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**RAILROAD RETIREMENT BOARD  
PUBLIC RELEASE**



**FISCAL YEAR 2027  
BUDGET SUBMISSION**

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[REDACTED]

In addition to requests for the Limitation on Administration appropriation, this submission includes a \$4 million actuarial estimate of Fiscal Year 2027 costs for vested dual benefits, with a 2 percent reserve of \$80,000. The RRB also requests \$1.422 billion for applicable military service credits through December 2020, with interest through September 2, 2025.

Finally, included in this budget submission are two previously requested legislative proposals for the annual Limitation on Administration appropriation. The first proposal increases employment opportunities for individuals with disabilities by allowing the RRB to utilize Schedule A hiring authorities. The second request would allow a limited amount of unobligated balances to remain available until expended in support of the Board's IT improvements and investments.

As required by Section 1108(c) of Title 31, United States Code, we certify that all statements of obligations furnished to OMB in connection with our requests for proposed appropriations for Fiscal Year 2027 consist of valid obligations as defined in Section 1501(a) of that title.

Sincerely,

Original signed  
FOR THE BOARD  
Stephanie Hillyard  
Secretary to the Board  
September 8, 2025

Enclosure

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UNITED STATES OF AMERICA  
RAILROAD RETIREMENT BOARD  
844 NORTH RUSH STREET  
CHICAGO, ILLINOIS 60611-1275

BOARD MEMBERS:

ERHARD R. CHORLÉ, CHAIRMAN  
JOHN BRAGG, LABOR MEMBER  
THOMAS JAYNE, MANAGEMENT MEMBER

The Honorable J.D. Vance  
President of the Senate  
S-212 Capitol Building  
Washington, D.C. 20510

Dear Mr. President:

Enclosed is our budget request for Fiscal Year 2027. We also submit our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. We do not address resources for the Office of Inspector General in this submission. That office will submit a separate request concerning its needs.

The Railroad Retirement Board (RRB) requests \$185.031 million for our Limitation on Administration appropriation to support an estimated 844 full time equivalents (FTEs), consistent with our Fiscal Year 2026 Congressional Justification. The RRB requires staff to address unprecedented delays in processing disabilities, post awards, and rate adjustments, as well as improve direct citizen services. In addition, our request includes \$10 million to continue IT modernization efforts as the agency operates in both legacy and cloud-based systems. This complex hybrid environment is compounded by our reliance on over 200 COBOL applications. These efforts are a continuation of our Fiscal Year 2026 request to improve the user experience for over 675,000 current and retired railroaders and their beneficiaries, improve service delivery while saving time for annuitants, applicants, and RRB employees administering benefits, and streamline technology by reducing reliance on the mainframe.

The General Services Administration (GSA) identified for accelerated disposition the RRB's headquarters since 1943, the William O. Lipinski Federal Building, and plans to relocate the RRB headquarters to privately leased space in the Chicago, Illinois area. While the Fiscal Year 2027 budget does not include funds for the relocation, our request includes \$2 million for telecommunications equipment to prepare for this effort. Once plans are finalized by GSA, we will provide a cost estimate and request funds for the relocation.

[REDACTED]

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Finally, included in this budget submission are two previously requested legislative proposals for the annual Limitation on Administration appropriation. The first proposal increases employment opportunities for individuals with disabilities by allowing the RRB to utilize Schedule A hiring authorities. The second request would allow a limited amount of unobligated balances to remain available until expended in support of the Board's IT improvements and investments.

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Secretary to the Board  
September 8, 2025

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cc: Honorable Susan Collins  
Chair, Senate Committee on Appropriations

Honorable Patty Murray  
Vice Chair, Senate Committee on Appropriations

Honorable Shelley Moore Capito  
Chair, Senate Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies

Honorable Tammy Baldwin  
Ranking Member, Senate Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies

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BOARD MEMBERS:

ERHARD R. CHORLÉ, CHAIRMAN  
JOHN BRAGG, LABOR MEMBER  
THOMAS JAYNE, MANAGEMENT MEMBER

The Honorable Mike Johnson  
Speaker of the House of Representatives  
H-232 Capitol Building  
Washington, D.C. 20515

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FOR THE BOARD  
Stephanie Hillyard  
Secretary to the Board  
September 8, 2025

Enclosure

cc: Honorable Tom Cole  
Chair, House Committee on Appropriations

Honorable Rosa DeLauro  
Ranking Member, House Committee on Appropriations

Honorable Robert Aderholt  
Chair, House Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies

Honorable Rosa DeLauro  
Ranking Member, House Subcommittee on Labor, Health  
and Human Services, Education, and Related Agencies

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**FISCAL YEAR 2027**  
**BUDGET SUBMISSION**

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**Summary of Appropriation Estimates for**  
**Fiscal Years 2026 and 2027**

<b>Account</b>	<b>Fiscal Year 2026 Estimate</b>		<b>Fiscal Year 2027 Fully Resourced Agency Request Level</b>	
	<b>FTEs</b>	<b>Amount</b>	<b>FTEs</b>	<b>Amount</b>
Limitation on Administration	703	\$126,000,000 <u>a/</u>	844	\$185,031,000 <u>b/</u>
Dual Benefits Payments Account	---	\$5,000,000 <u>a/</u>	---	\$4,000,000 <u>c/</u>
Federal Payments to the Railroad Retirement Accounts	---	\$150,000 <u>a/</u>	---	\$150,000 <u>d/</u>
Limitation on the Office of Inspector General	55	\$14,000,000 <u>a/</u>	55	\$14,000,000 <u>e/</u>

a/ A full-year Fiscal Year 2026 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating at the President’s Budget Level for Fiscal Year 2026.

b/ This amount reflects the Fiscal Year 2027 Fully Resourced Agency Request Level for RRB’s Limitation on Administration appropriation, which supports 844 FTEs, \$175,031,000 for direct annual obligations, and \$10,000,000 in no year funds for Information Technology (IT) initiatives. RRB’s budget request at the Fully Resourced Agency Request Level includes an estimated \$27,723,885 for reimbursable and transfer funding.

c/ The proposed appropriation language provides for \$4,000,000 to fund vested dual benefits from general revenues of which \$0 is expected from income taxes on vested dual benefits. An additional 2 percent reserve will become available only if the product of recipients and the average benefit received exceeds the amount available to pay vested dual benefits.

d/ This amount reflects our latest estimate for interest related to uncashed railroad retirement checks and will remain available through September 30, 2028.

e/ This limitation is for the RRB’s Office of Inspector General, which submits a separate budget justification document and annual performance plan.

## Agency Overview

The Railroad Retirement Board (RRB) is an independent agency in the executive branch of the Federal Government. The RRB's primary function is to administer comprehensive retirement/survivor and unemployment/sickness insurance benefit programs for the nation's railroad workers and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts. In connection with the retirement program, the RRB has administrative responsibilities under the Social Security Act for certain benefit payments and railroad workers' Medicare coverage. It also assists in the administration of the Internal Revenue Code.

The RRB is headed by three Board Members appointed by the President of the United States with the advice and consent of the Senate. By law, one member is appointed upon recommendations made by railroad labor organizations and one upon recommendations of railroad employers. The third member, the Chairman, represents the public interest. The Board Members' terms of office are 5 years and expire in different years. The President also appoints an independent statutory Inspector General for the RRB (who functions outside the control of the Board Members, but who reports directly to the Chairman for administrative purposes) who is to prevent and detect waste, fraud, and abuse in RRB programs and operations.

During Fiscal Year 2024, the benefit payments totaled \$14.6 billion, net of recoveries and offsetting collections. Of this amount, payments for the retirement and survivor benefits program totaled \$14.3 billion to about 483,000 beneficiaries. The RRB also paid benefits on behalf of the Social Security Administration (for which the RRB is reimbursed) amounting to \$2.6 billion to about 128,000 beneficiaries. The RRB also paid unemployment-sickness benefits totaling \$62.4 million, Coronavirus Aid, Relief, and Economic Security Act benefits totaling \$0.1 million, and vested dual benefits totaling \$6.2 million, net of recoveries and offsetting collections. About 4,800 railroad workers received unemployment insurance benefits, approximately 11,200 received sickness insurance benefits, and over 2,900 beneficiaries received vested dual benefits.<sup>a/</sup>

<sup>a/</sup> Reflects updated data not available for use in the 2024 Performance and Accountability Report.

## **Social Security Equivalent Benefit Account**

The Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to establish a Social Security Equivalent Benefit (SSEB) Account beginning October 1, 1984. The SSEB Account, which is separate from other railroad retirement accounts, is used to record revenues and expenditures related to social security equivalent portions (similar to "tier I" amounts) of railroad retirement annuities. Accordingly, funds in the SSEB Account are used to pay social security equivalent benefits and related administrative expenses. A social security equivalent benefit is the portion of a railroad retirement annuity that corresponds to an amount calculated under social security formulas but is based on combined railroad retirement and social security credits.

The following amounts are included as revenue to the SSEB Account:

- (1) payroll taxes,
- (2) income taxes attributable to taxation of the social security portion of railroad retirement annuities,
- (3) financial interchange transfers from the social security trust funds provided by Section 7(c) of the Railroad Retirement Act,
- (4) interest on uncashed checks, and
- (5) return on investments.

In addition, for calendar year 2021 and 2022, the SSEB Account also received transfers from the general fund of the Treasury due to the temporary payroll tax reduction provisions of Public Laws 116-127, Families First Coronavirus Response Act, and 116-136, CARES Act.

In a relatively small number of cases, the railroad retirement system does not pay benefits when social security would pay benefits. In these cases, mainly dependent children of retired railroad employees, the SSEB Account collects an amount through the financial interchange but does not pay a corresponding benefit. This imbalance between outgo and income is relatively small in any particular year. Section 15A(d)(2) of the Railroad Retirement Act, as amended, provides that amounts in the SSEB Account not needed for payment of current benefits and administrative expenses will be transferred to the National Railroad Retirement Investment Trust or the Railroad Retirement Account.

### **Requested appropriation**

The table below identifies the estimated budget authority and outlays for this account for Fiscal Years 2025 through 2035. The estimates are based on the Bureau of Actuary and Research's data reflected in the August 2025 midsession review.

**Social Security Equivalent Benefit Account**

**Analysis of Resources  
(in thousands of dollars)**

	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>Current Services</u></b>
Budget authority:	8,968,410	9,134,900	9,228,000	
Outlays:	8,962,310	9,130,600	9,218,600	
	<b><u>2028</u></b>	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>
Budget authority:				
Current Services	9,342,400	9,451,100	9,555,400	9,662,100
Outlays:				
Current services	9,336,000	9,442,100	9,546,600	9,652,500
	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>
Budget authority:				
Current Services	9,765,400	9,871,500	9,980,100	10,065,100
Outlays:				
Current services	9,755,300	9,861,800	9,970,800	10,057,400

Notes: In March 2025, the RRB paid social security equivalent benefits to 380,500 beneficiaries. The RRB estimates that in March 2026 and 2027, the agency will pay these benefits to 376,000 and 370,000 beneficiaries, respectively.

## **Railroad Retirement Account**

Under the Railroad Retirement Act, the RRB pays retirement and disability annuities to qualified railroad workers. Supplemental annuities are payable to career railroad employees with service before October 1981. Annuities are also payable to spouses and divorced spouses of retired workers and to widows, widowers, children, and certain other survivors of deceased railroad workers. There are also provisions for lump-sum benefits. Qualified railroad retirement beneficiaries are also covered by Medicare in the same way as social security beneficiaries.

The Railroad Retirement Account funds the above-described benefits in excess of social security benefits. Funding is primarily from payroll taxes on railroad employers and employees, earnings on trust fund investments and income taxes attributable to these benefits.

The Railroad Retirement and Survivors' Improvement Act of 2001 (P.L. 107-90) made a number of major changes to the Railroad Retirement Act. In addition to other provisions, P.L. 107-90 provides for the transfer of railroad retirement funds from the Railroad Retirement Account to the National Railroad Retirement Investment Trust (NRRIT), whose Board of Trustees is empowered to invest NRRIT-held assets in non-governmental assets, such as equities and debt, as well as in governmental securities. NRRIT is not treated as an agency or instrumentality of the Federal Government.

P.L. 107-90 also repealed the railroad retirement supplemental annuity tax paid by rail employers and eliminated the separate Railroad Retirement Supplemental Account. While supplemental railroad retirement annuities provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account.

### **Requested appropriation**

The table below identifies estimated budget authority and outlays for this account for Fiscal Years 2025 through 2035. The estimates are based on the Bureau of Actuary and Research's data reflected in the August 2025 midsession review.

**Railroad Retirement Account**

**Analysis of Resources  
(in thousands of dollars)**

	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>Current Services</u></b>
Budget authority:	5,858,480	5,954,800	5,986,500	
Outlays:	5,852,280	5,946,700	5,978,700	
	<b><u>2028</u></b>	<b><u>2029</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>
Budget authority:				
Current Services	6,025,900	6,070,500	6,118,400	6,165,500
Outlays:				
Current services	6,016,100	6,060,500	6,106,900	6,153,700
	<b><u>2032</u></b>	<b><u>2033</u></b>	<b><u>2034</u></b>	<b><u>2035</u></b>
Budget authority:				
Current Services	6,206,000	6,239,800	6,275,700	6,318,300
Outlays:				
Current services	6,194,900	6,230,100	6,265,500	6,307,800

Notes: The RRB paid tier II benefits to 436,100 beneficiaries in March 2025. The agency expects to pay these benefits to 431,000 beneficiaries in March 2026 and 424,000 beneficiaries in March 2027. The RRB also paid supplemental annuities to 94,500 beneficiaries in March 2025. The agency expects to pay supplemental annuities to 89,000 beneficiaries in March 2026, and 84,000 beneficiaries in March 2027.

## **Federal Payments to the Railroad Retirement Accounts**

This account was established in conjunction with the implementation of the Railroad Retirement Solvency Act of 1983. It facilitates the administration of the Railroad Retirement Act by maintaining accurate accounting of, and control over, various financial transactions involving the railroad retirement trust funds. This account acts as a conduit for various financial transactions, such as interfund transfers and fund transfers from the Department of the Treasury (Treasury).

### **Military service credits**

In accordance with, and pursuant to, Section 15(b) of the Railroad Retirement Act, the RRB also requests appropriations to the Federal Payments to the Railroad Retirement Accounts for reimbursement of costs (including interest, administrative expenses, and an actuarial adjustment) for crediting military service not reimbursed under the financial interchange. Both the railroad retirement system and the social security system are entitled to reimbursement for the cost of military service credits. Depending on the period during which the military service was rendered, the reimbursement may be made on either a benefit or prepaid tax basis. Reimbursement on a tax basis is accomplished by paying payroll taxes for individuals in military service. No additional reimbursement is due at retirement for military service credits reimbursed on a tax basis. Reimbursement on a benefit basis is accomplished by computing the value of retirement and survivor benefits with and without military service and requesting reimbursement based on this difference.

The Railroad Retirement Account has received full reimbursement for the tax basis periods. No reimbursements from general revenue have been received for the benefit basis periods:

- June 15, 1948, through December 15, 1950, creditable under P.L. 100-647, and
- July 1, 1963, and later.

In prior years, we have sought concurrence with our methodology for computing the reimbursable amount from the Social Security Administration (SSA), Treasury and OMB. We received responses from SSA and Treasury. SSA has concurred with our methodology while Treasury stated that they had no role in this particular process. Section 15(b) requires that these reimbursements from the general funds be authorized in advance by an appropriation act. The Fiscal Year 2027 appropriation request includes \$1.422 billion for applicable military service credits through December 2020, with interest through September 2, 2025. Excluded are all costs for which the RRB already received credits.

### **Interest on uncashed checks**

Section 417 of the Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to provide for the reimbursement of principal and interest for unnegotiated railroad retirement benefit checks to the extent that such reimbursements are provided for in advance in appropriation acts. Beginning in Fiscal Year 1991, the principal amount of uncashed railroad retirement and railroad unemployment insurance checks and checks for administrative expenses, under provisions of the Competitive Equality Banking Act of 1987, are made available by Treasury. Treasury transfers principal amounts directly to the appropriate trust fund or administrative limitation. As a result, the RRB is not required to seek prior appropriation authority for the principal amount of the uncashed check transfers. Interest on uncashed checks, however, must be appropriated in advance. This account is the vehicle through which such appropriations are made. Under current law, the RRB requests \$150,000 for estimated interest related to uncashed checks in Fiscal Year 2027, which shall remain available through September 30, 2028.

### **Other transfers**

Appropriations are not necessary for other amounts that flow through this account to the appropriate trust fund accounts under authorizing legislation. Amounts expected to be transferred through this account in Fiscal Year 2027 that do not require appropriation action include \$487 million in income taxes on the social security equivalent portion of tier I benefits, and \$552 million in income taxes on tier II benefits and the non-social security equivalent portion of tier I benefits.

### **Requested appropriation**

The table below identifies the estimated budget authority and outlays for this account for Fiscal Years 2025 through 2035. The estimates are based on the Bureau of Actuary and Research's data reflected in the August 2025 midsession review. The current services level includes interest amounts on uncashed checks for all years.

**Federal Payments to the Railroad Retirement Accounts**

**Analysis of Resources**  
**(in thousands of dollars)**

	<u>2025</u>	<u>2026</u>	<u>2027</u> <sup>1/</sup>	<u>Current Services</u>
Budget authority:	855,150	811,150	2,282,604	
Outlays:	855,150	811,150	2,282,604	
	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
Budget authority:				
Current Services	884,150	927,150	958,150	981,150
Outlays:				
Current services	884,150	927,150	958,150	981,150
	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
Budget authority:				
Current Services	1,005,150	1,033,150	1,062,150	1,098,150
Outlays:				
Current services	1,005,150	1,033,150	1,062,150	1,098,150

<sup>1/</sup> Fiscal Year 2027 budget authority and outlay amounts for current services include \$1.422 billion for military service credits through December 2020 with interest through September 2, 2025.

## Dual Benefits Payments Account

Section 15(d) of the Railroad Retirement Act provides for a Dual Benefits Payments Account, which is separate from other railroad retirement accounts. The vested dual benefit portion of railroad retirement annuities is paid from this account and is funded by appropriations from general revenues.

### **Legislative history**

Under laws in effect prior to 1975, a worker engaging in covered employment under both the Railroad Retirement Act and Social Security Act could receive benefits separately under both Acts. Because the social security benefit formula is weighted in favor of the low wage earner, the total of a worker's benefits from both systems averaged more than annuities of railroad employees who worked in the rail industry exclusively, and who had paid proportionally higher retirement taxes for the purpose of receiving higher benefits. The cost of the dual benefits was borne by the railroad retirement system since they reduced the system's income from its financial interchange with the social security system.

This situation was the major cause of the poor financial condition of the railroad retirement system in the early 1970s. In order to improve the systems financial condition, the Railroad Retirement Act of 1974 provided that the tier I component of the railroad retirement annuity be reduced by any social security benefit. This essentially integrated the two systems and eliminated the advantage of qualifying for benefits under both systems.

However, it was generally considered unfair to eliminate this advantage entirely for those already retired or close to retirement when the 1974 Act became effective. The 1974 Act, therefore, provided for a restoration of benefits which were considered vested at the end of 1974. The restored amount was known as the "vested dual benefit."

After considering various alternatives, the Congress authorized general fund appropriations to finance the cost of phasing out dual benefits. The Congress considered it unfair to impose this cost on current and future railroad employees because such employees would not be permitted to receive dual benefits upon retirement (except where vested rights were involved). Similarly, the Congress believed that it would be unfair to impose this cost on railroads because railroads had not benefited and had consistently opposed the creation and expansion of dual benefits. Financing the vested dual benefit component of railroad retirement annuities from general revenues was supported by a precedent regarding military service and by the fact that the dual benefit problem had been brought about by prior Congressional action repealing past dual benefit restrictions over the objections of the railroads.

Under the 1974 Act, appropriations had been authorized from general revenues for the phase-out costs of vested dual benefits. The amounts were to be sufficient to fund vested dual benefits on a level payment basis over the years 1976 through 2000. Because there was no provision in the law to reduce vested dual benefits to a level that would be fully covered by the amount appropriated, railroad retirement taxes were being used to cover the shortfall in the appropriation from general revenues. This led to a drain on the Railroad Retirement Account and contributed to a cash flow crisis.

To stop the resulting drain on the Railroad Retirement Account, the 1981 amendments changed vested dual benefits to a pay-as-you-go basis rather than a level-payment system. Starting in Fiscal Year 1982, vested dual benefits were to be reduced so as not to exceed the amount of the annual appropriation.

The Railroad Retirement Solvency Act of 1983 provided that revenues generated from income taxes on vested dual benefits be credited to the Railroad Retirement Account for Fiscal Years 1984 through 1988, and thereafter to the Dual Benefits Payments Account. Thus, since Fiscal Year 1989, these taxes have been credited to the Dual Benefits Payments Account and applied as an offset to the amount of funding needed from general revenues.

### **Requested appropriation**

The table on page 12 identifies the estimated budget authority and outlays for the Dual Benefits Payments Account for Fiscal Years 2025 through 2035.

The Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4) provided \$8,000,000 for the payment of vested dual benefits.

The estimate for Fiscal Year 2026 includes \$5,000,000 for the payment of vested dual benefits, as shown in the table on the following page, plus a 2 percent reserve of \$100,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available to pay benefits.

For Fiscal Year 2027, the RRB requests an appropriation of \$4,000,000 to pay vested dual benefits, plus a 2 percent reserve of \$80,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits. An estimated \$0 in income taxes on these benefits will be credited to the Dual Benefits Payments Account. The estimates are based on the Bureau of Actuary and Research's data reflected in the August 2025 midsession review.

**Dual Benefits Payments Account**

**Analysis of Resources**  
**(in thousands of dollars)**

	<u>2025</u>	<u>2026</u>	<u>2027</u>	
Budget authority:	8,000	5,000	4,000	
Outlays:	8,000	5,000	4,000	
	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
Budget authority:				
Current Services	3,500	2,500	2,000	1,500
Outlays:				
Current services	3,500	2,500	2,000	1,500
	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>2035</u>
Budget authority:				
Current Services	1,500	1,000	1,000	500
Outlays:				
Current services	1,500	1,000	1,000	500

Note: The budget estimates for this account include its share of interest on non-negotiated checks through Fiscal Year 2026. The RRB paid vested dual benefits to 2,700 beneficiaries in March 2025. The agency expects to pay these benefits to 2,000 beneficiaries in March 2026, and 2,000 beneficiaries in March 2027.

**The Board Members**

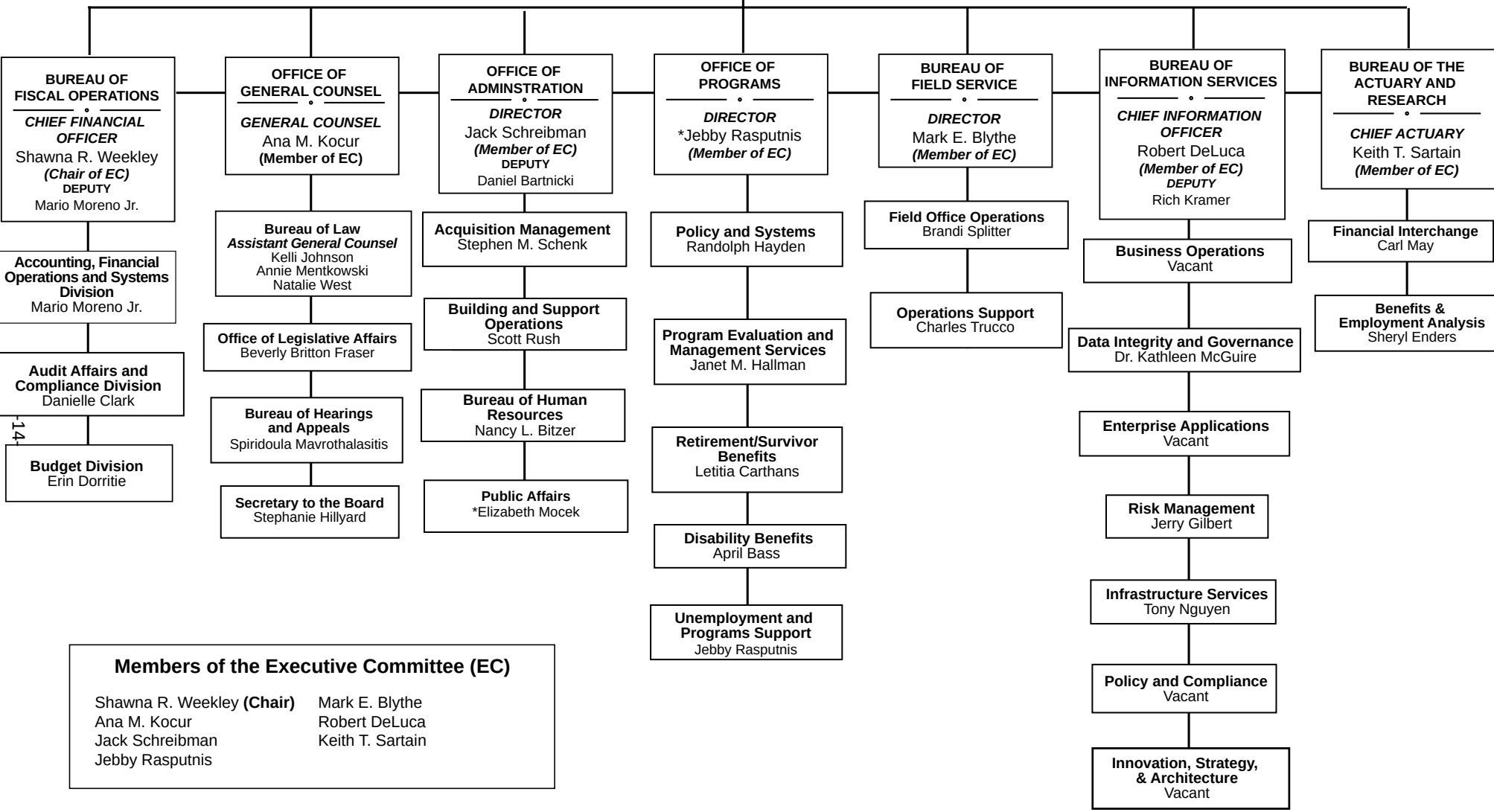
<u>Incumbent's name (Title)</u>	<u>Term expiration Date</u>	<u>Compensation</u>
Erhard R. Chorlé (Chairman)	08-28-22	\$168,400
John Bragg (Labor Member)	08-28-24	\$158,500
Thomas Jayne (Management Member)	08-28-23	\$158,500



**OFFICE OF INSPECTOR GENERAL**  
\*Shanon Holman

**THE BOARD**  
Chairman, Erhard R. Chorlé  
Labor Member, John Bragg  
Management Member, Tom Jayne

**OFFICE OF EQUAL OPPORTUNITY**  
Shiri Nding



..... The Inspector General reports administratively to the Chairman

\*Indicates temporary or acting capacity

### **Limitation on Administration**

This appropriation request is for funds to administer the retirement/survivor and unemployment/sickness insurance benefit programs provided for railroad workers and members of their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Included in this request is an amount for certain activities related to the Medicare health insurance program. The Centers for Medicare & Medicaid Services (CMS) reimburse the RRB for certain other administrative expenses related to the Medicare program and transfer to the RRB for the Specialty Medicare Administrative Contractor (SMAC).

### **Retirement/Survivor Benefit Program**

Under the Railroad Retirement Act, the RRB pays retirement and disability annuities to retired workers with qualifying years of railroad service. Annuities are also payable to spouses and divorced spouses of retired workers and to widows, widowers, children, and certain other survivors of deceased railroad workers. Qualified railroad retirement beneficiaries are covered by the Medicare health insurance program.

The RRB estimates that it will pay the following in retirement and survivor benefits through Fiscal Year 2027: \$14.7 billion to 474,000 persons in Fiscal Year 2025, \$15.0 billion to 468,000 persons in Fiscal Year 2026, and \$15.1 billion to 461,000 persons in Fiscal Year 2027.

### **Legislative history**

The RRB was created in the 1930s by legislation establishing a retirement benefit program for the nation's railroad workers. Private industrial pension plans had been pioneered in the railroad industry and, by the 1930s, pension plans were far more developed in the rail industry than in most other businesses or industries. These plans, however, had serious defects, which were magnified by the Great Depression. While the social security system was in the planning stage, railroad workers sought a separate railroad retirement system, which would continue and broaden the existing railroad programs under a uniform national plan. The proposed social security system was not scheduled to begin monthly benefit payments for several years and would not give credit for service performed before 1937, while conditions in the railroad industry called for immediate benefit payments based on prior service.

Legislation was enacted in 1934, 1935 and 1937 to establish a railroad retirement system separate from the social security program legislated in 1935. Legislation taking into account the particular circumstances of the railroad industry was not without precedent. Numerous laws pertaining to railroad operations and safety had already been enacted since the Interstate Commerce Act of 1887. Since passage of the Railroad Retirement Acts of the 1930s, numerous other railroad laws have subsequently been enacted.

## **Railroad Retirement and Survivors' Improvement Act of 2001**

The Railroad Retirement and Survivors' Improvement Act of 2001, Public Law 107-90, liberalized early retirement benefits for 30-year employees, eliminated a cap on monthly retirement and disability benefits, lowered the minimum service requirement from 10 years to 5 years of service if performed after 1995, and provided for increased benefits for some widow(er)s. The financing sections of the legislation repealed the supplemental annuity work-hour tax, and provided for adjustments in the payroll tax rates paid by employers and employees. Public Law 107-90 also provides for the transfer of railroad retirement funds from the Railroad Retirement Accounts to the NRRIT, whose Board of seven trustees is empowered to invest NRRIT assets in non-governmental assets, such as equities and debt, as well as in governmental securities. Public Law 107-90 discontinued the separate Railroad Retirement Supplemental Account. While supplemental benefits provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account.

## **Social Security Fairness Act of 2025**

The Social Security Fairness Act (SSFA), signed into law January 5, 2025, ended two statutory reductions for railroad retirees, their spouses, and survivors who receive public pensions from work not covered by social security. In cases where the reductions applied, the RRB reduced the tier I amount of the individual's railroad retirement annuity, which is a social security equivalent benefit, due to receipt of such a pension. The two repealed provisions are known as the non-covered service pension (NCSP) reduction, which affected railroad employees, and the public service pension (PSP) offset, which applied to spouses, divorced spouses, and widows/widowers. In the new law, these reductions are known as the windfall elimination provision (WEP) and the government pension offset (GPO). The repeal of these provisions means that individuals who were previously affected by these reductions will retroactively have their full tier I amount restored for months after December 2023, the effective date of the repeal, and for future monthly benefit payments. Upon enactment of the SSFA, the RRB undertook the necessary system changes to implement the changes for current benefit payments as well as reviewing cases for any retroactive payments. The agency expects to complete the retroactive payments under both laws in summer 2025.

## **Coordination with Social Security**

While the railroad retirement system has remained separate from the social security system, the two systems are closely coordinated with regard to earnings credits, benefit payments, and taxes. Following the recommendations of the Federal Commission on Railroad Retirement, legislation enacted in 1974 restructured railroad retirement benefits into tiers, in order to coordinate them more fully with social security credits, using social security benefit formulas. Tier I benefits are generally the equivalent of social security benefits. Tier II benefits are based on railroad service only and are comparable to industrial pensions.

Jurisdiction over the payment of retirement and survivor benefits is shared by the RRB and SSA. The RRB has jurisdiction over the payment of retirement benefits if the employee had at least 10 years of railroad service, or 5 years of service if performed after 1995. For survivor benefits, there is an additional requirement that the employee's last regular employment before retirement or death was in the railroad industry. If a railroad employee or his/her survivor(s) do not qualify for railroad retirement benefits, the RRB transfers the employee's railroad retirement credits to SSA, where they are treated as social security credits.

### **Sources of income for the retirement/survivor benefit program**

The primary source of income for the railroad retirement/survivor benefit program is payroll taxes paid by railroad employees and employers. By law, railroad retirement taxes are coordinated with social security taxes. Employees and employers pay tier I taxes at the same rate as social security taxes. In addition, both employees and employers pay tier II taxes which are used to finance railroad retirement benefit payments over and above social security levels. Historically, railroad retirement taxes have been considerably higher than social security taxes. Another source of income is the financial interchange with the social security trust funds. Under the financial interchange, in effect, the portion of railroad retirement annuities that is equivalent to social security benefits is reinsured through the social security system. The purpose of this financial coordination is to place the social security trust funds in the same position they would be in if railroad service were covered by the social security program instead of the railroad retirement program.

Other current sources of income are returns on investments, and appropriations from general revenues provided after 1974 as part of a phase-out of certain vested dual benefits. The Railroad Retirement Account and Social Security Equivalent Benefit Account also receive credit for Federal income taxes paid on benefits from these accounts.

### **Unemployment/Sickness Insurance Program**

Under the Railroad Unemployment Insurance Act, the RRB pays (1) unemployment insurance benefits to railroad workers who are unemployed but ready, willing, and able to work and (2) sickness insurance benefits to railroad workers who are unable to work because of illness, injury, or pregnancy.

In the benefit year that ended June 30, 2025, the RRB paid \$31.9 million in unemployment insurance benefits from the Railroad Unemployment Insurance (RUI) Account, and recovered \$3.8 million resulting in net payments of \$28.1 million to a total of 7,400 unemployment insurance claimants. During the same period, the RRB paid \$78.7 million in sickness insurance benefits from the RUI Account, and recovered \$31.8 million resulting in net payments of \$46.9 million to a total of 15,300 sickness insurance claimants. Beginning January 4, 2021, the Continued Assistance to Rail Workers Act (CARWA) of 2020 temporarily suspended sequestration through May 9, 2023, 30 days after the Presidential declaration of an end to the

national emergency concerning the COVID-19 pandemic. The Railroad Employee Equity and Fairness (REEF) Act was signed into law on December 23, 2024, as part of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025. The REEF Act amended CARWA, removing sequestration retroactively for RUIA benefits beginning May 10, 2023, through December 25, 2024. Claims in this period are being reviewed for possible redetermination to pay at the higher, non-sequestered rate.

### **Provisions for benefits**

A new unemployment and sickness insurance benefit year begins every July 1, with eligibility generally based on railroad service and earnings in the preceding calendar year. Up to 26 weeks of normal unemployment insurance benefits and 26 weeks of normal sickness insurance benefits are payable to an individual in a benefit year. Extended benefits may also be payable for up to 13 weeks to persons with 10 or more years of service. Additional extended unemployment benefits, enhanced unemployment benefits, and waiting period waiver unemployment and sickness benefits are also payable to some railroad workers under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (P.L. 116-136), the Continued Assistance to Rail Workers Act of 2020 (P.L. 116-260), and the American Rescue Plan Act of 2021 (P.L. 117-2), as amended. These benefits are funded separately.

### **Legislative history**

The railroad unemployment insurance system was established by legislation enacted in the 1930s. While State unemployment programs generally covered railroad workers, railroad operations which crossed State lines caused special problems. Unemployed railroad workers were denied compensation by one State because they became unemployed in another State or because their employers had paid unemployment taxes in another State. Although there were cases where employees appeared to be covered in more than one State, they often did not qualify in any.

The Federal study commission, which reported on the nationwide State plans for unemployment insurance, recommended that railroad workers be covered by a separate plan because of the complications their coverage had caused the State plans. The Congress subsequently enacted the Railroad Unemployment Insurance Act in 1938. Railroad unemployment insurance benefits became payable in July 1939. Sickness insurance benefits were added by amendments enacted in 1946. Subsequent amendments over the years revised eligibility requirements and adjusted benefit amounts and tax rates.

The railroad unemployment and sickness insurance system is financed by contributions from railroad employers. By law, a portion of the contributions is deposited in the Railroad Unemployment Insurance Administration Fund for the RRB's administrative expenses. The contributions are permanently appropriated for benefit payments and administrative expenses.

Large scale railroad layoffs during the economic recession in the early 1980s increased unemployment insurance payments to record levels, far exceeding unemployment contributions. By the end of July 1983, the account had a deficit of \$550 million.

The Railroad Retirement Solvency Act, enacted August 12, 1983, increased railroad unemployment and sickness insurance taxes by increasing the limit on compensation subject to the tax from \$400 to \$600 a month. The act also imposed a temporary repayment tax on railroad employers to help repay loans from the Railroad Retirement Account.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), enacted April 7, 1986, increased the repayment tax. It also restored the authority of the Railroad Unemployment Insurance Account to borrow from the Railroad Retirement Account; this authority had been removed by the Railroad Retirement Solvency Act. The law also provided for surtax on railroad employers in the event that further borrowing after September 30, 1985, from the Railroad Retirement Account became necessary.

In November 1988, the Congress enacted the Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (P.L. 100-647) to resolve the system's long-term financing problems. In brief, the legislation improved the program's financing by (1) indexing the tax base to increased wage levels, (2) determining employers' tax rates by using an experience rating formula, (3) establishing a variable surcharge geared to the balance in the Railroad Unemployment Insurance Account, and (4) ensuring repayment of the debt to the Railroad Retirement Account by extending the repayment tax until the debt was fully repaid, with interest. The loan was repaid in full with a transfer of funds from the Railroad Unemployment Insurance Account to the Railroad Retirement Account on June 29, 1993.

The Railroad Unemployment Insurance Amendments Act of 1996 (P.L. 104-251), enacted October 9, 1996, increased the railroad unemployment and sickness insurance daily benefit rate and revised the formula for indexing future benefit rates. It also reduced the waiting period for initial benefit payments and eliminated duplicate waiting periods in continuing periods of unemployment and sickness. In addition, the legislation applied an earnings test to claims for unemployment and reduced the duration of extended benefit periods for long-service employees. The provisions of the legislation were based on joint recommendations to the Congress negotiated by rail labor and management in order to update the railroad unemployment insurance system along the lines of State unemployment insurance systems.

**Administrative Appropriation Request for Fiscal Year 2027**

<b><u>Budget Level</u></b>	<b><u>FTEs</u></b> <sup>1/</sup>	<b><u>Amount</u></b> <sup>2/</sup> (\$ thousands)
Fully Resourced Agency Request Level	844	\$185,031

<sup>1/</sup> FTEs includes reimbursements.

<sup>2/</sup> Dollar amounts do not include reimbursements and transfers.

RAILROAD RETIREMENT BOARD  
LIMITATION ON ADMINISTRATION  
BUDGET BY APPROPRIATION AND OBJECT CLASS  
(in thousands of dollars)

	FY 2025 (A)	CHANGE (B)	FY 2026 ESTIMATE (C)	CHANGE (D)	FY 2027 Fully Resourced Agency Request Level (E)
TOTAL FTEs (INCLUDING REIMBURSABLE)	723	(20)	703	141	844
TOTAL RRB DIRECT PROGRAM OBLIGATIONS					
11.1 FULL-TIME PERMANENT	68,400	252	68,652	16,803	85,455
11.3 OTHER THAN FULL-TIME PERMANENT	685	174	859	(193)	666
11.5 OTHER PERSONNEL COMPENSATION	-	-	-	1,284	1,284
11.9 TOTAL PERSONNEL COMPENSATION	69,085	426	69,511	17,894	87,405
12.1 PERSONNEL BENEFITS: CIVILIAN	26,551	(646)	25,905	6,943	32,848
13.0 BENEFITS FOR FORMER PERSONNEL	128	14	142	17	159
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	230	70	300	529	829
22.0 TRANSPORTATION OF THINGS	1	-	1	21	22
23.1 RENTAL PAYMENTS TO GSA	3,300	-	3,300	(200)	3,100
23.3 COMMUNICATIONS, UTILITIES, & MISC. CHARGES	5,324	(121)	5,203	2,105	7,308
24.0 PRINTING AND REPRODUCTION	342	8	350	135	485
25.0 OTHER SERVICES	20,793	249	21,042	16,885	37,927
26.0 SUPPLIES AND MATERIALS	211	-	211	527	737
31.0 EQUIPMENT	35	-	35	4,175	4,211
TOTAL RRB DIRECT OBLIGATIONS	126,000	-	126,000	49,031	175,031
REIMBURSABLE AND TRANSFER OBLIGATIONS	32,865	(3,106)	29,759	(2,035)	27,724
NO-YEAR FUNDING FOR IT INITIATIVES	-	-	-	10,000	10,000
TOTAL RRB OBLIGATIONS AND NO YEAR	158,865	(3,106)	155,579	56,996	212,755
DIRECT OBLIGATIONS AND NO YEAR	126,000	-	126,000	59,031	185,031

1. Salary and benefit estimates for Fiscal Year 2027 Agency Request reflect a 0.0% pay increase.
2. FTE cost for Fiscal Year 2025 Enacted level is \$152,144; Fiscal Year 2026 Estimate is \$154,231; and Fiscal Year 2027 Fully Resourced Agency Request FTE cost is \$155,679.
3. Column (A): Fiscal Year 2025 reflects current authority for the Limitation on Administration provided by P.L. 119-4.
4. Column (C): Fiscal Year 2026 reflects the President's Budget Request.
5. Fiscal Year 2025 CMS Reimbursables and Transfer consists of \$13,852,706 for Medicare Parts B, C and D, \$18,500,000 for SMAC Transfer, and \$512,000 for miscellaneous; SMAC transfer is not included in BOC 25.0.
6. Fiscal Year 2026 CMS Reimbursables and Transfer consists of \$12,496,831 for Medicare Parts B, C and D, \$16,750,000 for SMAC Transfer, and \$512,000 for miscellaneous; SMAC transfer is not included in BOC 25.0.
7. Fiscal Year 2027 CMS Reimbursables and Transfer consists of \$12,496,831 for Medicare Parts B, C and D, \$14,715,054 for SMAC Transfer, and \$512,000 for miscellaneous; SMAC transfer is not included in BOC 25.0.
8. Totals may not tie due to rounding.

**Explanation of Changes between the Estimated Budget for Fiscal Year 2026 and  
Budget Levels for Fiscal Year 2027**

**Limitation of Administration, Direct Obligations (Dollar in Thousands)**

<i>Category</i>	<i>FY 2026 Estimate to FY 2027 Fully Resourced Agency Request Level</i>
	49,031 <sup>1/</sup>
<b>1. Personnel Compensation</b>	<b>17,894</b>
<p>The Fully Resourced Agency Request Level provides funding for 844 FTEs, 141 FTEs more than projected for Fiscal Year 2026 Estimate.</p> <p>Projected compensation costs reflect no pay increases for January 2026 or January 2027.</p> <p>Overtime is estimated at \$0 for Fiscal Year 2026 Estimate and \$846,200 for the Fully Resourced Agency Request Level.</p>	

<i>Category</i>	<i>FY 2026 Estimate to FY 2027 Fully Resourced Agency Request Level</i>
	49,031 <sup>1/</sup>
<b>2. Civilian Personnel Benefits</b>	<b>6,943</b>
<p>Employee benefits are estimated to total approximately 27.5% of salary costs in 2026 and 2027.</p> <p>Fiscal Year 2026 estimated change-of-station cost is \$0. At the Fully Resourced Agency Request Level it is \$175,000.</p>	
<b>3. Benefits for Former Personnel</b>	<b>17</b>
<p>A total of \$159,000 is included Fiscal Year 2027 for worker's compensation benefits to be billed by the Department of Labor in Fiscal Year 2027. In the Fiscal Year 2026 estimate, the cost is \$142,000.</p>	
<b>4. Travel and Transportation of Persons</b>	<b>529</b>
<p>At the Fully Resourced Agency Request Level, Travel for Fiscal Year 2027 is \$828,860; \$528,860 more than the Fiscal Year 2026 Estimate. The agency has only allowed bare minimum travel for training and mission since 2024.</p>	
<b>5. Transportation of Things</b>	<b>21</b>
<p>At the Fully Resourced Agency Request Level, Transportation of things for Fiscal Year 2027 is \$22,000, and \$1,000 is estimated in Fiscal Year 2026, due to the hiring freeze.</p>	
<b>6. Rental Payments to the General Services Administration (GSA)</b>	<b>(200)</b>
<p>A total of \$3,100,000 is requested for GSA rent in Fiscal Year 2027. The total is \$200,000 less than the Fiscal Year 2026 Estimate.</p>	

<i>Category</i>	<i>FY 2026 Estimate to FY 2027 Fully Resourced Agency Request Level</i>
	49,031 <sup>1/</sup>
<b>7. Communications, Utilities, and Miscellaneous Charges <sup>1/</sup></b>	<b>2,105</b>
<p>At the Fully Resourced Agency Request Level communications, utilities, and miscellaneous charges total \$10,407,562; \$2,104,996 more than Fiscal Year 2026. The Fiscal Year 2027 details are shown below. (Amounts have been rounded to thousands.)</p>	
<u>Fiscal Year 2027 Funding</u>	
Miscellaneous charges - \$0	(35)
Postage - \$1,745	545
Utilities - \$859	784
Communications - \$4,703	811
<b>8. Printing and Reproduction</b>	<b>135</b>
<p>At the Fully Resourced Agency Request Level Printing and Reproduction for Fiscal Year 2027 is \$485,000. This category reflects an increase in costs for printing benefit rate letters, tax statements, and earnings information for railroad retirement and unemployment/sickness insurance beneficiaries. The category also includes costs for official publication of agency information in the Federal Register and Code of Federal Regulations.</p>	
<b>9. Other Services <sup>1/</sup></b>	<b>16,885</b>
<p>At the Fully Resourced Agency Request Level, the planned spending for Fiscal Year 2027 is \$37,927,075; \$16,884,815 more than 2026. Fiscal Year 2027 details are shown below. (Amounts have been rounded to thousands.)</p>	

<i>Category</i>	<i>FY 2026 Estimate to FY 2027 Fully Resourced Agency Request Level</i>
	49,031 <sup>1/</sup>
<b>Fiscal Year 2027 Funding</b>	
Consulting services - \$652	252
Government contracts - \$6,243	1,056
Other services non-fed <sup>1</sup> <sup>a/</sup> - \$22,320	10,749
Operation & Maintenance of equipment - \$2,915	615
Medical fees - \$1,298	(68)
Training - \$1,245	1,197
Maintenance of facilities <sup>b/</sup> - \$3,254	3,084
<p><sup>a/</sup> At the Fully Resourced Agency Level, the SMAC reimbursement contract in the amount of \$14,715,054 is not included in the totals.</p> <p><sup>b/</sup> Funding for operation &amp; maintenance of facilities in Fiscal Year 2027 may be partly offset by "no-year" money brought forward from prior Fiscal Years pursuant to P.L. 107-217.</p>	
<b>10. Supplies and Materials</b>	<b>527</b>
At the Fully Resourced Agency Request Level supplies and materials for Fiscal Year 2027 total \$737,317. The amount represents an increase of \$526,783 from Fiscal Year 2026.	
<b>11. Equipment</b>	<b>4,175</b>
At the Fully Resourced Agency Request Level equipment totals \$4,210,500 for Fiscal Year 2027, an increase of \$4,175,000 from Fiscal Year 2026. The funding is for replacement of IT software, and end-of-life parts, devices, and other miscellaneous equipment needed by the bureaus and offices, as well as an anticipated headquarters relocation, requiring installation of new IT equipment prior to the move.	
<b>Total Increase/Decrease <sup>2/</sup></b>	<b>49,031 <sup>1/</sup></b>

<sup>1/</sup> See page 21, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column C from the amount in column E.

<sup>2/</sup> Details may not add to totals due to rounding.

## Funding for Major Contracts

This chart shows contracts of \$100,000 or more planned for Fiscal Year 2027 in the following Budget Object Class (BOC) categories: communications (BOC 236), consulting services (BOC 251), contractual services (BOC 252), government contracts (BOC 253), maintenance of facilities (BOC 254), medical fees (BOC 256), and equipment and equipment maintenance (BOC 310/257).

The major contracts are included at the Fully Resourced Agency Request Level.

<u>BOC</u>	<u>Title and description</u>	<u>Estimated FY 2027 Funding (\$)</u>
<b><u>Information Technology</u></b>		
<b><u>IT Communications</u></b>		
236	Unified Communications Services	1,777,159
236	Web Hosting Services	900,000
236	Wide Area Network Services	730,090
236	Mobile Phones	363,000
236	Managed Trust Internet Protocol Services (MTIPS)	350,000
236	Azure Connection/Internet Branch Service	260,000
236	Azure Connect 1	174,463
236	Virtual Private Network Services	127,082
<b><u>Cybersecurity</u></b>		
252	Zero Trust Architecture	2,700,000
257	Security Operations Center as a Service	462,166
252	Governance, Risk, and Compliance Tools	112,763
<b><u>Enterprise Applications</u></b>		
252	Microsoft Enterprise Service Agreement	3,000,000
252	Microsoft Enterprise Agreement with M365	986,166
252	Microsoft Unified Support	500,000
252	Microsoft Enterprise Agreement--True Up	200,000
<b><u>Mainframe Services</u></b>		
252	Mainframe IBM Z Cloud	6,000,000
257	Configuration Manager	340,450
257	Global 360 Exec360 Image Manager & Process Manager	336,042
<b><u>Web Services</u></b>		
253	LogIn.gov through GSA	1,000,000 a/
253	Justice Cybersecurity Assessment and Management (JCAM)	143,000 a/

<b><u>End User Support</u></b>		
252	Desktop Support Contract Services	2,500,000
252	IT Customer Support / Help Desk Services	2,000,000
<b><u>IT Network</u></b>		
252	IT Infrastructure Support Services (Low-Code / No-Code (LCNC) Modernization)	10,000,000
257	IT Hardware Maintenance Services	211,858
<b><u>IT Research Services</u></b>		
252	IT Experience Membership and Core Research Services	350,000
<b><u>IT End of Life Replacement Equipment</u></b>		
310	Replace End-of-Life/End-of-Support - network equipment	1,000,000
	Replace End-of-Life/End-of-Support - laptops	500,000
310	Telecommunication equipment for new location	2,000,000
	<b><i>Subtotal</i></b>	<b><u>39,024,239</u></b>
<b><u>Support of Benefit Program Activities</u></b>		
256	<u>Medical Fees.</u> Medical exams and other tests as needed	1,274,748
251	<u>Consultative Medical Services.</u> Funding will be used for medical evidence reviews concerning benefit and claim matters and preparation of advisory medical opinions	546,510
253	<u>Health Unit Agreements.</u> Provides for Health Unit Agreements with Federal Occupational Health/Department of Health and Human Services	100,000 <u>a/</u>
257	<u>IT Software.</u> Avue software for HR classification, position management and staffing process needs	375,000
252	<u>Other Services.</u> Provides off-site centralized scanning services for documents. CGI Accounting Support, Financial Management Integrated System (FMIS) training and Peer Review contract	286,732
	<b><i>Subtotal</i></b>	<b><u>2,582,990</u></b>

**Financial Management**

253	<u>Payroll Costs.</u> Reimbursement to GSA for payroll services	450,000	a/
252	<u>Financial Systems.</u> Funding will be used to support our financial system, FMIS	2,300,000	
253	<u>Finance.</u> Technology Modernization Fund (TMF) reimbursement - year 4	625,000	a/
	<b><i>Subtotal</i></b>	<b><u>3,375,000</u></b>	

**Administrative Support**

253	<u>File Management Services.</u> Fees paid to the National Archives and Records Administration (NARA) for storage and maintenance of files and records of the agency's active main file bank	200,000	a/
310	<u>Photocopiers.</u> Hi-speed copiers/printers	360,000	
253	<u>Field Office Support Services.</u> Funding is required for field office alterations, miscellaneous and administrative support services. Reimbursable Work Authorization (RWA) Services	380,000	a/
253	<u>Defense Counterintelligence and Security Agency (DCSA) Background Investigations.</u> Funding Required to obtain background investigations for agency employees and contractors	100,000	a/
253	<u>Inter/Intra-Agency Agreement (IAA).</u> IAA with Federal Occupational Health (FOH) for nurse services for the provision of licensed, BLS certified, registered nurse for emergency services and preventive health services	170,000	a/
253	<u>HRLinks.</u> Funding required for HRLinks, which is the agency's official identity management system that also processes time and attendance	350,000	a/
252	<u>Learning Management System.</u> Funding is for the RRB's in-house online educational/training courses and programs	300,000	
	<b><i>Subtotal</i></b>	<b><u>1,860,000</u></b>	

**Facility Management Services**

253	<u>Federal Protective Service (FPS)</u> . Funding is required for protective services, billed by the Department of Homeland Security, Federal Protective Service	2,300,000	a/
254	<u>Janitorial Services</u> . Funding is needed for janitorial services for the RRB headquarters building	900,000	
254	<u>After-Hours Labor</u> . Labor in excess of those allowed under the Delegation of Authority	118,200	
254	<u>Miscellaneous Building Contracts</u> . Various miscellaneous maintenance, facilities maintenance, maintain the Uninterrupted Power Supply (UPS) for data center and telephones, exterior repairs, maintenance to entrance turnstiles, various recurring and non-recurring interior repairs, facilities maintenance contracts, services for assistance in moving heavy bulk items for disposal and elevator maintenance contract	2,008,000	
<b><i>Subtotal</i></b>		<b><u>5,326,200</u></b>	
<b>Agency Total</b>		<b><u>52,168,429</u></b>	

a/ Contractual services provided by Federal Government agencies comprises 5,818,000 of the agency program total.

## Cybersecurity Priorities

The RRB's overall cybersecurity program requires both Operations and Maintenance (O&M) funding (\$1,267,897) and Development, Modernization and Enhancement (DME) funding (\$2,700,000) for a total of \$3,967,897. The RRB Fiscal Year 2027 funding request for cybersecurity DME is aligned with the priorities outlined in OMB Memorandum M-24-14. The memorandum requires Federal Civilian Executive Branch (FCEB) agencies to make investments in three cyber investment priority areas: Improving the Defense and Resilience of Government Networks; Deepening Cross-Sector Collaboration in Defense of Critical Infrastructure; and Strengthening the Foundations of Our Digitally-Enabled Future. Of the priorities noted, the RRB will focus its Fiscal Year 2027 Cybersecurity investments on the following areas. Note: The priorities outlined below were also outlined in the agency's Fiscal Year 2025 and 2026 Budget requests, and are being detailed again given early indications that the RRB's Fiscal Year 2026 budget may not allow for the Cybersecurity DME initiatives:

### ***Defend Critical Infrastructure (NCS Pillar 1) (\$2,700,000)***

The RRB is in the midst of an enterprise-wide modernization of its legacy IT systems and 2000+ legacy applications which directly enable its mission. As such, the RRB is developing and integrating a strategic approach to implementing cybersecurity controls that secures our organization by eliminating implicit trust and continuously validating every stage of network interaction. Rooted in the principle of "never trust, always verify," the RRB's Zero Trust strategy will be designed to protect our current environment, and as we modernize, our future environments enabling a digital transformation by using strong authentication methods, leveraging network segmentation, preventing lateral movement, providing layer 7 threat prevention, and simplifying granular, "least access" policies. Please be advised that as the RRB modernization strategy evolves, our Zero Trust strategy will evolve to align with those requirements as well. To continue progress with the RRB's Zero Trust implementation, the agency is requesting Fiscal Year 2027 funding to defend the RRB's critical infrastructure as required in CNC Pillar 1 of M-24-14, specifically:

- **Identify:** The RRB will employ a centralized identity management system that will integrate the RRB modernized applications to the RRB's Common Platforms, implement phishing-resistant multi-factor authentication (MFA) to RRB hosted accounts, and ensure public facing systems support.
- **Devices:** The RRB has enrolled in CISA's Continuous Diagnostic and Mitigation program that will ensure that we create an ongoing, reliable, and complete hardware and software inventory. The RRB will develop and implement through workshops to ensure RRB endpoints are compliant with Zero Trust strategies.
- **Networks:** The RRB has architected and designed the RRB ZTA plan through consultation, business value assessment, and architectural workshops.

The RRB will continue participating in shared security technologies, including active engagement with the Department of Homeland Security (DHS) Continuous Diagnostics and Mitigation program to ensure up-to-date technologies are implemented and agency requirements are funded. In accordance with the Presidential Executive Order 14028, "Improving the Nation's Cybersecurity," the RRB will obtain in Fiscal Year 2027 cyber security services through the U.S. Department of Justice (DOJ) Security Operations Center (SOCaaS) as a Service. The SOCaaS is a central nexus for networking monitoring, incident response, cyber threat intelligence collection, and cross-agency threat information sharing as required in OMB Memorandum M-24-14. The above M-24-14 priorities align with the subsection of the RRB's Strategic Goal III – Effectively Secure the RRB's Information Systems, one of the RRB's strategic goals for its modernization.

## IT Modernization

In Fiscal Year 2026, the RRB requested \$6,000,000 in no-year funds to procure a low-code/no-code platform to address a critical need to deploy a modern Internet-based public-facing portal that provides for the online submission of a benefits application (sickness), the self-update of personal information for at least two forms (change of address, change of direct deposit), and duplication of tax statements. Once implemented, the RRB must transition away from the legacy applications that support our current business processes. Built on a mainframe platform, our mission critical legacy applications contain over 9 million lines of COBOL code that is almost 50 years old. This aging system and the agency's loss of the personnel that supported these systems pose a significant risk of mission failure.

Assuming the RRB receives the \$6,000,000 as requested in Fiscal Year 2026, the RRB requests \$10,000,000 in no year funds to continue our modernization efforts. The value proposition for this request is three-fold. First, the user experience for over 675,000 current and retired railroaders and their beneficiaries will improve in the near term. Second, there will be significant time savings for these annuitants and applicants and the RRB employees who administer the benefits. More efficient and effective business processing will ultimately lead to more effective service delivery to the railroad public. Third, this project begins the elimination of significant technical debt for the RRB as legacy applications and data stores retire. The RRB's reliance upon the mainframe and its ecosystem reduces with every transition to (1) an online self-service instead of a call to the toll-free number or in-person visit, (2) an online form instead of a paper-based, traditional mail-dependent form, and (3) an online application for a specific type of benefit, whether sickness, disability, unemployment, or retirement, instead of a paper-based application and in-person visit.

The RRB anticipates successful outcomes in several areas. First, we will improve the quality of business processing associated with our benefit streams as we eliminate redundant processing steps by incorporating our findings from past projects. Second, we will learn from our deployment of new capabilities and the consolidation of our data, which will in turn inform and shape a second set of outcomes. Third, the RRB will save money in the areas of postage and printing by eliminating the need to send paper to the rail community. Over time, the RRB will decrease hands-on involvement from RRB staff for menial tasks, which will lead to cost savings and improved customer service in areas requiring staff interaction.

**Staffing History**

**Actual Full-Time Equivalent Employment**

Fiscal Year	Total FTEs a/	Change from previous year	Percent	Cumulative	Cumulative percent change since
			change from previous year	FTE reduction	Fiscal Year 1993
1993	1698 b/	---	---	---	---
1994	1615 b/	-83	-4.9%	83	-4.9%
1995	1483 b/	-132	-8.2%	215	-4.9%
1996	1401 b/	-82	-5.5%	297	-17.5%
1997	1,297	-104	-7.4%	401	-23.6%
1998	1,227	-70	-5.4%	471	-27.7%
1999	1,196	-31	-2.5%	502	-29.6%
2000	1,136	-60	-5.0%	562	-33.1%
2001	1,101	-35	-3.1%	597	-35.2%
2002	1,099	-2	-0.2%	599	-35.3%
2003	1,079	-20	-1.8%	619	-36.5%
2004	1,048	-31	-2.9%	650	-38.3%
2005	957	-91	-8.7%	741	-43.6%
2006	940	-17	-1.8%	758	-44.6%
2007	927	-13	-1.4%	771	-45.4%
2008	918	-9	-1.0%	780	-45.9%
2009	897	-21	-2.3%	801	-47.2%
2010	908	11	1.2%	790	-46.5%
2011	903	-5	-0.6%	795	-46.8%
2012	884	-19	-2.1%	814	-47.9%
2013	865	-19	-2.1%	833	-49.1%
2014	825	-40	-4.6%	873	-51.4%
2015	835	10	1.2%	863	-50.8%
2016	824	-11	-1.3%	874	-51.5%
2017	853	29	3.5%	845	-49.8%
2018	816	-37	-4.3%	882	-51.9%
2019	799	-17	-2.1%	899	-52.9%
2020	794	-5	-0.6%	904	-53.2%
2021	777	-17	-2.1%	921	-54.2%
2022	763	-14	-1.8%	935	-55.0%
2023	724	-39	-5.1%	974	-57.4%
2024	767	43	5.9%	931	-54.8%
2025	723 c/	-44	-5.7%	975	-57.4%
2026	703 d/	-20	-2.8%	995	-59.0%

a/ Excludes staffing for the Office of Inspector General.

b/ Includes Special Management Improvement Fund FTEs for Fiscal Years 1993-1996 of 80, 58, 30 and 10 respectively.

c/ Reflects allocation as of PP14 for Railroad Retirement Board funding of the Limitation on Administration provided by Fiscal Year 2025 PL 119-4.

d/ Estimated amount of 703 FTEs is based on the Fiscal Year 2026 President's Budget Request.

## Full-Time Equivalent Employees by Organization

### Estimate

Organization	FY 2025 <sup>1/</sup>	FY 2026 Estimate <sup>2/</sup>	FY 2027 Fully Resourced Agency Request
Chairman	4	4	5
Labor	7	7	7
Management	4	4	4
<b>Subtotal, Board</b>	<b>15</b>	<b>15</b>	<b>16</b>
General Counsel/Law	17	15	17
Hearings and Appeals	8	8	8
Legislative Affairs	2	2	2
Secretary to the Board	2	2	2
<b>Subtotal, General Counsel</b>	<b>29</b>	<b>27</b>	<b>29</b>
Office of Equal Opportunity	2	3	3
Office of Programs	247	248	308
CFO/Fiscal Operations	58	57	63
Actuary Research	20	20	20
Office of Administration	57	58	70
Field Service	212	205	236
Information Services	76	70	99
<b>Total <sup>3/</sup></b>	<b>716</b>	<b>703</b>	<b>844</b>

<sup>1/</sup> Amounts are rounded to the nearest FTE and reflect projected use through end of Fiscal Year 2025; data reflects projections as of pay period 14.

<sup>2/</sup> Reflects projected estimated FTE staffing at the Fiscal Year 2026 Estimate of \$126.0 million for agency operations.

<sup>3/</sup> Amounts may not add to total due to rounding.

**Average ES/SES and GS/GM Salaries and Benefits and GS/GM Grades**

	<b>FY 2025 Estimate</b>	<b>FY 2026 Estimate</b>	<b>FY 2027 Fully Resourced Agency Request</b>
Average ES/SES salary	\$205,870	\$205,870	\$205,870
Average ES/SES benefits	\$76,720	\$76,720	\$76,720
<b>Total, ES/SES</b>	<b>\$282,590</b>	<b>\$282,590</b>	<b>\$282,590</b>
Average GS/GM salary	\$93,849	\$97,177	\$107,676
Average GS/GM benefits	\$36,104	\$36,214	\$41,667
<b>Total, GS/GM</b>	<b>\$129,953</b>	<b>\$133,391</b>	<b>\$149,343</b>
Average GS/GM grade	12.1	12.1	12.4

1. Estimated as of pay period 14. Amounts may not add to total due to rounding.

**Employee Relocation Expenses**

	<b>FY 2025 Estimate</b>	<b>FY 2026 Estimate</b>	<b>FY 2027 Fully Resourced Agency Request</b>
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$175,000</b>

## **Narrative Description of Strategic Goals**

The RRB's budget request is distributed between three priorities outlined in the agency's Strategic Plan for Fiscal Years 2026 through 2030.

The Strategic Plan reflects three priorities:

- I. Provide Excellent Direct Citizen Services.
- II. Exercise Prudent Stewardship and Fiscal Responsibility to Protect the Railroad Retirement Trust Fund System Against Fraud, Waste, and Abuse.
- III. Effectively Manage Existing Information Systems and Implement Technological Solutions to Enable Efficient Operations and High-Quality Sustainable Service Delivery.

Amounts requested by the RRB reflect the resources required to achieve the performance goals stated in the RRB's Annual Performance Plan.

### **Strategic Goal I – Provide Excellent Direct Citizen Services.**

The RRB's commitment to public service is rooted in paying benefits properly, promptly, and with a focus on constituent satisfaction. The strategy emphasizes offering a variety of delivery options including expanding online and in-person services to meet diverse needs across the railroad worker and retiree community. Key objectives include:

- Pay Benefits Timely.
- Provide Effective and Efficient Service Delivery Options.

### **Strategic Goal II – Exercise Prudent Stewardship and Fiscal Responsibility to Protect the Railroad Retirement Trust Fund System Against Fraud, Waste, and Abuse.**

Safeguarding the railroad retirement trust funds and agency resources is a central mandate of the RRB. This goal encompasses vigilant financial management and program integrity, including the following key objectives:

- Effectively Manage the Railroad Retirement System Trust Funds.
- Ensure the Accuracy and Integrity of Benefit Programs.
- Implement the Federal Merit Hiring Plan.
- Effectively Carry Out Responsibilities with Respect to the National Railroad Retirement Investment Trust (NRRIT).
- Rightsizing the Agency's Real Estate Footprint.

**Strategic Goal III – Effectively Manage Information Systems and Implement Technological Solutions to Enable Efficient Operations and High-Quality Sustainable Service Delivery.**

The RRB's Bureau of Information Services leads a strategy for sustaining core operations while pushing for selective modernization. Key objectives include:

- Effectively Manage the RRB's Hybrid IT Environment.
- Identify and Pursue Technological Solutions to Minimize Long-Term Operational Risks and Enable Efficient Service Delivery.
- Explore Use of Artificial Intelligence (AI) to Increase the Efficiency and Cost Effectiveness of RRB Operations.
- Effectively Secure the RRB's Information Systems.

## **Appropriation Request by Strategic Goal**

The tables on the following pages identify the estimated costs of administering these programs in terms of the following strategic goals:

- I. Provide Excellent Direct Citizen Services.
- II. Exercise Prudent Stewardship and Fiscal Responsibility to Protect the Railroad Retirement Trust Fund System Against Fraud, Waste, and Abuse.
- III. Effectively Manage Existing Information Systems and Implement Technological Solutions to Enable Efficient Operations and High-Quality Sustainable Service Delivery.

These goals are consistent with the RRB's Strategic Plan for Fiscal Years 2026-2030.

Projections for the Fiscal Year 2027 budget reflect the financing funding level, as follows:

- The Fully Resourced Agency Request Level for Fiscal Year 2027 is \$185,031,000. This level supports 844 FTEs to sustain the agency's mission-essential functions; includes \$10,000,000 for targeted IT Modernization and system improvements; ensures mission-critical operations are fully supported; and provides \$2,000,000 for telecommunications equipment in preparation for the headquarters relocation.

**Summary of Strategic Goal Amounts**

**Budget Account - Limitation on Administration**

**Analysis of Resources**

**(in thousands of dollars)**

<b><u>Fiscal Year/Level</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b>		
			<b>Estimate</b>	<b>Fully Resourced Agency Request</b>	<b>Level</b>
Budget authority.....	126,000	126,000		185,031	
Outlays.....	126,000	126,000		185,031	
Full-time equivalent employment.....	723	703		844	
<b><u>Fiscal Year</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>
Budget authority:					
Request level.....	*	*	*	*	*
Outlays:					
Request level.....	*	*	*	*	*

\* Amounts for these years are to be determined.

Notes: Details may not add to totals due to rounding.

**Strategic Goal – Provide Excellent Direct Citizen Services**  
**Budget Account - Limitation on Administration**

**Analysis of Resources**  
**(in thousands of dollars)**

<b><u>Fiscal Year/Level</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b> <hr/> <b>Fully Resourced Agency Request Level</b>		
Budget authority.....	74,794	79,418	100,777		
Outlays.....	74,794	79,418	100,777		
Full-time equivalent employment.....	493	493	521		
<b><u>Fiscal Year</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>
Budget authority:					
Request level.....	*	*	*	*	*
Outlays:					
Request level.....	*	*	*	*	*

\* Amounts for these years are to be determined.

**Strategic Goal - Exercise Prudent Stewardship and Fiscal Responsibility to Protect  
the Railroad Retirement Trust Fund System Against Fraud, Waste, and Abuse.**

**Budget Account - Limitation on Administration**

**Analysis of Resources  
(in thousands of dollars)**

<b><u>Fiscal Year/Level</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b> <hr/> <b>Fully Resourced Agency Request Level</b>		
Budget authority.....	31,024	31,316	51,393		
Outlays.....	31,024	31,316	51,393		
Full-time equivalent employment.....	144	150	222		
<b><u>Fiscal Year</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>
Budget authority:					
Request level.....	*	*	*	*	*
Outlays:					
Request level.....	*	*	*	*	*

\* Amounts for these years are to be determined.

**Strategic Goal - Effectively Manage Existing Information Systems and Implement Technological Solutions to Enable Efficient Operations and High-Quality Sustainable Service Delivery.**

**Budget Account - Limitation on Administration**

**Analysis of Resources**  
**(in thousands of dollars)**

<b><u>Fiscal Year/Level</u></b>	<b><u>2025</u></b>	<b><u>2026</u></b>	<b><u>2027</u></b> <hr/> <b>Fully Resourced Agency Request Level</b>		
Budget authority.....	20,182	15,266	32,862		
Outlays.....	20,182	15,266	32,862		
Full-time equivalent employment.....	86	60	101		
<b><u>Fiscal Year</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2030</u></b>	<b><u>2031</u></b>	<b><u>2032</u></b>
Budget authority:					
Request level.....	*	*	*	*	*
Outlays:					
Request level.....	*	*	*	*	*

\* Amounts for these years are to be determined.

## Retirement/Survivor Benefit Program

### Summary Processing Workload Table

Fiscal Years	Average number of annuitants	New applications	Supplemental annuity applications	Social Security initial awards <sup>1/</sup>	Post-Payment adjustments	Number of payments	Medicare enrollments <sup>2/</sup>
2009	554,124	37,248	9,725	8,128	110,534	7,104,066	5,235
2010	549,154	37,384	9,581	12,563	120,102	7,055,426	5,204
2011	544,256	37,231	9,743	9,275	93,425	7,011,155	5,803
2012	540,080	35,856	9,341	9,342	85,206	6,967,676	6,522
2013	534,982	36,041	9,075	3,116	80,786	6,921,034	6,306
2014	530,367	35,368	8,802	3,124	76,440	6,864,029	6,270
2015	526,487	34,234	8,145	3,417	66,316	6,825,427	6,851
2016	522,839	33,019	7,497	3,739	74,056	6,779,413	6,573
2017	518,416	31,479	6,520	4,526	79,221	6,752,770	7,379
2018	513,732	33,879	4,464	3,393	80,201	6,686,481	7,840
2019	508,774	27,957	1,425	3,617	75,984	6,620,447	7,446
2020	502,553	26,540	890	3,681	63,173	6,547,246	7,339
2021	491,611	25,520	2,176	3,162	57,658	6,417,264	7,044
2022	481,911	23,272	1,118	3,425	59,154	6,287,702	7,408
2023	471,082	20,075	821	2,822	44,989	6,152,500	7,335
2024	461,416	16,424	585	2,886	78,465	6,041,602	6,593
2025 (est)	474,000	20,000	<500	3,000	61,000	5,940,000	7,000
2026 (est)	467,000	20,000	<500	3,000	59,000	5,860,000	6,000
2027 (est)	460,000	20,000	<500	3,000	58,000	5,760,000	6,000

<sup>1/</sup> Beginning in Fiscal Year 2013, Social Security initial awards no longer include mechanical adjustments.

<sup>2/</sup> Excludes attainments.

## Unemployment/Sickness Insurance Program

### Summary Processing Workload Table

Fiscal Years	Railroad Employment <sup>1/</sup>	Applications	Claims	Payments	Applications	Claims	Payments
2009	223,000	39,509	230,476 <sup>2/</sup>	198,230 <sup>2/</sup>	21,466	138,993	118,770
2010	221,000	18,721	210,965 <sup>3/</sup>	190,152 <sup>3/</sup>	21,476	139,653	119,426
2011	229,000	12,756	93,598 <sup>4/</sup>	83,144 <sup>4/</sup>	20,797	136,014	115,705
2012	234,000	12,914	83,120 <sup>5/</sup>	72,776 <sup>5/</sup>	20,240	129,318	110,154
2013	237,000	14,944	96,871 <sup>6/</sup>	84,365 <sup>6/</sup>	19,110	119,364	100,951
2014	242,000	11,982	77,580 <sup>6/</sup>	64,864 <sup>6/</sup>	19,335	120,838	102,020
2015	247,000	14,177	67,643	55,368	19,467	121,271	102,540
2016	231,000	24,371	145,605	120,134	20,219	131,575	111,933
2017	225,000	14,372	96,777	80,748	20,087	132,557	113,163
2018	224,000	11,294	71,119	59,696	18,660	131,320	112,940
2019	217,000	14,900	70,065	57,475	17,915	118,894	101,699
2020	195,000	51,089	234,441 <sup>7/</sup>	345,914 <sup>7/</sup>	22,907	133,212 <sup>7/</sup>	135,639 <sup>7/</sup>
2021	186,000	18,484	187,799 <sup>8/</sup>	296,239 <sup>8/</sup>	33,770	150,451 <sup>8/</sup>	162,580 <sup>8/</sup>
2022	190,000	8,102	49,977 <sup>8/</sup>	46,369 <sup>8/</sup>	21,720	131,010 <sup>8/</sup>	125,326 <sup>8/</sup>
2023	200,000	6,039	26,891	22,481	14,805	103,682	88,664
2024	201,000(est)	8,778	34,645	28,174	14,469	97,238	82,186
2025 (est)	198,000	11,000	50,000	43,000	15,000	98,000	87,000
2026 (est)	196,000	15,000	71,000	61,000	16,000	105,000	93,000
2027 (est)	194,000	17,000	79,000	68,000	17,000	110,000	97,000

<sup>1/</sup> Average annual railroad employment is based on mid-month counts and presented on a calendar year basis.

<sup>2/</sup> Includes unemployment insurance claims and payments under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). Benefits had to begin by December 31, 2009.

<sup>3/</sup> Includes unemployment insurance claims and payments under P.L. 111-5 and the Worker, Homeownership and Business Assistance Act of 2009 (P.L. 111-92).

<sup>4/</sup> Includes unemployment insurance claims and payments under P.L. 111-5, P.L. 111-92, and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).

<sup>5/</sup> Includes unemployment insurance claims and payments under P.L. 111-92, P.L. 111-312, the Temporary Payroll Tax Cut Continuation Act of 2011 (P.L. 112-78), and the Middle-Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96).

<sup>6/</sup> Includes unemployment insurance claims and payments under P.L. 111-92, P.L. 111-312, P.L. 112-78, P.L. 112-96, and the American Taxpayer Relief Act of 2012 (P.L. 112-240). Benefits had to begin by December 31, 2013.

<sup>7/</sup> Includes unemployment and sickness insurance claims and payments under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (P.L. 116-136).

<sup>8/</sup> Includes unemployment and sickness insurance claims and payments under P.L. 116-136 and the Continued Assistance to Rail Workers Act of 2020 (P.L. 116-260), and the American Rescue Plan Act of 2021 (P.L. 117-2).

# PERFORMANCE PLAN



*Fiscal Year 2027*

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**Railroad Retirement Board**

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## **Railroad Retirement Board - Fiscal Year 2027 Initial Performance Plan**

### **Introduction**

The Railroad Retirement Board (RRB) developed this performance plan to support our mission (see mission statement on the following page) and to communicate our intentions for meeting challenges and seeking opportunities. This plan will be used to hold managers accountable for achieving program results, as well as improve program effectiveness and public accountability by promoting a continued focus on results, service quality, and customer satisfaction. This plan will help managers improve service delivery by requiring they plan to meet program objectives.

This plan is closely linked to our **Strategic Plan for Fiscal Years 2026 - 2030** and can be easily cross-referenced. The performance plan provides detailed performance goals, performance indicators and target levels to guide agency managers. It also communicates our performance expectations to stakeholders, including the railroad community, the Administration, the Congress, and other government agencies.

The RRB's strategic and performance goals are presented in the sections following our mission statement. Information on anticipated performance is provided at the Fully Resourced Agency Request Level. To provide for ongoing improvement in performance and accountability, we will continue to set programmatic goals that are aggressive, realistic, and accurately measured. We will also ensure planned improvements are transparent, result in meaningful outcomes, and agency managers are accountable for achieving performance goals.

We will also prepare and submit to the President and the Congress a report on program performance for Fiscal Year 2027, as part of our Performance and Accountability Report. The RRB's Office of Inspector General (OIG) will review the report to help ensure the reliability and utility of our performance information. The reported information will be derived from agency systems and the performance goals and indicators will be compared to actual program performance. This performance budget meets the requirements of the GPRA Modernization Act and was prepared by RRB employees.

**Railroad Retirement Board - Fiscal Year 2027 Initial Performance Plan**

***RAILROAD RETIREMENT BOARD  
MISSION STATEMENT***

*The RRB'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 old age and in the event of disability, death or temporary unemployment and sickness. The RRB 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 RRB 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 RRB will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.*

## **Railroad Retirement Board - Fiscal Year 2027 Initial Performance Plan**

### ***Strategic Goal I: Provide Excellent Direct Citizen Services.***

Our mission statement reflects our intention to pay benefits in a correct and timely manner. However, in addition to this focus on performance, we also aim to satisfy our constituents' expectations for high-quality service by providing a variety of delivery options and personalized attention. This includes expanded use of online, web-based services and a nationwide toll-free telephone number for inquiries and services. The RRB has developed the following objectives to meet this crucial goal.

We aim to satisfy our customers' expectations for quality service in terms of service delivery options and levels and manner of performance. At the Fully Resourced Agency Request Level, we plan to allocate \$100,777,000 and 521 FTEs to customer service. This strategic goal includes two objectives: 1) pay benefits timely and 2) provide effective and efficient service delivery options.

### ***Strategic Goal II: Exercise Prudent Stewardship and Fiscal Responsibility to Protect the Railroad Retirement Trust Fund System Against Fraud, Waste, and Abuse.***

The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the Agency's Request level, we would plan to allocate \$51,393,000 and 222 FTEs to stewardship. This strategic goal includes five objectives: 1) effectively manage the railroad retirement system trust funds, 2) ensure the accuracy and integrity of benefit programs, 3) implement the federal merit hiring plan, 4) effectively carry out responsibilities with respect to the NRRIT, and 5) rightsizing the agency's real estate footprint.

### ***Strategic Goal III: Effectively Manage Existing Information Systems and Implement Technological Solutions to Enable Efficient Operations and High-Quality Sustainable Service Delivery.***

At the Fully Resourced Agency Request Level, we plan to allocate \$32,862,000 and 101 FTEs to this strategic goal.

This strategic goal is led by the RRB's Bureau of Information Services (BIS), who has seen staff levels decline by approximately 50% since 2019. This loss of institutional knowledge has hindered our ability to manage daily operations and stalled modernization efforts. Accordingly, the following objectives seek to help the agency effectively prioritize the efforts of its limited staff to continue paying RRA and RUIA benefits to the American rail employees and their families, as well as make progress toward Presidential priorities working within our

## **Railroad Retirement Board - Fiscal Year 2027 Initial Performance Plan**

appropriation. This strategic goal includes four objectives: 1) effectively manage the RRB's hybrid IT environment, 2) identify and pursue technological solutions to minimize long-term operational risks and enable efficient service delivery, 3) explore use of AI to increase the efficiency and cost effectiveness of RRB operations, and 4) effectively secure the RRB's information systems.

Railroad Retirement Board FY 2027 Performance Plan	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Estimate	2027 Fully Resourced Agency Request
<b>STRATEGIC GOAL I: Provide Excellent Direct Citizen Services.</b>						
<b>Strategic Objective: Pay benefits timely.</b>						
Goal leader for objectives I-A-1 through I-A-5; I-A-7 and I-A-8: Jebby Rasputnis, Acting Director of Programs						
Goal leader for objective I-A-6: Mark Blythe, Director of Field Service						
Goal leader for objective I-A-9: Spiridoula Mavrothalasitis, Director of Hearings and Appeals						
I-A-1. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 35 days of the annuity beginning date, if advanced filed. (Measure: % ≤ 35 days).	96.7%	96.4%	98.0%	98.6%	94.0%	98.0%
I-A-2. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 60 days of the date the application was filed. (Measure: % ≤ 60 days).	96.7%	96.4%	98.3%	99.3%	94.0%	99.0%
I-A-3. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor not already receiving a benefit within 60 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 days).	91.9%	96.6%	97.8%	98.0%	94.0%	98.0%
I-A-4. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor already receiving the benefits as a spouse within 30 days of the RRB's receipt of first notice of the employee's death. (Measure prior to FY 2024: % < 30 days. Measure FY 2024 and later: % ≤ 35 days).	95.8%	96.8%	99.4%	99.0%	94.0%	99.0%

<b>Railroad Retirement Board FY 2027 Performance Plan</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimate</b>	<b>2027 Fully Resourced Agency Request</b>
I-A-5. RRB makes a decision to pay or deny a lump sum death benefit within 60 days of the date the application was filed. (Measure: % ≤ 60 days).	94.4%	99.2%	99.4%	98.5%	95.0%	98.0%
I-A-6. RRB certifies a payment or releases a letter of denial of UI or SI benefits within 10 days of the date RRB receives the claim. (Measure: % ≤ 10 days).	99.9%	99.9%	99.9%	99.9%	98.5%	99.9%
I-A-7. RRB makes a decision to pay or deny a benefit for a disabled applicant or family member within 100 days of the date the application is filed. (Measure: % ≤ 100 days).	12.6%	8.0%	10.3%	10.5%	10.0%	15.0%
I-A-8. RRB makes a payment to a disabled applicant within 25 days of the date of decision or earliest payment date, whichever is later. (Measure: % < 25 days).	89.4%	92.6%	92.8%	95.7%	91.0%	95.0%
I-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: Average elapsed days).	174	204	303	342	275	450
<b><i>Strategic Objective: Provide Effective and Efficient Service Delivery Options.</i></b>						
Goal leader for objectives: I-B-1 and I-B-2: Jebby Rasputnis, Acting Director of Programs						
Goal leader for objectives: I-B-3 and I-B-4: Robert De Luca, Chief Information Officer						
I-B-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: Number of services available through electronic media).	19 services available	19 services available	20 services available	20 services available	20 services available	24 services available

<b>Railroad Retirement Board FY 2027 Performance Plan</b>		<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2024 Actual</b>	<b>2025 Actual</b>	<b>2026 Estimate</b>	<b>2027 Fully Resourced Agency Request</b>
I-B-2. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measures: Percentage of employers who use electronic media to file reports; number of services available through electronic media).	a) Employers using ERS	99.3%	96.0%	99.6%	99.9%	99.1%	99.9%
	b) Internet Services	31 Internet services available	31 Internet services available	31 Internet services available	31 Internet services available	31 Internet services available 12/	35 Internet services available
I-B-3. Complete the Technology Modernization Fund Citizen Centric On-Line Self-Services (CCOSS) project to add new self-service options (i.e., change of address, change of deposit, fully automate sickness application process).		New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	DD, COA, PFI, TWH 33% <u>11/</u>	C360 100%
I-B-4. Deliver – Meet Customer Expectations. WWW.RRB.GOV Internet Services (Mainline and Employer Reporting System) Continuous availability experienced by End users.	a) Continuous availability target	99.17%	99.00%	99.72%	99.00%	99.00%	99.00%
	b) Average hours of outage allowed per month	5.79 hours	7.00 hours	4.08 hours	7.00 hours	7.00 hours	7.00 hours

Railroad Retirement Board FY 2027 Performance Plan		2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Estimate	2027 Fully Resourced Agency Request
<b>STRATEGIC GOAL II: Exercise Prudent Stewardship and Fiscal Responsibility to Protect the Railroad Retirement Trust Fund System Against Fraud, Waste, and Abuse.</b>							
<i>Strategic Objective: Effectively Manage the Railroad Retirement System Trust Funds.</i>							
Goal leader: Shawna R. Weekley, Chief Financial Officer							
II-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure: Total overpayments recovered in the fiscal year / total overpayments established in the fiscal year.).		89.35%	88.53%	88.27%	85.60%	85.00%	85.00%
<i>Strategic Objective: Ensure the Accuracy and Integrity of Benefit Programs.</i>							
Goal leader II-B-1(a)(b) and II-B-3 through II-B-9: Jebby Rasputnis, Acting Director of Programs							
Goal leader II-B-2(a): Mark Blythe, Director of Field Service							
Goal leader II-B-2(b): Jebby Rasputnis, Acting Director of Programs							
II-B-1. Achieve a railroad retirement benefit payment accuracy rate of at least 99%. <u>5/</u> (Measure: Percent accuracy rate).	a) Initial payments	99.90%	99.95%	99.88% <u>6/</u>	Not Available	99.00%	<b>99.80%</b>
	b) Sample post recurring payments	99.68%	FY 2023 Post Study Suspended	97.95% <u>6/</u>	Not Available	97.00%	<b>97.80%</b>
II-B-2. Achieve a railroad unemployment/ sickness insurance benefit payment accuracy rate of at least 99%. <u>5/</u> (Measure: Percent accuracy rate).	a) Unemployment	96.90%	96.82%	99.10% <u>7/</u>	Not Available	93.00% <u>8/</u>	95.00%
	b) Sickness	98.53%	100%	97.21% <u>7/</u>	Not Available	95.00%	97.00%
II-B-3. Overall Initial Disability Determination Accuracy. (Measure: % of Case Accuracy).		80.60%	93.10%	Not Available	Not Available	90.00%	95.00%

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II-B-4. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: Below 1.5%).	N/A <u>9/</u>	N/A <u>9/</u>	N/A <u>9/</u>	N/A <u>9/</u>	N/A <u>9/</u>	N/A <u>9/</u>
II-B-5. Continue effective program integrity efforts. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities and continue effective program integrity efforts. (Measure: Recoverables and savings per dollar spent).	\$6.99: \$1.00	\$8.62: \$1.00	\$6.68: \$1.00	Not Available	\$5.00: \$1.00	\$6.00: \$1.00
II-B-6. Reduce the pending level of total retirement case general referrals by at least 10%. (Measure: Pending level on last day of prior fiscal year as compared to last day of measured fiscal year).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	5.0% <u>10/</u>	12.0%
II-B-7. Reduce the pending level of Social Security retirement referrals by at least 10%. (Measure: Pending level on last day of prior fiscal year as compared to last day of measured fiscal year).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	5.0% <u>10/</u>	12.0%
II-B-8. Reduce the pending level of cases referred out of retirement mass adjustments (COLA and RESCUE cases) by at least 10%. (Measure: Pending level on last day of prior fiscal year as compared to last day of measured fiscal year).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	5.0% <u>10/</u>	12.0%

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II-B-9. Reduce the pending level of total survivor case referrals by at least 25%. (Measure: Pending level on last day of prior fiscal year as compared to last day of measured fiscal year).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	15% <u>10/</u>	25.0%
<b><i>Strategic Objective: Implement the Federal Merit Hiring Plan</i></b>						
Goal leader: Jack Schreibman, Director Office of Administration						
II-C-1. Track progress towards reporting and recruitment based on merit, skill, and constitutional dedication to better serve railroad workers and their families. (Measure: Percent complete).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	50% <u>11/</u>	90%
<b><i>Strategic objective: Effectively Carry Out Responsibilities with Respect to the NRRIT.</i></b>						
Goal leader: Ana M. Kocur, General Counsel						
II-D-1. Timely review information reported by the National Railroad Retirement Investment Trust to carry out RRB's oversight responsibility under section 15(j) (5) (F) of the Railroad Retirement Act. Reports are to be reviewed within 30 days of receipt. (Measure: Yes/No).	Yes	Yes	Yes	Yes	Yes	Yes
<b><i>Strategic objective: Rightsizing the Agency's Real Estate Footprint</i></b>						
Goal leaders: Jack Schreibman, Director Office of Administration and Mark Blythe, Director of Field Service						
II-E-1. Provide timely responses to GSA regarding spacing needs for the RRB's HQ, OLA, and field offices, to facilitate continuity of citizen services and cost-effective space utilization across all locations. (Measure: Yes/No).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	Yes <u>11/</u>	Yes

Railroad Retirement Board FY 2027 Performance Plan	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Estimate	2027 Fully Resourced Agency Request
<b>STRATEGIC GOAL III: Effectively Manage Existing Information Systems and Implement Technological Solutions to Enable Efficient Operations and High-Quality Sustainable Service Delivery.</b>						
<i>Strategic Objective: Effectively Manage the RRB’s Hybrid IT Environment.</i>						
Goal Leader: Robert De Luca, Chief Information Officer						
III-A-1. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost.	100%	100%	100%	100%	85%	85%
III-A-2. Plan finalized to manage the RRB's legacy IT environment that considers both operational risks and funding limitations to enable prioritized resource allocation to sustain core operations. After plan approval, the RRB will track its progress toward the milestones, key projects and risk mitigation measures set forth in the plan. (Measure: Yes/No).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	No <u>11/</u>	Yes
<i>Strategic Objective: Identify and Pursue Technological Solutions to Minimize Long-Term Operational Risks and Enable Efficient Service Delivery.</i>						
Goal Leader: Robert De Luca, Chief Information Officer						
III-B-1. Comprehensive Modernization Plan finalized and approved by agency leadership and Board; inclusive of milestone-level and project-level performance measures to improve service delivery for 675,000+ constituents. (Measure: Yes/No).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	No <u>11/</u>	Yes
<i>Strategic Objective: Explore Use of Artificial Intelligence (AI) to Increase the Efficiency and Cost Effectiveness of RRB Operations.</i>						
Goal Leader: Robert De Luca, Chief Information Officer						
III-C-1. Enable chat and RAG based AI point solutions for individual and group activities.	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	Create experimental capability <u>11/</u>	Implement specific solutions for multiple use cases

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III-C-2. Identify and document at least 5 high-impact business use cases.		New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	75% Identification of Business Cases <u>11/</u>	100% Implementation
III-C-3. Assess pilot outcomes to inform broader AI adoption strategy consistent with M-25-21.		New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	0% <u>11/</u>	80%
<b>Strategic Objective: Effectively Secure the RRB's Information Systems.</b>							
Goal Leader: Robert De Luca, Chief Information Officer							
III-D-1. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.		Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Decommission Legacy Disaster Recovery Site: Yes	Table – Top Exercise: Yes	Complete	Complete
III-D-2. Enforce multi-factor authentication (MFA) for 100% of privileged and general users. (Zero Trust – Identity).		New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	50% MFA of privileged and general users (i.e. general users at 100%)	100% MFA of privileged and general users (i.e. general users at 100%)	Complete
III-D-3. Zero Trust.	a) Secure remote access via Virtual Private Network (VPN) and encrypted endpoints. (Zero Trust – Access)	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	100% <u>11/</u>	Complete

Railroad Retirement Board FY 2027 Performance Plan		2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Estimate	2027 Fully Resourced Agency Request
III-D-3. Zero Trust.	b) Enhance network protection through Intrusion Prevention System (IPS), Network Access Control (NAC), Security Information and Event Management (SIEM).	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	0% <u>11/</u>	Complete
	c) (Zero Trust – Applications and Workloads): Strive to secure applications from unauthorized users and ensure continuous visibility of the workload at any given time.	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	0% <u>11/</u>	50%

Railroad Retirement Board FY 2027 Performance Plan		2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Estimate	2027 Fully Resourced Agency Request
III-D-3. Zero Trust.	d) (Zero Trust – Data): Strive to enforce strict authentication, least-privileged access, and real-time monitoring and data classification to protect data to reduce data breach risks and adhere to compliance.	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	New Performance Goal for 2026	0% <sup>11/</sup>	50%

Footnotes

- <sup>1/</sup> Fiscal Year 2025 actual results represent status as of March 31, 2025, unless otherwise reported.
- <sup>2/</sup> Planned amounts reflect the Fiscal Year 2026 performance targets shown in the RRB’s Congressional Justification of Budget Estimates, released June 24, 2025.
- <sup>3/</sup> Fiscal Year 2025 amount includes \$126 million for the Limitation on Administration Account.
- <sup>4/</sup> Fiscal Year 2026 estimated amount include \$126 million for the Limitation on Administration Account.
- <sup>5/</sup> The payment accuracy rate is the percentage of dollars paid correctly as a result of adjudication actions performed.
- <sup>6/</sup> Fiscal year 2024 actual results represent status as of March 31, 2024.
- <sup>7/</sup> Fiscal year 2024 actual results represent status as of December 31, 2023.
- <sup>8/</sup> Fiscal Year 2026 Estimate reduced due to all time low field office staffing with ongoing hiring freeze since September 2023 (20% reduction in staff since freeze).
- <sup>9/</sup> The RRA program is in a three-year risk assessment cycle and operates under Phase 1 guidelines of OMB Circular A-123, Appendix C. We conducted risk assessments in Fiscal Year 2020 and Fiscal Year 2023, and our results concluded that the RRA program consistently remains below the thresholds for significant improper payments under the Payment Integrity Information Act of 2019. The next scheduled risk assessment is in Fiscal Year 2026.
- <sup>10/</sup> New Goals II-B-6 through II-B-9 measure year over year progress across all post adjudication workloads.
- <sup>11/</sup> Goal created for Fiscal Year 2026 not included in the RRB’s Congressional Justification of Budget Estimates, released June 24, 2025.
- <sup>12/</sup> Fiscal Year 2026 Estimate reduced from 35 services to 31 services. Reduction in goal due to RRB's need in fiscal year 2025 to focus significant developer resources on programming for changes in law and key modernization efforts; these projects restricted growth in this area due to lack of resources.

## **Railroad Retirement Board - OMB Exhibits**

### **Information Technology Modernization Program Initiatives**

From 2018 through 2021, the RRB received funding from Congress through annual and pandemic-related appropriations to modernize its enterprise to provide secure, more convenient benefits administrative services to its customers. Much of the focus has been on modernization of our enterprise infrastructure supporting our enterprise productivity applications.

On December 13, 2022, the RRB was selected for an \$8,695,389 investment from GSA and OMB's Technology Modernization Fund (TMF) to improve the Customer Experience for our citizens. To date the RRB has received \$5,200,000 from the TMF, and the IAA to transfer the next installment of \$3,495,389 is signed and the reapportionment was submitted to OMB August 11, 2025.

#### **Technology Modernization Funding**

The goals of the investment, "Citizen-Centric Online Self-Services" (CCOSS), is to implement new online self-services for the railroad community. In the first stage, the project will engage railroad customers to create an intuitive user interface enabling them to make online self-updates of personal information for selected actions. Subsequent phases will modernize the sickness benefits application process so it can be completed online. Ultimately, the project also will enable railroad customers to obtain sickness application status updates online.

Starting with a new, online sickness benefits administration system strikes a good balance in terms of complexity, ability to have user impact, and opportunity to establish a significant path forward for overall technical modernization at the RRB.

Building out this new system will also enable the RRB to make progress on several key technical goals, including moving onto more efficient, cost-effective, streamlined, and secure tools, platforms, and architecture, as well as building out a new data model. With a solid foundation in place, the RRB could then extend this work to other benefit lines and additional customer and account management features.

A new sickness benefits administration system centered on the customer and RRB staff experience, is a large first slice of work. Thinner sub-slices will help the RRB deliver value sooner, test hypotheses, incorporate earnings and feedback more rapidly, and reduce risk, laying a strong foundation that the RRB can build upon and extend to additional sub-slices, benefit lines, and account management services. For the first sub-slice, the RRB will start with the sickness application process, as this gives the best chance to deliver value early and make tangible improvements for customers and staff.

The RRB would then be able to leverage what it has built, what it has learned in the process, and user feedback on the results to better inform priorities and plans for the next steps towards modernization.

## **Railroad Retirement Board - OMB Exhibits**

### **Leveraging Use of Shared Services**

Our use of shared services is a critical piece of our overall IT strategy. As an independent agency, we sought and are using shared services where appropriate and focusing on modernizing legacy systems unique to our mission of benefits administration for the rail industry. The RRB is a consumer of shared services for its operations in the areas of identity management from GSA's Login.Gov and cybersecurity from the Cybersecurity & Infrastructure Security Agency (CISA) and the Department of Justice.

In Fiscal Year 2027, the agency will focus on moving to completion the Citizen-Centric Online Self-Services projects. As the RRB continues success in its modernization efforts, the RRB plans to propose additional TMF investments to continue modernizing the remaining major legacy applications.

## Railroad Retirement Board - OMB Exhibits

### Proposed Legislative Programs for Fiscal Year 2027

**1. Amend the annual Limitation on Administration appropriation to allow the RRB to utilize Schedule A hiring authorities.**

This language allows the RRB to increase employment opportunities for people with disabilities. Currently, the RRB is unable to utilize hiring authority provided by Schedule A, 5 C.F.R 213.3102(u), for hiring people with severe physical, psychiatric, and intellectual disabilities because of statutory restrictions in the Railroad Retirement Act. The language below would provide the RRB the opportunity to offer employment for people with disabilities.

*Provided further, That notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire individuals with intellectual disabilities, severe physical disabilities, or psychiatric disabilities using current excepted hiring authorities established by the Office of Personnel Management.*

**2. Amend the annual Limitation on Administration appropriation to allow a limited amount of unobligated balances for Fiscal Year 2027 to remain available until expended in support of the Board's Information Technology Investment Initiatives.**

The RRB is engaged in a successful, multi-year effort to modernize its information technology systems. The RRB proposed similar language for Fiscal Year 2026 and again requests this language in Fiscal Year 2027 to efficiently utilize funds available for ongoing information technology improvements and investments.

*Provided further, That of the unobligated balances of funds provided under this heading at the end of Fiscal Year 2027 not needed for Fiscal Year 2027, not to exceed \$3,500,620 shall remain available until expended for information technology improvements and investments.*

**3. Maintain hiring authorities included in the annual Limitation on Administration appropriation: attorneys, students, and recent graduates.**

The RRB is not permitted to use excepted service hiring authorities established by Office of Personnel Management (OPM) for attorneys, students, and recent graduates due to the Railroad Retirement Act's establishing legislation. The authority provided by the language below was included in P.L. 119-4, *Full-Year Continuing Appropriations and Extensions Act, 2025*, and we request this language be included again in our Fiscal Year 2027 Appropriations Bill. This allows the RRB to use current OPM attorney, student, and recent graduate hiring authorities.

*Provided, That notwithstanding section 7(b)(9) of the Railroad Retirement Act this limitation may be used to hire attorneys only through the excepted service: Provided further, That the previous proviso shall not change the status under Federal employment laws of any attorney hired by the Railroad Retirement Board prior to January 1, 2013: Provided further, That notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire students attending qualifying educational institutions or individuals who have recently completed qualifying educational programs using current excepted hiring authorities established by the Office of Personnel Management.*

## **Railroad Retirement Board - OMB Exhibit**

### **Acquisition Training for Fiscal Year 2027**

The RRB Acquisition Workforce (AWF) consists of contracting staff in the 1102, as well as Program/Project Managers (P/PMs) and Contracting Officer Representatives (CORs) across various disciplines and job series, as set forth in Office of Federal Procurement Policy (OFPP) in OMB policy letters. The RRB identified budgetary resources for Fiscal Year 2027 to ensure the agency's AWF have training and development that (1) facilitates their ability to adapt to fundamental changes in the nature of Federal Government acquisition of property and services associated with the changing roles of the Federal Government; (2) maintain professional certifications required by OPM and (3) enables them to acquire new skills and a new perspective to enable the agency AWF to contribute effectively in the changing environment of the 21st century. The Fiscal Year 2027 AWF training budget supports AWF staff to both complete their required training for attaining certification levels, appropriate to their position and AWF duties, as well as to sustain their acquisition acumen by completing appropriate targeted continuous education courses that further their competencies and enable them to execute their roles in the agency's acquisition mission. Notably the AWF training plan, supported by this budget request, will maximize the use of instructor-led virtual classroom training, where available and best suited to enable the learning objectives and competency development in the RRB AWF.

**Railroad Retirement Board - OMB Exhibit**

Relationship of Programs to Account Structure  
(in thousands of dollars)

	2027 Estimates	
	Budget Authority	Outlays
060-0111-0-1-601 Dual Benefits Payments Account <sup>1/</sup> .....	4,000	4,000
060-0113-0-1-601 Federal Payments to the Railroad Retirement Accounts.....	2,492,603	2,492,603
060-8010-0-7-601 Social Security Equivalent Benefit Account.....	9,420,200	9,412,800
060-8011-0-7-601 Railroad Retirement Account.....	5,960,900	5,953,500
060-8118-0-7-601 National Railroad Retirement Investment Trust.....	1,766,100	1,766,100
060-8237-0-7-601 Limitation on Administration Agency Request level .....	185,031	185,031
	<u>2027 Estimates</u>	
Summary	Budget Authority	Outlays
Federal funds <sup>2/</sup> .....	2,496,603	2,496,603
Trust funds <sup>3/</sup> .....	17,147,200	17,069,300
Deductions for offsetting receipts:		
Intrafund transactions (Advances) <sup>4/</sup> .....	-5,226,200	-5,226,200
Intrafund transactions (NRRIT transfers) <sup>4/</sup> .....	-1,703,000	-1,703,000
Proprietary receipts from the public <sup>5/</sup> .....	-174,401	-174,401
Interfund transactions <sup>6/</sup> .....	<u>-2,492,603</u>	<u>-2,492,603</u>
<b>TOTAL</b>	<u><u>10,047,599</u></u>	<u><u>9,969,699</u></u>

<sup>1/</sup> Actuarial estimates indicate a \$1 million decrease in Vested Dual Benefits from \$5 to \$4 million, based on Bureau of Actuary review August 2025.

<sup>2/</sup> Represents budget authority and outlays for the Dual Benefits Payments Account and the Federal Payments to the Railroad Retirement Accounts.

<sup>3/</sup> Represents budget authority and outlays for the Social Security Equivalent Benefit Account, the Railroad Retirement Account, and the National Railroad Retirement Investment Trust (NRRIT). Excludes the Limitation on Administration.

<sup>4/</sup> Represents the estimated advances RRB plans to borrow from Treasury in anticipation of the annual financial interchange transfer from the Social Security Administration's Old Age and Survivors Insurance and Disability Insurance (OASDI) Funds of \$5,226,200 and a transfer of \$1,703,000 from the NRRIT to the Railroad Retirement Account.

<sup>5/</sup> Estimate of interest and dividends on non-Federal securities earned by the NRRIT.

<sup>6/</sup> Represents budget authority and outlays for the Federal Payments to the Railroad Retirement Accounts.