



# RRB News

## U.S. Railroad Retirement Board

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No. 24-6

For Immediate Release  
October 2024

### **Cost-of-living Adjustment Will Increase Railroad Retirement Benefits**

Most railroad retirement annuities, like social security benefits, will increase in January 2025 based on a rise in the Consumer Price Index (CPI) from the third quarter of 2023 to the corresponding period of the current year.

Cost-of-living increases are calculated in both the tier I and tier II portions of a railroad retirement annuity. The tier I portion, like social security benefits, will increase by 2.5 percent, which is the percentage of the CPI rise.

The tier II portion will go up by 0.8 percent, which is 32.5 percent of the CPI increase. Vested dual benefit payments and supplemental annuities also paid by the Railroad Retirement Board (RRB) are not adjusted for the CPI change.

This follows a 3.2 percent increase in the tier I portion and a 1.0 percent increase in the tier II portion of railroad retirement annuities in January 2024.

In January 2025, the average regular railroad retirement employee annuity will increase \$69 a month to \$3,538 and the average of combined annuities for an employee and spouse will increase \$97 a month to \$5,100. For those aged widow(er)s eligible for an increase, the average annuity will increase \$42 a month to \$1,966.

Widow(er)s whose annuities are being paid under the Railroad Retirement and Survivors' Improvement Act of 2001 will not receive annual cost-of-living adjustments until their annuity amount is exceeded by the amount that would have been paid under prior law, counting all interim cost-of-living increases otherwise payable. Almost 29 percent of the widow(er)s on the RRB's rolls are being paid under the 2001 law.

If a railroad retirement or survivor annuitant also receives a social security or other government benefit, such as a public service pension, any cost-of-living increase in that benefit

*(More)*

will offset the increased tier I benefit. However, tier II cost-of-living increases are not reduced by increases in other government benefits. If a widow(er) whose annuity is being paid under the 2001 law is also entitled to an increased government benefit, her or his railroad retirement survivor annuity may decrease.

In late December the RRB will mail notices to all annuitants providing a breakdown of the annuity rates payable to them in January 2025. These letters can also be used throughout the year to confirm eligibility for various income-based government programs.

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