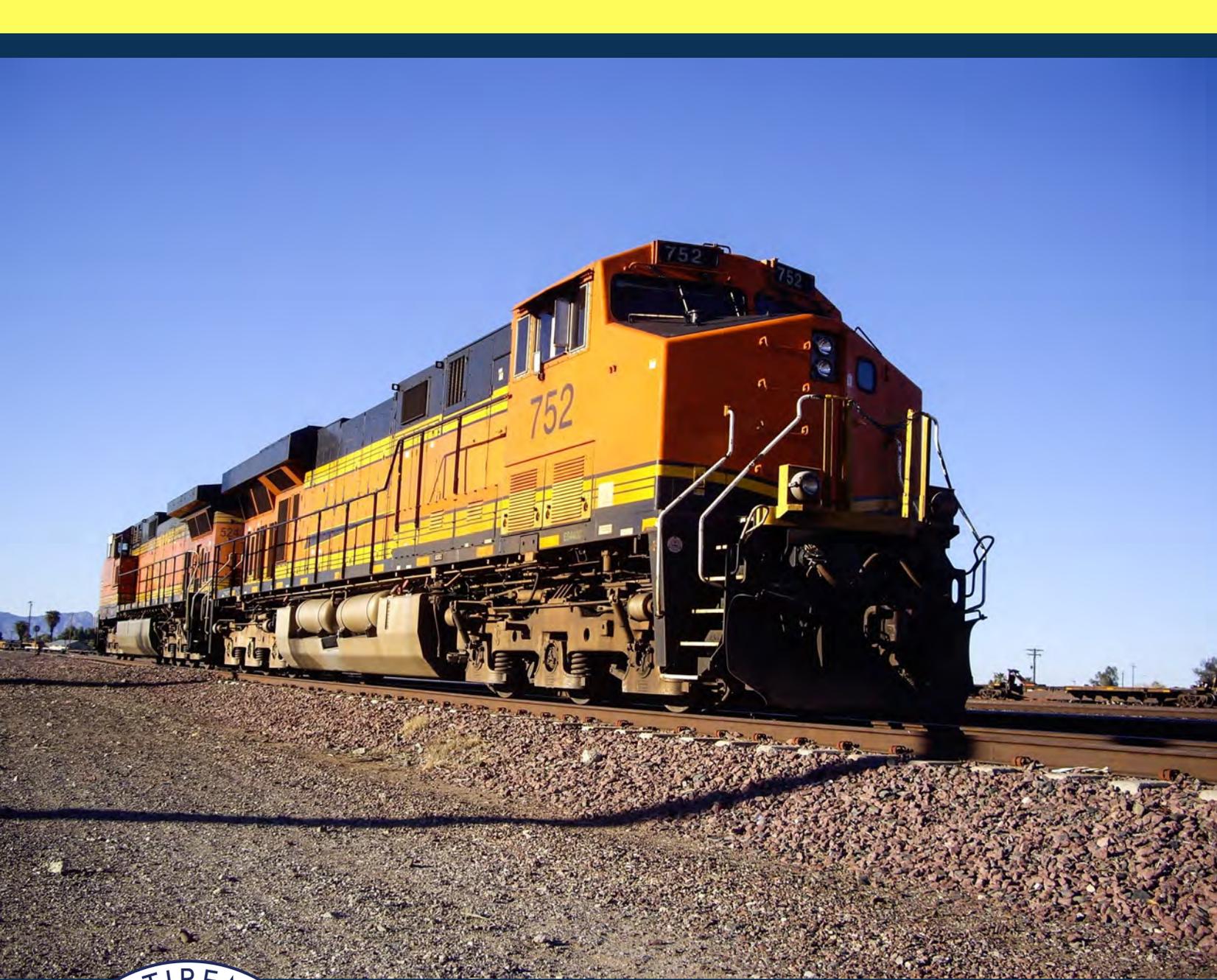


United States Railroad Retirement Board

2021 Annual Report



U.S. Railroad Retirement Board

Mission Statement

The Railroad Retirement Board's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during retirement and in the event of disability, death or temporary unemployment and sickness. The Railroad Retirement Board also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the Railroad Retirement Board will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The Railroad Retirement Board will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

If you have comments or suggestions regarding the information in this report, please let us know. You can call us at 312-751-4777, email us at opa@rrb.gov or write us at the following address:

**Public Affairs
U.S. Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611-1275**

UNITED STATES
RAILROAD RETIREMENT BOARD

2021 Annual Report

For Fiscal Year Ended September 30, 2020

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RRB.gov

THE REPORT IN BRIEF

The Railroad Retirement Board (RRB) paid benefits totaling approximately \$13.6 billion, net of recoveries and offsetting collections, to about 568,000 beneficiaries in fiscal year 2020. Financial reports issued in 2021 on the solvency of the railroad retirement and railroad unemployment insurance systems were both favorable. Total railroad retirement system assets equaled \$25.9 billion as of September 30, 2020.

Coronavirus Pandemic

The RRB implemented provisions in the Coronavirus Aid, Relief, and Economic Security (CARES) Act related to special extended and enhanced unemployment benefits, and elimination of the waiting period for unemployment and sickness claims. In addition, the agency took a variety of steps to protect its employees and customers from COVID-19 while continuing to process and pay benefits in a timely manner.

Benefits and Beneficiaries

Benefits paid by the RRB totaled \$13.6 billion in the fiscal year ending September 30, 2020. Retirement and survivor benefits were paid by the RRB to about 528,000 beneficiaries during the fiscal year, of whom 499,000 were on the RRB's annuity rolls at the end of the year. Approximately 41,000 railroad employees were paid unemployment and/or sickness insurance benefits. About 1,000 beneficiaries received payments under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

Retirement and survivor benefit payments of \$13.1 billion during fiscal year 2020 were \$145.7 million more than payments in the prior year. Employee and spouse annuitants were paid about \$11.0 billion, accounting for 84 percent of the total payments. Employees received approximately \$8.2 billion in age annuities (including \$1.5 billion to annuitants full retirement age and over originally awarded a disability annuity), \$800 million in disability annuities, and \$57.9 million in supplemental

Note: Statistics are primarily presented on a cash basis of accounting, rather than an accrual basis. The primary difference is that the cash basis recognizes revenue and expenditures when cash is actually received/paid, while the accrual basis recognizes them when earned/incurred. With the exception of income tax transfers and gross unemployment and sickness benefits, the information on pages 2, 6-14, and 26-28 is presented on an accrual basis.

annuities, with spouses and divorced spouses getting about \$1.9 billion.¹ Survivors received \$2.1 billion in annuities and about \$1.8 billion in lump-sum benefits. The number of beneficiaries receiving retirement and survivor benefits declined by about 7,000 from fiscal year 2019.

Gross unemployment and sickness benefits paid in fiscal year 2020 totaled about \$363.5 million on a cash basis, including additional benefits authorized under the CARES Act totaling about \$152.9 million. The CARES Act provided for special extended and enhanced unemployment benefits, and eliminated the waiting period for both unemployment and sickness claims. Net benefits totaled about \$353.5 million on an accrual basis after adjustment for recovery of benefit payments, including injury settlements, some of which were made in prior years. Total gross benefit payments increased by nearly \$247.4 million from the prior year, while net benefit payments increased by approximately \$149.9 million. Under the Continued Assistance to Rail Workers Act enacted in December 2020, all unemployment and sickness benefits are exempt from sequestration until 30 days after the COVID-19 national emergency ends.

Gross unemployment benefits increased by 567 percent compared to the previous year due to the COVID-19 pandemic, as well as enactment of the CARES Act in March 2020. Gross unemployment benefits totaling \$282.3 million were paid to more than 25,500 claimants. These benefits include \$134.8 million in enhanced benefits, \$12.9 million in special extended unemployment benefits, and \$3.5 million in waiting period waiver benefits. Net unemployment benefits were \$287.0 million, an increase of almost 448 percent over the prior year. Gross sickness benefits totaling \$81.2 million (\$59.2 million net), including more than \$1.7 million in waiting period waiver benefits, were paid to almost 17,600 claimants.

Financial Reports

The RRB's 28th triennial actuarial valuation, submitted to Congress in 2021, was generally favorable. While the COVID-19 pandemic reduced railroad employment in the second half of 2020, a return to pre-pandemic employment levels should occur over the next 3 years. Barring a sudden, unanticipated, large decrease in railroad employment, or substantial investment losses, the railroad retirement system will not experience cash-flow problems in the next 34 years. Cash-flow problems arise only under the most pessimistic employment assumption, and then not until 2055. The long-term stability of the system, however, is not assured. Under the current financing structure, actual levels of railroad employment and investment return over the coming years will determine whether additional corrective action is necessary.

The RRB's 2021 railroad unemployment insurance financial report continued to reflect the effect of the pandemic on unemployment claims. Due to short-term cash-flow problems, \$120 million was borrowed from the Railroad Retirement Account in fiscal years 2020 and

¹ Prior to the 2015 Annual Report, annuitants who were full retirement age and over and originally awarded a disability annuity were included in the disability counts. Effective with the 2015 Annual Report, they were included in the employee age and service counts because a disability annuity converts to an age and service annuity when the annuitant attains full retirement age.

2021. The report projects a 3.5 percent surcharge in calendar year 2022, followed by either 1.5 percent or 2.5 percent in 2023. Under all employment assumptions, no surcharge is likely in 2024. Under the pessimistic assumption, additional loans may be necessary in fiscal year 2022, though they will be repaid by the end of the fiscal year.

The National Railroad Retirement Investment Trust's annual management report for fiscal year 2020 showed that, as of September 30, 2020, the net asset value of the Trust-managed assets was \$24.8 billion. This represented a decrease from \$25.4 billion in the previous year, with a net investment return for the year of 7.29 percent. The ending balance also reflects a transfer of \$2.3 billion to the U.S. Treasury for the payment of railroad retirement (tier II) benefits. Total railroad retirement system assets, including those maintained at the Treasury, equaled \$25.9 billion.

The 2021 railroad retirement and railroad unemployment insurance financial reports and the National Railroad Retirement Investment Trust's 2019 annual management report are available by clicking on the *Financial & Reporting* tab at **RRB.gov**.

Service Delivery

Customer Service Plan

In fiscal year 2020, customers received benefit services within the timeframes promised in the RRB's Customer Service Plan 99.0 percent of the time.

Service Enhancements

The RRB continued its partnership with **login.gov** (which provides identify verification and secure access to online services across the government), processed a cost-of-living adjustment for retirement and survivor benefits, continued to improve its use of document imaging in claims adjudication, took steps to further reduce improper payments, and successfully trained three classes of claims examiners.

Office of Inspector General

During fiscal year 2020, the Office of Inspector General continued its independent oversight of agency operations and its efforts to combat fraud, waste, and abuse. This included the issuance of 6 audit reports, 2 management information reports, 1 risk assessment, and the Office of Inspector General's CARES Act oversight plan.

Investigative activities resulted in 4 arrests, 17 indictments and/or informations, 25 criminal convictions, 14 civil judgments, and more than \$14.8 million in financial accomplishments. This reflects fraud amounts related to programs administered exclusively by the RRB and fraud amounts from other Federal programs, such as Medicare, which were included in the disposition resulting from the investigation. Judicial sentences associated with joint casework are not necessarily delineated by agency.

Selected Data on Benefit Operations

Retirement-Survivor ¹	Fiscal Year 2020	Fiscal Year 2019
Employee age annuities		
Number awarded	7,200	7,700
Awarded Age Annuity		
Number being paid at end of period	186,400	188,400
Average being paid at end of period	\$2,985	\$2,912
Disability converted to age annuity ²		
Number being paid at end of period	49,300	48,500
Average being paid at end of period	\$2,625	\$2,564
Employee disability annuities		
Number of total disability annuities awarded	800	800
Number of occupational disability annuities awarded	900	1,000
Number of total disability annuities being paid at end of period	8,100	8,600
Number of occupational disability annuities being paid at end of period	11,900	13,900
Average total disability annuity being paid at end of period	\$2,181	\$2,106
Average occupational disability annuity being paid at end of period	\$3,345	\$3,266
Supplemental employee annuities³		
Number awarded	2,400	3,300
Number being paid at end of period	114,400	117,800
Average being paid at end of period	\$42	\$42
Spouse and divorced spouse annuities		
Number awarded, total	8,700	9,800
Number being paid to divorced spouses at end of period	5,200	5,300
Number being paid at end of period, total	147,400	148,200
Average being paid to divorced spouses at end of period	\$705	\$685
Average being paid at end of period, total	\$1,088	\$1,065
Survivor annuities		
Number awarded to aged widow(er)s	5,200	5,000
Number awarded, total	6,400	6,500
Number being paid to aged widow(er)s at end of period	79,400	82,000
Number being paid at end of period, total	103,200	106,300
Average being paid at end of period to		
Aged widow(er)s	\$1,840	\$1,780
Disabled widow(er)s ⁴	\$1,437	\$1,401
Widowed mothers (fathers)	\$1,992	\$1,942
Remarried widow(er)s	\$1,192	\$1,152
Divorced widow(er)s	\$1,203	\$1,168
Children	\$1,195	\$1,157
Partition payments⁵		
Number being paid at end of period	2,200	2,100
Average being paid at end of period	\$324	\$321
Lump-sum survivor benefits awarded		
Number of lump-sum death benefits	1,800	2,100
Average lump-sum death benefit	\$933	\$948
Number of residual payments	6/	6/
Average residual payment	\$429	\$1,969

Selected Data on Benefit Operations (Continued)

Employees and Earnings ⁷	Fiscal Year 2020	Fiscal Year 2019
Average employment	202,000	221,000
Creditable earnings, Railroad Retirement Act (billions):		
Tier I	\$17.81	\$19.46
Tier II	\$16.43	\$17.85
Creditable earnings, Railroad Unemployment Insurance Act (billions)	\$3.93	\$4.19
Unemployment-Sickness ⁸	Benefit Year 2019-2020	Benefit Year 2018-2019
Qualified employees	234,600	235,400
Unemployment benefits		
Gross amount paid (millions)	\$182.5 ⁹ (\$282.3) ^{9,10}	\$38.0
Beneficiaries	23,100 (25,500) ¹⁰	7,900
Number of payments	226,500	52,300
Normal benefit accounts exhausted	3,400	1,700
Average payment per 2-week registration period	\$648 ¹¹	\$644
Sickness benefits		
Gross amount paid (millions)	\$80.0 (\$81.2) ^{9,10}	\$73.5
Beneficiaries	15,400 (17,600) ¹⁰	14,400
Number of payments	108,100	102,100
Normal benefit accounts exhausted	3,300	3,000
Average payment per 2-week registration period	\$650	\$638

¹ Benefits are through September 30 for the associated years.

² A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age is age 65 for those born before 1938 and gradually increases to age 67 for those born in 1960 and later.

³ Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

⁴ Average in current-payment status includes annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities. A disability annuity ends when the surviving spouse or divorced spouse attains full retirement age, at which time the annuity converts to an age and service annuity.

⁵ Limited to partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Partition payments from employees on the rolls are included with the employees' annuities.

⁶ Fewer than 50.

⁷ Except for fiscal year 2019 employment, all figures in this section are preliminary.

⁸ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 6.6% for days after September 30, 2017, 6.2% for days after September 30, 2018, and 5.9% for days after September 30, 2019.

⁹ Benefits paid include payments under the CARES Act. For benefit year 2019-2020, this includes \$85.1 million in unemployment benefits. For fiscal year 2020, this includes \$151.2 million in unemployment and \$1.7 million in sickness benefits.

¹⁰ Data in parentheses are for fiscal year (October 1, 2019 – September 30, 2020).

¹¹ Does not include enhanced unemployment benefits under the CARES Act.

NOTE.--Information with respect to unemployment and sickness benefits paid is reported on a gross basis. Prior to 2020, it was reported on a net basis.

A REVIEW OF OPERATIONS

At the end of fiscal year 2020, total railroad retirement system assets equaled \$25.9 billion. During fiscal year 2020, benefit payments totaled approximately \$13.6 billion, net of recoveries and offsetting collections. Of this amount, benefit payments totaled \$13.2 billion for the railroad retirement and survivor benefits program, \$198.9 million for the railroad unemployment and sickness insurance benefits program, and \$154.8 million for the CARES Act provisions.

RAILROAD RETIREMENT AND SURVIVOR PROGRAM

As of September 30, 2020, total railroad retirement system assets, including those maintained in U.S. Treasury accounts and those maintained by the National Railroad Retirement Investment Trust (the “Trust” or NRRIT), equaled \$25.9 billion, a decrease of \$1.4 billion during the fiscal year. Amounts in the Railroad Retirement (RR) Account not needed to pay current administrative expenses and amounts in the Social Security Equivalent Benefit (SSEB) Account not needed to pay current benefits and administrative expenses are transferred to the NRRIT, whose Board of 7 trustees is empowered to invest Trust assets in non-governmental assets, such as equities and debt, as well as in governmental securities.

FINANCIAL OPERATIONS - U.S. TREASURY ACCOUNTS

During fiscal year 2020, railroad retirement and survivor benefit payments were financed through four U.S. Treasury accounts.

The SSEB Account, established in fiscal year 1985, pays the portion of railroad retirement benefits equivalent to a social security benefit from various income sources related to these benefits. The RR Account funds retirement, survivor and disability benefits, in excess of social security equivalent benefits, from payroll taxes on employers and employees and other income sources. Supplemental benefit payments are also paid from the RR Account. The Dual Benefits Payments (DBP) Account and Federal Payments (FP) Account, funded by congressional appropriations from general revenues, finance the phase-out costs of certain vested dual benefits and interest on unnegotiated checks, respectively. The four accounts together incurred \$13.1 billion in benefit obligations (including \$121.4 million interest on financial interchange advances and excluding \$2.0 billion in social security benefits which were reimbursed by the Social Security Administration) during fiscal year 2020.

Financing Sources

Payroll Taxes

The primary source of income to the railroad retirement and survivor program is payroll taxes levied on covered employers and their employees. Payroll taxes amounted to \$5.1 billion, representing 39.2 percent of total financing sources (excluding a loss of \$450.2 million, mostly due to a change in NRRIT net assets) and \$1.0 billion less than in fiscal year 2019.

Railroad employees and employers pay tier I taxes which, by law, are the same as social security taxes. The 2020 rate of 7.65 percent was split between 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of earnings subject to the 6.20 percent rate in calendar year 2020 was \$137,700, with all earnings subject to the 1.45 percent Medicare tax.

Since 2013, employees pay an additional 0.9 percent Medicare tax on earnings above \$200,000 (for those who file an individual return) or \$250,000 (for those who file a joint return). This additional tax rate is not reflected in the tax rates shown above.

Both employees and employers also pay a tier II tax to finance railroad retirement benefit payments over and above social security levels. This tax, on earnings up to \$102,300 and \$98,700 in 2020 and 2019, respectively, was 4.9 percent on employees in both years. It was 13.1 percent on employers in both 2020 and 2019.

Tier I and tier II taxes for fiscal year 2020 amounted to \$2.3 billion and \$2.8 billion, respectively.

Financial Interchange Transfers

The second major source of income to the railroad retirement and survivor program consists of transfers from the social security trust funds under a financial interchange between the two systems. The financial interchange is intended to place the Social Security Old-Age, Survivors and Disability Insurance and Hospital Insurance Trust Funds in the same position in which they would have been had railroad employment been covered by the Social Security and Federal Insurance Contributions Acts. This involves computing the amount of social security taxes that would have been collected on railroad employment, and computing the amount of additional benefits which social security would have paid to railroad retirement beneficiaries during the same fiscal year.

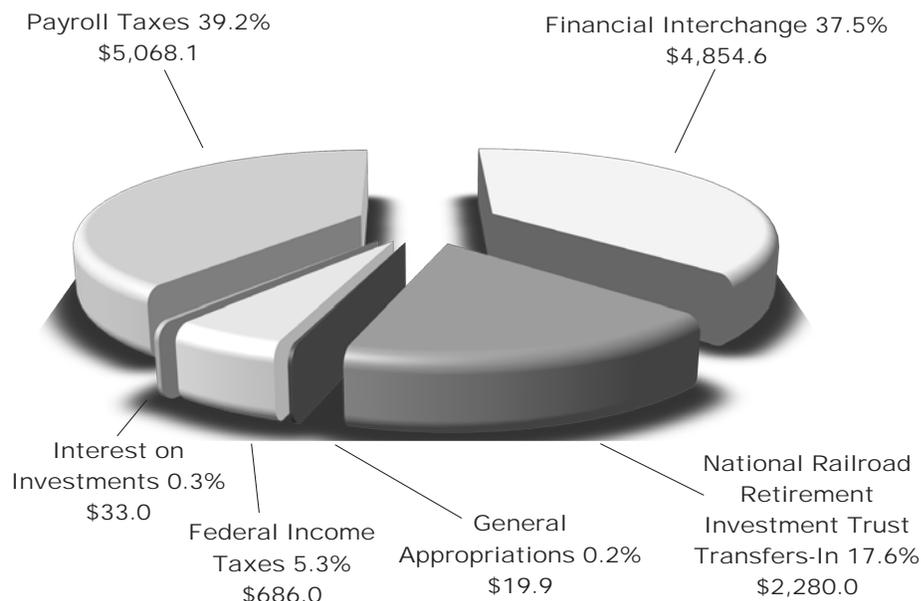
In the computation of the latter amount, credit is given for any social security benefits actually paid to railroad retirement beneficiaries. When benefit reimbursements exceed payroll taxes, the difference, with an allowance for interest and administrative expenses, is transferred from the Social Security Trust Funds to the SSEB Account. If taxes exceed benefit reimbursements (this has not happened since 1951), a transfer would be made in favor of the Social Security Trust Funds. The net financial interchange transfer to the SSEB Account during fiscal year 2020 amounted to \$4.9 billion.

(text continued on page 9)

RETIREMENT AND SURVIVOR PROGRAM

Financing Sources - Fiscal Year 2020 (In Millions)

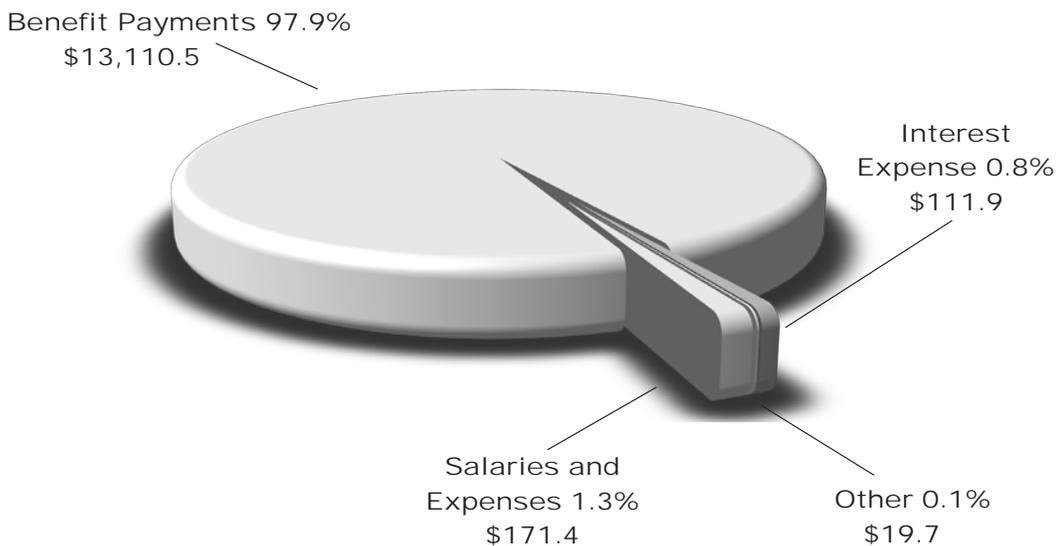
GROSS TOTAL: \$12,941.6¹



¹Excludes -\$450.2 million as shown under Other Financing Sources on page 11.

Costs - Fiscal Year 2020 (In Millions)

TOTAL: \$13,413.5



Note.--Percentages may not add to 100 due to rounding.

Interest on Investments and Other Revenue

Interest revenue decreased from \$45.9 million in fiscal year 2019 to \$33.0 million in fiscal year 2020. Interest revenue was also earned from financial interchange advances.

Federal Income Tax Transfers

Legislation enacted in 1983 subjecting social security and railroad retirement benefits to Federal income taxes also provided for a transfer of the tax revenues to the social security and railroad retirement systems for the payment of benefits. Most of the revenue from income taxes on social security equivalent railroad retirement benefits is transferred to the SSEB Account, although a portion attributable to higher-income taxpayers is transferred to the Federal Hospital Insurance Trust Fund. Revenue derived from taxing regular railroad retirement benefits in excess of social security equivalent benefits is transferred to the RR Account. Revenue from taxing the vested dual benefits funded by the general revenue appropriations previously described is transferred to the DBP Account.

At the beginning of each quarter, income tax transfers are made from Treasury general funds to the SSEB, RR and DBP Accounts. These transfers are estimates of expected tax revenues for the quarter. Adjustments are made later to reconcile the estimates for a taxable year with actual tax revenues for the year. On a cash basis, original tax transfers for fiscal year 2020 amounted to \$687 million during the year. Original transfers for fiscal year 2019 totaled \$656 million. Net income tax transfers after adjustments were \$687 million for fiscal year 2020. Net transfers in fiscal year 2019 totaled \$734 million, including \$78 million in reconciliation adjustments.

The information in the preceding paragraph is on a fiscal year basis, while the table on page 10 shows income tax transfers to the accounts for taxable (calendar) years 2011 through 2020, including reconciliation adjustments through 2014.

General Appropriations

General revenue appropriations were provided by the Railroad Retirement Act of 1974 to fund the phase-out costs of certain dual railroad retirement/social security benefits considered vested prior to 1975, and by the Railroad Retirement Solvency Act of 1983 to fund interest on unnegotiated checks. The total amounts appropriated by the Congress for vested dual benefits for fiscal years 2020 and 2019 were \$16.0 million and \$19.0 million, respectively. These amounts include Federal income tax transfers for 2020 and 2019. The amount appropriated for fiscal year 2020 was 15.8 percent less than fiscal year 2019, reflecting the continuing decrease in eligibility for these benefits, which are not increased for the cost of living. The total amount appropriated by the Congress for interest on unnegotiated checks was \$150,000 for fiscal years 2019-2020, and also \$150,000 for fiscal years 2018-2019.

(text continued on page 13)

**Federal Income Tax Transfers by Recipient Account and
Benefit Component, Taxable Years 2011-2020 (Millions)**

<u>Taxable year</u>	Revenue from taxes on		
	RRA benefits treated as SSA benefits	RRA benefits treated as private or public pensions	
	SSEB tier I benefits	Tier II and non-SSEB tier I benefits ¹	Vested dual benefits
	<u>SSEB Account²</u>	<u>RR Account</u>	<u>DBP Account³</u>
Original transfers during the year			
2011	\$160	\$300	\$3
2012	194	318	4
2013	199	333	3
2014	250	348	2
2015	263	386	2
2016	281	412	2
2017	292	422	2
2018	255	393	1
2019	267	401	2
2020	289	405	1
Reconciliation adjustments⁴			
2011 (2015)	32	49	••
2012 (2016)	17	60	-1
2013 (2018)	31	66	••
2014 (2019)	1	76	1

¹ Includes non-SSEB portion of tier I.

² Receives taxes on social security equivalent benefit (SSEB) portion of tier I.

³ Receives taxes on vested dual benefit component beginning October 1, 1988.

⁴ The year in parentheses is the year the adjustments were made.

Railroad Retirement and Survivor Program

Consolidated Financing Sources, Costs and Net Position (Millions)^{1,2}

For the Fiscal Year Ended September 30	2020	2019
Financing Sources:		
Payroll Taxes	\$5,068.1	\$6,089.3
Financial Interchange	4,854.6	4,709.7
Interest on Investments and Other Revenue	33.0	45.9
Federal Income Taxes	686.0	731.0
General Appropriations	19.9	24.3
Other	(450.2)	(1,163.8)
Transfers to the National Railroad Retirement Investment Trust	0.0	0.0
Transfers from the National Railroad Retirement Investment Trust	2,280.0	1,794.0
Total Financing Sources	12,491.4	12,230.4
Costs:		
Benefit Payments	13,110.5	13,008.8
Interest Expense	111.9	113.8
Salaries and Expenses ³	171.4	164.2
Other	19.7	22.8
Total Costs	13,413.5	13,309.6
Financing Sources over Costs	(922.1)	(1,079.2)
Net Position - Beginning of Period	26,253.9	27,333.2
Net Position - End of Period	\$25,331.8	\$26,253.9

¹ Source of data is the RRB's Performance and Accountability Report.

² A loan from the Railroad Retirement Account to the Railroad Unemployment Insurance Account was processed in September 2020.

³ Includes unemployment and sickness insurance salaries and expenses of approximately \$22.1 million and \$21.0 million for fiscal years 2020 and 2019, respectively.

Note.--Detail may not add to total due to rounding.

National Railroad Retirement Investment Trust (NRRIT) **Fiscal Year 2020 Summary**

Market value of assets managed
by NRRIT on September 30, 2020 \$24.8 billion

Rate of return of investment portfolio
managed by NRRIT for full year
ended September 30, 2020 7.29%

Source: *NRRIT*

All NRRIT annual management reports and quarterly updates are available at **RRB.gov**.

Other Financing Sources

Other financing sources consisted of \$7.2 million to be provided by the Office of Personnel Management to pay future retirement benefits to RRB employees. These financing sources were offset by a decrease in NRRIT net assets of \$594 million, a gain on contingent liability of \$136.2 million, and a \$1.9 million decrease in unexpended appropriations.

Costs

The RRB pays all salaries and expenses under a single administrative fund (Limitation on Administration) for both the railroad retirement and survivor program and the unemployment and sickness insurance program. Consequently, of the \$171.4 million and \$164.2 million shown on page 11 for salaries and expenses in fiscal years 2020 and 2019, respectively, about \$22.1 million for fiscal year 2020 and \$21.0 million for fiscal year 2019 were for the unemployment and sickness insurance program. About \$0.9 million in other costs for fiscal year 2020 and \$1.0 million for fiscal year 2019 were for the unemployment and sickness insurance program.

Excluding \$23.0 million from total costs of \$13.4 billion for fiscal year 2020 and \$22.0 million from total costs of \$13.3 billion for fiscal year 2019, total costs for the railroad retirement and survivor program for fiscal year 2020 increased \$102.9 million, or 0.8 percent.

Benefit Payments

In fiscal year 2020, railroad retirement benefit payments increased \$101.7 million, or almost 0.8 percent, to about \$13.1 billion on an accrual basis, including \$14.1 million in vested dual benefits.

Interest Expense

Interest expense of \$111.9 million represents interest on the financial interchange advances made by the U.S. Treasury during the fiscal year.

Salaries and Expenses

Excluding unemployment and sickness insurance salaries and expenses of \$22.1 million for fiscal year 2020 and \$21.0 million for fiscal year 2019, salaries and expenses for the railroad retirement and survivor program were about \$149.3 million for fiscal year 2020 and about \$143.2 million for fiscal year 2019, a \$6.1 million or 4.3 percent increase. Adjusted by the \$22.1 million in salaries and expenses and \$0.9 million in other costs for the unemployment and sickness insurance program, fiscal year 2020 administrative expenses for the railroad retirement and survivor program were about 1.11 percent of total costs.

Other Costs

Other costs consisted primarily of post-retirement benefits (pensions, health and life insurance) for RRB employees of \$6.3 million for the railroad retirement and survivor program and \$0.9 million for the unemployment and sickness insurance program. In addition, carrier refunds of \$35.3 million were incurred. These costs were offset by approximately \$14.2 million in reimbursements from the Centers for Medicare & Medicaid Services for Part B Medicare costs and various other revenues of approximately \$51,000.

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST OPERATIONS

Funds not needed immediately for benefit payments or administrative expenses are invested through the NRRIT. The Trust was established pursuant to section 105 of the Railroad Retirement and Survivors' Improvement Act of 2001 for the sole purpose of investing railroad retirement assets. The Act authorizes the Trust to invest the assets of the RR Account in a diversified investment portfolio in the same manner as those of private sector retirement plans. Prior to the Act, investment of RR Account assets was limited to U.S. Government securities. Although the Trust was created by Congress to hold and invest Federal assets, it is not an agency or instrumentality of the Federal government. It is a tax-exempt entity governed by a seven-member Board, three selected by rail management, three selected by rail labor and one independent trustee selected by the six rail trustees.

During fiscal year 2020, the net asset value of Trust-managed assets decreased from \$25.4 billion on October 1, 2019, to \$24.8 billion on September 30, 2020. This includes \$2.3 billion that the Trust transferred to the U.S. Treasury for the payment of railroad retirement benefits during the year. The rate of return on Trust-managed assets for the year (net of fees) was 7.29 percent.

Total railroad retirement system assets (Trust-managed assets and reserves held in Treasury accounts) grew from \$20.7 billion in 2002 to \$25.9 billion as of the end of fiscal year 2020, after net transfers for benefit payments of approximately \$26.9 billion over the same timeframe.

Trust operations are described in detail in the NRRIT Annual Management Report for fiscal year 2020 and previous years, as well as reports issued on a quarterly basis, which are available by clicking on the *Financial & Reporting* tab at [RRB.gov](https://www.rrb.gov).

BENEFIT OPERATIONS

Retirement and survivor benefits paid, including vested dual benefits and supplemental employee annuities, totaled \$13.1 billion in fiscal year 2020, \$146 million more than in fiscal year 2019. Benefits were paid to about 527,700 beneficiaries in fiscal year 2020, and approximately 499,200 beneficiaries were being paid at the end of the year.

The table shown here presents retirement and survivor benefit payments for fiscal years 2020 and 2019, by type of benefit, and the percent changes in payments between the 2 years.

Under the two-tier railroad retirement formulas, the tier I annuity portion approximates a social security benefit and increases by the cost-of-living percentage applied to social security benefits. The tier II portion, which is comparable to retirement benefits paid over and above social security benefits to workers in other industries, increases by 32.5 percent of the social security percentage.

Effective December 2018, tier I benefits increased by 2.8 percent due to a cost-of-living adjustment, while tier II benefits increased by 0.9 percent. Increases of 1.6 percent for tier I and 0.5 percent for tier II were effective December 2019.

These cost-of-living increases provided additional benefit payments of about \$162 million in fiscal year 2020 compared to fiscal year 2019.

Monthly retirement and survivor benefits being paid numbered about 622,900 at the end of the 2020 fiscal year, about 10,800 less than at the end of the prior year. Monthly beneficiaries on the rolls declined by approximately 7,300 over the year, from 506,600 to 499,200. The number of monthly benefits paid is always greater than the number of beneficiaries on the rolls, since many annuitants receive more than one type of benefit. Although the second benefit is usually a supplemental employee annuity, some employees also receive a spouse or widow(er)'s annuity.

Regular employee annuities in payment status at the end of fiscal year 2020 numbered 255,600, about 3,800 less than at the end of the previous fiscal year. The number of age annuities being paid, including 49,300 disability annuities converted to age, decreased from 236,800 to 235,600 over the year, while disability annuities decreased from 22,600 to 20,000. Supplemental annuities

being paid to employees declined by approximately 3,400, numbering 114,400 at the end of the year. The number of divorced spouse annuities being paid declined by about 100, to 5,200. Spouse and divorced spouse annuities together decreased by approximately 800, totaling 147,400 at year-end. About 103,200 monthly survivor benefits were being paid at the end of

Type of benefit	Amount (in millions)		Percent change
	Fiscal year 2020 ¹	Fiscal year 2019 ²	
Retirement benefits			
Employee annuities			
Age ³	\$8,180.3	\$8,000.7	+2.2
Disability	807.0	884.4	-8.8
Supplemental ⁴	57.9	59.4	-2.5
Spouse and divorced spouse annuities	1,930.2	1,892.3	+2.0
Total	10,975.4	10,836.8	+1.3
Survivor benefits			
Annuities	2,129.6	2,122.9	+0.3
Lump-sum benefits	1.8	2.1	-14.2
Total	2,131.4	2,125.0	+0.3
Partition payments⁵	8.5	7.7	+10.1
Grand total	\$13,115.3	\$12,969.5	+1.1
¹ Data is from the Monthly Treasury Statement and the Bureau of Fiscal Operations.			
² Data is from the Bureau of Fiscal Operations.			
³ A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. FY 2020 and FY 2019 include \$1,522.9 million and \$1,451.6 million, respectively, in payments to annuitants full retirement age and over originally awarded a disability annuity.			
⁴ Excludes partition payments to spouses and divorced spouses where the employee is deceased.			
⁵ Limited to partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Partition payments from employees on the rolls are included with the employees' annuities.			
Note. --Detail may not add to total due to rounding.			

fiscal year 2020, a decrease of 3,100 from the previous year. Approximately 2,200 partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity were being paid at the end of fiscal year 2020, an increase of nearly 200 from the prior year.

Retirement

Regular employee annuities

Awards of regular employee annuities numbered 8,900 in fiscal year 2020, about 500 less than in fiscal year 2019. Data by type of annuity awarded during the year are given in the table shown here.

Railroad employees with 10 to 29 years of creditable service, or 5 to 9 years of service if at least 5 years were after 1995, are eligible for regular annuities based on age and service at age 62. Early retirement annuity reductions are applied to annuities awarded before full retirement age (the age at which an employee can receive full benefits with no reduction for early retirement). This ranges from age 65 for those born before 1938 to age 67 for those born in 1960 or later, the same as under social security. If an employee had any creditable railroad service before August 12, 1983, the retirement age for tier II purposes will remain 65. The reduction for early retirement is 1/180

Employee annuities awarded in fiscal year 2020	Number	Percent	Average		
			Monthly amount	Years of service	Age at retirement
Age					
Beginning at full retirement age or over	2,100	23	\$2,764	21.3	67.6
Unreduced, beginning at age 60 to under full retirement age	3,000	34	4,346	36.5	61.2
Reduced, beginning at age 62 to under full retirement age	2,100	23	2,149	16.4	63.4
Disability	1,700	19	2,937	18.7	54.4
Total	8,900	100	\$3,195	24.9	61.9

Note.--Detail may not add to total due to rounding.

for each of the first 36 months the employee is under full retirement age when his or her annuity begins and 1/240 for each additional month.

Rail employees with 30 or more years of service are eligible for regular annuities based on age and service at age 60. Certain early retirement reductions were applied if the employee first became eligible for a 60/30 annuity July 1, 1984, or later and retired at ages 60 or 61 *before* 2002. Employees who retire at 60 or older with at least 30 years of railroad service are referred to as 60/30 retirees.

Disability awards are based either on total disability or on occupational disability. A *total disability* annuity is based on disability for all employment and is payable at any age to employees with at least 10 years of railroad service. Employees with 5-9 years of service,

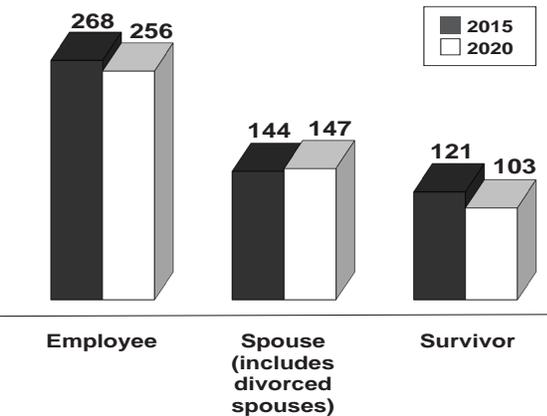
if at least 5 years were after 1995, may qualify for tier I only before retirement age on the basis of total disability if they also meet certain social security earnings requirements. An employee is considered totally disabled if medical evidence shows that a permanent physical or mental condition exists which prevents the performance of any regular work. A condition is considered to be permanent if it has lasted or may be expected to last for at least 12 months.

An *occupational disability* annuity is based on disability for the employee's regular railroad occupation and is payable to employees with a current connection with the rail industry at age 60 if the employee has 10 years of service, or at any age if the employee has at least 20 years of service. An employee is considered occupationally disabled if the physical or mental condition is such that the employee is permanently disabled for work in his or her regular railroad occupation, even though the employee may be able to perform other kinds of work.

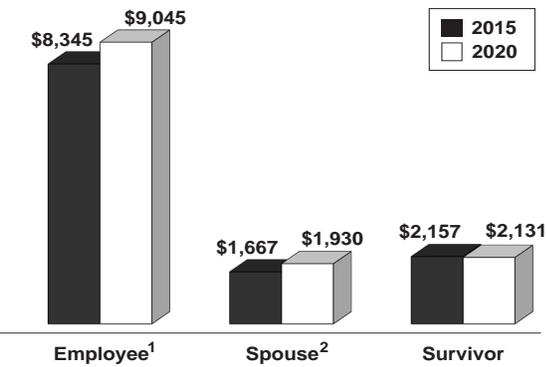
Of the year's 1,700 disability awards, 800 averaging \$2,346 per month were for total disability and 900 averaging \$3,440 were for occupational disability. Many employees who are disabled for all employment but are otherwise qualified for an occupational disability annuity are initially awarded occupational disability annuities in order to expedite payment.

An estimated two-fifths of all employees recently awarded disability annuities will meet the medical criteria for a disability freeze determination. The standards for freeze determinations follow social security law and are

Number of monthly beneficiaries, September 30, 2015, and 2020 (thousands)

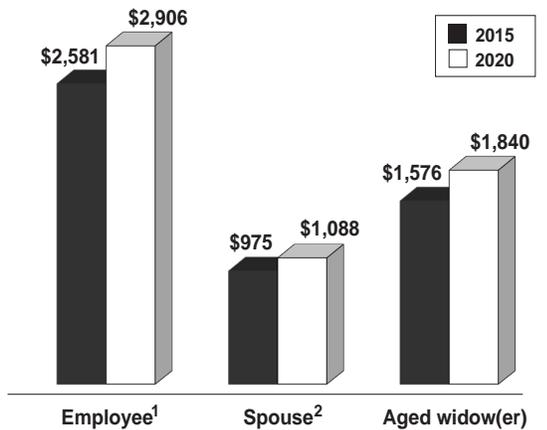


Amount of benefits paid, fiscal years 2015 and 2020 (millions)



¹Includes \$61.1 million in fiscal year 2015 and \$57.9 million in fiscal year 2020 for supplemental annuities.
²Includes divorced spouses.

Average monthly amount, September 30, 2015, and 2020



¹Without supplemental annuity.
²Includes divorced spouses.

comparable to the criteria for granting total disability. Also, an employee granted a disability freeze may qualify for early Medicare coverage and lower Federal income taxes on his or her annuity.

Of the employees who were awarded regular annuities in fiscal year 2020, some 6,200, or 70 percent, last worked for a railroad either in the calendar year their annuity began or in the preceding year. Such retirements are termed “immediate,” while those that occur 2 or more calendar years after the year of last railroad employment are called “deferred.” As a group, immediate retirees represent career railroad employees who worked in the industry until retirement. Awards based on immediate retirement averaged \$3,639 per month, compared to \$2,172 for the 2,700 awards based on deferred retirement. Immediate retirees averaged 29 years of railroad service, almost twice the average of 16 years for deferred retirees. Of the year’s awards, 57 percent of normal age retirements were immediate. While 92 percent of all 60/30 retirements were immediate, only 41 percent of the reduced age awards to employees with less than 30 years of service were immediate. Immediate retirements accounted for 80 percent of the year’s disability awards.

The 255,600 retired employees on the rolls as of September 30, 2020, were being paid regular monthly annuities averaging \$2,906. The table shown here presents data by type of annuity for these benefits.

Of the 20,000 disability annuities being paid, 8,100 were for total disability and 11,900 for occupational disability. The two types of disability annuities averaged \$2,181 and \$3,345, respectively.

In fiscal year 2020, payments of about \$237 million were for total disability annuities and \$570 million for occupational disability annuities.

About 181,700 employees on the rolls at the end of fiscal year 2020 were immediate retirees and their regular annuities averaged \$3,343 per month. Annuities

of the 73,900 deferred retirees averaged \$1,833. Although their average railroad retirement annuity was much lower, a greater proportion of the deferred annuitants also received social security benefits – 25 percent compared to 6 percent for the immediate retirees.

Employee annuities in current-payment status on September 30, 2020	Number	Percent	Average monthly amount	Percent immediate retirements
Age				
Beginning at full retirement age or over	23,300	9	\$2,387	50
Unreduced, beginning at age 60 to under full retirement age	106,500	42	3,782	92
Reduced, beginning at age 60 to under full retirement age	56,500	22	1,728	28
Disability converted to age annuity ¹	49,300	19	2,625	82
Disability	20,000	8	2,871	80
Total	255,600	100	\$2,906	71
¹ A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age is age 65 for those born before 1938 and gradually increases to age 67 for those born in 1960 and later.				
Note. --Detail may not add to total due to rounding.				

Moreover, the average social security benefit paid to deferred retirees was higher than that paid to immediate retirees. Combined railroad retirement and social security benefits to deferred retirees who were dual beneficiaries averaged \$2,132, while combined benefits to immediate retirees averaged \$3,161. The table shown here presents numbers of beneficiaries and average benefit amounts for employees on the rolls who were receiving social security benefits, and for those who were not, by type of retirement.

Regular employee annuities consist of as many as three components: tier I, tier II, and a vested dual benefit.

Reductions for early age retirement are made in all components in cases where the employee retired before full retirement age with less than 30 years of railroad service. The tier I component is based on the employee's combined railroad and social security covered earnings, and is reduced by the amount of any social security benefit that the employee receives.

The gross tier I amounts

of employees on the rolls at the end of fiscal year 2020 averaged \$2,214 per month. Tier I amounts of some 7,400 employees were completely offset by social security benefits. Tier I amounts being paid averaged \$2,045.

The employee tier II component is based solely on railroad earnings. Tier II amounts being paid at the end of fiscal year 2020 averaged \$940. Employees are eligible for vested dual benefits if, based on their own earnings, they met certain vesting requirements and qualified for both railroad retirement and social security benefits at the end of 1974, or, in some cases, at the end of an earlier year of last railroad service. Some 6,700 retirees were receiving vested dual benefits averaging \$157 at the end of the fiscal year.

Supplemental employee annuities

A supplemental annuity is payable to employees with a current connection with the rail industry at age 60 if the employee has at least 30 years of service, or at age 65 if the employee has 25-29 years of service. The employee must also have had some rail service before October 1981.

Almost 2,400 supplemental annuities were awarded in fiscal year 2020, about 900 less than in fiscal year 2019. Approximately 2,000 of the awards (85 percent) began concurrently with the employee's regular annuity, while the remaining 400 were to employees already receiving a regular annuity. Supplemental annuity awards averaged approximately \$41 per month after court-ordered partitions; 83 percent were at the

Dual benefit status	Total	Type of retirement	
		Immediate	Deferred
Receiving social security benefit			
Number	29,200	10,400	18,800
Average monthly amount:			
Railroad retirement (regular)	\$1,075	\$1,914	\$ 608
Social security	1,425	1,247	1,524
Combined benefit	2,500	3,161	2,132
Not receiving social security benefit			
Number	226,500	171,300	55,100
Average monthly amount	\$3,142	\$3,430	\$2,250
Note. --Detail may not add to total due to rounding.			

current maximum rate of \$43. Supplemental annuities are reduced for any part of a private railroad pension attributable to employer contributions. During the fiscal year, 600 supplemental annuities were not awarded because they were entirely offset by private pensions. In a few cases, the supplemental annuity was partially offset by the pension, or the supplemental annuity was not offset because the pension was reduced.

Supplemental annuities averaged \$42 and were being paid to over 114,400, or 45 percent, of the retired employees on the rolls at the end of the 2020 fiscal year.

Spouse and divorced spouse annuities

Annuity awards to spouses and divorced spouses of retired employees numbered 8,700 in fiscal year 2020, 1,100 less than in the previous year. The table on page 21 presents numbers and average amounts of spouse and divorced spouse annuities awarded during the year and being paid at the end of the year, by type of annuity and whether subject to age reduction.

If an employee is at least age 62 and retires with 10-29 years of railroad service, or has 5-9 years of service and at least 5 years were after 1995, the employee's spouse is eligible for an annuity at age 62. Full retirement age for a spouse is gradually rising from 65 to 67, depending on the year of birth. Early retirement reductions are applied to the spouse annuity if the spouse retires before full retirement age. The reduction for early retirement is 1/144 for each of the first 36 months the spouse is under full retirement age when her or his annuity begins and 1/240 for each month (if any) over 36.

If an employee retires with at least 30 years of service and is at least age 60, the employee's spouse is eligible for an annuity at age 60. Prior to 2002, certain early retirement reductions were applied to the tier I component of such a spouse annuity if the employee retired before age 62, unless the employee attained age 60 and completed 30 years of service prior to July 1, 1984. If a 30-year employee retired at age 62, no age reduction applied to the spouse annuity. December 2001 legislation liberalized early retirement benefits for 30-year employees retiring at ages 60 or 61 after 2001 and their spouses. A spouse of an employee qualified for an age and service annuity is eligible for a spouse annuity at any age if caring for the employee's unmarried child, and the child is under age 18 or the child became disabled before age 22.

Of the approximately 2,300 reduced spouse annuities awarded in fiscal year 2020, fewer than 10 averaging \$894 per month were to spouses of 30-year employees, and nearly 2,300 averaging \$635 were to spouses of employees with less than 30 years of service.

At the end of fiscal year 2020, almost 142,200 spouse annuities averaging \$1,102 per month were being paid. Approximately 5,200 divorced spouse annuities averaging \$705 per month were also being paid. These included nearly 80, averaging \$746, where the employee was not yet entitled to an annuity. Families with an employee and spouse on the rolls were paid combined railroad retirement benefits averaging \$4,260. This included \$3,158 in regular and supplemental employee annuities and \$1,102 in spouse annuities.

Almost 59,300, or 40 percent, of the spouses and divorced spouses on the rolls were also receiving social security benefits. Combined railroad retirement and social security benefits to these annuitants averaged \$1,750 per month, including \$435 in railroad retirement benefits and \$1,315 in social security benefits. Railroad retirement annuities to the 85,000 spouses not receiving social security benefits averaged \$1,549, while railroad retirement annuities to the 3,100 divorced spouses not receiving social security benefits averaged \$940.

Monthly spouse benefits	Awarded in fiscal year 2020		In current-payment status on September 30, 2020	
	Number	Average amount	Number	Average amount
Beginning at full retirement age or over	1,800	\$ 672	18,400	\$ 641
With minor or disabled child in care	200	1,394	1,400	1,458
Unreduced, beginning at age 60 to under full retirement age	3,900	1,618	79,900	1,509
Reduced rate	2,300	636	42,500	525
Total	<u>8,100</u>	1,130	<u>142,200</u>	1,102
Divorced spouse annuities	600	768	5,200	705
Grand total	8,700	\$1,105	147,400	\$1,088

Note.--Detail may not add to total due to rounding.

Like regular employee annuities, spouse annuities consist of up to three components. The tier I component equals one-half of the employee's tier I amount before any reduction for the employee's social security benefit. The spouse tier I amount is reduced for the spouse's receipt of a social security benefit and may be reduced for a spouse's public service pension. The tier I portion may also be reduced if the spouse receives a railroad retirement employee annuity, but this reduction may be restored through an addition to the spouse tier II amount. Divorced spouses receive only a tier I benefit.

The spouse tier II component equals 45 percent of the employee's tier II amount. Railroad retirement amendments in 1981 precluded further awards of vested dual benefits to spouses.

Of the 142,200 spouses on the rolls at the end of fiscal year 2020, 92,400 were being paid tier I amounts averaging \$983 per month. The tier I amounts of 49,800 spouses were completely offset by other benefits also due. Spouse tier II amounts averaged \$502. There were no vested dual benefits being paid to spouses at the end of the fiscal year. The 5,200 divorced spouses on the rolls at the end of fiscal year 2020 were being paid tier I amounts averaging \$716 per month, not reflecting all annuity adjustments.

Lump-sum retirement benefits

A lump-sum benefit may be payable at retirement to employees who received separation or severance payments after 1984. This benefit approximates the tier II payroll taxes deducted from separation or severance payments that did not yield additional service credits for retirement. About \$0.2 million was paid in separation/severance lump-sum benefits during fiscal year 2020.

Employees who have at least 10 years of railroad service and are not entitled to a vested dual benefit may be eligible for a dual retirement tax refund if they had concurrent railroad retirement and social security earnings within the period 1951-74. The refund is equal to the social security taxes that the employee paid on the combined railroad and social security earnings in excess of the annual railroad retirement creditable earnings maximum. During the 2020 fiscal year, the RRB paid approximately 50 dual retirement tax refunds averaging \$196. Most of the payments were to employees retiring during the year. Fewer than 10 refunds were to survivors, mostly widows, of employees who died before receiving the refund. Employees entitled to dual retirement tax refunds for years after 1974 may claim them on their Federal income tax returns.

Survivor

Monthly benefits

Annuity awards to survivors of deceased railroad employees numbered 6,400 during fiscal year 2020, about 50 less than the previous year. More than 103,200 survivor annuities were being paid at the end of the fiscal year, including 400 temporarily paid at spouse or divorced spouse annuity rates pending recomputation to widow(er)s' rates. Approximately 79,400, or 77 percent, of the survivor annuities were to aged widows and widowers.¹

The table on page 23 presents numbers and average monthly amounts of survivor annuities, by type, awarded in the year and being paid at the end of the year.

Survivor annuities, like regular employee and spouse annuities, consist of as many as three components: tier I, tier II and, for widows and widowers only, a vested dual benefit. As with spouses, legislation in 1981 precluded new awards of vested dual benefits to widow(er)s. The tier I component is computed according to social security formulas and is based on the deceased employee's combined railroad and social security earnings. A reduction is made for the survivor's receipt of a social security benefit. There may also be a tier I reduction if the survivor receives a railroad retirement employee annuity or public pension. Remarried and divorced widow(er)s receive a tier I benefit only. A dependent parent receives only a tier I amount if another family member is also receiving benefits or if the parent has remarried.

Survivor tier II amounts are calculated as a percentage of an employee tier II benefit. Prior to 2002, the percentages were 50 percent for a widow(er), 15 percent for a child, and 35 percent for a parent. The total tier II amount for a survivor family was subject to a minimum of 35 percent and a maximum of 80 percent of the employee tier II benefit, and all survivor tier II amounts were proportionately adjusted when either limit applied. December 2001 legislation established an "initial minimum amount" for widow(er)s which provides a tier II benefit equal to 100 percent of the tier II amount of the deceased employee. The maximum tier II amount payable to a family rose to 130 percent of the employee's tier II amount. Widows and widowers are guaranteed a total tier I and tier II amount not less than what they were paid as a spouse, any necessary increase being added to tier II.

¹Aged widow(er) statistics in the Survivor section exclude benefits to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities, as disability annuities convert to age and service annuities at full retirement age.

Aged widow(er)s, who are eligible for benefits at age 60, have their tier I and tier II amounts reduced if the annuity begins before full retirement age. The eligibility age for unreduced annuities is gradually rising from age 65 to age 67. The maximum age reductions range from 17.1 percent to 20.36 percent, depending on the widow(er)'s date of birth. Excluding nearly 400 annuities temporarily paid at spouse or divorced spouse rates, aged widow(er)s' annuities being paid at the end of the 2020 fiscal year included 40,600 which were reduced for age. Aged widow(er)s' tier I amounts being paid averaged \$1,458 per month. In over 6,400 cases, the tier I amount was wholly offset by

Monthly survivor benefits	Awarded in fiscal year 2020		In current-payment status on September 30, 2020	
	Number	Average amount	Number	Average amount
Aged widow(er)s	5,200	\$2,349	79,400	\$1,840
Disabled widow(er)s ¹	100	1,681	3,200	1,437
Widowed mothers (fathers)	100	2,053	600	1,992
Remarried widow(er)s	100	1,334	2,600	1,192
Divorced widow(er)s	700	1,297	9,700	1,203
Children:				
Under age 18	300	1,574	1,700	1,511
Student	*	1,876	*	1,589
Disabled	100	1,416	6,000	1,104
Parents	..	..	*	952
Total	6,400	..	103,200	..

¹Number and average in current-payment status include annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

*Fewer than 50.

Note.--Detail may not add to total due to rounding.

reductions for other benefits. Approximately 26,400 aged widow(er)s were also receiving social security benefits, and these averaged \$1,196. Tier II amounts averaged \$502. Less than 50 vested dual benefits, averaging \$76, were being paid to aged widow(er)s.

The tier I and tier II amounts of disabled widow(er)s' annuities, which begin at ages 50-59, are reduced 28.5 percent for age. At the end of fiscal year 2020, tier I amounts being paid to disabled widow(er)s on the rolls averaged \$1,190. (In about 100 cases, the tier I amount was wholly offset by reductions.) Social security benefits being paid to over 1,300 disabled widow(er)s averaged \$1,026. Tier II amounts averaged \$295, while the less than 10 vested dual benefits being paid averaged \$95.

Tier I amounts paid to widowed mothers and fathers (widows and widowers caring for children) generally equal 75 percent of the full amount payable to an aged widow(er) before any reductions, similar to a social security mother's or father's benefit. Eligible children and grandchildren are paid this same tier I amount. However, if the sum of the tier I amounts of all members of a survivor family exceeds the social security family maximum, then tier I amounts are proportionately reduced so that the total equals the maximum. Reductions for the family maximum usually occur when the family includes three or more beneficiaries. Tier I amounts being paid as of the end of fiscal year 2020 averaged \$1,455 for widowed mothers and fathers and \$1,104 for children. Fewer than 50 mothers/fathers

and nearly 1,900 children received social security benefits averaging \$1,161 and \$684, respectively. Tier II amounts paid mothers/fathers and children averaged, respectively, \$571 and \$122.

Lump-sum survivor benefits

A lump-sum death benefit can be payable at the time of an employee's death only if there are no survivors immediately eligible for monthly benefits. For survivors of employees who had at least 10 years of railroad service before 1975, the lump-sum death benefit is based on the employee's earnings through 1974, with a maximum amount of approximately \$1,200. If the employee completed the 10th year of service after 1974, the lump-sum death benefit is limited to \$255, the maximum benefit payable under social security law, and only the widow or widower living in the same household is eligible for the benefit. Lump-sum benefits may also be payable to survivors of employees with less than 10 years of service, but at least 5 years after 1995, if the employee met the social security insured status requirements. About 1,800 lump-sum death benefits averaging \$933 were awarded during fiscal year 2020. Approximately 200 benefits were to widow(er)s, while more than 1,600 were to other individuals who paid the funeral expenses.

Another lump-sum survivor benefit, the residual payment, can be made if no other benefits based at least in part on an employee's railroad service will be payable in the future, and the total of prior benefit payments is less than what the employee paid in pre-1975 railroad retirement taxes. Fewer than 10 residual payments were awarded in the 2020 fiscal year, and they averaged \$429.

Partition Payments

The Pension Protection Act of 2006, as amended, continues the court-ordered partitioned portion of the tier II, vested dual and supplemental benefit payments to former spouses after the death of the employee. It also allows for payment of court-ordered partitioned payments where the employee is not entitled to an annuity if (1) the employee has 120 months of railroad service or 60 months of service after 1995, and (2) both the employee and spouse or divorced spouse are 62 for a full month, or, if the employee is deceased, the employee would be 62 for a full month.

At the end of fiscal year 2020, there were about 2,200 spouses and divorced spouses receiving payments averaging \$324 where the employee was deceased or not otherwise entitled to an annuity. While all but 3 received a partitioned tier II benefit, only 3 percent received a partitioned vested dual benefit and 38 percent received a partitioned supplemental benefit.

Medicare Enrollments

The Medicare program provides health insurance to persons ages 65 and older, as well as persons under age 65 who have been entitled to monthly benefits based on total disability for at least 24 months. In the case of some disability diagnoses, the waiting period is waived.

Medicare has several parts to its program. Basic hospital insurance, or Medicare Part A, is financed through payroll taxes. There is also an elective supplementary medical insurance, or Medicare Part B, plan for which monthly premiums are charged. Medicare also offers Medicare Part C (Medicare Advantage) plans that include both Parts A and B coverage and additional benefits, sometimes at an additional cost. Finally, Medicare Part D provides optional prescription drug coverage for an additional premium. Medicare Parts C and D are offered through private insurance companies approved by Medicare.

Eligible railroad retirement annuitants and social security beneficiaries whose benefits are payable by the RRB are automatically enrolled under Part A and Part B; however, Part B may be declined by the annuitant or beneficiary. Eligible nonretired persons must apply in order to obtain Medicare coverage. The RRB automatically enrolled over 23,900 beneficiaries for Medicare during fiscal year 2020. As of the end of the fiscal year, about 463,500 persons were enrolled in the Part A plan, and approximately 445,100 (96 percent) of them were also enrolled in Part B.

Except for benefits for services in Canada, which are paid from the Railroad Retirement Account, Part A benefits for railroad enrollees are paid from the Federal Hospital Insurance Trust Fund, the same as for persons covered under the social security system. Part B benefits are paid from the Federal Supplementary Medical Insurance (SMI) Trust Funds. The carrier for Part B claims of railroad Medicare enrollees made payments totaling \$856 million in the 2020 fiscal year.

The regular monthly premium for Part B during fiscal year 2020 was \$135.50 for coverage through December 2019, and \$144.60 thereafter. Beneficiaries with modified adjusted gross incomes above certain thresholds pay higher Part B and Part D premiums under the Income Related Monthly Adjustment Amount (IRMAA) provisions of law. At the end of fiscal year 2020, approximately 19,800 Part B premiums and about 16,300 Part D premiums were increased by an IRMAA amount.

The RRB generally withholds Part B premiums from the annuitant's benefit payments, and at the end of fiscal year 2020 nearly 427,300 annuitants were having their premiums withheld. Of the remaining Part B enrollees, almost 2,900 were paying premiums to the RRB, either directly or through an intermediary, and 14,900 had their premiums paid by State agencies. The RRB periodically transfers premiums to the SMI Trust Funds.

The agency is also able to collect Part C and Part D premiums from monthly benefits through an exchange process. While this option has grown in popularity, many annuitants pay their Part C and Part D premiums directly to their plan. At the end of fiscal year 2020, about 12,000 Part C premiums and approximately 63,100 Part D premiums were deducted from benefits paid by the RRB.

RAILROAD UNEMPLOYMENT AND SICKNESS INSURANCE PROGRAM

FINANCIAL OPERATIONS

Costs for the railroad unemployment and sickness insurance program during fiscal year 2020 were less than financing sources by \$211.3 million and the net position increased by \$211.3 million from \$340.9 million at the end of fiscal year 2019 to \$552.2 million at the end of fiscal year 2020. For fiscal year 2020, as compared to fiscal year 2019, total financing sources for the railroad unemployment and sickness insurance program increased by \$428.1 million (313.2 percent) to \$564.8 million.

(text continued on page 28)

Unemployment and Sickness Insurance Program **Consolidated Financing Sources, Costs and Net Position (Millions)**^{1, 2}

For the Fiscal Year Ended September 30	2020	2019
Financing Sources:		
Employer Payroll Taxes	\$82.7	\$131.4
Interest Income	2.1	5.3
General Appropriations ³	480.0	0.0
Other	0.0	0.0
Total Financing Sources	564.8	136.7
Costs:		
Benefit Payments:		
Unemployment ⁴	287.0	35.9
Sickness	80.6	66.7
Other	(14.1)	(13.8)
Total Costs	353.5	88.8
Financing Sources over Costs	211.3	47.9
Net Position - Beginning of Period	340.9	293.0
Net Position - End of Period	\$552.2	\$340.9

¹ Source of data is the RRB's Performance and Accountability Report.

² A loan to the Railroad Unemployment Insurance Account from the Railroad Retirement Account was processed in September 2020.

³ Total financing sources include \$319.3 million in unexpended appropriations for CARES Act activity.

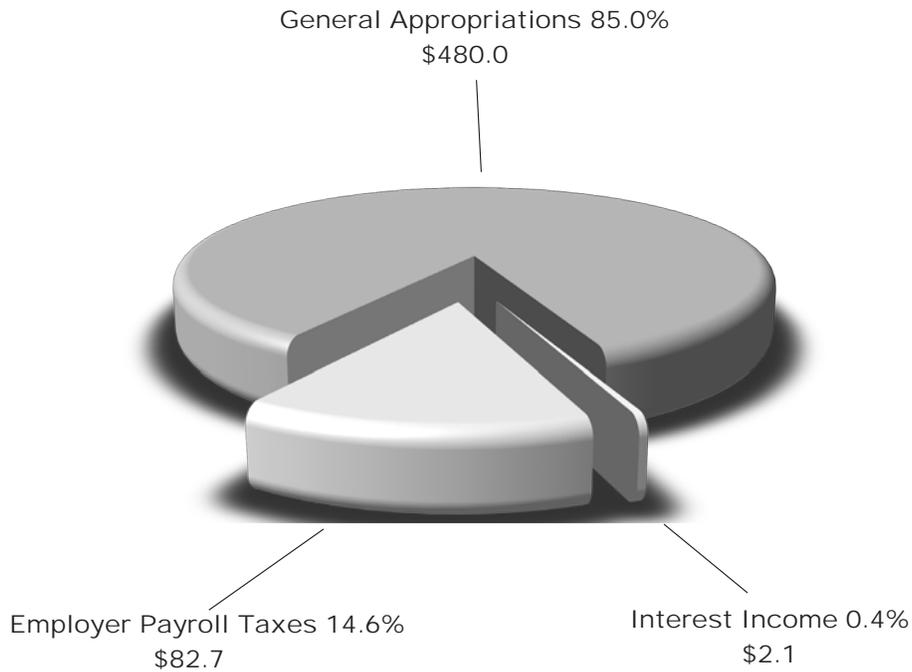
⁴ Unemployment benefit payments include about \$154.8 million for CARES Act activity in fiscal year 2020.

Note.--Detail may not add to total due to rounding.

**UNEMPLOYMENT AND SICKNESS
INSURANCE PROGRAM**

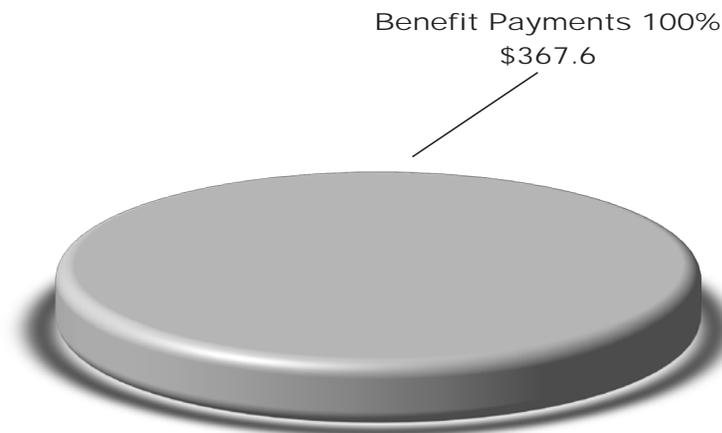
Financing Sources - Fiscal Year 2020 (In Millions)

GROSS TOTAL \$564.8



Costs - Fiscal Year 2020 (In Millions)

TOTAL \$367.6¹



¹Excludes -\$14.1 million as shown under Other Costs on page 26.

Financing Sources

The primary ongoing financing source of the railroad unemployment and sickness insurance program is a payroll tax on railroad employers, based on the taxable earnings of their employees. The employees themselves are not taxed.

Each employer pays taxes at a rate which takes into consideration its employees' actual incidence of benefit usage. Under experience rating, employers whose employees have low incidences of unemployment and sickness pay taxes at a lower rate than those with higher levels of benefit usage. Each employer's rate also has a component for administrative expenses and a component to cover costs shared by all employers. The rate applies to monthly earnings up to an indexed maximum. In calendar year 2020, the taxable earnings base was the first \$1,655 of each employee's monthly earnings. The earnings base is indexed each year by a rate which is equal to approximately two-thirds of the annual rate of increase in the maximum base for railroad retirement tier I taxes.

In 2020, the basic tax rates on railroad employers, including covered commuter railroads, ranged from a minimum of 0.65 percent to a maximum of 12.0 percent. There was no surcharge in 2020. Most employers were assessed the minimum rate in 2020. New employers in 2020 paid an initial rate of 3.10 percent.

Employer Payroll Taxes

Payroll taxes by employers totaled \$82.7 million during fiscal year 2020. This was a decrease of 37.1 percent or \$48.7 million less than the previous year.

Interest

Cash not needed immediately for unemployment and sickness insurance benefits or operating expenses is held in the Federal Unemployment Insurance Trust Fund and invested by the Secretary of the Treasury. The fund earned an average rate of return of 2.4 percent in fiscal year 2020, of which the RRB earned \$2.1 million as its pro rata share.

Costs

Total costs for the railroad unemployment and sickness insurance program increased by \$264.7 million (298.1 percent) to \$353.5 million.

Benefit Payments

During fiscal year 2020, unemployment insurance benefit payments increased by \$251.1 million (699.4 percent) to \$287.0 million. Sickness insurance benefit payments increased by \$13.9 million (20.8 percent) to \$80.6 million.

BENEFIT OPERATIONS

Net unemployment and sickness benefits totaling about \$232.3 million were paid in the 2019-2020 benefit year, \$149.9 million more than in the prior year. The CARES Act accounted for \$81.0 million of the \$232.3 million in unemployment benefits. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 6.2 percent for days of unemployment and sickness after September 30, 2018, and 5.9 percent for days after September 30, 2019. Beneficiaries numbered 37,100, in comparison to the previous year's total of 21,700. Some 1,400 employees received both unemployment and sickness benefits during the 2019-2020 benefit year. The number of unemployment benefit claimants increased by 193 percent, while sickness benefit claimants increased by 7 percent. Total net unemployment benefit payments increased by 448 percent, while net sickness benefits increased by 17 percent. The number of employees qualified for benefits under the Railroad Unemployment Insurance Act decreased slightly to 234,600.

Benefits are payable for each day of unemployment or sickness in excess of 7 during the first 14-day registration period in a benefit year. During benefit year 2019-2020, there were 21,400 and 13,600 unemployment and sickness benefit waiting period claims, respectively.

Unemployment

Nearly 23,100 railroad workers were paid \$173.1 million in net unemployment benefits during the 2019-2020 benefit year. The number of benefit claimants increased by almost 15,200 from the prior year total of 7,900, and the benefit amount increased \$141.5 million from the prior year's total of \$31.6 million. The average number of compensable days per unemployment benefit claimant was 62 in benefit year 2019-2020, five fewer than the previous benefit year. The decrease is likely due to the addition of thousands of claimants late in the benefit year due to the COVID-19 pandemic, with fewer days possible to claim before the benefit year's end.

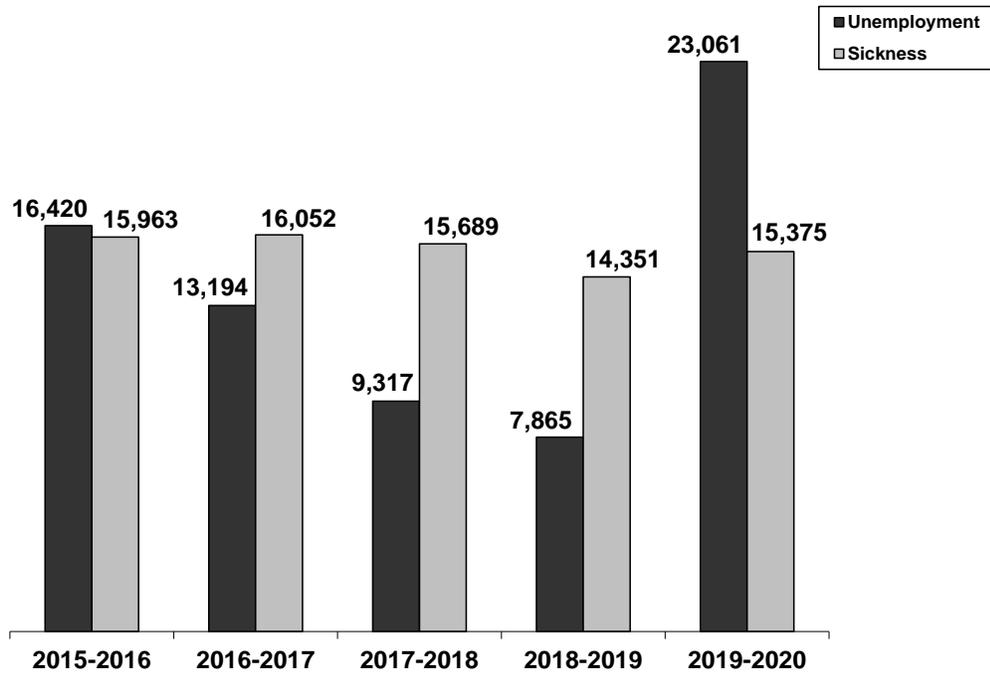
The mid-month unemployment count in the 2019-2020 benefit year began with a July count of 2,700 claimants. The count fluctuated before reaching 5,900 in January 2020. The count declined in February and March until the COVID-19 pandemic began affecting the rail industry in April. The mid-month count doubled between April and May before hitting a peak of 16,900 in June. For the 2019-2020 benefit year as a whole, the weekly number of claimants averaged 6,300 compared to an average of 2,200 in the previous benefit year. The overall unemployment benefit claimant rate, measured in relation to the number of employees qualified to receive benefits under the Railroad Unemployment Insurance Act during a particular time period, increased 194 percent to 9.8 per 100 qualified, from the previous year's 3.3 per 100 qualified. The median age for all unemployment benefit claimants was 39 years, as compared to 43 in the previous benefit year.

NOTE.—Railroad unemployment and sickness benefits are paid on the basis of benefit years beginning July 1 and ending June 30 of the following year. Consequently, operational data in this "Benefit Operations" section are generally presented for this time span, rather than fiscal years beginning October 1 and ending September 30.

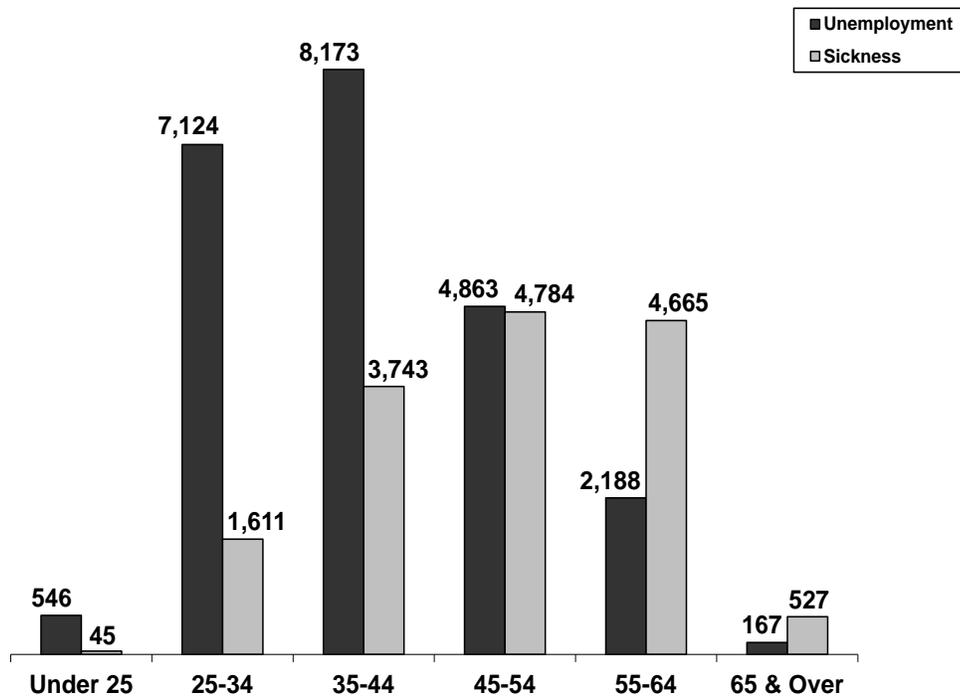
**Major unemployment and sickness benefit operations,
benefit years 2019-2020 and 2018-2019**

Item	Benefit year 2019-2020			Benefit year 2018-2019		
	Total	Unemploy- ment ¹	Sickness	Total	Unemploy- ment ¹	Sickness
Applications	63,700	43,900	19,800	30,100	12,200	17,900
Claims	298,500	171,300	127,200	182,500	63,000	119,600
Claimants	² 37,100	23,100	15,400	² 21,700	7,900	14,400
Gross amount of benefits ³	\$262,436,200	\$182,468,300	\$79,967,900	\$82,393,800	\$31,651,400	\$50,742,400
Number of payments						
Normal	252,600	143,300	95,200	136,000	46,500	89,500
Extended	31,900	18,800	13,200	18,400	5,800	12,600
Enhanced	64,400	64,400	..	..	..	..
Total	348,900	226,500	108,400	154,400	52,300	102,100
Average amount per 2-week registration period ³						
Normal	\$651	\$649	\$654	\$737	\$740	\$736
Extended	631	644	611	607	615	603
Enhanced	1,200	1,200	..	..	..	..
Total	751	806	650	722	726	720
<p>¹ Beginning in May 2020, includes special extended unemployment benefits and enhanced benefits paid under the CARES Act. In benefit year 2019-2020, special extended unemployment benefits were \$7.7 million and enhanced unemployment benefits were \$77.4 million.</p> <p>² Benefits for both unemployment and sickness were paid to approximately 500 employees in benefit years 2018-2019 and 1,400 employees in benefit year 2019-2020. Those claimants who had only a non-compensable waiting period are not included in the beneficiary counts since no benefits were paid.</p> <p>³ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 6.6% under sequestration for days of unemployment and sickness after September 30, 2017, 6.2% for days after September 30, 2018, and 5.9% for days after September 30, 2019.</p> <p>NOTE.--Amounts shown are on a gross basis. Prior to the 2020 Annual Report, they were reported on a net basis.</p>						

**Claimants under the Railroad Unemployment Insurance Act,
Benefit Years 2015-2016 through 2019-2020**



**Unemployment and Sickness Benefit Claimants by Age,
Benefit Year 2019-2020**



Sickness

The number of sickness benefit claimants during the 2019-2020 benefit year was 15,400, about 1,000 more than the previous year. This corresponds with an increase in sickness due to COVID-19 illnesses. Gross sickness benefits of \$80.0 million were paid, \$6.5 million more than in the prior benefit year. Net sickness benefits totaled \$59.2 million, reflecting repayment of a large amount of benefits following settlements of suits for injuries. Benefits payable for an injury are recoverable if the claimant is awarded damages or receives a settlement for the injury. Net benefits increased by approximately \$8.5 million in comparison with the previous year.

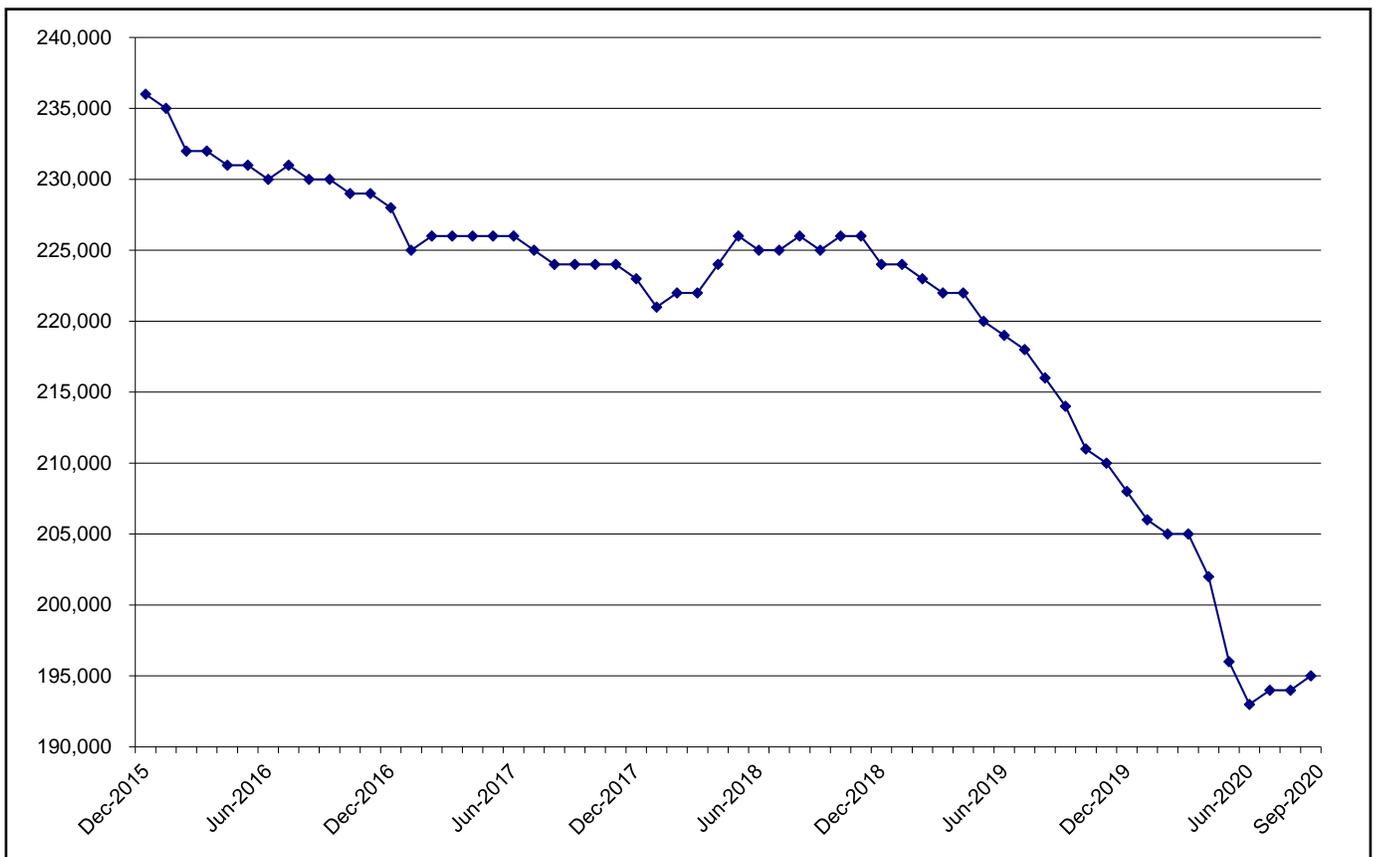
The utilization rate for sickness benefits was 6.6 percent of qualified employees, higher than the previous benefit year's rate of 6.1 percent that was the lowest since the program's inception. The average duration of sickness was 70 days in benefit year 2019-2020, down slightly from 71 in the previous benefit year.

Among the most common causes of sickness were injuries that included fractures or wounds (affecting 24 percent of beneficiaries), diseases of the musculoskeletal system and connective tissue (22 percent), mental disorders, including drug and alcohol addictions (12 percent), infectious and parasitic diseases (7 percent), and circulatory and heart disease (7 percent). The COVID-19 cases were largely grouped into the infectious and parasitic diseases category. The median age of all sickness benefit claimants was 49 years, compared with 50 years the previous benefit year.

RAILROAD EMPLOYMENT

The preliminary average monthly railroad employment in fiscal year 2020 fell 9 percent to 202,000 from the 221,000 average of the previous fiscal year. From October 2015 through January 2018, there was a sustained decline in employment. Then, from February through November of 2018, there was a moderate recovery. The decline resumed in December 2018 until March 2020. In April 2020, when the COVID-19 pandemic began to affect the railroad industry, the decline in employment accelerated. During fiscal year 2020, employment began at 211,000 in October 2019, and declined to a record low of 193,000 in June 2020, before increasing slightly to 195,000 in September 2020.

**Average Railroad Employment
Fiscal Years 2016 through 2020**



Note.--Numbers for 2020 are preliminary.

ADMINISTRATIVE DEVELOPMENTS

The following describes major activities and issues addressed in 2019 and 2020 as part of the RRB's efforts to improve operations and customer service.

Coronavirus Pandemic

As the United States grappled with the effects of the COVID-19 pandemic, the RRB implemented two major pieces of relief legislation in 2020 that affected railroad employees and retirees, while also making significant changes to agency operations in order to provide service to its customers in a trying time.

Relief Legislation

Enacted on March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* included three provisions that impacted payment of benefits under the Railroad Unemployment Insurance Act, with each having a separate Treasury appropriation for payment of those benefits. In addition, the CARES Act exempted the benefits provided from reduction due to sequestration. These included the following:

- Special extended unemployment benefits for rail workers with jobless claims during the period from July 1, 2019, to June 30, 2020, funded by using the approximately \$142 million remaining from the Worker, Homeownership, and Business Assistance Act of 2009. Benefits had to begin by December 31, 2020.
- Enhanced unemployment benefits of \$1,200 per 2-week registration period, for registration periods beginning on or after April 1, 2020, through July 31, 2020. An appropriation of \$425 million in the CARES Act funded the enhanced amount, which was payable until the end of a person's entitlement or until the appropriation ran out, whichever came first.
- Elimination of waiting periods for unemployment and sickness benefits for registration periods beginning before December 31, 2020. A \$50 million appropriation in the CARES Act funded the benefits payable in lieu of a waiting period, payable until the earlier of the end of the person's entitlement or exhaustion of the appropriation.

The legislation also provided one-time payments of \$1,200 to adults making less than \$75,000, or \$150,000 for a couple, with the payment reduced for individuals who made up

to \$99,000, or \$198,000 for a couple. Families with children received an additional \$500 per qualifying dependent.

Program and information technology staff worked together to make the necessary programming changes under the CARES Act as quickly as possible. This was done in several phases, with an initial emphasis on the extended unemployment benefits, particularly for people who had already exhausted their regular extended benefits. The RRB also gave priority to generating the necessary information for Treasury to allow the Internal Revenue Service to make the \$1,200 recovery payments. These actions were largely completed within the first two months after enactment of the CARES Act. Subsequent phases to provide the enhanced unemployment benefit amount and eliminate the waiting period were completed over the summer. For those actions that took longer to implement, the agency paid benefits retroactively to qualified individuals.

Enacted on December 27, 2020, the *Continued Assistance to Rail Workers Act (CARWA)* amended the CARES Act to continue the special extended unemployment benefits and the waiver of the waiting period, while providing a reduced level of enhanced unemployment benefits. CARWA also provided that all unemployment and sickness benefits would be exempt from reduction due to sequestration from January 3, 2021, until 30 days after a presidential termination of the national COVID-19 emergency. The specific benefit extensions were as follows:

- Special extended unemployment benefits through April 5, 2021 for anyone who received regular unemployment benefits in the benefit year beginning July 1, 2020.
- Enhanced unemployment benefits of \$600 per 2-week registration period for registration periods beginning on or after December 27, 2020, through registration periods beginning on or before March 14, 2021.
- Waiver of waiting period extended to March 14, 2021.

Since these provisions represented modifications to benefits previously provided under the CARES Act, agency staff was able to complete the operational and programming changes to implement them in the month after enactment of CARWA.

(Note: The *American Rescue Plan Act of 2021*, enacted on March 11, 2021, included further extensions of railroad unemployment changes originally contained in the CARES Act. This included a continuation of special extended unemployment benefits and waiver of the waiting period through September 6, 2021, along with the enhanced benefit amount of \$600 per 2-week registration period provided by CARWA. It also included a one-time cash payment of \$1,400 to individuals making no more than \$75,000, or \$150,000 for couples,

with the payment quickly phasing out for individuals or couples making more than \$10,000 above those thresholds.)

Agency Operations

In the immediate aftermath of the designation of COVID-19 as a national emergency on March 13, 2020, the RRB closed its headquarters and field offices to the public effective March 16, 2020. In addition, the agency moved its employees to a maximum telework status. In addition to the presidential declaration, this move was prompted in part by the fact that the RRB Chicago headquarters and several of its field offices were located in early COVID-19 “hot spots.” The agency continued to provide service by phone and mail. Expanded phone service was facilitated by the deployment of 685 cell phones to agency employees. These phones were purchased using a \$5 million appropriation under the CARES Act to procure information technology equipment to improve workforce mobility. Changes were also made to allow field personnel to use these phones to answer calls to the RRB’s national toll-free number.

The RRB also adopted enhanced screening procedures for the limited number of employees and contractors entering the headquarters building, including temperature checks and screening questions related to COVID-19 exposure or symptoms, along with deployment of hand sanitizers throughout the offices. In the year following the emergency declaration, the RRB was fortunate that only 20 employees – 15 at headquarters and 5 in field offices – reported testing positive for COVID-19. In most cases, the positive test involved an employee working remotely. In cases in which a positive employee was in the office, the adjacent workspaces received a deep cleaning and sanitization before any employees could return to those areas. A larger number of agency employees also self-quarantined during this period due to actual or likely exposure to an infected person. The RRB also initiated ongoing efforts to plan for a safe return to work by its employees, based on relevant Federal guidance and monitoring local conditions.

Performance Management

Customer Service Plan

The RRB’s Customer Service Plan promotes the principles and objectives of customer-driven quality service agencywide. An important part of the plan is to keep customers informed of how well the RRB is meeting timeliness standards. The RRB publicizes the Customer Service Plan and performance results and posts them in every field office. The plan is reviewed and updated periodically based on agency experience, customer feedback, and comparison with similar best-in-business models.

The agency has developed an index to measure the overall timeliness of customer service in four benefit areas: retirement applications; survivor applications; disability

applications and payments; and railroad unemployment and sickness benefit applications and claims. This composite indicator, based on a weighted average, provides a concise and meaningful presentation of customer service efforts in these four areas. During fiscal year 2020, the overall benefit timeliness index was 99.0 percent. The timeliness index for retirement applications, survivor applications, and disability applications and payments, the processing of which includes considerable manual intervention, was 90.9 percent. The timeliness index for railroad unemployment and sickness benefit applications and claims, a highly automated process, was 99.7 percent. The RRB also met or exceeded six out of ten of its customer service performance goals for the year in its Annual Performance Plan.

Reducing Improper Payments

The RRB's estimated improper payment rate for the Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs has consistently fallen below the statutory thresholds for "significant improper payments." In fiscal year 2018, the RRB requested reporting relief for these two programs following the relevant guidance in Office of Management and Budget (OMB) Circular A-123, Appendix C, Part II.A.3. OMB approved this request in July 2018. As a result, the RRB's improper payment analysis for these two programs was not published in the agency's Performance and Accountability Report (P&AR) for fiscal years 2018, 2019, and 2020. During fiscal year 2020, the agency did conduct and publish risk assessments for the RRA and RUIA programs in the "Payment Integrity" section of the fiscal year 2020 P&AR.

The risk assessment conducted for the RRA program demonstrated that the program continues to be under the statutory thresholds of "significant improper payments." Therefore, reporting relief will continue until the next scheduled risk assessment in fiscal year 2023. The risk assessment for the RUIA program also concluded that the improper payment rate continues to fall below the law's thresholds for "significant" improper payments. However, formal improper payment reporting will resume in the fiscal year 2021 P&AR due to provisions in the CARES Act of 2020 that directly affected payment of unemployment and sickness benefits.

In addition, pursuant to requests from OMB, the RRB submitted information on overpayments recaptured outside payment recapture audits and the dollar amounts of confirmed fraud, as determined by the agency's Office of Inspector General. The agency also completed a supplemental information request for the RRA, RUIA, and Medicare programs. All of the information provided to OMB was incorporated into its website, **PaymentAccuracy.gov**, and is available for public viewing.

Service Enhancements

Login.gov

Launched in 2017 by the General Services Administration, **login.gov** provides a single sign-on solution that enables citizens to access several government programs and services using the same email address and password. **Login.gov** verifies a user's identity during the account creation process and each time the user tries to access the system, providing an extra layer of security to protect personal information. The RRB provides access to this portal and online services through the **myRRB** application on its website. The RRB continued integration and promotion of **login.gov** as customer demand related to unemployment and sickness benefits increased substantially due to the COVID-19 pandemic and related relief legislation. For example, four times as many **login.gov** accounts were created in April 2020 than the previous four months combined. (The RRB surpassed 50,000 accounts in February 2021.)

Through the integration with **login.gov**, claimants can verify their identity online and immediately apply for unemployment benefits without having to phone or visit agency offices or mail any forms. Agency staff also participated in online forums throughout the year, geared towards other Federal agencies, in which they spoke about their experiences with login.gov and how it provided a scalable solution to help meet pandemic demands. As more agencies partner with **login.gov**, the RRB anticipates savings through economies of scale, but also a better customer experience by using a single user name and password to access multiple Federal benefits and programs.

Cost-of-Living Adjustment

In December 2020, tier I benefits increased by 1.3 percent while tier II benefits rose by 0.4 percent, due to a cost-of-living adjustment (COLA). The increases were effective with the January 2021 payments, with income tax withholding calculated using updated tax tables. The standard Medicare Part B premium for 2021 increased from \$144.60 per month to \$148.50, with increased premiums for some high-income beneficiaries.

Imaging

The RRB made significant use of recently purchased software, Auto Import, as a result of the COVID-19 pandemic. Many processes at the agency remain dependent on paper. As most employees worked remotely, they were unable to access paper documents or send them directly to the agency's imaging system. Auto Import allows electronic documents to be sent to the imaging system without the need to print and scan physical documents. Imaging analysts worked to embed the software into various workflows so that documents could be received and handled electronically by the appropriate unit. Some agency units

are also using a special barcoded coversheet when using Auto Import to take advantage of a feature called “E-Route.” This automatically indexes the document for immediate access and viewing in the imaging system, while also creating a workflow transaction in the claim management and tracking application, thereby allowing supervisors to assign it to an examiner for handling. Auto Import facilitated the submission of tens of thousands of documents to imaging, allowing them to be processed in a timely manner with staff working remotely. Analysts continue to configure the software and coversheets to enhance workflow wherever possible, and process improvements enabled with Auto Import will continue beyond any pandemic restrictions.

Officials

Erhard Chorlé continues to serve as Chairman of the Railroad Retirement Board, John Bragg as the Labor Member, and Thomas Jayne as the Management Member. All three first assumed office in February 2019. Martin Dickman has served as the Inspector General for the RRB since 1994.

In August 2020, the Board appointed Dr. Elizabeth Bonson as its Chief Medical Officer. She is double board-certified in preventive medicine and occupational/environmental health. Prior to her appointment, she served as a physician clinical reviewer providing utilization review and management for healthcare services. She also spent five years in clinical practice, specializing in occupational health, and served as Associate Medical Director for the Washington State Department of Labor and Industries, responsible for provider education and best-practice program development for worker-related healthcare. In September 2020, the Board named Spiridoula Mavrothalasitis as Director of Hearings and Appeals. Before her appointment, she oversaw the Legal Division for the Illinois Department of Insurance, and also had experience overseeing the Workers Compensation Division for the City of Chicago and serving as an Assistant Corporation Counsel in the Employment Litigation Division. Previously, she was an Assistant Inspector General in the Office of the Executive Inspector General for the Agencies of the Illinois Governor and was in private practice handling a variety of business litigation.

Human Capital Management

Staffing

Nearly 40 percent of RRB employees have 20 or more years of service, while 32 percent of the current workforce will be eligible for retirement by fiscal year 2022. To better prepare the agency to ensure that its human capital needs are met in order to achieve its mission and support the railroad public it serves, the RRB continues to place increased emphasis on strategic management of human capital, particularly in the areas of workforce planning, knowledge management, training, development, recruitment, and succession

planning. For example, through its workforce planning efforts, the RRB is utilizing its Strategic Plan as one component when analyzing and aligning its workforce to link work requirements to the agency's mission and identify potential areas of skill and knowledge gaps. The RRB continues to maximize new and existing technologies to help streamline human capital practices. As another example, in 2020, the RRB partnered with the Office of Personnel Management (OPM) to assess, redefine, and refine its succession planning program.

The RRB also continues to automate its assessment and hiring process. In 2020, the agency partnered with OPM to develop online assessment tools for entry-level claims examiners and claims representative positions. The agency also utilized the Pathways Recent Graduate Program, which is geared to attracting individuals who have completed a degree or certificate within the previous two years – six years if fulfilling a military obligation – to a career in Federal service. The staffing and recruitment section in the RRB's Bureau of Human Resources made nearly 1,300 minimum qualification determinations for 65 job announcements in fiscal year 2020. Through the Pathways program, the agency received 508 applications from across the country for two job announcements. The RRB had a combined total of 509 outside applicants for the claims assistant and claims representative positions, both of which are key drivers for accomplishing the agency's mission. In addition to automating many of its current practices, the Bureau of Human Resources has continued to review, revise, and update outdated human capital policies and procedures at the agency, as well as to implement various COVID-19 benefits afforded to Federal employees.

Two training classes for initial and post-adjudication examiners of retirement and survivor benefits were completed in 2020. There were ten initial trainees and seven post-adjudication trainees in the classes completed in the spring and summer. These positions are critical to the agency's success in meeting its mission due to the central nature of this workload and its highly complex nature. The initial examiners are responsible for processing initial retirement and survivor applications and initial social security payments. The post examiners are responsible for the maintenance of the initial payments, annuitants in current pay status, processing annuity adjustments, releasing overpayment letters and performing authorization review of actions by subordinate examiners. Another class completed in 2020 was for initial examiners of disability benefits, who are responsible for adjudicating disability applications under the Railroad Retirement Act and some disability freeze determinations under the Social Security Act.

The RRB also started the agency's first remote training program for seven new user analysts hired under the Pathways Recent Graduate Program. Six are being trained in adjudication of retirement and survivor claims, with one trained in unemployment and

sickness claims. All of the trainees will be trained in subjects and skills needed by user analysts such as procedure writing, forms development, system maintenance, and the systems development lifecycle. Formal classroom training will end in June 2021, followed by mentoring and on-the-job training until they reach the target qualifications and grade level. In terms of future hiring/training, the agency hopes to have a class of up to 15 unemployment and sickness examiners in the last quarter of fiscal year 2021, and a class for Medicare examiners in fiscal year 2022, with the number yet to be determined.

Training

The training section in the RRB's Bureau of Human Resources continues to create, implement, and modify an overall training program with the goal of creating opportunities to assist employees in building the knowledge, skills and abilities needed to achieve the agency's strategic goals. In 2020, the training section conducted orientation and onboarding programs for new employees, and also held workshops throughout the year on creation and implementation of individual development plans. The section also created and published online courses to the agency's Learning Management System (LMS) to satisfy mandatory Federal training requirements, new policies and procedures, and on-demand automated training to educate agency personnel on the provisions, rules, and program notifications related to the CARES Act. The section also developed an informational video on the post-pandemic return to facilities and in-person work for RRB employees. Lastly, the section partnered with the agency's Bureau of Information Services to implement agencywide information security training strategies for all employees, and targeted customized, role-based training for employees in information technology positions.

The agency continues to use its LMS, also known as *RRB University*, as the cornerstone of its training and development activities. This platform allows the agency to accurately track, document and deliver training opportunities to employees throughout the RRB, and has been incorporated into mandatory technical training for employees in the agency's Bureau of Field Service and Office of Programs. In 2020, more than 967 employees and contractors completed 1,783 individual learning objects (i.e., online courses, instructor-led training, form requirements, course curricula, etc.) managed through the LMS, for a total of 28,073 learning-object completions, an increase of 15 percent from the 24,374 in 2019.

Office of Programs staff also took advantage of 14 external training courses in 2019, including offerings on communication skills, contract management, instructional design, labor relations, presentation skills, project management, sexual harassment in the workplace, and supervisory skills.

Employee Survey

The Federal Employee Viewpoint Survey, developed by OPM, is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. The core survey items were reduced in the 2020 survey and a new section was included to address the potential challenges and changes employees faced due to the COVID-19 pandemic. Of the 801 agency employees invited to participate, 412 completed the survey, for a response rate of 51.4 percent, an increase of 8.6 percent from the prior year. Twenty-three survey items were identified as strengths (65 percent or more positive) while no survey items were identified as a challenge (35 percent or more negative). Additionally, scores for 22 items increased from the previous survey, while only 11 items decreased. The agency's "engagement index" score exceeded OPM's goal for 2020 of 71 percent, and met or exceeded the governmentwide benchmarks in all areas.

As for COVID-specific content added to the 2020 survey, results indicated that employees felt the agency supported their well-being and work needs during the pandemic. Over 80 percent of employees indicated that senior leaders provided effective communications about the pandemic, and nearly 85 percent of employees felt their supervisor supported their efforts to stay healthy and safe while working. The results of the survey, and these new items in particular, provide an important opportunity to assess the agency's current state and inform future emergency policies and actions.

Information Technology

System Modernization

The RRB made significant progress as it turns its focus from the stabilization phase to the modernization phase of improving its information technology (IT) capabilities. The agency continues to look for opportunities to accelerate the modernization of systems and assets that directly support the mobility of the RRB workforce. To this end, the agency completed development of a modernization roadmap path analysis using 18F, a technology and design consultancy for the Federal government within the General Services Administration. The purpose of the path analysis project was to receive assessment services to analyze RRB business processes, applications, and systems that support the end-to-end services for railroad beneficiaries and railroad employers. In the first quarter of fiscal year 2021, 18F completed a synthesis of findings as well as preliminary recommendations identifying the next steps toward a potential modernization solution. This information will serve as the foundation for a strategic approach to this effort.

The RRB also completed planning and acquisition for two significant IT modernization projects. Both of them are targeted for completion by the end of fiscal year 2021.

- Migration of the RRB data center mainframe and disaster recovery site to IBM operations on the IBM zCloud for Government. The transition provides RRB optimization of mainframe operations and enables both IT and application modernization.
- The migration to cloud email through Microsoft's cloud solution (M365) with the capability to expand collaboration tools such as Teams and SharePoint Online.

In addition, the on-premises production web/database servers were migrated to the Microsoft Azure Cloud in March 2021. A total of 86 applications now reside in RRB's Azure cloud and are being used in full production capacity. Working together, IT and program staff assisted in this migration of application by testing and verifying their functionality in the cloud environment.

SEARCH Expansion Project

In fiscal year 2019, the agency began a project to expand tables and fields in the Service Earnings and Railroad Compensation History (SEARCH) program. The project was divided into two phases. The first phase, completed early in fiscal year 2020, expanded the number of tables from the year 2020 to the year 2034, or an additional 14 years. The second, more complex phase expanded the field length of various SEARCH fields. This involved the expansion of the primary insurance amount field and the tier II contribution field. Following integration testing, the second phase was completed in June 2020. As a result, SEARCH now has data tables expanded to the year 2034, with all necessary data fields expanded from four bytes to five bytes, as well as other systems that interface with SEARCH.

Information Security

The RRB is committed to protecting its annuitants' information from unauthorized use or disclosure, and continues to work on improving its security capabilities. In 2020, the RRB's information security team administered statutorily required security-awareness training for agency employees and contractors. Staff members identified as having more significant information security responsibilities participated in enhanced role-based security training. In addition, the RRB's privacy team prepared and coordinated training for all employees and necessary contractors on safeguarding controlled unclassified information, Federal tax information, and Privacy Act information.

The agency plans to strengthen the cybersecurity of the RRB and improve information security monitoring by implementing a continuous diagnostics and mitigation (CDM) tool,

as recommended by the Department of Homeland Security (DHS) and the Cybersecurity Infrastructure Security Agency (CISA). Specifically, the RRB will implement Qualys, a software-as-a-service CDM tool to assess hardware, software, security management configuration, and software vulnerabilities in the last quarter of fiscal year 2021. Qualys will continuously scan the RRB network and devices for security risks and send the data to CISA to create an RRB dashboard that aggregates and displays information about what is happening on the agency network and critical vulnerabilities. The dashboard will help the agency to be more effective in resolving security incidents and threats. RRB data will also feed into the DHS Federal dashboard for use in calculating an agencywide adaptive risk enumeration (AWARE) score. This gives agencies a view of cyber risks so they can assess the size and scope of their vulnerabilities, prioritize actions, and address the most significant problems first.

Information Resources Management

In fiscal year 2020, the RRB coordinated and secured computer-matching agreements with 15 states. The agency also secured Office of Management and Budget (OMB) approval of 13 information collections. A central goal of the OMB review process is to help agencies strike a balance between collecting information needed to fulfill their statutory missions and guarding against unnecessary or duplicative requests that impose unjustified costs on the public.

Disaster Recovery Test

In September 2020, the RRB conducted a successful agencywide disaster recovery test. This was the fourth annual test conducted over a 2-day period, with all testers accessing applications and systems from remote locations. Testing included access to the agency's virtual private network, as well as mainframe applications and menus. The test identified no major issues or material weaknesses.

Equal Opportunity

Policies and Procedures

The agency's Equal Employment Opportunity (EEO) complaint program has policies and procedures in place to address all forms of discrimination, including harassment. The discrimination complaint process and the anti-harassment complaint process have the elements of impartiality, timeliness and credibility.

Both the agency's website and its intranet include information to ensure that the public and agency employees have access to information regarding the complaint programs. Training is provided to ensure that employees know their rights and responsibilities under

various Federal laws and executive orders. In fiscal year 2020, the agency's Office of Equal Opportunity (OEO) updated the agency's anti-harassment policy and provided procedural instructions for the policy to be administered through the RRB's Office of Administration. EEO policies such as the sexual harassment policy and the EEO policy are posted on every floor at headquarters and in each agency field office. All EEO policies and complaint procedures are also downloaded to the internal intranet where all employees have access.

Diversity Program

Throughout the year, and in the midst of the COVID-19 pandemic, OEO sponsored online events to foster an inclusive work environment. These included cultural enrichment videos to commemorate African American History Month and Hispanic Heritage Month. Once the pandemic is over, OEO plans to resume diversity events for Native American Heritage Month, Women's History Month, Asian Pacific Heritage Month, as well as National Disability in Employment Month. The OEO's three committees – the Workplace Diversity Committee, the Federal Women's Program Committee, and the Employees with Disabilities Advisory Council – organize the events/programs.

Recruitment

The RRB is committed to maintaining a diverse workforce. OEO continued to work cooperatively with the Bureau of Human Resources in 2020 to create a diverse pool of external job applicants by identifying sources for the recruitment of individuals with disabilities, various underrepresented groups, and disabled veterans.

Public Information Activities

The RRB maintains direct contact with railroad retirement beneficiaries through its field offices located across the country. Field personnel explain benefit rights and responsibilities on an individual basis, assist railroad employees in applying for benefits and answer any questions related to the benefit programs. The RRB also relies on railroad labor groups and employers for assistance in keeping railroad personnel informed about its benefit programs.

The Office of the Labor Member has proactively helped educate rail union officials about the benefits available to members and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts since 1957. At pre-retirement seminars sponsored by the Labor Member of the Board, RRB employees describe and discuss the benefits available under the railroad retirement-survivor, unemployment-sickness, and Medicare programs, and provide attendees with comprehensive informational materials. These meetings are attended by officials and members of rail labor unions, as well as railroad

employees and spouses nearing retirement. In addition, railroad labor unions frequently request that RRB representatives speak before their meetings and conventions.

At seminars for railroad executives and managers, agency representatives review programs, financing, and administration, with special emphasis on those areas which require cooperation between railroads and RRB offices. The Management Member's Office conducts these seminars for railroad officials, as well as other benefit update presentations and pre-retirement counseling seminars attended by railroad employees and their spouses.

Office of Inspector General

The Office of Inspector General (OIG) for the RRB focuses its audit and investigative efforts on protecting the integrity of the agency's trust funds by providing comprehensive program and operational oversight. Reports issued by the OIG and other documents referenced here can be found at [RRB.gov/OurAgency/InspectorGeneral/Library](https://www.rrb.gov/OurAgency/InspectorGeneral/Library).

Office of Audit

During fiscal year 2020, the Office of Audit published nine reports, including mandated audits such as the annual information security audit, the annual Improper Payments Elimination and Recovery Act of 2010 compliance audit, the annual financial statement audit, and the annual compliance audits for two different 2014 laws – the Digital Accountability and Transparency Act and the Federal Information Security Modernization Act. The OIG also issued audits of the RRB's telework program and the railroad Medicare program. In total, the Office of Audit issued 58 recommendations to agency management and identified more than \$100,000 in questioned costs.

Additionally, pursuant to the Reports Consolidation Act of 2000 and the requirements of OMB Circular A-136, the OIG issued a document that identified the most serious management challenges facing the RRB and its progress in addressing them. The OIG identified the following challenges: disability program integrity; information technology security and complete systems modernization; management of railroad Medicare; payment accuracy and transparency; financial management and reporting; and compliance concerns with various guidance.

In response to the coronavirus pandemic, the OIG issued its CARES Act oversight plan, plus an interim report regarding CARES Act expenditures and controls. The interim report addressed concerns about the RRB's purchase and deployment of mobile phones for all employees and about CARES Act benefit payments being issued without any concurrent checks against state wages and unemployment benefits for the same period.

Office of Investigations

The Office of Investigations focuses on identifying, investigating, and presenting RRB fraud cases for prosecution or monetary recovery action. It also seeks to prevent and deter RRB program fraud by reporting systemic weaknesses in agency operations and processes identified through investigative work. In order to maximize the impact of its resources, the office pursues cooperative investigative activities in coordination with other Inspectors General, such as the Office of Inspector General for the Department of Health and Human Services, and other law enforcement agencies, such as the Federal Bureau of Investigation and the U.S. Secret Service.

During fiscal year 2020, the office secured 4 arrests, 17 indictments and/or informations, 25 criminal convictions, 14 civil judgments, and more than \$14.8 million in financial accomplishments. This reflects fraud amounts related to programs administered exclusively by the RRB and fraud amounts from other Federal programs, such as Medicare, which were included in the disposition resulting from the investigation. Judicial sentences associated with joint casework are not necessarily delineated by agency.

As of September 30, 2020, the Office of Investigations' caseload totaled 283 matters, which represents almost \$551 million in potential fraud losses. This reflects potential fraud amounts related to programs administered exclusively by the RRB and potential fraud amounts from other Federal programs, such as Medicare, which have been identified during the office's joint investigative work. Potential fraud amounts associated with joint casework may not necessarily be delineated by agency.

LEGAL RULINGS

During fiscal year 2020, one case involving the RRB was filed in Federal court and the agency issued 272 decisions on claimant appeals of previous agency determinations.

Court Cases

One petition for review was filed during the fiscal year in a U.S. Circuit Court of Appeals, which was dismissed before the end of the fiscal year. All four cases filed in the U.S. Circuit Courts of Appeals in previous fiscal years were also dismissed before the end of fiscal year 2020. The one case that was filed in the U.S. District Court for the Southern District of Georgia the previous fiscal year remained pending. Finally, the petition for certiorari that was filed in the U.S. Supreme Court the previous fiscal year also remained pending at the end of fiscal year 2020.

Appeals

Any claimant for benefits under the Railroad Retirement Act (RRA) or the Railroad Unemployment Insurance Act (RUIA) may appeal a determination he or she feels is not justified. This appeal must be filed within certain time frames. Appeals are heard and decided by the RRB's Bureau of Hearings and Appeals. An appellant who is dissatisfied with the decision on his or her appeal may further appeal the case to the three-member Board within a prescribed period of time.

RRA

During fiscal year 2020, 167 appeals were filed with the Bureau of Hearings and Appeals under the RRA, and the Bureau rendered decisions in 209 appeals. The Bureau rendered decisions favorable in whole or in part to the claimant in 101 appeals. The Bureau issued denials in 71 cases, affirming the previous decision, and dismissed 37 cases.

Thirty-two appeals were filed with the Board in fiscal year 2020, and the Board issued 30 decisions. In 14 cases the previous ruling of the hearings officer was affirmed, in 6 cases the decision was fully favorable to the appellant, and in 2 cases the decision was partially favorable. The Board remanded 6 cases to the Bureau of Hearings and Appeals, and 2 appeals were dismissed. At the end of the year, 102 appeals were pending before the Board.

RUIA

During fiscal year 2020, 29 appeals were filed with the Bureau of Hearings and Appeals under the RUIA, and the Bureau rendered decisions in 31 appeals. The Bureau

issued decisions favorable in whole or in part to the claimant in 8 appeals. The Bureau issued denials in 11 cases, affirming the previous decision, and dismissed 12 cases.

Three appeals were filed with the Board in fiscal year 2020. The Board rendered decisions in 2 appeals, affirming the decision of the hearings officer. At the end of the year, 13 appeals were pending before the Board.

STATISTICAL TABLES

Table 1.--Beneficiaries and benefits paid under the Railroad Retirement Act and the Railroad Unemployment Insurance Act, by fiscal year, 2011-2020, cash basis

Fiscal year	Total ¹	Retirement ²	Survivor ²	Unemployment ³	Sickness ³
BENEFICIARIES (in thousands)					
2011.....	603	429	156	11	18
2012.....	595	429	150	10	17
2013.....	592	429	146	11	16
2014.....	585	428	141	10	16
2015.....	581	428	136	9	16
2016.....	583	428	131	17	17
2017.....	574	427	127	12	16
2018.....	563	423	123	9	16
2019.....	557	422	119	9	15
2020.....	⁴ 568	418	116	26	18
BENEFIT PAYMENTS (in millions)					
2011.....	\$11,072.7	\$8,778.5	\$2,165.3	⁵ \$52.1	\$76.9
2012.....	11,446.3	9,155.4	2,171.7	⁵ 46.2	73.0
2013.....	11,748.1	9,456.5	2,175.5	⁵ 51.5	64.6
2014.....	11,998.3	9,724.9	2,167.2	⁵ 40.8	65.4
2015.....	12,273.2	10,012.2	2,156.9	36.7	67.4
2016.....	12,497.4	10,202.4	2,139.2	80.2	75.6
2017.....	12,593.3	10,341.4	2,121.9	53.8	76.3
2018.....	12,803.5	10,567.2	2,118.8	40.7	76.8
2019.....	13,077.9	10,836.8	2,125.0	42.3	73.8
2020.....	13,470.3	10,975.4	2,131.4	⁶ 282.3	⁶ 81.2

¹ Beneficiaries and benefit payments include partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Benefit payments also include a small amount of payments for hospital insurance benefits for services in Canada. The number of beneficiaries represents all individuals paid benefits in year. In the total number for each year, beneficiaries are counted only once, even though they may have received more than one type of benefit.

² Retirement benefits include vested dual benefit and supplemental annuity payments. Survivor benefits include vested dual benefit payments but exclude partition payments.

³ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 9.2% under sequestration for days of unemployment and sickness after February 28, 2013, 7.2% for days after September 30, 2013, 7.3% for days after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, 6.6% for days after September 30, 2017, 6.2% for days after September 30, 2018, and 5.9% for days after September 30, 2019.

⁴ In fiscal year 2020, 7,100 individuals received both retirement and survivor benefits, 1,800 employees received both unemployment and sickness benefits, and 1,300 employees received benefits under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

⁵ Includes temporary extended unemployment benefits under the American Recovery and Reinvestment Act of 2009 and Worker, Homeownership, and Business Assistance Act of 2009, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. Benefits had to begin by December 31, 2013.

⁶ Starting in May 2020, includes temporary waiting period waiver benefits, extended unemployment benefits, and enhanced unemployment benefits authorized by the Coronavirus Aid, Relief, and Economic Security Act of 2020. Gross unemployment benefits for these temporary payments were \$151.2 million, gross sickness benefits were \$1.7 million for Fiscal Year 2020.

NOTE.--In Annual Reports through 2019, information in this table, with respect to unemployment and sickness benefits paid, was reported on a net basis. Beginning with the 2020 report, these amounts are shown on a gross basis.

Table 2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 2011-2020 (In millions), cash basis

Item	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
RAILROAD RETIREMENT ACCOUNT										
Receipts										
Tax transfers ¹	\$2,712.7	\$2,659.8	\$3,140.2	\$3,392.2	\$3,760.8	\$3,586.7	\$3,562.9	\$3,822.9	\$3,730.4	\$3,120.0
Interest and profit on investments ²	12.3	11.4	9.0	14.0	17.2	16.8	16.4	15.8	11.0	(18.6)
Transfers from the National RR Investment Trust ³	1,744.0	2,026.0	1,581.0	1,429.0	1,191.0	1,410.0	1,821.0	1,809.0	1,794.0	2,280.0
Transfers from the SSEB Account ³	255.0	19.0	171.0	93.0	129.0	.....	(296.0)	91.0	191.0	(83.0)
Loan repayments from RUI Account ⁴	48.4	.....	.....	.....	.....	.....	.....	.....	.....	.....
Loan repayments from DBP Account ⁴.....	.....	.....	.....	4.5	.....	.....	.....	.....	.....	.....
Expenditures										
Benefit payments ⁵	\$4,600.3	\$4,775.0	\$4,906.2	\$5,044.0	\$5,106.8	\$5,229.0	\$5,321.4	\$5,446.1	\$5,548.2	\$5,591.5
Financial Interchange adjustment ⁶	(88.5)	(141.9)	(166.6)	(164.0)	(162.3)	(146.5)	.....	.....	.....	.....
Net transfers to administration.....	73.6	69.6	70.2	69.3	72.1	72.3	76.7	85.7	84.1	88.4
Loans to RUI Account.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	22.0
Loans to DBP Account ⁷.....	.....	.....	.....	4.5	.....	.....	.....	.....	.....	.....
SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT⁸										
Receipts										
Tax transfers ¹	\$2,675.3	\$2,878.5	\$2,954.1	\$3,163.1	\$3,389.3	\$3,097.5	\$3,113.8	\$3,267.3	\$3,129.8	\$2,594.0
Interest and profit on investments ²	21.9	20.1	22.4	21.9	24.3	18.6	14.9	24.4	23.4	(9.4)
Transfers under financial interchange ⁹	4,574.3	4,651.0	4,499.0	4,700.8	4,676.6	4,662.7	4,522.5	4,942.4	4,946.4	4,987.7
Advances against financial interchange ¹⁰	3,820.4	3,738.6	3,943.0	3,886.1	3,849.9	3,926.1	4,095.4	4,109.1	4,306.4	4,793.0
Expenditures										
Benefit payments.....	\$6,291.1	\$6,506.7	\$6,686.9	\$6,815.2	\$7,035.4	\$7,090.4	\$7,124.5	\$7,226.7	\$7,403.8	\$7,509.8
Financial Interchange adjustment ⁶	88.5	141.9	166.6	164.0	162.3	146.5	.....	.....	.....	.....
Net transfers to administration.....	29.6	31.4	30.1	32.3	32.9	30.0	30.5	29.8	33.4	29.4
Transfers under financial interchange ¹¹	477.2	510.9	576.6	611.6	594.7	656.8	637.4	596.5	570.3	606.4
Repayment of advances against financial interchange ⁴	3,946.6	3,946.3	3,863.1	4,041.9	3,982.7	3,940.1	4,054.5	4,194.3	4,202.4	4,458.2
Transfers to the National RR Investment Trust/RR Account ³	255.0	19.0	171.0	93.0	129.0	.....	(296.0)	91.0	191.0	(83.0)

See footnotes at end of table.

Table 2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 2011-2020 (in millions), cash basis - Continued

Item	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST¹¹										
Cash and investment balance at end of period ¹²	\$22,119.0	\$23,586.2	\$24,963.7	\$26,039.9	\$24,483.9	\$25,007.7	\$26,389.6	\$26,468.7	\$25,332.4	\$24,468.6
DUAL BENEFITS PAYMENTS ACCOUNT¹³										
Loans from Railroad Retirement Account ⁷	.....	.....	.....	\$4.5	.....	.....	.....	.....	.....	.....
Benefit payments.....	\$55.2	\$48.6	\$42.6	37.2	\$31.9	\$27.5	\$23.6	\$20.2	\$17.1	\$14.0
Repayment of loans from Railroad Retirement Account ⁴	.....	.....	.....	4.5	.....	.....	.....	.....	.....	.....

¹ Net of U.S. Treasury adjustments for payroll tax refunds to certain carriers and their employees for prior periods. Includes Federal income tax transfers under section 72(i) of the Internal Revenue Code as amended. In calendar years 2011-2012, Social Security Equivalent Benefit Account includes general revenue transfers under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and the Middle Class Tax Relief and Job Creation Act of 2012, respectively. The final reconciliation for calendar years 2011-2012 occurred in June 2015. In fiscal year 2012, Social Security Equivalent Benefit Account includes a one-time general revenue transfer under the Hiring Incentives to Restore Employment Act of 2010.

² Net of interest on U.S. Treasury adjustments for payroll tax refunds (see note 1).

³ Under the Railroad Retirement and Survivors' Improvement Act of 2001, as amended, the portion of the Railroad Retirement Account not needed to pay current administrative expenses is to be transferred to the National Railroad Retirement Investment Trust (Trust). The Trust may transfer funds back to the Railroad Retirement Account for payment of benefits. The balance of the Social Security Equivalent Benefit (SSEB) Account not needed to pay current benefits and administrative expenses is to be transferred to the Trust or to the Railroad Retirement Account. The SSEB Account transferred funds to the Trust in fiscal year 2003 and to the Railroad Retirement Account thereafter. In fiscal years 2017 and 2020, the Railroad Retirement Account transferred funds to the SSEB Account to pay benefits. In fiscal years 2018 and 2019, the SSEB Account transferred funds not needed to pay current benefits and administrative expenses to the Railroad Retirement Account.

⁴ Includes interest.

⁵ Effective January 1, 2002, supplemental benefits are paid from the Railroad Retirement Account.

⁶ Adjustments in benefit payments charged to the Social Security Equivalent Benefit Account as compared to actual financial interchange benefits, with interest. This adjustment was discontinued in fiscal year 2017.

⁷ Due to delay in enactment of a continuing resolution, the Dual Benefits Payments Account borrowed \$4,500,000 from the Railroad Retirement Account in October 2013 in order to pay vested dual benefits. The loan was repaid in entirety in December 2013.

⁸ Established October 1, 1984, to keep track of the financing and payment of social security level portions of railroad retirement benefits.

⁹ Transfers to or from OASDHI Trust Funds under section 7(c)(2) of the 1974 Railroad Retirement Act.

¹⁰ Advances, including interest, from U.S. Treasury to offset lag in receipt of financial interchange funds under section 7(c)(4) of the 1974 Railroad Retirement Act as amended.

¹¹ Established February 1, 2002, for investment of railroad retirement assets.

¹² Source: National Railroad Retirement Investment Trust.

¹³ Established October 1, 1981, to keep track of the financing and payment of vested dual benefits.

NOTE.--This Table has been revised to only include information from the U.S. Department of the Treasury's Monthly Treasury Statements and other resources within the U.S. Railroad Retirement Board's Bureau of the Actuary and Research.

Table 3.--Status of the Railroad Unemployment Insurance Account, by fiscal year, 2016-2020 (in thousands), cash basis

Item	Fiscal year				
	2016	2017	2018	2019	2020
RECEIPTS					
Taxes.....	\$90,241	\$100,030	\$108,255	\$105,243	\$52,931
Interest.....	2,514	1,945	2,480	2,058	2,284
Transfer from Administration fund under sec. 11(d) of the RUI Act.....	13,375	12,357	11,208	9,674	9,401
Undistributed recoveries of benefit payments ¹	2,458	(2,866)	(439)	(42)	1,013
Loans from the RR Account.....	--	--	--	--	22,000
Total.....	\$108,588	\$111,466	\$121,504	\$116,933	\$87,629
EXPENDITURES					
Benefit payments ²	\$133,492	\$105,614	\$92,750	\$87,768	\$188,186
Funding for Office of Inspector General.....	1,080	1,260	1,522	1,421	1,363
Total.....	\$134,572	\$106,875	\$94,272	\$89,189	\$189,549
Cash balance end of period.....	\$69,019	\$73,610	\$100,843	\$128,587	\$26,667
LOANS DUE RAILROAD RETIREMENT ACCOUNT					
Loans.....	--	--	--	--	\$22,000
Interest Accrued.....	--	--	--	--	--
Repayment from RUI Account.....	--	--	--	--	--
Due RR Account end of period.....	--	--	--	--	\$22,000

¹ Net of distributed payments.

² In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 7.3% under sequestration for days of unemployment and sickness after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, 6.6% for days after September 30, 2017, 6.2% for days after September 30, 2018, and 5.9% for days after September 30, 2019.

Table 4.--Status of the RUIA Administration Fund, by fiscal year, 2011-2020 (in thousands), cash basis

Fiscal year	Taxes and interest	Administrative expenditures ¹	Transfer to Railroad Unemployment Insurance Account under Sec. 11d ²	Balance at end of period
2011.....	23,722	12,442	7,918	11,783
2012.....	25,463	14,608	11,219	11,419
2013.....	26,202	14,591	10,706	12,324
2014.....	25,225	15,172	12,257	10,120
2015.....	28,063	12,987	11,339	13,858
2016.....	27,146	15,498	13,375	12,132
2017.....	26,551	14,842	12,357	11,483
2018.....	25,621	17,429	11,208	8,467
2019.....	26,203	16,066	9,674	8,930
2020.....	27,186	15,253	9,401	11,463

¹ Expenditures for each year included encumbrances as of end of year. Fiscal years 2011-2020 reflect reallocation of prior period administrative expenses between the Railroad Retirement Act and Railroad Unemployment Insurance Act programs.

² Transfers to the Railroad Unemployment Insurance Account are based on the excess of the accrual balance on the prior September 30 over \$6,000,000.

Table 5.--Number and average amount of retirement and survivor annuities in current-payment status, at end of year, by type of annuitant and fiscal year, 2011-2020

Fiscal year	Retired employees											
	Total ¹	Awarded age annuity	Disability converted to age ²	Disability	Supplemental ³	Spouses and divorced spouses	Aged widow(er)s ⁴	Disabled widow(er)s ⁵	Widowed mothers (fathers) ⁴	Children	Remarried widow(er)s	Divorced widow(er)s ⁴
NUMBER AT END OF YEAR												
2011	672,484	190,100	36,259	46,850	121,422	138,253	110,372	4,136	745	9,881	4,003	9,598
2012	668,957	189,909	37,370	45,066	121,614	139,741	106,268	4,081	739	9,687	3,824	9,660
2013	664,055	189,569	39,506	41,745	121,530	140,894	102,186	3,965	703	9,463	3,666	9,710
2014	661,069	190,224	41,554	37,891	122,086	142,626	98,435	3,898	688	9,164	3,506	9,747
2015	656,847	190,114	43,141	34,514	123,037	143,920	94,279	3,741	665	8,978	3,344	9,704
2016	654,127	190,835	44,744	31,308	122,966	145,891	90,919	3,660	652	8,695	3,187	9,709
2017	648,277	190,301	46,180	27,990	122,050	146,850	87,817	3,528	623	8,478	3,037	9,708
2018	641,470	189,571	47,436	25,059	120,222	147,708	84,710	3,378	604	8,232	2,903	9,760
2019	633,742	188,372	48,475	22,552	117,831	148,163	81,959	3,277	576	7,957	2,743	9,764
2020	622,932	186,357	49,278	19,996	114,444	147,412	79,406	3,176	570	7,726	2,566	9,746
AVERAGE AMOUNT												
2011	.....	\$2,244	\$1,995	\$2,437	\$42	\$839	\$1,366	\$1,133	\$1,663	\$941	\$907	\$892
2012	.....	2,363	2,098	2,526	42	882	1,426	1,181	1,700	980	956	938
2013	.....	2,451	2,180	2,574	42	915	1,476	1,217	1,757	1,006	986	974
2014	.....	2,536	2,252	2,613	42	946	1,525	1,250	1,798	1,027	1,005	1,005
2015	.....	2,625	2,322	2,663	42	975	1,576	1,285	1,835	1,055	1,036	1,040
2016	.....	2,675	2,358	2,675	42	991	1,618	1,307	1,883	1,066	1,050	1,055
2017	.....	2,731	2,401	2,691	42	1,008	1,664	1,326	1,878	1,078	1,071	1,078
2018	.....	2,817	2,474	2,746	42	1,035	1,721	1,367	1,902	1,110	1,114	1,118
2019	.....	2,912	2,564	2,822	42	1,065	1,780	1,401	1,942	1,157	1,152	1,168
2020	.....	2,985	2,625	2,871	42	1,088	1,840	1,437	1,992	1,195	1,192	1,203

¹ Includes annuities to parents and partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. On September 30, 2020, there were 15 parents' annuities in current-payment status averaging \$952 and 2,240 partition payments averaging \$324.

² A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age gradually increases, from age 65 to 67, for those born between 1937 and 1960. It is age 67 for those born after 1959 and age 65 for those born before 1938.

³ Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

⁴ Numbers include annuities temporarily being paid at spouse annuity rates, pending final adjudication of survivor annuities.

⁵ Includes annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

Table 6.--Number and average amount of retirement and survivor annuities awarded during year, by type of annuitant and fiscal year, 2011-2020

Fiscal year	Total ¹	Retired employees							Children	Remarried widow(er)s	Divorced widow(er)s
		Age	Disability	Supple-mental ²	Spouses and divorced spouses	Aged widow(er)s	Disabled widow(er)s	Widowed mothers (fathers)			
NUMBER AWARDED											
2011.....	39,647	10,542	3,086	7,087	11,301	6,053	173	110	417	158	718
2012.....	38,649	10,054	2,858	6,778	11,479	5,828	181	115	454	164	734
2013.....	38,094	10,211	2,324	6,502	11,444	5,995	164	111	456	146	739
2014.....	37,294	10,210	1,800	6,673	11,495	5,582	133	111	398	144	745
2015 ³	36,316	10,059	1,686	6,194	11,300	5,546	120	99	462	151	696
2016.....	35,950	10,236	1,682	5,910	11,373	5,319	123	94	380	116	715
2017.....	33,540	9,121	1,562	5,178	10,758	5,484	86	86	390	127	746
2018.....	31,795	8,665	1,662	4,155	10,459	5,411	78	94	379	123	766
2019.....	28,997	7,663	1,767	3,294	9,799	5,036	100	88	394	107	748
2020.....	26,493	7,203	1,713	2,386	8,748	5,153	87	90	379	79	655
Cumulative 1937-2020	5,358,807	1,555,946	533,788	537,671	1,261,747	1,072,525	19,399	85,869	240,724	16,531	31,049
AVERAGE AMOUNT											
2011.....	.....	\$2,814	\$2,524	\$41	\$958	\$1,789	\$1,531	\$1,779	\$1,194	\$1,077	\$991
2012.....	.....	2,888	2,585	41	981	1,859	1,515	1,647	1,220	1,130	1,049
2013.....	.....	2,921	2,565	41	1,003	1,911	1,503	1,916	1,332	1,161	1,104
2014.....	.....	3,041	2,624	41	1,024	1,985	1,615	1,874	1,294	1,151	1,095
2015.....	.....	3,114	2,611	41	1,055	2,031	1,685	1,728	1,302	1,153	1,175
2016.....	.....	3,124	2,667	41	1,062	2,096	1,677	2,034	1,371	1,166	1,174
2017.....	.....	3,159	2,723	41	1,047	2,113	1,752	1,806	1,368	1,189	1,209
2018.....	.....	3,188	2,775	41	1,054	2,188	1,864	1,864	1,386	1,270	1,222
2019.....	.....	3,173	2,880	41	1,057	2,299	1,563	1,940	1,487	1,249	1,271
2020.....	.....	3,256	2,937	41	1,105	2,349	1,681	2,053	1,549	1,334	1,297

¹ Excludes partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Includes annuities to parents. Fiscal year 2020 total includes no annuities to parents. Cumulative total includes 3,558 annuities to parents.

² Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

³ Supplemental annuity awards exclude more than 1,000 restorations due to Legal Opinion 2014-2. Reductions to Supplemental Annuities for 401(k) Distributions.

NOTE.--Cumulative figures reflect adjustments not made in yearly data, but average amounts for each year include effects of changes in rates made by the end of the year.

Table 7.--Retirement and survivor benefits in current-payment status on September 30, 2020, by class and state (Amounts in thousands)

State ³	Total ¹		Retirement benefits ²		Survivor benefits	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Alabama.....	11,300	\$19,644	9,400	\$16,211	2,000	\$3,429
Alaska.....	200	300	200	240	(4)	59
Arizona.....	11,900	20,720	9,900	17,385	1,900	3,313
Arkansas.....	12,100	20,547	10,100	17,377	1,900	3,150
California.....	29,700	49,219	24,500	40,888	5,200	8,303
Colorado.....	10,500	18,867	9,100	16,428	1,400	2,428
Connecticut.....	2,900	6,144	2,400	5,212	500	930
Delaware.....	3,100	5,734	2,700	5,103	400	629
Washington DC.....	400	633	300	561	100	72
Florida.....	35,100	61,207	29,600	52,311	5,400	8,858
Georgia.....	20,600	36,251	17,400	30,597	3,200	5,643
Hawaii.....	200	281	100	229	(4)	52
Idaho.....	5,600	9,792	4,800	8,338	800	1,444
Illinois.....	37,600	64,493	31,300	53,894	6,200	10,546
Indiana.....	18,200	31,380	15,000	25,910	3,100	5,445
Iowa.....	10,900	18,888	9,200	15,903	1,700	2,961
Kansas.....	16,300	29,015	13,800	24,589	2,500	4,411
Kentucky.....	16,600	27,572	13,500	22,456	3,000	5,100
Louisiana.....	8,800	14,995	7,200	12,441	1,500	2,546
Maine.....	2,600	4,091	2,100	3,304	500	785
Maryland.....	10,100	17,405	8,400	14,839	1,600	2,558
Massachusetts.....	4,500	7,896	3,800	6,790	700	1,104
Michigan.....	14,900	25,090	12,100	20,481	2,600	4,582
Minnesota.....	15,900	26,938	13,200	22,619	2,600	4,301
Mississippi.....	6,600	11,108	5,400	8,997	1,200	2,106
Missouri.....	22,800	38,980	19,200	33,012	3,500	5,935
Montana.....	7,400	13,161	6,400	11,347	1,000	1,806
Nebraska.....	19,000	36,381	16,800	32,360	2,100	3,998
Nevada.....	3,900	6,594	3,300	5,581	600	1,008
New Hampshire.....	1,100	1,871	900	1,579	200	290
New Jersey.....	9,900	19,446	8,200	16,545	1,700	2,898
New Mexico.....	4,800	8,194	3,900	6,763	800	1,422
New York.....	23,100	44,071	19,000	37,426	4,000	6,632
North Carolina.....	11,800	19,453	9,600	16,032	2,200	3,412
North Dakota.....	3,900	7,039	3,300	5,917	600	1,117

See footnotes at end of table.

Table 7.--Retirement and survivor benefits in current-payment status on September 30, 2020, by class and state (Amounts in thousands) - Continued

State ³	Total ¹		Retirement benefits ²		Survivor benefits	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Ohio.....	26,500	\$43,848	21,200	\$34,927	5,300	\$8,894
Oklahoma.....	5,800	9,888	4,700	8,046	1,100	1,833
Oregon.....	8,900	14,878	7,400	12,304	1,500	2,554
Pennsylvania.....	34,800	60,737	28,300	49,870	6,500	10,847
Rhode Island.....	700	1,304	600	1,125	100	178
South Carolina.....	8,400	14,571	7,000	12,299	1,400	2,263
South Dakota.....	2,300	4,001	2,000	3,524	300	474
Tennessee.....	14,600	25,020	12,100	20,897	2,400	4,108
Texas.....	41,900	75,768	34,900	63,784	6,800	11,892
Utah.....	5,900	10,533	4,900	8,848	900	1,676
Vermont.....	800	1,168	600	939	100	229
Virginia.....	18,400	32,115	15,000	26,686	3,300	5,416
Washington.....	12,500	21,571	10,300	17,786	2,100	3,771
West Virginia.....	8,900	15,324	7,100	12,349	1,700	2,965
Wisconsin.....	11,300	18,811	9,500	15,727	1,800	3,069
Wyoming.....	4,800	9,183	4,200	8,141	500	1,034
Outside United States:						
Canada.....	1,900	1,192	1,300	649	600	543
Mexico.....	200	175	100	60	100	115
Other.....	500	703	400	464	200	238
Total⁵.....	622,900	\$1,084,197	517,500	\$908,097	103,200	\$175,376

¹ Includes 2,240 partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity.
² Includes 114,400 supplemental annuities to employees receiving regular annuities. In a relatively small number of cases, employees were also receiving spouse or widow(er)'s benefits.
³ State of residence of beneficiary on September 30, 2020.
⁴ Less than 50.
⁵ Includes beneficiaries whose state of residence was unknown.

NOTE.--Retirement benefits include regular and supplemental employee annuities, spouse annuities and divorced spouse annuities. Survivor benefits include annuities to aged and disabled widow(er)s, widowed mothers and fathers, remarried and divorced widow(er)s, children, parents, and widow(er)s annuities temporarily being paid at spouse annuity rates pending final adjudication of survivor annuities. Benefit amounts exclude social security payments to dual beneficiaries.

Table 8.-- Principal administrative data for the unemployment and sickness benefit programs, benefit years 2015-2016 through 2019-2020, cash basis

Item	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020 ¹
Qualified employees.....	254,200	260,700	242,100	235,400	234,600
Maximum daily benefit rate.....	\$72	\$72	\$72	\$77	\$78
UNEMPLOYMENT BENEFITS²					
Gross amount of benefits paid (thousands) ³	\$75,337	\$59,888	\$42,588	\$37,994	\$182,468
Payments:					
Number.....	112,300	90,000	63,000	52,300	226,500
Average amount per two week claim period.....	\$591	\$594	\$601	\$644	⁴ \$648
Beneficiaries.....	16,400	13,200	9,300	7,900	23,100
Applications received.....	24,100	16,800	12,500	12,200	43,900
Claims received.....	137,000	108,100	75,500	63,000	171,300
Normal benefit accounts exhausted.....	3,300	3,100	2,100	1,700	3,400
SICKNESS BENEFITS²					
Gross amount of benefits paid (thousands) ³	\$73,892	\$77,075	\$77,346	\$73,492	\$79,968
Payments:					
Number.....	109,700	114,400	115,000	102,100	108,100
Average amount per two week claim period.....	\$592	\$597	\$597	\$638	\$650
Beneficiaries.....	16,000	16,100	15,700	14,400	15,400
Applications received.....	19,800	20,100	19,600	17,900	19,800
Claims received.....	129,200	133,800	133,700	119,600	127,200
Normal benefit accounts exhausted.....	3,100	3,400	3,500	3,000	3,300

¹ Starting in May 2020, includes temporary extended unemployment benefits and enhanced unemployment benefits authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Gross benefits for these temporary payments were \$85,086,000 for 2019-2020.

² In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 9.2% under sequestration for days of unemployment and sickness after February 28, 2013; 7.2% for days after September 30, 2013; 7.3% for days after September 30, 2014; 6.8% for days after September 30, 2015; 6.9% for days after September 30, 2016; 6.6% for days after September 30, 2017; 6.2% for days after September 30, 2018 and 5.9% for days after September 30, 2019.

³ In Annual Reports through 2019, information on this table, with respect to benefits paid, was reported on a net basis. Beginning with 2020's report, these amounts are now shown on a gross basis.

⁴ Average payment does not include enhanced unemployment benefit payments made under the CARES Act.

Table 9.--All employees, new entrants, employees qualified for RUIA benefits, and related data, by employer, 2019

Type or name of employer	All employees		New entrants		Creditable Compensation (thousands)			
	Total	With 12 months of service in 2019	With sufficient service for RRA annuity	Qualified for RUIA benefits	Total	Tier I	Tier II	RUIA
TYPE OF EMPLOYER								
Class I line-haul railroads.....	155,262	123,095	124,979	149,781	4,292	\$12,530,937	\$11,769,171	\$2,706,284
Non-class I line-haul railroads and switching & terminal companies.....	23,692	17,451	15,391	21,336	2,404	1,462,029	1,407,812	383,008
Commuter railroads ¹	50,029	41,162	37,005	48,178	2,682	4,214,158	3,839,495	887,036
Car-loan companies.....	2,523	2,010	1,314	2,406	204	157,728	151,978	43,735
Labor organizations.....	2,342	1,789	1,667	1,955	189	191,653	161,741	35,251
Miscellaneous employers ²	4,989	3,896	2,939	4,715	502	405,835	359,074	84,245
Total	238,837	189,403	183,295	228,371	10,273	\$18,962,340	\$17,689,269	\$4,139,560
SELECTED EMPLOYERS								
BNSF Railway Co.....	46,425	38,716	36,452	45,357	1,226	\$4,023,083	\$3,730,822	\$833,523
Canadian National, U.S. Operations								
Bessemer and Lake Erie Railroad Co.....	65	57	56	64	1	4,802	4,771	1,183
Chicago Central and Pacific Railroad Co.....	303	250	230	301	9	26,695	24,440	5,474
Grand Trunk Western Railroad Co.....	833	650	611	808	47	72,648	66,258	14,523
Illinois Central Railroad Co.....	4,324	3,472	3,235	4,240	183	382,254	350,073	77,314
Pittsburgh and Conneaut Dock Co.....	32	23	26	31	.....	1,926	1,926	558
Wisconsin Central Transportation Corp.....	2,494	1,993	1,749	2,426	143	227,620	207,797	44,348
Canadian Pacific, Soo Line Corporation								
Dakota, Minnesota & Eastern Railroad Corp.....	738	603	518	697	37	53,262	51,705	12,729
Delaware and Hudson Railway Co. Inc.....	212	167	178	207	13	14,503	14,170	3,778
Soo Line Railroad Co.....	2,318	1,847	1,764	2,215	108	201,740	183,526	40,206
CSX Transportation Inc.....	21,301	17,312	19,401	20,619	414	1,777,650	1,671,166	363,459
Kansas City Southern Railway Co.....	3,137	2,508	2,325	2,997	190	244,351	231,140	54,536
Gateway Eastern Railway Co.....	1	.....	1	1	.....	55	55	11
Texas Mexican Railway Co.....	295	233	176	281	32	23,755	22,318	5,094
National Railroad Passenger Corp. (Amtrak).....	20,989	16,670	15,402	19,951	1,192	1,616,286	1,504,044	365,153
Norfolk Southern Corp.....	27,814	20,769	21,697	26,523	1,097	2,058,823	1,952,933	474,529
Union Pacific Railroad Co.....	44,970	34,495	36,560	43,014	792	3,417,770	3,256,071	775,019

¹ Includes National Railroad Passenger Corp. (Amtrak).

² Includes lessor companies, employer associations and miscellaneous carrier affiliates.

NOTE.--Tier I compensation excludes miscellaneous compensation taxable at the tier I tax rate.



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