



RRB News

U.S. Railroad Retirement Board

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Sequestration Will Reduce Railroad Unemployment and Sickness Benefits Due to End of COVID-19 National Emergency

The Budget Control Act of 2011, and a subsequent sequestration order to implement mandated cuts, requires that railroad unemployment and sickness insurance benefits be reduced by a set percentage. However, effective January 3, 2021, the Continued Assistance to Rail Workers Act of 2020 exempted those benefits from sequestration until 30 days after the end of the national emergency related to the COVID-19 pandemic.

With Congress passing legislation declaring an immediate end to the national emergency, which President Biden signed on April 10, 2023, sequestration will resume for railroad unemployment and sickness benefits effective May 10, 2023.

Starting on that date, the U.S. Railroad Retirement Board (RRB) will reduce railroad unemployment and sickness insurance benefits by 5.7 percent, the reduction amount at the time sequestration was temporarily suspended in 2021. The same reduction amount will remain in effect through September 30, 2031.

The current daily benefit rate for both unemployment and sickness insurance benefits is \$85.00. Applying the sequestration reduction of 5.7 percent, the maximum benefit in a 2-week period will be reduced from \$850.00 to \$801.55. Sickness benefits paid to an employee within six months from the date last worked for a reason other than an on-the-job injury are also subject to regular tier I railroad retirement taxes, resulting in a further reduction of 7.65 percent. Applying the 5.7 percent reduction to these sickness benefits will result in a maximum 2-week total of \$740.23.

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