



Railroad Retirement Information

U.S. Railroad Retirement Board

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Reporting Events and Activities That Can Affect Payment of Railroad Retirement Annuities

Railroad retirement annuitants are responsible for notifying the Railroad Retirement Board (RRB) of events and activities that can affect the payment of their annuities. If not reported to an RRB field office, these events and activities can cause overpayments that have to be repaid, sometimes with interest and penalties. Annuitants should also know that withholding information to receive or continue receiving an annuity or knowingly making a false or fraudulent statement is a crime under federal law which may be punishable by fines, imprisonment, or both.

The following questions and answers list the events and activities that can affect payment of railroad retirement annuities, describe how they affect annuities, and explain how to prevent annuity overpayments under these circumstances.

1. What events and activities can affect payment of railroad retirement annuities?

The following events and activities can affect payment of railroad retirement annuities and result in overpayments if not promptly reported to RRB field offices:

- entitlement to social security or certain other benefits, and changes in the amount of such benefit payments;
- post-retirement work activity and the receipt of earnings by age and service annuitants;
- post-retirement work activity, whether earnings are received or not, by disability annuitants;
- the death of an annuitant;
- a change in marital status;
- a child leaving the care of a spouse or widow(er); and
- a student ceasing full-time school attendance.

2. How can the awarding of social security benefits result in a railroad retirement annuity overpayment?

Railroad retirement employee annuities are comprised of two tiers and, for annuitants who meet eligibility requirements that include having at least one month of compensated railroad service prior to October 1981, may include a supplemental annuity.

The tier I component 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

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I component is, therefore, reduced by the amount of **any** actual social security benefit paid to prevent a duplication of benefits based on social security-covered earnings. The tier I dual benefit reduction also applies to the annuity of an employee qualified for social security benefits on the earnings record of another person, such as a spouse. In addition, the tier I portion of a spouse, divorced spouse, or survivor annuity is reduced for **any** social security entitlement, even if the social security benefit is based on the spouse's, divorced spouse's, or survivor's own earnings. These reductions follow principles of social security law, which limit payment to the higher of any two or more benefits payable to an individual at one time.

The tier II portion of a railroad retirement employee 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.

If a railroad retirement annuitant is also awarded a social security benefit, in most cases a combined monthly dual benefit payment will be issued by the RRB. The Social Security Administration (SSA) determines the amount of the social security benefit due, and the RRB determines the amount of the railroad retirement annuity due. (As stated above, the tier I component of a railroad retirement annuity is reduced by the amount of the social security benefit due.)

A person should notify an RRB field office when filing for social security benefits. If SSA begins paying benefits directly to a railroad retirement annuitant without the RRB's knowledge, a tier I overpayment will occur. This frequently happens when a railroad employee's spouse or widow(er) is awarded social security benefits not based on the employee's earnings.

Also, annuitants who are receiving their social security benefits directly from SSA must notify an RRB field office if their social security benefits are subsequently increased for any reason **other** than annual cost-of-living increases, such as a recomputation to reflect post-retirement earnings. Since such recomputations are usually retroactive, they can result in substantial tier I overpayments.

While social security benefit information is provided to the RRB because of routine information exchanges between the RRB and SSA, it will generally not be provided in time to avoid such a benefit overpayment.

3. Are there benefit payments, other than social security benefits, that require dual benefit reductions in a railroad retirement annuity?

If an employee is receiving a **disability annuity**, their tier I component and, if applicable, their spouse's tier I component **may** be reduced for receipt of workers' compensation or public disability benefits. Annuitants who become entitled to such payments, or who wonder whether a payment requires their annuities to be reduced, should promptly contact an RRB field office.

Annuitants should note that military service pensions, payments by the Department of Veterans Affairs, or certain benefits payable by a foreign government because of a totalization agreement between that government and the United States will **not** reduce a railroad retirement annuity.

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4. Can post-retirement work activity and earnings cause railroad retirement overpayments?

Yes. Unreported post-retirement work activity and earnings in nonrailroad employment (including self-employment) are a major cause of overpayments in railroad retirement annuities. Like social security benefits, the railroad retirement tier I components paid to employees and spouses, plus the tier I and tier II components paid to survivors, are subject to deductions if post-retirement earnings exceed certain exempt amounts, which increase annually. *(For information on how post-retirement work activity and earnings affect disability annuitants, please see Question 5.)*

These earnings deductions do not apply to those who have attained full social security retirement age. For employee and spouse annuitants, full retirement age varies depending on an individual's year of birth and is age 67 for those born after 1959. For survivor annuitants, full retirement age also varies and is age 67 for those born after 1961.

For those under full retirement age throughout 2026, the exempt earnings amount is \$24,480. (These work restrictions apply even if the annuitant has 30 years of railroad service.) For beneficiaries attaining full retirement age in 2026, the exempt earnings amount, for the months before the month full retirement age is attained, is \$65,160. Prior to the calendar year in which full retirement age is attained, the earnings deduction is \$1 in benefits for every \$2 of earnings over the exempt amount. For those attaining full retirement age during a calendar year, the deduction is \$1 for every \$3 of earnings over the exempt amount in the months before the month full retirement age is attained.

Annuitants who work after retirement and expect that their earnings for a year will exceed the annual exempt amount must *promptly* notify an RRB field office and provide an estimate of their expected earnings. This allows their annuities to be adjusted to consider the excess earnings and prevent an overpayment. Annuitants should also notify the RRB if their original earnings estimate increases or decreases significantly during the year.

Retired employees and spouses, **regardless of age**, who work for their last pre-retirement nonrailroad employer are subject to an earnings deduction of \$1 for every \$2 in earnings up to a maximum reduction of 50 percent of their tier II component (and railroad retirement supplemental annuity, if applicable). **There is no earnings exempt amount for these deductions.** They apply even if earnings do not exceed the tier I exempt earnings limits. Also, while tier I earnings deductions stop when an annuitant attains full retirement age, these tier II and supplemental annuity deductions apply for as long as the annuitant is working for their last pre-retirement employer. Retired employees and spouses should therefore promptly notify an RRB field office if they return to employment for their last pre-retirement nonrailroad employer, or if their earnings amount from such employment changes.

A spouse annuity is reduced not only for the spouse's earnings, but also for the employee's earnings, regardless of whether the earnings are from service for the last pre-retirement nonrailroad employer or any other post-retirement employment. An annuity paid to a divorced spouse may continue despite the employee's work activity. However, the employee's non-railroad earnings over the annual earnings exempt amount may reduce a divorced spouse annuity.

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5. How do post-retirement work activity and earnings affect disability annuities?

Any work performed by a disabled annuitant - whether for payment or not - may be considered an indication of recovery from disability, and, therefore, must be reported promptly to an RRB field office to avoid potential overpayments.

In addition, special restrictions limiting earnings to \$1,320 in 2026, exclusive of disability-related work expenses, apply to disabled railroad retirement employee annuitants. These disability work restrictions apply until the disabled employee annuitant attains full retirement age which, as stated earlier, varies depending on an individual's year of birth. These work restrictions apply even if the annuitant has 30 years of railroad service. Also, a disabled employee annuitant who works for their last pre-retirement nonrailroad employer would be subject to the earnings deduction that applies in these cases.

6. What effect does railroad work have on an annuity?

A railroad retirement annuity is **not** payable for any month in which an employee, spouse, or survivor annuitant performs compensated service for a railroad or railroad union. This includes local lodge compensation for more than \$24.99 in a calendar month, and work by a local lodge or division secretary collecting insurance premiums, regardless of the amount of salary.

7. What should be done when a railroad retirement annuitant dies?

An RRB field office should be notified immediately upon the death of any railroad retirement or survivor annuitant. Payment of a railroad retirement annuity stops upon an annuitant's death and the annuity is not payable for any day in the month of death. This is true regardless of how late in the month death occurs and there is no provision for prorating such a payment. Any payments received after the annuitant's death must be returned. The sooner the RRB is notified, the less chance there is of payments continuing and an overpayment accruing. The RRB will also determine whether any survivor benefits due are payable by the RRB or SSA.

8. What are the other events that can affect payments to auxiliary annuitants, such as spouses, divorced spouses, and widow(er)s?

In addition to being responsible for immediately notifying an RRB field office if the railroad employee upon whose service the annuity is based dies, a spouse annuitant must notify the RRB if their marriage to the railroad employee ends in divorce or annulment and a widow(er) or divorced spouse annuitant must notify the RRB if they remarry.

Also, annuities paid to spouses, widow(er)s and surviving divorced spouses that are based on the annuitant caring for the employee's unmarried child are normally terminated by the RRB when the child attains age 18 (age 16 for a surviving divorced spouse) **or** if a disabled child over age 18 (age 16 for a surviving divorced spouse) recovers from the disability. Therefore, the RRB must be notified if the child leaves the annuitant's care or marries.

Annuities are also payable to an unmarried child age 18 in full-time attendance at an elementary or secondary school or in approved home schooling until the student attains age 19, or the end of the

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school term in progress when the student attains age 19. (In most cases where a student attains age 19 during the school term, annuities are limited to the two months following the month age 19 is attained.) These annuities will be terminated earlier if the student marries, graduates, or ceases full-time attendance. Therefore, the RRB must be notified promptly to prevent an overpayment.

9. Can an annuitant contest a decision that they have been overpaid?

Yes. Annuitants who believe an overpayment decision is incorrect may ask for reconsideration and/or waiver of the overpayment. If dissatisfied with the result of the initial review, the annuitant may appeal to the RRB's Bureau of Hearings and Appeals. Further appeals can be made to the three-member Board itself, and beyond the Board to federal courts.

Annuitants are informed about these appeal rights whenever a decision is made regarding an annuity overpayment.

10. Where can railroad retirement annuitants get help determining if an event or activity affects their annuity payments or notify the RRB about such events or activities?

In any situation, the best rule is "If in doubt, report." Individuals with questions about whether an event or activity will affect their annuity payments or who want to notify the RRB about such an event or activity can call an RRB field office toll-free at 1-877-772-5772. They can also find the address of the agency office serving their area by clicking on the Field Office Locator tab at RRB.gov or by calling the agency's toll-free number. RRB field offices 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. 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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