



FROM THE DESK OF
JOHN BRAGG
LABOR MEMBER



U.S. Railroad Retirement Board

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Dual Benefit Payments

The payment of a railroad retirement annuity can be affected by entitlement to social security benefits, as well as certain other benefits. Such dual entitlement, if not reported to the Railroad Retirement Board (RRB), can result in annuity overpayments that have to be repaid, sometimes with interest and penalties. The following questions and answers describe how the RRB adjusts the railroad retirement annuities of individuals who are also eligible for social security benefits and/or other benefit payments.

1. How are dual benefits paid to a person entitled to both a railroad retirement annuity and a social security benefit?

If a railroad retirement annuitant is also awarded a social security benefit, the Social Security Administration determines the amount of the social security benefit due, but a *combined* monthly dual benefit payment should, in most cases, be issued by the RRB after the railroad retirement annuity has been reduced by the amount of the social security benefit.

2. Why is a railroad retirement annuity reduced when a social security benefit is also payable?

The tier I portion of a railroad retirement annuity is based on **both** the railroad retirement and social security earnings acquired by an employee and computed under social security formulas. It approximates what social security would pay if railroad work were covered by social security. The tier I portion is, therefore, reduced by the amount of **any** actual social security benefit paid based on nonrailroad employment to prevent a duplication of benefits based on social security-covered earnings.

In addition, the tier I social security benefit reduction applies to an annuity even if the social security benefit is based on the earnings record of someone other than the railroad employee, such as a spouse or former spouse. This principle follows social security law which limits payment to the higher of any two or more benefits payable to an individual at one time. An annuitant is required to advise the RRB if any benefits are received directly from the Social Security Administration or if those benefits increase (other than for a cost-of-living increase) to avoid a railroad retirement annuity overpayment.

The tier II portion of a railroad retirement annuity is based on the railroad employee's railroad service and earnings alone and is computed under a separate formula. It is **not** reduced for entitlement to a social security benefit.

(More)

3. Can receipt of a federal, state, or local government pension reduce a railroad retirement annuity?

The Social Security Fairness Act (SSFA), which was signed into law in January 2025, repealed earlier legislation that reduced the railroad retirement annuities or social security benefits of **railroad workers, their spouses, or survivors** who also receive a public service pension (for example, a federal, state, or local government pension) based on work that is **not** covered by social security. The SSFA also removed the reduction applied to the annuities of railroad employees who receive certain nonprofit or foreign pensions.

Consequently, under the SSFA, **beginning with the months after December 2023**, the tier I component of a railroad retirement employee, spouse, or survivor annuity **is no longer reduced**, as applicable, for that individual's receipt of a public, nonprofit, or foreign pension. (Non-covered service pension reductions and public service offsets were not applied to the tier II component of a railroad retirement annuity.)

In addition, military service pensions, payments by the Department of Veterans Affairs, or certain benefits payable by a foreign government as a result of a totalization agreement between that government and the United States do not reduce a railroad retirement annuity.

4. What dual benefit restrictions apply when both spouses in a marriage are railroad employees entitled to railroad retirement annuities?

If both individuals started railroad employment after 1974, any spouse or divorced spouse annuity amount is reduced by the employee annuity amount to which the spouse or divorced spouse is also entitled.

If either individual had railroad service before 1975, the spouse or divorced spouse tier I amount is reduced by the railroad employee tier I amount to which the spouse or divorced spouse is entitled. The spouse or divorced spouse tier I amount cannot be reduced below zero. The initial reduction is restored in the spouse tier II amount. Divorced spouses are **not** entitled to a tier II component and, therefore, are not eligible to have the reduction restored.

In survivor cases, if the widow(er) is entitled to a railroad retirement employee annuity and neither the widow(er) nor the deceased employee had any railroad service before 1975, the survivor annuity (tier I and tier II) payable to the widow(er) is reduced by the total amount of the widow(er)'s own employee annuity.

If either the deceased employee or the widow(er) had less than 120 months of railroad service before 1975, the widow(er)'s own employee annuity and the tier II portion of the survivor annuity would be payable to the widow(er). The tier I portion of the survivor annuity would be payable only to the extent that it exceeds the tier I portion of the widow(er)'s own employee annuity.

If a widow or dependent widower is also a railroad employee annuitant, and either the widow(er) or the deceased employee had 120 months of railroad service before 1975, the tier I reduction may be partially restored in the survivor tier II amount.

(More)

5. Can receipt of workers' compensation or public disability benefits affect railroad retirement annuities?

If an employee is receiving a railroad retirement disability annuity, the tier I portions of the employee and spouse annuities may, under certain circumstances, be reduced for receipt of workers' compensation or public disability benefits.

6. How can an annuitant find out if the receipt of dual benefits affects their railroad retirement annuity?

Annuitants who become entitled to any of the dual benefit payments discussed above, or if they have a question whether a dual benefit payment requires a reduction in a railroad retirement annuity, can call an RRB field office toll-free at 1-877-772-5772. Agency field offices also offer in-person service. While individuals seeking in-office assistance are encouraged to schedule an appointment with their local field office by calling the agency's toll-free number, those without appointments will not be refused service. However, they may be asked to schedule an appointment for a later time if there is no immediate availability. Individuals should bring a photo ID when visiting a field office. Office addresses can be found by visiting RRB.gov and clicking on Field Office Locator or by calling 1-877-772-5772. RRB field offices are generally open Monday through Friday from 9:00 a.m. to 3:00 p.m., except for federal holidays. Individuals can also send a secure message to their local RRB field office by accessing Field Office Locator and clicking on the link at the bottom of their local office's page.

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