

6.8.1 Scope of Chapter

Changes that must be made in large numbers of cases are accomplished with mass mechanical adjustment operations. In a mass adjustment, annuity information for affected annuitants is taken from the master benefit file (MBF) and a new annuity amount is calculated mechanically.

The railroad annuity cost-of-living adjustment (COLA) is performed in December to adjust the January 2 payment. The RRB also performs an adjustment in December to increase LAF E social security benefits for cost-of-living increases. Prior to 2006, retirement annuities were adjusted 1) in September (October 1 payment) in the AERO to include social security wages earned after the ABD, 2) in June (July 1 payment) in the RAIL to include ABD year railroad service and compensation and delayed retirement credits, and 3) in August, in the SALSA mass adjustment to issue separation allowance lump sum amounts. Beginning in 2006, RESCUE adjusts retirement annuities each quarter in response to any service and earnings changes posted to EDM. The RAIL, AERO and SALSA mass adjustments are no longer performed.

Other mass adjustment actions are performed as needed in response to legislative amendments or budgetary restrictions. The most common adjustment is performed to reduce vested dual benefit payments in response to VDB funding limitations.

6.8.2 RR Cost-of-Living Increase

Annual cost-of-living increases have been paid on tier 1 since 1974. The increase has been payable on the benefit for December (January 2 check) since December 1983; prior to that the COL was added to the June benefit (July 1 payment). Between 1965 and June 1974, COL increases were paid as authorized by the Congress, but not on a fixed schedule. Tier 1 benefits are adjusted by the same COL increase percentage as is applied to social security benefits.

Since June 1977, annual COL increases have been added to tier 2 benefits. The tier 2 increase percentage is equal to 32.5 percent of the percentage payable on tier 1. Tier 2

COL increases were paid each June from 1977 through 1983. In 1984, the tier 2 COL increase effective date was changed to December. A tier 2 COL increase has been paid each year except in 1985. In that year, no tier 2 COL increase was paid because funds were sequestered.

In 2009, Railroad retirement annuities, like social security benefits, did not increase in January 2010 as there was no increase in the Consumer Price Index (CPI) from the third quarter of 2008 to the corresponding period of 2009. There was no increase in tier 1 nor tier 2 for 2009. Appendix G provides tier 1 and tier 2 COL increase percentages.

6.8.3 Tier 1 COLA Calculation

The mechanical operation increases the tier 1 PIA and the survivor family maximum share by the COL increase percentage. These amounts are then adjusted for delayed retirement credits and reduced for age, SSA benefits, public service pension and dual RR entitlement as appropriate.

A. SSA OFFSET AMOUNT

The tier 1 calculation performed in the RR cost-of-living mass adjustment operation uses social security benefit amounts which are provided by the Social Security Administration in November. The records provided by SSA are matched to the RRB's annuity records by comparing the SS claim number, the RR claim number and the beneficiary's own account number (BOAN) in SSA's MBR and the RRB's MBF. If a match occurs on any one of the three numbers and the BOAN, DOB (month and year) and name are the same at SSA and the RRB, the SS record is accepted as belonging to the RR annuitant.

1. The benefit information provided by SSA allows the Board to adjust the tier 1 SS offset amount to reflect AERO increases which SSA has added to their benefit as well as the COL increase. If the annuitant has received AERO increases in his/her benefit, the correction of the tier 1 SS offset amount in the COLA operation causes the monthly annuity rate to decrease on the January 2 payment. Annuitants who receive Social Security benefits which are paid by SSA (LAF C benefits) are sent form letter RL-51A (previously T-51) on December 1 if their monthly payment must be decreased because of increases they have received in their SS benefits. An example of the RL-51A (previously T-51: Exhibit 7) is provided in Exhibit 34.

Annuitants are instructed to contact the Board if the benefit amount provided by the Social Security Administration and quoted on the RL-51A (previously T-51) is incorrect. If an annuitant questions the RL-51A (previously T-51) information, the following actions are taken:

- 1) Field offices collect all SSA claim numbers upon which the annuitant receives benefits and the monthly benefit amount claimed by the annuitant. The information is forwarded to headquarters via email with subject "RL-51A Inquiry."
- 2) The SSA claim numbers in the MBF should be checked for accuracy using the "SS Info" screen on PREH. Any necessary corrections should be sent to the Division of Statistical Services in the Bureau of Information Systems. Examiners should investigate with SSA to

determine the total benefit amount received by the annuitant. The RR annuity paid in the COLA mass adjustment should be corrected if the SSA offset used in tier 1 was incorrect.

2. The benefit information provided in November by SSA also allows the RRB to identify cases in which SSA has received a report of death for the annuitant but no report has been made to the RRB. The case is rejected in the COLA and listings are produced of these cases which show the SSA claim number and the month and year SSA terminated their benefits. Examiners send an assignment to the appropriate field office to investigate the death report after determining that the SS beneficiary and RRB annuitant are the same person. If the terminated SSA record does not belong to the RRB annuitant, SSA claim number information in the MBF should be corrected.
3. Missing SSA benefit offsets are also identified in the COLA. If SSA benefit information is received for an annuitant but tier 1 is not offset for the benefit, the case is rejected in the COLA and listed for investigation. The listing shows the SSA claim number and type of benefit. Examiners should obtain SSA master benefit file (MBR) records for the cases and adjust the RR annuity. If the SS benefit does not belong to the RRB annuitant, the SSA claim number information in the MBF should be corrected.

B. PSP OFFSET AMOUNT

Prior to 1992 spouse and widow(er) annuitants were not adjusted in the COLA if tier 1 was offset for a PSP, but the PSP did not reduce tier 1 to zero. The spouse/widow(er) was rejected from the mechanical operation. From 1992 through 1995, the tier 2 COL was paid in these spouse or widow(er) cases, and only the tier 1 COL was withheld pending the policing of the PSP amount.

From 1991 through 1995, form letter RL-212 was released with policing form G-212 attached as part of the COLA operation. The annuitant provided updated PSP information on the G-212 which allowed the examiner to adjust the case to pay the COL. See [RCM 1.3](#) and [2.1](#) for information on the handling of form G-212 and [FOM1 1720](#) concerning usage and background information.

In 1996, the effective date of the COL increase payable on public service pensions paid by the Office of Personnel Management (OPM) was changed to December 1st. The 1996 COLA calculated a COL increased PSP offset amount if the spouse/widow's PSP was paid by OPM, and the PSP was a recurring benefit. If the PSP was paid by an organization other than OPM or the PSP offset is based on a lump sum payment the annuitant received, the COLA subtracted the PSP offset

amount in the RRB's records. If the resulting net tier 1 amount was greater than zero and the PSP was paid by an organization other than OPM, the case was referred to the field service for policing.

The Social Security Fairness Act was signed into law on January 5, 2025. The law ended Public Service Pension (PSP) statutory Tier I reductions for spouses and widow(er)s who are receiving public pensions from work not covered by social security effective January 1, 2024. As a result, the RRB will no longer offset Tier I annuities payments for PSP beginning with benefits due January 1, 2024 (paid in February 2024). The PSP policies in this manual apply to Tier I annuity payments of spouses and widow(ers) before January 1, 2024.

C. DUAL RR OFFSET

In retirement cases, the spouse tier 1 is reduced for the spouse's own gross or net employee tier 1 as appropriate. In survivor cases, the widow(er) tier 1 is reduced for the widow(er)'s own net employee tier 1.

Prior to October 1988, the dual offset amount in widow(er) cases was based on the widow(er)'s own employee tier 1 amount after reduction for SSA benefits but before reduction for age. In the December 1988 COLA operation, the tier 1 offset for dual RR entitlement was changed for widow(er)s who began receiving an annuity prior to October 1988. The offset amount was made equal to the net tier 1 amount from the widow(er)'s own employee annuity. Since the change in the widow(er) dual offset amount was effective October 1988, the COLA calculated a tier 1 accrual for October and November which was issued in January 1989.

6.8.4 Tier 2 COLA Calculation

The mechanical operation increases tier 2 for the COL as follows:

1. 1974 Act employee - components 1 and 3 of tier 2 are increased.
2. Spouse with ABD January 1, 1984 or later - the tier 2 amount before age reduction is increased and a new age reduction amount is calculated.
3. All other retirement cases - the net tier 2 amount is increased.
4. Survivor cases - the increase is added to the tier 2 amount before additions for dual entitlement restoration, spouse minimum guaranty and equalization.

In the December 1983 and 1984 COLA operations, a takeback amount was subtracted from tier 2 as a fund solvency measure. The total amount subtracted in the two operations was equal to 5 percent of the net tier 1 payable in November 1983. The takeback amounts are permanent reductions in tier 2.

No tier 2 cost-of-living increase was paid in the December 1985 COLA operation because the Balanced Budget and Emergency Deficit Control Act (PL99-177) suspended automatic increases in some federal programs.

Note: Prior to enactment of PL99-177, approximately 6,500 manual December awards were processed with a December 1985 COL included in tier 2. In February 1986, a mechanical operation removed the December 1985 tier 2 COL effective February 1, 1986 from all but 200 of the cases. The 200 rejects were corrected manually effective with February 1, 1986 or a later month. PL99-177 prohibited recovery of the tier 2 COL paid for December 1985.

In the December 1989 COLA operation, the tier 2 computational sequence of spouses with ABDs after 1983 was corrected so that all tier 2 COL increases are added to the tier 2 amount after it has been reduced for takebacks and the RRA maximum.

6.8.5 Retirement Temporary Work Deductions

The temporary work deduction amounts withheld from retirement cases may be increased in the COLA operation. In most cases, the tier 1 work deduction amount is increased by the tier 1 COL percentage, and half the COL increased tier 2 is established as the new tier 2 work deduction amount. In some instances, the work deduction amount continues to be subtracted but is not increased. The work deduction is not increased if the individual tier 1, tier 2 and VDB work deduction components cannot be identified from the information in the MBF or if the MBF shows the annuitant no longer claims excess earnings and the work deductions should be removed. The tier 2 work deduction component is not increased if the component is a partial work deduction amount (less than one-half of the pre-COLA tier 2).

6.8.5.1 Survivor Earnings Suspensions

Beginning in December 2001, survivor annuitants who are suspended for excess earnings are updated in the COLA if the annuity rate in PREH includes all prior costofliving increases and the case does not reject in the COLA. The new cost-of-living increase is added to tier 1 and tier 2. Because the annuitant is in suspense, the record is rejected with cause code 19. PREH will store the updated information; the following records reflect the COLA information:

- 3210 tier 1
- 3215 tier 2
- 3235 rate
- 3250 mass adjustment (calculation reject code 19)

The cost-of-living information is only updated to PREH; the CHICO records are not updated. When the survivor annuitant can begin receiving the annuity, the annuity should be put into pay status using a reinstate-recertification award

6.8.6 COLA Rejects and Reviews

There are three main stages in the COLA mass adjustment operation: the update of the tier 1 SSA offset amount using SSA's MBR, the calculation of new annuity rates and the certification of the new rate to the CheckWriting record. During any of these stages, a case can be rejected by the mechanical process.

Cases are automatically rejected if a December manual voucher action (other than a onepayment-only award or an award affecting only the supplemental annuity) has been taken. The manual award will have paid the COL increase, and the manually calculated rate takes precedence over a mechanically calculated rate.

Cases are earmarked for examiner review in the COLA operation if the accuracy of the mechanically calculated rate needs to be verified or if the payments made for months prior to December need to be corrected.

Reject and review codes and explanations are listed in Appendix B.

6.8.7 Tax Withholding Adjustment

As part of the COLA operation Federal income tax withholding amounts are adjusted to reflect annual changes in tax withholding tables.

6.8.8 SMI Adjustment

As part of the COLA operation, the SMI premium amount is adjusted to reflect the annual change in the basic premium rate. The increase in an individual's premium amount is restricted by the cost-of-living increase amount in tier 1 and any SSA benefits. Cases are tested to determine if a variable SMIB premium should be established, except in the following instances:

- Cases paid under the OM formula
- Dual entitlement cases
- Cases which reject in the mechanical operation
- Cases in which tier 1 is not payable due to felony, alien suspension or deportation or cases in which tier 1 is terminated
- Cases in which the RR annuity is in suspense

- Lawyear 83 cases in which the age 62 tier 1 recalculation is due but has not yet been performed
- Spouses or widows whose tier 1 COL increase is withheld pending the necessary policing of the PSP amount

For cases in these categories, the regular premium at the basic or appropriate penalty rate is established in the mass adjustment.

If the Board is paying both a railroad annuity and an SSA benefit, the new premium will be deducted from the SSA benefit portion of the monthly payment if the premium is too large to deduct from the railroad annuity.

6.8.9 COLA RUIA Clearance

To avoid RUIA overpayments, stops are placed on RUIA records for the period December 1st through December 31st if the RUIA claimant is shown as a railroad retirement annuitant. If such an annuitant files an RUIA claim for days in December, the stop on the record will prevent payment of RUIA benefits. A computer-printed notice is sent to the employee advising that payment of RUIA benefits is being deferred because of the expected COL increase in the retirement annuity.

As part of the mechanical COLA operation, the December retirement rate is compared to RUIA records if the employee annuitant worked in the railroad industry in the last 39 months and has a COL or pre-COL annuity rate less than the maximum RUIA benefit amount.

RUIA records the COLA rates, and the RUIA benefits due the employees are computed and paid. A notice is sent to the employee to advise that either (1) the COL increase has been computed and the RUIA benefits are being paid with the correct reduction for retirement annuities, or (2) the case rejected in the COLA, the COL increase will be paid at a later date, and the RUIA benefits are being reinstated at the old rate. RUIA will advise these employees that the RUIA benefit overpayment will be recovered from the COL accrual at the time it is paid by OP.

6.8.10 COLA Notices

Prior to 1997, annuitants involved in the mechanical COLA operation received a check enclosure on January 2. The notice was mailed to the home address of annuitants enrolled in the direct deposit program. Form T-55 was sent to annuitants if the COL was paid mechanically; form T-56 was sent to those annuitants who were rejected in the operation, except annuitants rejected because the COL was paid on a December manual voucher.

Beginning in 1997, an explanation of the cost-of-living adjustment is included in the annual rate verification letters, T-55, T-56 and T-57. The 2010 annual rate notices (Forms T-62, T-63, T-64 and T-65) were developed to address the zero cola. Please refer to IB 10-12 for more information.

Since no rate verification letter is sent to annuitants adjusted on December vouchers, examiners must provide COL, SMI and tax information in the manual award letter prepared for the December voucher. See [RCM 6.8.13](#), "Special Actions on December Vouchers."

6.8.11 Records of The COLA

A microfilm record of the mechanical COLA action was provided for each operation through 1991. Appendix A describes the information displayed on the film.

G-358 folder notices were also provided for each COLA operation through 1990. The information on the G-358 is the same as the information displayed on the microfilm.

Beginning with the December 1991, COLA, the mass adjustment information is available in the on-line Mass Adjustment Inquiry System (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See [RCM 16.2](#) for details.

The adjusted annuity rate information and SMI premium amount are loaded into the DATA-Q and MOLI database systems. The records in DATA-Q and MOLI before the COLA are replaced with new records after the operation is complete. This process normally takes from one to three days. Records are loaded in reverse claim number order (e.g. 700 series numbers first, six-digit claim numbers last); as the COLA records are loaded, they can be viewed on the CRT screens.

Beginning with the December 1995 COLA, the results of the mass adjustment are available on the Payment, Rate and Entitlement History database (PREH) in RRAPID.

6.8.11.1 RR Cola Voucher Numbers

Cases adjusted in the RR COLA operation will be assigned a voucher number of 472 or 473. A special voucher number of 471 is assigned to cases if the annuity rate is not adjusted, but the Medicare premium is updated. Voucher number 471 is assigned in the following situations:

- the RR annuity rejects and the annuitant has a monthly Medicare premium deduction
- the interim widow has a monthly Medicare premium deduction

If voucher number 471 is assigned to a record, the voucher date on PREH and DATAQ is the RR COLA voucher date.

6.8.12 Inquiries

If an inquiry is received from an annuitant whose rate was adjusted in the COLA operation, IFR releases a RL-85 to the annuitant and sends the inquiry to the field. If the annuitant's rate adjustment rejected in the COLA, the inquiry is sent to the unit which has the file. Folders in claim files will be forwarded to the retirement post section or the survivor post section.

If an inquiry is received by the field and the office cannot satisfy the inquirer, the field will contact headquarters via an HSL message directed to the unit which has the folder. The annuitant will be advised it will take 90 days for a response to be made.

If the annuity was adjusted mechanically and the rate is correct, advise the field office that no further action will be taken. If the mechanical adjustment is incorrect or no adjustment was made, the manual award action serves as the response to the field's inquiry. No additional response is necessary to the HSL message unless the manual award cannot be processed within 90 days. If action will be delayed beyond 90 days, advise the field office.

6.8.13 Special Actions on December Vouchers

Since a December voucher establishes the January 1 monthly recurring payment rate, computations for all awards with accruals through November (December vouchers) must include the computation of the COL increased rate

Manual payment of the COL increase requires special actions:

- A. SS Benefit Reduction - If the new SSA COL rate is not available to the RRB, compute the SSA benefit reduction for tier 1 purposes only as follows:

Multiply the November pre-rounded SSA rate by the SSA COL percentage and round down to the nearest multiple of ten cents. Add the result to the November pre-rounded SSA rate and then round down to the nearest dollar.

Example: The 12-89 SSA pre-rounded rate is 429.90.

The 12-89 SSA rate is 429.00.

The 12-90 COL is 5.4%.

Step 1 - $429.90 \times 5.4\% = 23.20$ (Rounded down)

Step 2 - $429.90 + 23.20 = 453.10$

Step 3 - Rounded down 12-90 SSA COL rate to be used for tier 1 offset is 453.00.

Document the above computation in the remarks section of the award form where the COL SS reduction is shown.

Exception: In the event a pre-rounded SSA rate cannot be obtained from the information in file, use the dollar rounded November SSA rate to compute the December COL SSA rate.

The COL-adjusted SSA tier 1 offset amount computed for use on a December award action is considered correct and final, unless the tier 1 computations must be redone for another reason.

- B. SMI Premium - At the time a COL increase is applied to the annuity, it should also be determined if a variable SMI rate will apply.

Refer to [RCM 3.7.3.B](#), for information on the principle of variable SMI. Also refer to [RCM 3.7, Appendix D](#) for a detailed description of the conditions which will cause a variable SMI rate to apply.

- C. RUIA Clearance - Precede all updated COL annuity rates and SS benefit rates shown on a G-259 by a "#" sign. Enter "# 12-19--COL" in the remarks block.

Discontinue the "# 12-19--COL" notation effective January 1. BUSI will assume that on a G-259 dated January 1, or later all rates furnished with COL date breaks include the COL increase.

- D. Award Notices - The award letter prepared for a December voucher must include the COL information as well as annual tax and Medicare information.

1. COL Code Paragraphs

- (a.) December awards - Code paragraph 702 is included on December vouchers if a tier 1 and/or tier 2 COL increase is included in the next payment. Code paragraph 702 should not be used if the case does not have a December date break or the ABD/OBD is in December or later.
- (b.) January or later awards
- Code paragraph 700 should be included on manual awards if the case rejected on the most recent mechanical COLA operation or the initial award is being made and the ABD/OBD is prior to December.

- Code paragraph 701 should be included on manual awards if the case rejected in more than one past COLA operation.
2. Tax Code Paragraph
Code paragraph 702.1 should be included on all December vouchers.
 3. SMI Code Paragraph
Code paragraph 973.1 should be included on December vouchers if SMI premiums have been and will continue to be deducted from the monthly annuity payment.

6.8.20 SS Cost-of-Living

The mechanical operation to pay the cost-of-living (COL) increase to social security beneficiaries is processed separately from the railroad retirement annuity adjustment.

An extract of SSA's updated benefit records (MBR's) for RRB certified beneficiaries is matched against our social security payment inventory (SSPI), the record of all SS benefits paid by the RRB. SS benefits paid by the RRB by the first voucher cutoff date in December are mechanically increased in the SS COL operation.

The SS operation follows some general rules when adjusting SS benefits.

- If identifying information matches on both the MBR and SSPI records and the new MBR rate is greater than the current rate on SSPI, the SS COL operation pays the new MBR rate effective December 1.
- MBR records which do not match SSPI records are sent to the PAM system. If the MBR matches a PAM record, the PAM record is updated with the December rate.
- Any MBR which does not match a PAM record is matched against the orbit file of awards pending manual certification. If an MBR record matches an orbit record, a referral is produced, indicating that there is a pending SS award and giving the rates for manual updating.
- If it does not receive an MBR record for an SS benefit in force on SSPI, the COL operation mechanically increase the SS benefit by the COL percentage effective with the December rate.
- A referral is also produced for MBR records that do not match SSPI, PAM or orbit file records and for cases involving discrepancies in the identifying information or the payment status at either agency.

- If the COL operation pays the December rate indicated on the MBR, the adjustment is made under voucher number 987. If the COL operation pays a percentage increase because it cannot match a SSPI record to the MBR, the adjustment is made under voucher number 988. If a SSPI record is matched to the MBR, but, because of discrepancies, a percentage increase, rather than the MBR rate, is paid, the adjustment is made under voucher number 985.
- SSA applies rounding procedures to the MBR rates it sends to the RRB. Therefore, the COL operation pays the MBR rate and deducts SMIB premiums, if applicable, without any further rounding. However, if the SS COL operation pays a percentage increase, it rounds the December rate down to the nearest dollar amount before deducting SMIB premiums.

6.8.21 Referrals

The Social COL referrals are loaded to USTAR under work unit categories RSJ and RSV for retirement and SPG for survivor.

There are two types of SS COL referrals:

- Type A are rejects and requiring examiner handling to process the COL adjustment. These cases should be handled as soon as possible to prevent overpayments or to make a COL adjustment.
- Type B are cases requiring examiner review. For these cases, the social benefit was adjusted in the mechanical COL operation but require additional review by an examiner. In some cases, FAST-S/T transactions should be processed or G-607's should be prepared to correct the SSPI record.

There is a group of referred cases which are not loaded to USTAR, although referrals are produced for these cases, they do not require examiner handling. Most of these cases are controlled by some other means, such as PAM or KOR, and should be handled in the normal flow of work.

6.8.22 Referral Format

The format for the USTAR source screen is shown below:

SEE EXHIBIT 9

The referral contains information from both the MBR and SSPI records. Most items are self-explanatory.

- Note that previous and current MBC (monthly benefit credited - formerly identified as

MBA: Monthly benefit amount) and MBP (monthly benefit payable) are shown in the MBR portion of the referral. The COL adjustment is based on the MBP amount. The only exception to this rule is the adjustment made for referral code 17.

- The trust fund indicator (TF IND) obtained from the MBR is shown, as well as the trust fund indicator obtained from SSPI. Code 0 is "unknown," code 1 indicates RSI, code 2 represents DI, and code 4 indicates receipt of both DI and RSI benefits.
- If a special code J, K or L is received from the MBR, it is printed on the 805 referral. However, these special codes, which indicate partial withholding or dual entitlement, are not considered in the COL adjustment, since they are sometimes unreliable. The display of these codes is simply informative to help you determine the status of the benefit payment. Code J is shown if a partial benefit is being paid. Code K is printed if the beneficiary is entitled to benefits on more than one SS account. Code L is displayed if both partial withholding and dual entitlement apply.
- The current rate shown in the SSPI section of the referral reflects the COL adjustment. If no COL adjustment has been made, the previous SSPI rate equals the current SSPI rate.
- If a payment is terminated or suspended at the RRB, a code appears in the T/S-IND item in the SSPI section of the referral. Code S (1) indicates suspension and code T (2) indicates termination.
- The SS earmark is printed in the SSPI portion of the referral. This code represents the status of the SS benefit after the current SS COL mechanical operation. See RCM 6.9.40 for a description of the earmark codes. These codes are listed in that section under item 67, "SS EAR MKS", Position 2.
- No entries are made in the MBR section of the referral if MBR data could not be matched with a SSPI record. Likewise, the SSPI section has no entries if an MBR record has no matching SSPI record.
- One of the following messages is printed at the bottom of each 805 referral.
 1. MBR RATE PAID
 2. SSPI PLUS PERCENTAGE INCREASE PAID
 3. REJECT - NO COL PAID

These messages will follow one of the messages listed in 6.8.23 explaining the reason for referral.

6.8.23 Referral Messages

Each referral message is assigned a numeric code. The referral type and numeric code assigned to each referral message, as well as the handling required, is described below.

REFERRAL CODE	REFERRAL TYPE	MESSAGES
1	A	<p>MBR IN SUSPENSE - SS TERMINATED AT RRB</p> <p>No adjustment is made if the MBR indicates suspended status and the RRB record is terminated. Prepare a RR-3 to notify SSA of the terminating event. Advise SSA of the paid through date, if applicable.</p>
2	A	<p>MBR LAF CODE E - SS SUSPENDED AT RRB</p> <p>Most of time, this referral is generated because of timing problems. SSA has changed the LAF code from S to E, but the RRB has not yet processed the reinstatement award. Check PAM and the MBR to determine the effective date of the adjustment and reinstate the SS benefit accordingly.</p>
3	A	<p>MBR LAF CODE E – RRB TERMINATED – AWARD PENDING ON PAM</p> <p>SSA has reinstated the SS benefit but RRB has not processed the reinstatement yet. Process the reinstatement or current pay award as necessary.</p>

4	A	<p>MBR LAF CODE E -SS TERMINATED AT RRB - NO PENDING PAM AWARD OR REFERRALSSA has the benefit in current pay status, LAF E. There is no pending referral for reinstatement or a current pay award at RRB. Check the termination code in our records and notify SSA of the terminating event. Provide paid through dates, if applicable.</p>
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REFERRAL CODE	REFERRAL TYPE	MESSAGES
5	A	<p>MBR TERMINATED – SS IN PAY STATUS AT RRB</p> <p>This referral is produced when the MBR indicates terminated status, but RRB has an active payment record. Verify reason for the MBR termination. Enter a FAST S/T transaction on the SS benefit. Adjust Tier 1, recovering as much of the LAF E SS benefit overpayment as possible. If the entire LAF E SS overpayment cannot be recovered, prepare a RR-3WD advising SSA of the remaining overpayment balance, including the reason for the late adjustment.</p>
6	A	<p>MBR TERMINATED - SS SUSPENDED AT RRB</p> <p>No adjustment is made if the MBR is terminated, and DATAQ indicates suspended status. FAST-S/T transactions should be processed to correct the DATAQ record.</p>

7	A	<p>MBR SUSPENDED – SS IN FORCE AT RRB</p> <p>This referral is produced when the MBR indicates suspended status, but DATAQ has an active payment record. The COL operation does not adjust the rate in force. Priority handling should be given to these referrals to resolve the discrepancy in payment status and to prevent possible overpayments.</p>
8	B	<p>MBR LAF CODE C – SS ALSO IN FORCE AT RRB</p> <p>If an MBR and a DATAQ record match on SS claim number and BIC, but the MBR contains a LAF code C, the beneficiary is receiving two payments - one from RRB and one from SSA.</p> <p>Review the case to determine which agency should be certifying payment of the SS benefit. If RRB is correctly certifying payment of the SS benefit, release an RR-3 and a T-3 to SSA via the priority fax process advising SSA to correct the LAF code on the MBR from “C” to “E”. In these situations, the SSA overpayment is the amount of the LAF “C” payments. RRB should not release a RR- 3WD in these cases.</p>

REFERRAL CODE	REFERRAL TYPE	MESSAGES
		<p>If RRB should not be certifying payment of the SS benefit, terminate the SS benefit and notify SSA of any overpayment via RR-3WD.</p>

9	B	<p>MBR LAF CODE C – SS IN SUSPENSE AT RRB</p> <p>The same procedure described in code 8 above is used to generate this referral. If duplicate payments are discovered, but the DATAQ record is suspended, no adjustment can be made. Release a T-3 to SSA to change the LAF Code from C to E. After SSA has changed the LAF Code, benefits should be reinstated. However, if the LAF Code C status is correct and SSA should be making payments, terminate the RRB payments.</p>
10	B	<p>MBR LAF CODE C - INCORRECT BIC OR SS CLAIM NUMBER – SS IN FORCE AT RRB</p> <p>If an MBR and a DATAQ record match on SS claim number and BIC, and the MBR contains a LAF Code C, review the case to determine if both agencies are paying the same SS benefit.</p> <p>If the SS claim number or BIC on DATAQ is incorrect, prepare a G-607 to correct the record.</p> <p>If in fact both agencies are paying the same SS benefit, determine which agency should be paying the SS benefit and adjust the case accordingly. Be sure to notify SSA via RR-3.</p>
11	A	<p>MBR LAF CODE C - INCORRECT BIC OR SS CLAIM NUMBER – SS IN SUSPENSE ON DATAQ</p> <p>Prepare G-607's to correct the BIC or SS claim number on DATAQ or prepare RR-3 to SSA. If RRB is terminating the SS benefit, be sure to include the paid through date on the RR-3. .</p>

12	NONE	RRB PAYMENT RECORD INDICATES DUE PROCESS
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REFERRAL CODE	REFERRAL TYPE	MESSAGES
		This category of referrals is no longer produced.
13	A	<p>PRE - COL SS RATE EQUALS COL MBR RATE</p> <p>If the pre-COL SS rate is the same as the COL MBR rate and the COL earmark does not indicate COL activity, review the case to determine if RRB paid the SS COLA rate too soon. Check PREH 3277 and imaging. If the SS COLA rate was paid too early, complete a RR-3WD and send it to SSA.</p>
14	NONE	<p>PRE-COL SSPI NOT EQUAL TO PRE-COL MBR - PENDING RR-1E</p> <p>This referrals is obsolete.</p>

15	B	<p>PRE-COL SS RATE NOT EQUAL TO PRE-COL MBR - NO PAM AWARD PENDING</p> <p>This referral is produced if the pre-COL SS rate is not equal to the pre COL MBR rate. Review the SS rates paid prior to the COLA to determine if any additional SS benefits are due.</p> <p>Note: If partial withholding to recover a SMI arrearage was previously entered on the SS benefit, the SS COLA wipes this withholding out so the examiner will have to reenter the partial withholding.</p>
16	B	<p>MANUAL COL PAID EXCEEDS MBR COL RATE</p> <p>A SOLAR award was processed on a December voucher and the rate paid is greater than the December rate shown on the MBR. The SS COL did not adjust the rate. Process a SOLAR award (and adjust Tier 1 accordingly) using the rate shown on the MBR.</p> <p>Exception: If RRB is paying a combined SS benefit and SSA has erroneously picked up payment of one of the benefits, do not adjust the SS benefit being paid at RRB. Instead, advise SSA via RR-3 to correct their records and re-combine the dual payment under the BIC A account number.</p>
REFERRAL CODE	REFERRAL TYPE	MESSAGES

17	B	<p>PRE-COL SS RATE > COL MBP RATE – (MBC RATE PAID BY COL)</p> <p>Most times SSA has a garnishment or PWH reduction in force, but RRB has not yet processed the adjustment. The SS rate is adjusted for the withholding in the COL. Review the case to see if the SS adjustment was applied timely. If not, notify SSA via RR-3.</p> <p>Even though the SS rate is adjusted in the COL, review the MBR to make sure the correct SS rate is being paid. If not, process a SOLAR award accordingly.</p>
18	A	<p>PRE-COL SS RATE > COL MBP AND MBC</p> <p>Possible dual entitlement at SSA. If RRB was paying a combined SS benefit and now SSA has picked up the auxiliary benefit LAF C, do not adjust the SS benefit at RRB.</p> <p>Instead, prepare a RR-3 and advise SSA that they have begun paying LAF C benefits erroneously. The LAF C benefits represent the SSA overpayment so do not complete a RR-3WD or T-3 in this situation.</p> <p>If the SS benefit has decreased for some other reason, adjust the SS benefit and release a T-3 as needed.</p>
19	A	<p>MBR LAF CODE E - NO RRB PAYMENT RECORD</p> <p>Check RRB prefix, MBR RAIL line, BOAN, DOD and any pending PAM transaction. If the RAIL line is missing or incorrect, complete a G-60S to correct the information. If any information on CHICO is incorrect, complete a G607 to correct the information.</p>

20	NONE	<p>MBR LAF CODE E - PENDING RR-1E</p> <p>This referral is produced if an MBR record cannot be matched to a corresponding SSPI or PAM record, but can be matched to an SS award pending on the orbit file. Since no payment is in force, no COL adjustment is made.</p>
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REFERRAL CODE	REFERRAL TYPE	MESSAGES
		Before processing the SS award, update it with the COL rate found on the MBR.
21	A	<p>MBR MATCHED TO PAM - PAM UNABLE TO PROCESS</p> <p>PAM has matched a record on the MBR but cannot process a COL adjustment for some reason (e.g., discrepant LAF codes or rates, dual entitlement, etc.). The benefit is probably terminated due to the employee's death. Review the case to determine if any adjustment prior to the termination is due. Process a FAST S/T or SOLAR award as needed.</p>
22	B	<p>DUPLICATE PAYMENTS AT RRB</p> <p>Two records on CHICO/PREH contain the same SS claim number, BIC, and BOAN. If the BIC or BOAN is incorrect, prepare a G-607 to correct the record. Also, review the case to make sure duplicate payments are not being made.</p>
23	A	<p>COL EXCEEDS MAXIMUM %</p> <p>Check for a dual entitlement, partial withholding involvement or SMI withholding from the SS benefit. Adjust the case as needed.</p>

24	B	<p>DUPLICATE MBR RECORD</p> <p>If two MBR records are found with the same SS claim number and BOAN, and no match is made on SSPI or PAM, this referral is produced. Since no match to an RRB record is made, no adjustment can be processed.</p> <p>Notify SSA to take corrective action on the MBR.</p>
25	NONE	<p>SS IN PAY STATUS AT RRB – NO MBR</p> <p>Determine why there was no MBR match. Check the social security claim number and BIC on DATAQ and PREH. Prepare a G-607 to correct the SS claim number and/or BIC as needed. Also, check the RAIL line on the MBR. If it is missing or incorrect, prepare a G-60s to input or correct the information.</p>

REFERRAL CODE	REFERRAL TYPE	MESSAGES

26	A	<p>RRB PAYMENT RECORD INDICATES DUE PROCESS - NO MBR</p> <p>Under normal processing circumstances, if a SSPI record is not matched with an MBR, the SSPI record is adjusted by the percentage increase to produce the new COL rate. However, if a due process code is present in the SSPI record, no adjustment is made. Follow the procedure outlined in referral 25 above to determine if the SSPI record has an erroneous claim number or BIC. If necessary, prepare form G-607 to correct the SSPI record. Pay the COL increase when the due process code is removed.</p>
27	NONE	<p>PARTIAL W/H IN FORCE – NO PARTIAL WITHHOLDING ON THE MBR</p> <p>Check to case to see if partial withholding of a railroad annuity or SMIB arrearage is being recovered from the SS benefit. If so and the required withholding is complete, prepare a SOLAR award to remove the partial withholding. If the required withholding is not complete yet, make sure the case is controlled to remove the partial withholding at the appropriate time.</p> <p>Also, the withholding could be for a SS overpayment that we began withholding for at a later date than SSA originally requested. If this is the case, advise SSA via RR-3 of the circumstances and provide them with the expected recovery date.</p>

28	NONE	<p>MBR SUSPENDED OR DEFERRED - NO RRB PAYMENT RECORD</p> <p>This referral is produced if an MBR record is in suspended or deferred status and does not match a SSPI, PAM or orbit record. Consequently, no adjustment can be made. Follow procedures outlined in referral code 19 for handling referrals in this category.</p>
32	B	MBR TRUST FUND = DI; RRB TRUST FUND = OASI

REFERRAL CODE	REFERRAL TYPE	MESSAGES
		The social rate is correct but is being paid from an incorrect trust fund. Complete G-607 to correct CHICO and a G-92 to transfer funds.
34	B	<p>MBR TRUST FUND = OASI; RRB TRUST FUND = D1</p> <p>The social rate is correct but is being paid from an incorrect trust fund. Complete G-607 to correct CHICO and a G-92 to transfer funds.</p>

6.8.24 Employee Lag Recomputation

Prior to 1989, railroad compensation earned in the employee's ABD year and any delayed retirement credits earned in the ABD year were included in the computation of tier 1 through an annual mechanical mass adjustment. The adjustment was effective with the month of January and was generally processed in the first half of the calendar year; accruals were issued for the tier 1 increase due from January up to the month the adjustment was performed.

The LAG/DRC adjustment paid a PIA 1 that was based on the compensation reported on form G-88a by the railroad employer at the time the employee filed for an annuity. This PIA was computed at the time the initial SEARCH calculations were performed for the case, and the PIA was stored in the master benefit file (MBF). The PIA paid by the Lag/DRC adjustment did not reflect any changes in compensation which the railroad may have made between its G-88a report and its final report for the same year.

The Lag/DRC adjustment was eliminated in 1989 when the RAIL operation was created.

6.8.25 Annuitants Who Were Considered In the LAG/DRC

Adjustment

The Lag/DRC adjustment considered all employees who had ABD year earnings high enough to cause an increase in PIA 1. Age and service employees were not included in the adjustment until the year following the year the employee attained age 62.

The Lag/DRC adjustment also considered employees who were over 65 in the ABD month and, therefore, accrued DRC's in the ABD year.

6.8.26 Windfall Cutback

Each fiscal year (October 1 payment thru September 1 payment), Congress will appropriate a certain amount of money to be used to pay the windfall benefit. If the amount provided is less than the amount needed to pay the full windfall, the Board must distribute the money evenly. Therefore, all railroad retirement annuitants who receive a windfall benefit in their payment will share the cutback proportionately. This means that each year, it is possible to have a different cutback percentage.

A mass adjustment to either reduce or increase the windfall reduction percentage is scheduled each year for the 10-1 payment. The mass adjustment will include all annuities with a windfall, in current pay status in September, and vouchered in August of the current year or earlier.

6.8.27 Preparation of Pre-Adjustment Vouchers and Form G-96 After August Cut-Off

All annuities with a windfall must consider the new reduction percentage for September or later accruals (October vouchers). This also means that mechanical and manual initials, reinstatements, recert-reinst, and recertification awards processed with an August accrual must set up the September payment (October 1 check) considering the new windfall reduction percentage.

The new monthly October 1 rate minus the SMI premium should be used on any G-96 prepared to stop the November 1 check or later check. (The G-96 will reject if the prewindfall cutback minus the SMIB rate is used.

6.8.28 Check Rate after Windfall Cutback Too Small To Deduct SMIB

In a few cases the check rate after windfall cutback is too small to deduct SMI premiums. In such cases, a listing is produced around September 4. Examiners

should suspend the listed cases in order to stop the October 1 check from going out. The suspension automatically puts the annuitant on direct billing. The annuitant should be put into pay status as the windfall cutback rate as soon as possible with an explanation of the cutback in the reinstatement letter.

6.8.29 Mechanical Clearance for Annuities Included In Mass Adjustment

P&S will furnish RUIA a tape file with the September rate of all railroad retirement employee annuitants who last worked in railroad industry in the past 40 months and were selected for the mass adjustment.

6.8.30 Type Of Notification

A check insert is used to explain the new windfall percentage reduction effective each fiscal year (or for charges in a particular fiscal year).

6.8.31 Special Categories Not Mechanically Adjusted

- Interim Widows - If the widow is a spouse in the CHICO record at the time cases are selected for the mechanical adjustment, the claim will reject. Since widows are entitled to receive at least as much as they received as a spouse the month before the employee died, there are no overpayments in interim widow cases.
- Partial Awards - Include both IMPACT and SPAR cases. RASI will pay the windfall cutback at the time the case is paid final.

6.8.32 AERO Recomputation

An AERO (Automatic Earnings Recomputation Operation) adjustment recomputes PIA 1 and PIA 9 to include the latest social security wages which have been posted by the Social Security Administration. If these wages were earned by the employee in a year prior to the ABD year, the PIA increase is payable from the ABD. If the wages were earned in the ABD year or a subsequent year, the PIA increase is not payable earlier than January of the year following the year the wages were earned.

- In age and service cases, other than law year 83 reduced 60/30 cases a PIA increase attributable to earnings in the ABD year or later years cannot be paid until January of the year following the year the employee attains age 62.
- In law year 83 reduced 60/30 cases, the PIA cannot be increased for earnings in the

ABD year through the year the employee is 61 until the first month the employee is 62 the entire month. Any PIA increase attributable to earnings in the years the employee is 62 or older cannot be paid until January of the year following the year the wages were earned.

- In disability cases, a PIA increase attributable to earnings in the ABD year or later years cannot be paid until January of the year following the year the wages were earned.

The first AERO adjustment was performed in 1978. Appendix E provides a chart of the history of the AERO adjustments since that time. In 2006, the annual AERO adjustment was replaced by the RESCUE system.

As the first step in the AERO adjustment, a record of wages for all employees is obtained from the Social Security Administration. Prior to 1993, a request was sent to SSA to obtain wage records; beginning in 1993, the wage records in the EDM database are used. A request is sent to SSA only if EDM has no wages for the employee or EDM has an indication the employee has multiple social security numbers. If wages are obtained directly from SSA for the AERO, the wage record on the AERO G-90 may not be the same as the wage record in EDM.

The second step in the AERO process is the calculation of PIA 1 and PIA 9 by the SEARCH system using the updated wage record.

NOTE: The AERO does not adjust disability employees if the wages being considered are earned in a year after the employee's ABD year and prior to attainment of age 65. Post ABD earnings may require withholding of a disability annuity. When the disabled employee attains age 65, (s)he is selected for AERO consideration.

6.8.33 Annuitants Considered In the AERO Adjustment

Beginning in 1994, the AERO adjustment is scheduled in September to adjust the October 1 payment to include wages earned in the previous two years. In most cases, the Social Security Administration posts wages for a year by August of the following year; in about five percent of its cases, SSA is not able to post the earnings until after August. Cases with this delayed posting are not included in the AERO until the following year. Each AERO operation looks at the latest two earnings years to insure that SSA's late postings are captured.

For the operation to consider an employee, (s)he must be paid final as of July, and the AERO PIA 1 produced by SEARCH must exceed the current PIA 1 by \$1.00 or more.

Spouse annuitants are considered in the AERO if the employee is considered, the spouse is paid final as of recertification cut-off in September (August prior to 1996), and the spouse is eligible for a tier 1 adjustment.

NOTE: As part of the EDP review process of spouse awards paid by RASI after recertification cut-off in September, examiners should determine if the employee was adjusted in the AERO, and if RASI used the AERO increased PIA for the spouse award. If the AERO PIA was not used, the spouse annuity should be recertified to reflect the AERO PIA 1 if the spouse is eligible for such an adjustment. If the employee receives a law year 83 reduced 60/30 annuity, the spouse is not eligible for the PIA 1 recomputation until the spouse is 62 for a full month.

If the annuitant has tier 1 work deductions in force, the case is adjusted in the AERO. However, since the additional earnings cause the tier 1 work deduction component to increase by the same amount as tier 1 is increased, the net annuity does not change. If only tier 2 and/or vested dual benefit work deductions are being withheld, the AERO adjustment is made and the annuity rate will increase.

6.8.34 Annuitants Who Cannot Be Adjusted In The AERO

The following categories of annuitants are considered in the AERO but the mechanical adjustment cannot be made in tier 1:

- Annuitants who are suspended (unless the suspension code is 35 or 69) or terminated before FAST cut-off in September. Beginning in 1996, if the record is suspended to recover an overpayment from the October 1st payment (code 35 or 69), the AERO will adjust the monthly rate and the AERO accrual will be released. ASTRO will then take its overpayment recovery action and reinstate the new rate.
- Employees whose earnings record has some wages that may be a duplication of railroad compensation, as determined by the SEARCH system.
- Disability annuitants who have a worker's compensation or public disability benefit offset in tier 1. The effect of the additional earnings on the WC/PDB offset cannot be mechanically determined
- Annuitants paid under the overall minimum formula.
- Law year 83 reduced 60/30 annuitants who are not yet eligible for or are eligible for but have not yet received the tier 1 recalculation due at age 62.

- Employees who have a percentage of their annuity garnished. Part of the employee's tier 1 increase may have to be paid to the third party.
- Employees dually entitled to a spouse or widow annuity if the tier 1 of the auxiliary annuity is not completely offset by the dual entitlement reduction. The auxiliary annuity must be reduced in conjunction with the increase in the employee annuity.
- Employees who's PIA 1 must be modified for non-covered service pension entitlement. SEARCH cannot provide the modified PIA for the AERO.
- Disability annuitants who have earnings between the ABD and the year FRA is attained. The intervening earnings must be monitored and work deductions may need to be assessed.

Appendix K explains the reject and review codes used in the AERO.

6.8.35 AERO Accrual Payment

Generally, additional wages can be used in PIA 1 beginning in January of the year after the wages are earned. Because SSA does not post the wages until August or later, the AERO must pay a retroactive accrual amount.

The AERO accrual is issued in the third week of September and represents the amount due from the effective date of the PIA increase through August. The effective date of the PIA increase can be one of several dates, depending on the employee's earnings record and the limitations of the mechanical adjustment. The effective date may be:

- January 1 of the year the AERO is performed if earnings in the previous calendar year cause the PIA increase, or
- January 1 of the year before the AERO is performed if earnings in the second previous calendar year cause the PIA increase, or
- The annuity beginning date, or

The first month the annuitant is 62 the entire month (applies only to law year 83 reduced 60/30 cases), or

- The month the annuitant became entitled to social security benefits, the SSA offset amount changes, or the SSA terminates, or

- The month the spouse becomes entitled to a public service pension, the PSP offset amount changes, or the PSP terminates, or
- The month the spouse becomes entitled to an employee annuity, or
- The month all the delayed retirement credits currently on record are payable

Note: Prior to the October 1, 1994 AERO, the accrual effective date could have been December 1 of the year prior to the year the AERO adjustment was performed if the annuitant rejected in COLA operations and had not yet been adjusted manually.

If the employee had earnings in both of the last two years and both years increase PIA 1, the AERO will pay the later increase from January of the current year. The case is earmarked with review code 40 so that the increase due for the previous year can be paid.

In some situations, the October 1 monthly recurring payment will be adjusted to include the tier 1 increase, but the accrual cannot be paid. This is true in the following situations:

- the annuitant is entitled to social security benefits which are paid by the Social Security Administration (LAF C benefits), and those SSA benefits can increase because of the employee's earnings ("A" benefits for the employee or "B" benefits for the spouse), or
- tier 1 work deductions, though no longer in effect, were withheld for some months in the accrual period, or
- tier 1 is offset for SSA benefits, but the SSA date of current entitlement is blank in PREH (3205-SS-BENF-CURR-ENT-DT)

Prior to 1986, the AERO accrual was issued the month after the recurring rate was adjusted. The accrual may not have been released if the case was suspended in that month. SAMM tapes can be used to confirm that the accrual shown on the AERO microfilm was actually released.

In the 1984 and 1985 AEROs the accrual may have been withheld if excess earnings were revealed during EDP policing.

In the 1984 AERO, the accrual was withheld if there were excess earnings in 1981. The SAMM tape labeled "9-84 AERO ONE PAY" can be used to confirm the release of the accrual.

- In the 1985 AERO, the accrual was withheld if there were excess earnings in 1982 and tier 1 was not offset for SSA benefits at the time the AERO was performed. The SAMM tape labeled "9-85 AERO ONE PAY" can be used to confirm the release of the accrual.

Beginning in 1986, the AERO accrual is released in the month in which the recurring rate adjustment is made. If an accrual amount is shown on the AERO microfilm or MAIS or PREH, that accrual was released unless the annuity is in code 98 suspended status at the time the AERO accrual is issued. In code 98 situations, the AERO accrual is added to the undeliverable amount being accumulated, and it will be issued at the time a corrected address is processed. If the annuity must be reinstated manually because a corrected address is not received within three months of the suspension date, the AERO accrual should be issued as part of the award.

The AERO accrual is deposited with the financial organization if the annuitant is enrolled in the direct deposit program. Otherwise, a check is sent to the annuitant's home address.

6.8.36 Calculation Of The AERO Accrual

The AERO adjustment calculates the increased net tier 1 to be included in the recurring monthly rate payable for September. The rate increase amount is computed by taking the difference between the increased net tier 1 and the pre-adjustment net tier 1. This amount is multiplied by the number of months in which the new monthly rate applies; the new monthly rate applies from the later of the accrual effective date or December 1st of the previous year.

The accrual period covers more than one date break if the accrual effective date is before December 1st of the previous year. The cost-of-living increase is removed from the net tier 1 increase amount computed for the new monthly rate. The result is multiplied by the number of months between the accrual effective date and November of the previous year.

The accrual amounts computed for each date break are added to determine the total accrual to be paid.

Example: The October 1, 1998 AERO computes a PIA increase payable effective January 1, 1997. The net tier 1 computed by the AERO for inclusion in the October 1 payment is \$626.00. The annuitant was receiving a net tier 1 of \$593.00.

The net tier 1 increase of \$33.00 included the December 1997 COL increase of 2.1

percent. To determine the net tier 1 AERO increase payable for months prior to December 1997, \$33.00 was divided by 1.021, producing an amount of \$32.40.

The total AERO accrual payment was calculated as follows:

\$32.40 X 11 months from January through November 1997 = \$356.40

\$33.00 X 9 months from December 1997 through August 1998 = 297.00

Total accrual = \$653.40

This AERO accrual process does not always produce whole dollar net tier 1 increase amounts. Examiners should not adjust tier 1 solely to round the increase amounts paid by the operation.

6.8.37 Aero G-90 Forms

Prior to 2001 AERO, G-90s were printed for all cases in which there was an increase in the PIA 1 or PIA 9, including those that reject from the AERO operation. Beginning in 2001, AERO G90s are no longer printed; they are available in GOLD.

The paper AERO G-90 had the caption, " (YEAR) AERO, Associate and File Down," in item 1U. The year shown was the calendar year in which the PIA increase was payable. For example, the G-90 forms produced for the May 1, 1991 AERO displayed "1990 AERO, Associate and File Down" in item 1U. The 1991 AERO added 1989 wages to PIA 1 so the increase was payable effective January 1, 1990. The last earnings year considered in the computation of the PIAs was the year immediately preceding the year shown in item 1U.

On GOLD the Messages block provides the information previously found in item 1U of the paper G90. For the 2001 AERO, the Message was "2001 AERO" indicating that earnings through 2000 were considered in the PIA. Beginning with the 2002 AERO, the Messages block shows "AERO (year)". The year indicates the last earning year considered in the computation of the PIAs.

The last earnings year considered in the computation of the PIAs is the most recent wage year posted by SSA for most cases. In rare instances, SSA may have collected and posted wage information for a later year; however, the AERO ignores any wages posted to years after the year in the Messages block on GOLD.

The wage amounts used by the AERO are those posted by SSA as of the "SS reply" date (item 3O of paper G90s; SS Reply block on GOLD). If SSA made any corrections to the wage record since that date, those corrections will not be considered by the AERO. Examiners should compare the SS reply date of an AERO G90 to the SS reply date on other current G-90s. For manual award actions, use the G-90 with the latest SS reply date.

Prior to 2002, AERO PIA 1 amounts were provided as follows: A.

All cases except reduced lawyear 83:

1. ABD year was two or more years before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

The first PIA 1 was computed using earnings through the second year prior to the year shown. The PIA effective date ("Recomp Eff." On paper G90s; "Eff Dt" on GOLD) was shown as January 1 of the year before the year shown in item 1U or the Messages block. The second PIA 1, if any, was computed using earnings through the year before the year shown in item 1U or the Messages block. The effective date for this PIA was shown as January 1 of the year shown in 1U or the Messages block.

2. ABD year was the year before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

One PIA 1 was computed using earnings through the ABD year. The effective date for the PIA was shown as January 1 of the year following the ABD year.

3. ABD year was the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

The first PIA 1 was computed using earnings through the year before the ABD year, and it was payable on the ABD. No effective date was shown for this PIA. The second PIA 1, if any, was computed using earnings through the ABD year. The effective date for this PIA was shown as January 1 of the year after the ABD year. B. Reduced lawyear 83 cases:

1. Employee attained age 62 two or more years before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

The first PIA 1 was computed using earnings through the second year prior to the year shown. The effective date of the PIA was shown as January 1 of the year before the year shown in item 1U or the Messages block. The second PIA 1, if any, was computed using earnings through the year before the year shown in item 1U or the Messages block. The effective date for this PIA was shown as January 1 of the year shown in item 1U or the Messages block.

2. Employee attained age 62 before October of the year shown in item 1U of a paper G90 or in the Messages block of GOLD:

The first PIA 1 was computed using earnings through the year the employee was age 61, and it was payable from the first month the employee was 62 for the full month. No effective date was shown for this PIA. The second PIA 1, if any, was computed using earnings through the year of attainment

of age 62. The effective date for this PIA was shown as January 1 of the year after the employee attained age 62.

3. Employee attained age 62 after September of the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

One PIA 1 was computed using earnings through the year prior to the ABD year. The PIA was payable on the ABD, and no effective date was shown.

The PIA 1 shown on AERO G90s prior to 2002 may actually be payable from an earlier date than the effective date shown on the G90. Examiners should verify the date against the earnings record.

The PIA displayed next to the number 5 in item 10A of a paper AERO G-90 (or in the PIA 5 block on GOLD) was the PIA used as the basis for the tier 1 amount being paid prior to the AERO adjustment. This PIA which was compared to the PIA(s) calculated by SEARCH to determine if an increase was payable.

Paper G-90 forms were printed for adjusted cases and all rejected cases except reject codes 01 and 05.

Beginning with the 2002 AERO, the AERO G90s on GOLD provide up to 19 occurrences of PIAs 1 and 9. The most recent recomp PIA is shown and up to 18 earlier PIA amounts. The effective dates for each PIA are accurate.

Unlike G-90s produced daily by SEARCH (for RASI, for a G-60 request), most mass adjustment G-90s are not kept in the orbit file which PREH uses to update G-90 information. AERO G-90s are not orbited if the AERO adjusts the case; the G-90 information for adjusted cases is entered into PREH as part of the AERO update to the database. AERO G-90s are not orbited if the case is rejected because the AERO SEARCH calculations may not be correct (reject codes 16, 23, 26, 29, 30, 31, 37, 39, 62, 65, 68, 70, 74, 75, 80, 81, or 84). Effective with the 1998 AERO, the G-90 information for all other AERO reject codes is placed on the PREH orbit file. When the case is adjusted, the AERO G-90 date can be shown on the ROC award; PREH will update information in the normal manner.

NOTE: If the employee was paid final before April 28, 1994, the FAMC on the AERO G90 is not placed on the orbit file. SEARCH computes the FAMC in all cases using new rules which do not apply to these cases. The tier 2 basic amount on the AERO G-90 is

not placed on the orbit file. The amount is not correct if the employee has military service that is creditable as RR service and was used as RR service.

Some AERO G90s contain a message indicating re-entry B actions are needed. These G90s are not sent to CCU automatically. Examiners should forward a G-563 to CCU if tier 1 is reduced for work deductions currently or in the past and railroad earnings before 1975 are different on the AERO G90 compared to earlier G90s. CCU must compute PIA 17 in this situation.

6.8.38 AERO Adjustment Notices

Employees are notified of the tier 1 adjustment and the retroactive accrual payment with form T-13, and spouses receive form T-14. Samples of the notices can be found in Exhibits 2 and 3.

6.8.39 Records of the AERO Adjustments

Various records are produced to document the AERO adjustment.

1. Microfilm - a microfilm record of each AERO adjustment was produced through May 1991. The film uses the standard mass adjustment information format described in Appendix A, Section I. The film title gives the date of the AERO adjustment and the wage year that was the focus of the operation.

Codes are displayed on the microfilm to indicate the AERO accrual effective date. The chart in Appendix E provides the codes and corresponding dates for all AERO adjustments.

The AERO microfilm displays all pertinent tier 1 data. Only net tier 2 and net vested dual benefit amounts are shown for these annuity components since the AERO does not adjust those components.

2. G-358 - folder notices were produced for each AERO adjustment through May 1990. The G-358 forms show the same information as the microfilm.
3. DATA-Q - the adjusted monthly recurring rate is displayed on DATA-Q. The rate is identified by a September voucher date and a mass adjustment voucher number 472 or 473.

If the AERO pays an accrual amount, the amount of the accrual is displayed under "ACCRUAL" on the DATA-Q screen. If the "ACCRUAL" field is blank, the AERO accrual rejected.

Prior to 1998, DATAQ displayed earmarks for cases rejected or coded for review in the AERO. Effective with the 1998 AERO, these earmarks are no longer

carried on DATAQ. The PREH mass adjustment screen provides information on reject and review cases.

4. Beginning with the May 1991 AERO, the mass adjustment information is available on the on-line Mass Adjustment Inquiry System (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details. Effective with the October 1996 AERO, MAIS is no longer updated for the AERO. The AERO information can be found in PREH.
5. Beginning with the October 1995 AERO, the adjustment information is available in the PREH database. For non-rejected cases, the following records are posted to the database:
 - Tier 1 record(s) with a beginning date which reflects the accrual effective date from the AERO adjustment. If the accrual effective date is before December of the previous year, two tier 1 records are posted for the AERO.
 - Rate record(s). Two records are posted if the accrual effective date is before December of the previous year.
 - An accrual record if the AERO paid an accrual amount. The accrual effective date is shown in this record.
 - A new recurring payment record
 - A deduction record if the annuitant's payment is reduced for tier 1 work deductions or tax withholding and the tax amount changes
 - A mass adjustment record

For rejected cases, a mass adjustment record is posted to the database.

In three situations, the mass adjustment record shows a calculation reject code (3250-MASS-ADJ-CALC-REJ-CD) but the adjustment result code (3250MASSADJ-RESULT-CD) is '1', or adjusted. No action is needed in these situations:

- Code 88 is shown if the PIA increase did not produce an increase in the monthly rate. This happens if 1) tier 1 is reduced to zero by an offset or 2) tier 1 work deductions are in force
- Code 01 is shown if the AERO earnings increased the years of coverage for PIA 1, but not the amount of the PIA
- Code 05 is shown if the earnings in the AERO year (eg., for the 1998 AERO, 1997 was the AERO year) were:

- too low to increase the PIA. The earnings shown on EDM for the AERO year are less than the amount shown in PREH in 3300-PIA-1-LOWCOMPU-YRAMT.
- already included in tier 1. The earnings shown on EDM for the AERO year are greater than or equal to the amount shown in PREH in 3300-PIA1-LOWCOMPU-YR-AMT.

If the recurring rate adjustment is made by the AERO, but the accrual is rejected, 3250-MASS-ADJ-SPEC-2-CD on the PREH screen shows "A" followed by the accrual reject code.

6.8.40 Tier 2 Increase (Additional Compensation and/or Service Months)

Background - Due to the untimely reporting of compensation and/or service months, a process was developed to identify and calculate a new gross tier 2 from AERO SEARCH activity.

Purpose - The process identifies cases in which service and/or compensation was not reported in time for the RAIL mass adjustment.

When will this occur - The process is performed in September of each year.

Selection - Cases are selected under the following conditions.

- Employee is not in terminated status.
- Compensation is reported in the current year less 1 or the current year less 2, i.e., current year 1998 - employee selected if compensation is reported for 1997 or 1996.
- Annuity beginning date (ABD) is in the current year less 1 or the current year less 2, i.e., current year 1998 - employee selected if ABD is in 1997 or 1996.
- Tier 2 increase is greater than \$1.00.
- Employee will not be selected in the next RAIL mass adjustment (i.e., 1999 RAIL).

Tracking	Cases identified are not earmarked on PREH. They are available on retirement STAR.
STAR	The following is located in the remarks section in retirement STAR.
Display	Function

MS	Number of military service months.						
RRMOS	Number of railroad service months.						
TOTMOS	Number of military service months plus railroad service used to compute gross tier 2.						
AMC	New average monthly compensation amount.						
Gross T2	New gross tier 2.						
Examiner	<p>The cases identified may be handled without the folder. The handling information used to compute the gross tier 2 is available in the retirement STAR remarks section. When adjusting tier 2 consider the following:</p> <ul style="list-style-type: none"> • Vested dual benefit reduction. • LPE work deduction. • RRA maximum reduction, etc. <p>If military service is involved, verify the number of months with:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Database</td> <td style="width: 50%;">Screen</td> </tr> <tr> <td>EDM</td> <td>MILSERV, PF22</td> </tr> <tr> <td>PREH</td> <td>RHMLTRY (3305)</td> </tr> </table>	Database	Screen	EDM	MILSERV, PF22	PREH	RHMLTRY (3305)
Database	Screen						
EDM	MILSERV, PF22						
PREH	RHMLTRY (3305)						
<p>Note: Consider any other adjustments that may be necessary, i.e., AERO reject/review pending, entitlement or adjustment to supplemental annuity, etc.</p>							
Folder	A screen print of the retirement STAR screen is to be used as document folder documentation of tier 2 calculation.						

6.8.44 RAIL Adjustment

Prior to May 1988, railroad lag service and compensation was collected from railroad employers as part of the initial application and payment process of individual employees. This step contributed to delays in initially paying retirees.

Beginning in May 1988, the Board stopped collecting lag information at the time the employee files for benefits, as long as the lag service is not required for eligibility. Lag service and compensation are now included in annuities through an annual mass

adjustment called the RAIL (Retirement Adjustment to Include Lag). The RAIL includes service months and compensation earned in the prior year which are posted to EDM as of May 1st.

The first RAIL operation was performed in 1989; it included 1988 railroad service and compensation posted to EDM by May 1, 1989. The first RAIL considered employees (and their spouses) who last worked in the railroad industry in 1988 or 1989.

The RAIL adjusts tier 1 and/or tier 2 to include increases resulting from the addition of lag service and compensation. The RAIL operations in 1989 through 1995 adjusted the September 1 payment; beginning in 1996, the RAIL adjusts the July 1 payment. Appendix F provides a chart of the RAIL history to date.

In 2006, the annual RAIL adjustment was replaced by the RESCUE system.

6.8.45 Adjustment of DRCs In The RAIL

Delayed retirement credits earned by the employee in the ABD year are added to tier 1 in the RAIL, regardless of when the employee last worked in the railroad industry.

6.8.46 Annuitants Selected for the RAIL

The RAIL considers all employees paid final through the date in May when SEARCH begins to use service and compensation earned in the previous year (for RAIL jobs 1989-95, employees paid final through the end of May were considered). Employees are selected for the RAIL if they last worked in the railroad industry in the current year or the previous year, or they last worked in the railroad industry two years ago but the annuity beginning date is in the current year or the previous year. The RAIL also considers employees if the ABD was in the previous year and the employee was between ages 65 and 70 on the ABD.

Spouses are considered in the RAIL if the employee is considered, and the spouse was paid final before recertification cut-off-in June (July for RAIL jobs 1989-95).

NOTE: As part of EDP review of RASI spouse awards paid final after the cut-off in June, examiners should determine if the employee is adjusted in the RAIL. If so, the spouse rate should be recertified manually.

The mass adjustment considers all types of employees who have lag railroad service, including reduced 60/30 annuitants who are under age 62. If a reduced 60/30 annuitant has attained age 62 but has not yet received the tier 1 recalculation due at age 62, the RAIL performs the age 62 recalculation.

Beginning in 1996, the RAIL uses a master benefit file which reflects all award activity through the June pre-period, so cases will not reject just because there is an award

action in the same month as the mass adjustment. Cases in suspense in June will reject, except ASTRO single month suspensions (suspension codes 35 and 69). Examiners should consider lag railroad service in preparing July or later vouchers to reinstate suspended cases.

Appendix L explains the reject and review codes used in the RAIL.

6.8.47 RAIL Tier 1 Computation

A PIA 1 is calculated by the SEARCH system for the RAIL. SEARCH will compute the PIA using all compensation and wages posted to the employee's account for years prior to the year the RAIL operation is performed. For example, the 1996 RAIL considered all compensation and wages posted as of May 1996 for years through 1995. The new PIA is used in the tier 1 calculation only if it exceeds the current PIA by at least \$1.00. If the new PIA increases or decreases by less than \$1.00, no tier 1 calculation is performed. If the PIA decreases by \$1.00 or more, the case is rejected.

The spouse tier 1 calculation is based on the same PIA as the employee tier 1 except in reduced 60/30 cases if the employee is over 62 but the spouse is under 62. If the employee attains age 62 in the ABD year, the ABD and age-62 PIA are the same; the PIA 1 used for the spouse tier 1 is the PIA provided by SEARCH reduced by the employee's ABD age reduction factor. If the employee attains age 62 after the ABD year SEARCH does not provide the ABD PIA upon which the spouse tier 1 should be based. In this instance the employee's ABD PIA in the Payment, Rate, Entitlement and History database (PREH) is used for the spouse; no change is made in the spouse tier 1.

In age and service annuities, tier 1 cannot include earnings in the year the annuity begins as long as the employee is under age 62. For full 60/30 employees who retire in the lag year, the RAIL makes any change necessary to the ABD tier 1 resulting from changes in earnings for years before the ABD year. The RAIL does not include ABD year earnings in tier 1 if the full 60/30 employee is under age 62. If the ABD year earnings are high enough to produce an increase in the PIA, tier 1 is adjusted automatically at the later date when the employee becomes eligible for the recomputation.

The tier 1 calculation may reject or be bypassed if no tier 1 adjustment is required, and the tier 2 calculation is performed.

6.8.48 RAIL Tier 2 Computation

SEARCH provides the new tier 2 basic annuity which reflects service and compensation through the latest year reported by railroad employers. This amount is adjusted for the vested dual benefit reduction if appropriate.

If lag service for the current year was initially developed to establish the employee's eligibility, that service information is stored in PREH and is included in the calculations.

Military service months are included in the RAIL tier 2 computation if PREH shows that a period of M/S is creditable under the Railroad Retirement Act and was used as railroad service in the initial award.

6.8.49 RAIL RRA Maximum Test

SEARCH provides the FAMC which reflects all compensation reported to date. The RAIL calculates the new RRA maximum amount and the new annuity amounts subject to the maximum effective on the later of the ABD or the VDB date of entitlement. If the RAIL tier 2 adjustment date is the vested dual benefit effective date, examiners must test the RRA maximum for the period from the ABD to the VDB effective date.

If the RAIL test indicates the RRA maximum does not apply, the rate adjustment is made; if a maximum reduction was previously in force in the rate, it is removed. If the RAIL test indicates the RRA maximum applies, the case is adjusted if 1) only the spouse must be reduced for the maximum and 2) any resulting overpayment in the spouse's annuity is fully recoverable from the employee's accrual. Otherwise, if the RRA maximum applies, the case is rejected.

In cases adjusted only for additional DRCs, a RRA maximum test cannot be made. Such cases are rejected if a maximum reduction is currently in force.

A PARS record is created for cases in which the RRA maximum adjustment produces a spouse overpayment which is recovered from the employee's accrual. The identification code for the billing and cash receipt documents show "RAIL".

Effective with the 2003 operation, the RAIL no longer performs a RRA maximum test because all cases involved in the RAIL have annuity beginning dates after 2001.

6.8.50 RAIL Adjustment of Temporary Work Deduction Amounts

The RAIL computes a new monthly work deduction amount if temporary work deductions are currently withheld from the annuity. If the tier 1 work deduction is a partial amount, the RAIL continues to withhold that amount. If the tier 1 work deduction is the full component, the new tier 1 work deduction amount is calculated by adding the increase in the adjusted tier 1 to the tier 1 work deduction amount in force prior to the RAIL. If the annuitant receives a reduced 60/30 annuity and the RAIL performs the age 62 tier 1 recalculation, a new tier 1 work deduction amount is calculated based on the adjusted PIA 17 received from the SEARCH system.

The new tier 2 work deduction amount is half the adjusted tier 2 if full LPE work deductions are in force. If the tier 2 work deduction amount in force is only a partial amount, the RAIL continues to withhold that amount.

6.8.51 RAIL Accrual Payments

The RAIL adjustment corrects the recurring monthly annuity rate payable for June (July 1 payment)(September 1 payment for August for RAIL jobs 1989-95). The increase in tier 1 attributable to lag compensation is payable, in general, from the ABD or the following January; the increase in tier 2 attributable to lag service and compensation is payable from the ABD. The RAIL issues retroactive accrual payments for the months prior to June.

In certain situations, the accrual cannot be paid mechanically or the amount must be restricted:

- If the annuitant rejected in a previous COLA job and the COL has not yet been paid manually, the accrual cannot be calculated.
- If tier 1 work deductions are withheld, no tier 1 accrual is paid.
- If tier 2 work deductions are in force or tier 2 work deductions were withheld for some portion of the annuitant's entitlement period, only one-half the tier 2 accrual is paid.
- If the annuitant receives social security benefits and the SSA date of entitlement is after the ABD, the tier 1 accrual for months prior to the SSA date of entitlement cannot be calculated.
- If the increased PIA 1 and increased DRCs are payable from different dates, the RAIL cannot calculate the entire tier 1 accrual due.
- If the vested dual benefit date of entitlement is later than the ABD, the entire tier 2 accrual cannot be calculated in some situations.

The total accrual calculated by the RAIL is issued in the third week of June (third week of August for RAIL jobs 1989-95).

6.8.52 Calculation Of The RAIL Accrual

The RAIL calculates the increased net tier 1 and net tier 2 amounts to be included in the July 1 payment. The accrual payment uses the increase amounts for tier 1 and tier 2 (the differences between the RAIL tier 1 and tier 2 and the pre-adjustment tier 1 and tier 2). The tier 1 and tier 2 increase amounts are adjusted to remove cost-of-living increases if the tier 1 or tier 2 accrual effective date is earlier than the latest COL date.

The resulting tier 1 and tier 2 increase amounts are then multiplied by the number of months from the RAIL tier 1 and tier 2 effective dates through May.

The RAIL effective dates are:

1. Tier 1 - The RAIL tier 1 accrual effective date is:
 - the ABD, or
 - the month DRCs are payable, or
 - the month PIA 1 is payable, or
 - the SSA benefit date of entitlement, or
 - the first month the annuitant is 62 the entire month (lawyear 83 reduced 60/30 cases only)

2. Tier 2 - The RAIL tier 2 effective date is:
 - the ABD, or
 - the vested dual benefit effective date

6.8.53 RAIL G-90s

G-90 forms are produced by SEARCH for the RAIL adjustment. Paper RAIL G-90 forms show the caption, "RAIL (year)," in item 1U; on GOLD, the Messages block shows "RAIL (year)". The year displayed is the latest year for which employers have submitted final reports. The RAIL adds the service and compensation posted for this year to the annuity rate. Beginning in 1994, the RAIL also includes any SSA wages posted for the year.

Note: SEARCH will use the SS wages in EDM unless there is an indicator that the employee has multiple SSNs or EDM has no wages. In these situations, SEARCH will go directly to SSA to obtain a wage record for the employee. If SEARCH had to go to SSA, the earnings record shown on the RAIL G-90 could be different from the earnings record in EDM.

Item 2 of the paper RAIL G-90 forms ("Subsequent Service and Compensation Data" on GOLD) will show the creditable M/S months from PREH if military service is used as railroad service. If M/S is used as wage in the annuity, no M/S months will be shown, even though the creditability code for the M/S period indicates the period is creditable as compensation.

A "P" in the right hand margin of item 4 ("DM/LAG" column of Compensation Data on

GOLD) indicates the potential for deemed service months in the year earmarked. The RRB has released a GL-99 form to the railroad to obtain additional information needed to make the deeming decision; the RAIL G-90 does not reflect any deemed service months for the year. An "R" indicates a GL-99 was released and was returned by the railroad; the G-90 reflects any service months deemed for the year.

Item 13 of the paper RAIL G-90 ("Remarks" on GOLD) shows messages as follows:

- a. "Service After ABD" - the RAIL tier 2 calculation ignores all service months credited for months after the ABD. If more than three months are reported after the ABD, the case is rejected in the RAIL. The message, "Service After the ABD", is shown on the G-90. Assessment and Training investigates to determine if the post-ABD months are due to a return to service by the employee. If the employee worked in the reported months, PEMS sends the case to OP to adjust the ABD. If the employee did not work, the erroneous service months are removed from EDM. When PEMS advises that the correction is made, OP should request a new G-90 and adjust the case. See [RCM 7.4 Appendix A](#) for further information.
- b. "Possible Dup. Earns. - Wages Not Used in Years ___" - in its PIA calculations, SEARCH ignores any wages in a year 1978 or later if they equal the railroad compensation for the year. The years for which wages have been ignored are listed in the message. If the wages are legitimate, request revised PIA calculations to include the wages.
- c. "Possible Dup. Earns - BA#" ___" - the BA number in EDM belongs to a railroad which is known to have reported earnings to the RRB and SSA. For one or more years after 1977, there are wages posted which may be a duplication of compensation causing the PIA to be overstated. Cases in this category are rejected in the RAIL mass adjustment if investigation reveals the wages are erroneous. A manual PIA calculation is needed to exclude the erroneous wages.

The PIA data on GOLD provides the complete PIA history for the employee as of the date of the SEARCH calculations. The PIA 1 amounts and effective dates shown on the paper RAIL G-90s are as follows:

- a. All cases except reduced 60/30 cases:
 - ABD year the same as the lag year- the first PIA is based on earnings through the year before the ABD year and is payable on the ABD; the second PIA, if any, is based on earnings through the ABD year and is payable January 1 of the year in which the RAIL operation is performed.

- ABD year after the lag year - the PIA is based on earnings through the lag year and is payable on the ABD.
- b. Reduced 60/30 and the employee has not attained age 62 at the time the RAIL is performed in June (August for RAIL jobs 1989-95) -
- ABD year the same as the lag year - the PIA is based on earnings through the year before the ABD year and is payable on the ABD.
 - ABD year after the lag year - the PIA is based on earnings through the lag year and is payable on the ABD.
- c. Reduced 60/30 and the employee attains age 62 before July (September for RAIL jobs 1989-95) -
- Age 62 in the lag year - the first PIA is based on earnings through the year the employee is 61, and is payable in the first full month the employee is 62; the second PIA, if any, is based on earnings through the lag year and is payable January 1 of the year the RAIL operation is performed.
 - Age 62 after the lag year - the PIA is based on earnings through the lag year and is payable in the first full month the employee is 62.

Effective with the 1999 RAIL, G-90 information may be updated to PREH by entering the G-90 date on a ROC/PC/manual award: if the calculation reject is 01, 02, 05, 10, 11, 12, 15, 21, 34 through 39, 41, 49, 60, 61, 62 or 65; or if payment reject is 01, 02, 03, 07, 09, 11, 13 or 17. If information on the G-90 is discrepant, request a new G-90 accordingly.

6.8.54 Records of the RAIL Adjustment

Various records are produced to document the RAIL adjustments.

1. Microfilm - a microfilm record of each RAIL adjustment was produced through August 1991. The film uses the standard mass adjustment information format described in Appendix A, Section I. The film title gives the date of the RAIL adjustment and the compensation year that was the focus of the operation.

Codes are displayed on the microfilm to indicate the tier 1 and tier 2 accrual effective dates. The chart in Appendix F provides the codes and corresponding dates for the 1989-91 RAIL adjustments.

2. G-358 - folder notices were produced for each RAIL adjustment through August 1990. The G-358 forms show the same information as the microfilm.

3. DATA-Q - the adjusted monthly recurring rate is displayed on DATA-Q. The rate is identified by a June voucher date and a mass adjustment voucher number (472 or 473).

If the RAIL pays an accrual amount the sum of the tier 1 and tier 2 accruals is displayed under "ACCRUAL". If the RAIL accrual rejects, the "ACCRUAL" field is blank.

4. MAIS - information for the August 1991 through August 1995 RAIL operations is available on the on-line mass adjustment inquiry system (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details. Beginning in 1996, PREH replaces MAIS as the source for RAIL information.
5. PREH - beginning with the August 1995 RAIL, the mass adjustment information is available in the PREH database. For non-rejected cases, the following records are posted to the database:

- a. RHMADJ (3250) record

- MASS-ADJ-EFF-DT is June 1
- MASS-ADJ-TYP-CD is '3'
- MASS-ADJ-RESULT-CD is '1'
- MASS-ADJ-CALC-REJ-CD shows '88' if the addition of lag service and compensation does not change the monthly rate
- MASS-ADJ-SPEC-1-CD has a value if the record is earmarked for further review or adjustment by an examiner
- MASS-ADJ-SPEC-2-CD has a 'T' followed by a numeric code if the attempt to adjust tier 1 rejected. The code has an 'A' followed by a numeric code if the tier 1 accrual rejected.
- MASS-ADJ-SPEC-3-CD has an 'A' followed by a numeric code if the tier 2 accrual rejected

- b. RHTIER1 (3210) record(s) for each date break in the accrual period:

- If the RAIL PIA 1 was the same as the PIA already used to compute tier 1, no tier 1 adjustment is made. No RHTIER1 record is posted for the RAIL.
- If MASS-ADJ-SPEC-2-CD shows a tier 1 reject, no RHTIER1 records were posted for the RAIL

- If MASS-ADJ-CALC-REJ-CD in the RHMADJ record shows '88' (the total annuity rate did not change), the latest RHTIER1 record was posted for the RAIL
 - If MASS-ADJ-SPEC-2-CD shows a tier 1 accrual reject, the RHTIER1 record with the June 1 beginning date was posted for the RAIL
- c. RHTIER2 (3215) record(s) for each date break in the accrual period:
- If the calculation reject code is 88 (the rate did not change), the latest RHTIER2 record was posted for the RAIL.
 - If MASS-ADJ-SPEC-3-CD on the RHMADJ shows a tier 2 accrual reject, the RHTIER2 record with the June 1 beginning date was posted for the RAIL.
 - If there is a review code '36' (spouse) or '38'(employee), the first RHTIER2 record posted for the RAIL has a beginning date equal to the VDB date of entitlement. If there is no review code '36' or '38', the RAIL adjusted the case from the ABD; all the RHTIER2 records reflect RAIL information.
- d. RHWKDED (3278) record(s) for each date break in the accrual period (beginning with the 1996 RAIL)
- e. RHREDCT (3220) record if the annuitant's record is reduced for work deductions or for tax withholding and the tax amount changes
- f. RHRATE (3235) record for the current recurring rate
- g. RHRCPAY (3277) recurring payment record with a July 1 beginning date
- h. RHACOPO (3275) record if the RAIL paid an accrual amount. The payment beginning date reflects the earlier of the tier 1 or tier 2 accrual effective date.

For rejected cases, a RHMADJ (3250) record is posted to the database:

- MASS-ADJ-EFF-DT is may 1
- MASS-ADJ-TYP-CD is '3'
- MASS-ADJ-RESULT-CD is '2'
- MASS-ADJ-PYMT-REJ-CD has a value if the reject occurred when the RAIL attempted to put the new annuity rate onto the check writing master file
- MASS-ADJ-CALC-REJ-CD has a value if the reject occurred when the RAIL attempted to calculate the new recurring monthly annuity rate.

6.8.55 RAIL Adjustment Notices

Employees are advised of the RAIL adjustment with letter T-11, and spouses receive letter T-12. Prior to 2002, employees and spouses adjusted for the RRA maximum received form letters T-11a and T-12a if the spouse adjusted rate was lower than the pre-RAIL rate. Form letters T-11b and T-12b were released if the spouse adjusted rate increased, but the spouse was overpaid for a period of months prior to the effective date of the increased rate. Exhibits 4 and 5 provide samples of these letters.

6.8.56 SALSA

Special payments of separation allowance lump sum amounts (SALSA) are payable to employees if:

- a. The employee received a severance or separation allowance payment from a railroad employer after 1984, and
- b. Retirement tier 2 taxes were withheld from the severance/separation allowance payment, and
- c. All or part of the severance/separation allowance payment could not be used to produce regular retirement service credits.

In the mechanical SALSA operation, the SALSA calculation program calculates payable amounts for all retired employees for whom railroad employers have reported separation allowance payments. The amount calculated is then compared to the SALSA amount previously paid according to the Payment, Rate and Entitlement History database (PREH). The difference between the SALSA amount calculated and the amount previously paid are sent to the check writing system to be issued to the employee. If the employee is enrolled in the direct deposit program, the SALSA is deposited with the employee's financial institution.

In 2006, the annual SALSA operation was replaced by the RESCUE system.

6.8.57 SALSA Payment Notices

Form letter T-30 is released to employees who are issued SALSA payments. There are two versions of the T-30. One version is released to the employee if the payment is the first SALSA issued to the employee. If the employee previously received a SALSA and an additional amount is now payable, the second version of the T-30 is released.

Exhibit 6 provides an example of the T-30.

6.8.58 Records of SALSA Payments

For the August 1989 through August 1995 mass adjustments, a copy of the T-30 letter was produced for the claim folder to document the SALSA payment.

A microfilm record of the SALSA payment was produced through August 1991. The amount of the payment, or a reject code if the payment cannot be made, is shown in item 31 of the film. For the August 1991 through the August 1995 SALSA mass adjustments, information is available on the Mass Adjustment Inquiry System (MAIS) in RRAPID. See [RCM 16.2](#) for details.

Beginning with the August 1995 SALSA mass adjustment, the results of the operations are stored on the PREH database.

- a. If the mass adjustment issued a payment, PREH will contain the following:
 - (1) a RHACOPO (3275) record for the payment showing the amount issued by the mass adjustment. The ACTVY- SOURCE-CD shows 7068 if the payment was released or 7069 if the case was in code 98 undeliverable suspended status. In code 98 suspended situations, the SALSA payment amount is added to the accrued undeliverable amount which is released when a corrected address is received. VCHR-NO-1 shows 0474 and VCHR-DT shows the date of the mass adjustment.
 - (2) the RHREFND (3050) screen shows code 3, "Mass Adj", as the SALSAPYMT-SOURCE-CD and SALSA-LST-ACCT-DT is the same as VCHRDT on the RHACOPO (3275) screen. SALSA-CUM-PYBL-AMT on the RHREFND screen is the gross SALSA amount calculated for the mass adjustment; SALSA-PD-TTD-AMT includes the amount paid by the mass adjustment. The amount paid is added to any SALSA-PD-TTD-AMT present before the mass adjustment.
- b. A case is rejected in the SALSA mass adjustment if:
 - (1) the employee is not yet paid final at the time of the mass adjustment, or
 - (2) the employee is terminated, or
 - (3) the employee is suspended for other than code 98 undeliverable or code 35/69 small overpayment recovery, or
 - (4) the gross SALSA amount calculated is less than \$5.01 (tolerance applied)

- (5) the gross SALSA amount calculated was less than the amount previously paid to the employee. The SALSA-CUM-PYBL-AMT is less than the SALSA-PD-TTD-AMT on the RHREFND (3050) screen, or
- (6) the gross SALSA amount calculates to zero because all of the severance/separation allowance payment was used to provide service month credits, or
- (7) the gross SALSA amount could not be calculated mechanically because of discrepancies in the severance/separation allowance report received from the railroad employer. The SALSA-ALERT-FLG is '1' on the RHREFND (3050) screen

If the case rejects in the mass adjustment, there is no RHACOPO (3275) screen with the current mass adjustment voucher date. The RHREFND (3050) screen shows the following:

- a. The SALSA-CUM-PYBL-AMT shows the gross SALSA amount (including zero) computed for the mass adjustment.
- b. The SALSA-ALERT-FLG shows '1' if the gross SALSA amount could not be computed mechanically.
- c. The SALSA-AMT-CHNG-ACCT-DT shows the mass adjustment voucher date.
- d. The SALSA-LST-ACCT-DT on the RHREFND (3050) screen does NOT show the voucher date of the current mass adjustment.
- e. The SALSA-PYMT-SOURCE-CD is not changed. If the source code shows "Mass Adj.", it refers to a previous mass adjustment; the SALSA-LST-ACCT-DT shows the date of that mass adjustment.

From 1989 through 1997, one-page informational G-90 forms were produced for cases which rejected in the mass adjustment because the employee was terminated, in partial payment status or the gross SALSA amount was less than the amount previously paid. The SALSA amount shown on the informational G90s produced from 1993 through 1997 may not be correct; these G90s should not be used to make manual SALSA payments. Instead, use the SALSA-CUM-PYBL-AMT and the SALSA-PD-TTD-AMT on the PREH RHREFND (3050) screen to determine any amount payable.

6.8.59 Handling SALSA Inquiries

Examiners should handle inquiries concerning non-receipt of SALSA payments if a SALSA was calculated but was not issued because the employee is terminated,

suspended or in partial status, or if the SALSA was issued but not received by the employee.

Forward the inquiry to Assessment and Training - STARS Project if:

- a. the employee inquiries about entitlement to a SALSA amount and the SALSACUM-PYBL-AMT is zero and the SALSA-ALERT-FLG is zero, or
- b. the employee received a SALSA payment and questions the amount

Forward the inquiry to Policy and Systems - Records Analysis and Systems if the SALSA-ALERT-FLG is not zero.

6.8.60 Supplemental Annuity Reductions

At various times between 1987 and 1990, supplemental annuity funds were sequestered under the Balanced Budget and Emergency Deficit Control Reaffirmation Act (also known as the Gramm-Rudman act). When a sequestration order was issued, monthly supplemental annuity payments were reduced by the required percentage through a mass adjustment operation.

A total of five supplemental annuity adjustment actions were performed in this period. Most of the supplemental annuity amounts withheld were later paid to employee annuitants. Appendix I provides a chart of the various cutback mass adjustments.

Legislation was eventually passed which exempts supplemental annuity funds from sequestration. Supplemental annuity payments are now protected from GrammRudman reductions.

6.8.61 CPI Correction

In October 2000, the Bureau of Labor Statistics identified an error in the consumer price index (CPI) that was used to determine the cost-of-living increase paid for December 1999. The original percentage used in December 1999 was 2.4%; the corrected percentage was 2.5%. The error of 0.1% affected tier 1 benefits paid by the Railroad Retirement Board (RRB), benefits paid by the Social Security Administration (SSA), and pensions paid by the Office of Personnel Management (OPM).

The error of 0.1% did not impact the December 1999 tier 2 cost-of-living increase. Although the tier 2 cost-of-living percentage is 32.5% of the tier 1 percentage, the small change in the tier 1 percentage was not significant enough to produce a change in the tier 2 percentage.

6.8.62 Impact of the CPI correction

Benefits were affected if the employee (or the wage earner in the case of SSA benefits) was:

- Age 62 before 2000, or
- Rated disabled before 2000, or
- Died before 2000

The majority of monthly benefits were understated \$1.00 or less as a result of the CPI error in 1999.

6.8.63 Corrective Action

The RRB and SSA corrected monthly benefits effective July 1, 2001 (August 1, 2001 payment). Accrual payments were calculated for the period from December 1999 through June 2001. OPM corrected monthly benefits effective May 1, 2001 (June 1, 2001 payment).

6.8.64 RRB mass adjustment

The RRB performed a mass adjustment on July 3, 2001 to correct tier 1. The adjustment voucher number was 473.

The primary insurance amount (PIA) used in tier 1 was recalculated using 2.5% as the December 1999 cost-of-living increase percentage. SSA provided a file with corrected benefit amounts which were used for the tier 1 SS offset. OPM public service pension offset amounts were also corrected; the corrected offset amounts were calculated in the mass adjustment operation.

Note: OPM pension offset amounts subtracted from tier 1 were corrected effective July 1, 2001. No correction was made in the offset amounts for May and June 2001 even though OPM corrected its payments for those months.

If the correction in the cost-of-living percentage increased the net tier 1 payable for July 2001, an accrual was calculated for the months between December 1999 and June 2001. The net increase in the July 2001 net tier 1 was used to compute the accrual. The amount was accrued from the later of:

- The annuity beginning date, or
- The first full month the annuitant was age 62 if the annuity was paid under the 60/30 provision of the 1983 Amendments, or

- December 1999.

Federal income taxes were deducted from the accrual payment only for amounts paid to non-resident aliens.

6.8.65 Correction of SSA Benefits

RRB corrected the July benefit for LAF E payments using the information provided by SSA. The RRB computed the accrual due in LAF E payments. The net increase in the July benefit was used to compute the accrual due from the later of: • The SSA date of entitlement, or

- December 1999.

SSA corrected the July benefit for LAF C payments. SSA computed the accrual due for January 2001 through June 2001 using the net increase in the July benefit. For the months prior to 2001, SSA was not able to compute precise accrual amounts. Instead, SSA paid an amount to each beneficiary that was intended to approximate the total amount the beneficiary could have been underpaid in 2000. SSA based the approximation on ranges of PIA values and paid \$12, \$24, \$36, or \$48. SSA assumed the beneficiary was entitled for all months in 2000.

SSA corrected its benefit history from July 1, 2001. The accrual payments were not reflected in the rates in the benefit history. Tier 1 was reduced for the new SSA benefit payable July 1, 2001. The approximation amounts SSA paid for months before July 2001 did not impact tier 1 and were not taken into consideration when computing tier 1 rates for months before July 2001.

6.8.66 CPI correction notices

Form letter T-60 was released to beneficiaries to explain the CPI correction. A single letter was used to explain the adjustment in the RR annuity and LAF E SS benefits. The letter was dated July 20, 2001. Eleven different versions of the T-60 were used to explain the various situations:

- The beneficiary received an increase in monthly benefits and a retroactive accrual payment,
- The beneficiary was not eligible for the December 1999 cost-of-living,
- The beneficiary was eligible for the December 1999 cost-of-living but the CPI correction did not change the monthly rate,
- The correction could not be made mechanically in the mass adjustment operation.

RCM 6.8 Exhibits 8 through 18 provide samples of the T-60 versions. The following chart explains the situation addressed in each version of the letter:

T-60 version	Case category
01	RR only not eligible for December 1999 COL
02	RR only but no change in tier 1
03	RR only rate adjusted and accrual paid
04	RR and/or LAF E SS and both rejected or one rejected and the other benefit was not impacted by the correction
05	SS only and not eligible for December 1999 COL or correction did not change the monthly rate
06	SS only rate adjusted and accrual paid
07	RR and LAF E SS; both adjusted or one benefit was adjusted and the other benefit was not changed (either the unchanged benefit was not eligible for the December 1999 COL or the correction did not change the monthly rate)
08	RR and LAF E SS; RR adjusted but SS rejected
09	RR and LAF E SS; SS adjusted but RR rejected
10	RR and LAF E SS; not eligible for the December 1999 COL or the correction did not change the monthly rate

11	RR and LAF E SS; both adjusted but dollar for dollar offset in tier 1 produced no change in the monthly rate. An SS accrual was paid.
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In addition to the T-60, a form T-61 insert was included with versions 03, 06, 08 and 09 of the T-60 mailed to non-resident alien beneficiaries. The insert provided information about Federal income tax withholding from the accrual payment. Exhibit 19 in [RCM 6.8](#) provides a sample of the T-61.

6.8.67 PREH records of the CPI correction

The PREH database contains the following records of the CPI corrective actions:

PREH record	What is shown
Tier 1 (3210-RHTIER1)	The tier 1 screen has a beginning date of 20010701. Even if the correction did not yield an increase in net tier 1 a new 3210 record was added to the tier 1 history if the annuitant was eligible for the December 1999 COL. No 3210 records were posted for the retroactive accrual payments.
SSA history (3206-RHSSHIST)	The results of the mass adjustment in LAF E SS benefits are displayed even if the monthly benefit did not increase if the beneficiary was eligible for the December 1999 COL.
Payment (3277-RHRCPAY)	There is a record with a beginning date of 20010801 if the monthly payment changed.

<p>Mass adjustment (3250-RHMADJ)</p>	<p>The record for the RR CPI correction shows:</p> <ul style="list-style-type: none"> • 20010701 effective date • type code of 5 (“Other”) • normal reject and review information plus special CALC REJ codes: <ul style="list-style-type: none"> ○ 87 – the beneficiary was not eligible for the 12/99 COL and therefore tier 1 was not adjusted ○ 88 – the correction did not produce a change in net tier 1. The 3210 tier 1 record was corrected to show the new tier 1 calculation, but the monthly payment was not changed. ○ 89 – the increase in LAF C SSA benefits caused net tier 1 to decrease by less than \$2.01 or the adjusted rate increased by less than \$1.00 and the CPI accrual was less than \$1.00. The 3210 tier 1 record was corrected to show the new tier 1 calculation, but the monthly payment was not changed. ○ 90 – the CPI correction could not be made because 1) the beneficiary received an SS benefit increase prior to the CPI correction for
<p>PREH record</p>	<p>What is shown</p>
	<p>which tier 1 was never adjusted, or 2) PIA 1 was incorrect due to an AERO or RAIL reject, or 3) the dual RR offset needed to be corrected in the spouse/widow tier 1</p>
<p>Accrual (3275-RHACOPO)</p>	<p>The record shows “CPI” as the source of the payment. The amount may be RR only, SS only, or a combination of the two. A voucher number of 477 was used for combined RR/SS accruals.</p>

6.8.68 CPI correction for terminated beneficiaries

Terminated annuities were not corrected in the mass adjustment. The CPI correction was done manually if the annuitant inquired about the correction and:

- the employee annuitant was born before January 2, 1938 or was rated disabled before 2000 or died before 2000, and
- the annuitant was terminated after December 1999, and
- net tier 1 was not reduced to zero by offsets, and
- the correction would increase gross tier 1 by at least \$1.00

6.8.69 CPI correction for deceased beneficiaries

Annuities of deceased annuitants were not corrected in the mass adjustment. The CPI correction was done manually if an inquiry was received and:

- the person inquiring was receiving a monthly annuity from the RRB, and
- the employee was born before January 2, 1938 or was rated disabled before 2000 or died before 2000, and
- the deceased annuitant died after December 1999, and
- net tier 1 was not reduced to zero by offsets, and
- the correction would increase gross tier 1 by at least \$1.00

6.8.70 Student Suspension/Family Adjustment

The Social Security Act (SSA) Amendments of 1981 limit the definition of educational institutions to elementary or secondary schools effective August 1, 1982. The legislation also provides for a gradual phase-out of student beneficiaries on the rolls in August 1981 who are enrolled in a post-secondary school previous to May 1982. Although entitlement provisions to a Railroad Retirement Act (RRA) annuity remain unchanged, the RRA annuity amount payable is affected by the 1981 SSA Amendments. This is because a survivor student's annuity under the Railroad Retirement Act consists of a tier I amount, which is computed under the social security formula, and a tier II amount, which is computed under the railroad retirement formula.

Unless students in post-secondary school met certain criteria, their benefits were terminated effective August 1982. While the phase-out aspects of the 1981 Amendments allow benefits to continue to certain post-secondary students beyond

August 1982, they also place certain limitations on these benefits. Specifically, these are:

- Benefits will not be paid for the months of May through August.
- No cost-of-living increase in tier I will be paid.
- In September 1982, the tier I original rate of a phase-out student will be reduced to 75 percent of the tier I original rate that was applicable in August 1981.
- In September 1983, the tier I original rate of a phase-out student will be reduced to 50 percent of the August 1981 tier I original rate level.
- In September 1984, the tier I original rate of a phase-out student will be reduced to 25 percent of the August 1981 tier I original rate level.
- Payment to all phase-out student beneficiaries will terminate effective August 1985.

These provisions are implemented for survivor students by a mechanical program twice a year starting with June 1, 1982 and continuing through

June 1, 1985. The program has been set up to:

- mechanically suspend phase-out students effective with the check dated 6-1
- mechanically reinstate phase-out students effective with the check dated 10-1
- mechanically adjust the rates of family members for the period of May, June-August, and September-April, whenever the maximum applies.

6.8.71 Type of Notification

A. Phase-out Student Notification in May

A code letter is mechanically released through the G-96 suspension program during the last week in May.

B. Phase-out Student Notification in September - A letter is mechanically released to each student in the third week in September. There are 3 versions of the letter because there are 3 kinds of computations at which the student can be reinstated:

- sole survivor minimum rate
- phase-out (6-1981 PIA xx .75, .50 or .25)
- phase-out student original rate reduced for the maximum

The adjustment letter used is the RL-119. There is no folder record or copy for the field.

- C. Family Member Notification - If the maximum applies, the rates of the other family members are affected by the exclusion of the student for May through August, and the inclusion of the student in September. Therefore, in maximum cases, each payee code is sent a letter explaining the new rates payable to each beneficiary on that payee code. If applicable, the amount of the accrual check which will be sent out later that month is included in the letter. The letter format used is the RL-119. There is no folder record or copy for the field.

6.8.72 Microfilm/Microfiche

- A. June 1, Microfilm/Microfiche - A microfilm of the June 1, student suspension and family adjustment is available for examiners. A microfiche is available for the field. The standard format as explained in Appendix A, Section II is used. The only exception is that in column (D) "GROSS TIER 1," either the original rate or reduced for maximum rate (whichever applies) is shown. No code is shown, and no DRC's are shown.

- B. October 1, Microfilm/Microfiche

A microfilm of the October 1, student reinstatement and family adjustment is available for examiners. A microfiche is available for the field. The standard format as explained in Appendix A is used. The only exceptions are:

- Maximum Determined by Research Shown - Under column (A), "RES MAX XXX.XX" will be shown. This will be on the first line, before any other data for all family members and all students on that claim number.
- Original or Reduced for Max Rate - Column (D), "GROSS TIER I" shows either the original or reduced for maximum rate, whichever applies. No code is shown. DRC's are not included.
- Student in Suspense - If the phase-out student was in suspense before the May mechanical suspension, he will be on the microfilm as a NO MASTER RECORD.

The following special effects are added if the October 1 adjustment includes 3 rate breaks:

- Three Rate Breaks Shown - The first 2 lines in a combined check case shown the claim number, PC, and columns (Y) through (d) for May. The next 2 lines show the same information as it pertains to June through August. The next 2

lines show the same information as it pertains to September. The effective date for each rate break is shown in the "CLAIM NUMBER" column.

After the "combined check" information is shown, each beneficiary on the payee code has 3 sets of data (3 rate breaks). Each rate break takes up 2 lines (per usual). The effective date for each rate break is shown in the "CLAIM NUMBER" column.

- Accrual Check Shown - The amount of the accrual check sent to each payee of the family group is shown in column (c). That column is labeled "SUP ANN RED FOR RRA MAX" but will show the amount of the accrual check released in mid-October.

6.8.73 Computations

The mechanical adjustment computes cases the same way they would be handled manually, with 3 exceptions. These exceptions are explained below. In all cases, the rate which is paid in the mechanical job should be considered correct, and used as the basis for future adjustments. Only if the beneficiary requests a review of his case should the rate be questioned or changed.

A. Sole Survivor Minimum

In the mechanical job, the sole survivor minimum (SSM) is computed for students as follows:

- If the year of eligibility is before 1979, the SSM equals the minimum AMW PIA.
- If the year of eligibility is in 1979 or later, \$122.00 is increased for COL's. In the October 1982 adjustment, all COL's were given, even if no individual was entitled to a benefit in each year. In the October 1983 adjustment, \$122 was increased only by 1.074 for the June 1982 COL.

B. RIB Limitations

In the maximum cases, when the student is out of the computations in the summer, the RIB LIMIT will not be tested to see if it applies. The widow(er)'s rate is calculated without regard to any possible RIB limitation.

C. Determination of Saving Clause Maximum

The savings clause maximum can be hundreds of dollars over the table maximum, or cents over the table maximum; each case is different. Since this information is not in the research record, the mechanical operations will try to

create the savings clause. It may not be exactly what you would get if computing the case manually.

6.8.74 RRSIA RRA Maximum Removal

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminated the RRA maximum test for retirement annuities payable for months after 2001. Beginning in January 2002 and later, regular retirement annuities and supplemental annuities are no longer subject to RRA maximum reductions.

6.8.75 Mass Mailing to Annuitants with RRA Maximum Reductions

In January of 2002, form letter T-75 (Exhibit 29) was released to employee and spouse annuitants who had RRA maximum reductions in force in tier 2 and/or the supplemental annuity. The T-75 advised annuitants that the RRA maximum would be removed in the near future.

During the years the RRA maximum provision was in force, situations arose in which the spouse did not file for an annuity because the combined spouse and employee rates would cause the RRA maximum to apply. Letter T-76 (Exhibit 30) was released to employees if no spouse annuity was in force and the PREH RHEE record indicated the spouse would invoke the RRA maximum. The purpose of the T-76 was to alert employees that the RRA maximum no longer applied beginning in January 2002 in case the employee's spouse wanted to file for an annuity.

6.8.76 Mass Adjustment to Remove RRA Maximum Reductions

A mass adjustment operation was performed in May 2002 to remove the RRA maximum reduction from the tier 2 of employees and spouses who were paid final before May 17, 2002. The tier 2 benefits of 13,711 annuitants were adjusted.

The mass operation also removed the RRA maximum reduction from the supplemental annuity of 340 employee annuitants.

The increased monthly rates were reflected on the June 1, 2002 payment.

Retroactive accrual amounts were paid in the mass operation. Accruals were calculated for tier 2 from the later of:

- January 1, 2002, or
- The annuity beginning date, or
- The vested dual benefit effective date, or
- The effective date of LPE work deductions, or
- The ending date of LPE work deductions.

Supplemental annuity accruals were calculated from the later of:

- January 1, 2002, or
- The supplemental annuity beginning date, or • The effective date of LPE work deductions, or
- The ending date of LPE work deductions.

If the accrual amounts were restricted to a date later than January 1, 2002 or the benefit beginning date, referrals were issued to RBD to pay any additional accrual due.

If the accrual amount calculated in the mass operation was less than \$1.00, no accrual was issued.

6.8.77 RRA Maximum

Benefit Calculations

The tier 2 calculations performed by the mass operation included tier 2 take back reductions. The December 1983 and December 1984 take back amounts found in the RHTIER2 record were used in the computation of tier 2. If the RHTIER2 record did not contain take back amounts (i.e., tier 2 was reduced to zero by the RRA maximum reduction), the total tier 2 take back amount found in the RHRRID record of PREH was used in the calculation of tier 2. Seventy percent of the total take back amount was used as the December 1983 take back amount, and the balance of the total take back was subtracted as the December 1984 take back amount. The \$10.00 tier 2 minimum guaranty was applied where appropriate.

Railroad pension information found in the RHPENS record in PREH was used in the computation of the adjusted supplemental annuity.

If LPE work deductions were in force, a work deduction amount was calculated for the adjusted tier 2 and/or supplemental annuity. If a partial work deduction amount was in force, that deduction amount was continued in the new rate. If full work deductions were in force, half the adjusted tier 2 and/or half the adjusted supplemental annuity were withheld from the new rate. If PREH indicated the annuitant was in LPE, but no work deductions were previously assessed because the RRA maximum reduced tier 2 and/or the supplemental annuity to zero, the mass operation initiated LPE work deductions in the monthly rate.

Mass Operation Voucher Dates and Numbers

The voucher date for the adjustment in the recurring monthly payment was May 17, 2002. The voucher date for the accrual payment was May 18, 2002.

If only tier 2 or only the supplemental annuity was adjusted, the voucher number was 473. If both tier 2 and the supplemental annuity were adjusted, the voucher number was 477.

Mass Operation Notifications

The following letters were released to adjusted annuitants:

Circumstances	Letter	RCM 6.8 Exhibit
The RRA maximum was removed in the mass operation	T-84	Exhibit 22
Only the supplemental annuity was reduced for the RRA maximum, and the net supplemental annuity continues to be zero due to a RR pension.	T-85	Exhibit 23

The attempt to remove the RRA maximum reduction rejected.	T-86	Exhibit 24
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Mass Operation Referral Codes

Referrals were issued to RBD if the RRA maximum could not be removed in the mass operation, or if the mechanical adjustment needed to be followed with further examiner action. The referral codes are found in Appendix P

6.8.81 Widow(er)'s Initial Minimum Amount

The Railroad Retirement and Survivors' Improvement Act of 2001 (RRSIA) created an initial minimum amount for aged and disabled widow(er)s and young mothers and fathers paid under the 1981 amendments. The "widow(er)'s initial minimum amount" (WIMA) is based on amounts payable to the annuitant on the original beginning date (OBD). If the annuitant's rate is adjusted for the family maximum, amounts are computed that would have been payable on the OBD based on the current family group. The WIMA is a fixed amount; it is not adjusted for cost-of-living-increases that are payable after the OBD. The WIMA is an alternative to the regular widow(er)'s annuity computation. The WIMA was effective February 1, 2002.

6.8.82 Initial WIMA Mailing

In January of 2002, letters were sent to all widow(er)'s on the rolls to make them aware of the WIMA provision of the RRSIA:

Letter	Released to	Text sample
T-71	1981 amendment widow(er)s who were eligible for an increase in monthly benefits because of the WIMA.	Exhibit 25

T-72	1981 amendment widow(er)s who were not eligible for an increase under the WIMA provision. In these cases, the widow(er) had been on the rolls long enough so that annual cost-of-living increases made the regular annuity rate higher than the person's WIMA.	Exhibit 26
T-73	Remarried widow(er)s and surviving divorced spouses to explain why those annuities were not subject to the WIMA provision	Exhibit 27
T-74	Widow(er)s paid under the 1937 or 1974 acts to explain why those annuities were not subject to the WIMA provision	Exhibit 28
T-77	1981 amendment widow(er)s if a determination of WIMA eligibility could not be made in advance of the mass adjustment operation.	Exhibit 31

6.8.83 WIMA Adjustments

Two WIMA mass operations were performed in 2002:

- In April, the WIMA operation tested the WIMA for 114,700 1981 amendment widow(er)s who were paid first before April 17th. The WIMA was paid to 46,213 of these widow(er)s. In the rest of the cases, the widow(er)'s current regular annuity rate exceeded the WIMA.
- In June, a WIMA clean-up operation was performed to test the WIMA for the 713 widow(er)s who came on the rolls after the April operation and before changes were finalized in SURPASS to test the WIMA on all initial widow(er) awards.

6.8.84 WIMA Computations

In both WIMA operations, the WIMA amount was computed as follows:

- WIMA tier 1 component – the statutory share of the OBD PIA adjusted for the family maximum (based on the family group in force at the time of the operation) and reduced for the RIB limit or the number of months the widow(er) was under FRA on the OBD
- WIMA tier 2 component – 100 percent of the deceased employee's tier 2 adjusted for vested dual benefit entitlement and cost-of-living increases accrued between the employee's date of death and the widow(er)'s OBD. The tier 2 amount was adjusted for the family maximum, the number of months the widow(er) was under FRA on the OBD, and any employee actual or fictional section 4(d) takeback.

The total WIMA amount computed as described above was compared to the following amount from the February 1, 2002 regular annuity rate:

- Tier 1 adjusted for cost-of-living increases, the family maximum, and the RIB limit or the number of months the widow(er) was under FRA on the OBD. The tier 1 amount was before reductions for social security benefit, public service pension and/or dual railroad retirement entitlement.
- Tier 2 adjusted for early retirement and section 4(d) takebacks and increased for the spouse minimum amount. The regular tier 2 used for the comparison did not include any dual entitlement restored amount.

If the WIMA was higher than the regular annuity amount, the May 1, 2002 monthly rate was increased for the main operation, and the July 1, 2002 payment was increased in the subsequent clean-up operation.

Retroactive accruals were computed from the later of:

- February 1, 2002, or
- The OBD, or
- The month after February in which the family group changed.

If the total accrual was less than \$1.00, no accrual was paid in the mass operations.

6.8.85 Rules Used in the Automated WIMA Computation

The following rules were applied in both automated operations:

- If there was no RHTIER1 record for the OBD in PREH, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1 amount. If PREH contained tier 1 information for the annuity rate payable on the OBD, that information was used to calculate the WIMA tier 1 amount, unless tier 1 was subject to the 2001 CPI correction.

- If the OBD was after November 30, 1999 and the tier 1 was adjusted in the July 2001 CPI correction, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1.
- If the tier 1 beginning date was after the OBD, the WIMA tier 1 was zero.
- If the family maximum applied on the OBD or in April 2002, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1.
- If the family group changed in March or April, the computation of the accrual was restricted to that month. Referrals were issued for SBD to determine the amount payable from February 1, 2002 up to the month the family group changed.
- If the widow(er) was under FRA on the OBD, the number of age reduction months applicable on the OBD (before any ARF) were used to calculate the WIMA tier 1 and tier 2.

6.8.86 WIMA Mass Operation Notifications

Letter T-78 was released to widow(er)s if the May 1st payment was increased because the WIMA was higher than the regular annuity rate. The text of the T-78 can be found in Exhibit 20.

Letter T-79 was released if the WIMA test could not be done in the mass operations. The text of the T-79 is provided in Exhibit 21.

Letter T-72 (Exhibit 26) was released to widow(er)s who received the T-77 in the initial WIMA mailing in January, and the mass operation determined no WIMA increase was payable.

6.8.87 WIMA Mass Operation Referral Codes

If the WIMA could not be tested by the mass operation, or if the mechanical adjustment action needed to be followed by further examiner action, a referral was issued to SBD. The referral codes are provided in Appendix O.

6.8.88 RESCUE Overview

The system to recalculate for service and compensation upside to EDM (RESCUE) was developed to automate annuity adjustments in response to changes in railroad service, railroad compensation, or social security wages posted to the Employment Data Maintenance database (EDM). RESCUE also issues SALSA payments in response to changes made in the separation payments master records.

RESCUE replaces the following annual mass adjustments: RAIL, AERO, SALSA. In addition, RESCUE adjusts annuities for all corrective reports made by railroad employers and for internally-generated corrections to EDM.

The first RESCUE run considered all EDM and SALSA activity posted after 2005.

Generally, RESCUE runs three times a year (March, June, September). The RESCUE runs do not necessarily conform to standard calendar quarters. In the month of a RESCUE run, RESCUE awards are sent to ROC in the last week of the month. The awards are vouchered the first of the following month.

RESCUE only processes annuity adjustments for retirement cases. If there is a survivor annuity being paid, RESCUE will request a wage record. A manual evaluation of the survivor annuity is made to determine if an adjustment is needed. Any necessary survivor adjustments are done manually in SBD. Because examiners always obtain fresh PIA and tier 2 computations when a survivor application is filed, most survivor annuities already reflect the service and earnings changes that RESCUE applies to the retirement annuity.

6.8.89 RESCUE Triggers

There are several ways for a case to be activated in RESCUE:

- A change in service months (reported and/or deemed) is posted to EDM
- A change in railroad compensation (regular or miscellaneous) is posted to EDM
- A change in social security wages is posted to EDM
- Delayed retirement credits (DRCs) earned in the ABD year need to be included in tier 1 either in the following January or in the month the employee attains age 70
- Tier 1 needs to be adjusted for RRSIA 60/30 cases to include ABD earnings in tier 1 beginning in January after the year the employee attains age 62.

RESCUE sweeps EDM to find changes in service and/or earnings. RESCUE also checks the Payment, Rate and Entitlement History database (PREH) in the first run each year to identify full age employees with ABDs in the previous calendar year who need DRCs added to tier 1 and to identify RRSIA 60/30 employees who are due a PIA 1 recomputation because the employee turned 62 the previous year.

If RESCUE is activated for a change in service and/or earnings but there is no record in PREH, RESCUE will check APPLE for a pending retirement or survivor application. If an application is found, a referral is issued for RBD/SBD to check to make sure the initial award considers all service and earnings found in EDM.

Dates for each RESCUE run are provided below:

EDM activity posted	RESCUE G90 date	ROC voucher
January 1, 2006 – June 16, 2006	June 23, 2006	July 3, 2006
June 16, 2006 – September 15, 2006	September 26, 2006	October 2, 2006
September 15, 2006 – April 13, 2007	April 24, 2007	May 1, 2007
April 13, 2007 – July 13, 2007	July 25, 2007	August 1, 2007
July 13, 2007 - October 12, 2007	October 29, 2007	November 1, 2007
October 12, 2007 – February 15, 2008	February 22, 2008	March 3, 2008
February 15, 2008 – May 14, 2008	May 27, 2008	June 2, 2008
May 14, 2008 – September 15, 2008	September 24, 2008	October 1, 2008
September 15, 2008 – January 4, 2009	April 30, 2009	May 5, 2009
January 4, 2009 – May 13, 2009	May 21, 2009	June 9, 2009
May 14, 2009 – August 12, 2009	August 19, 2009	September 1, 2009
August 13, 2009 – January 2, 2010	February 22, 2010	March 2, 2010
January 2, 2010 – May 12, 2010	May 25, 2010	June 1, 2010
May 12, 2010 – August 16, 2010	August 23, 2010	September 1, 2010
August 16, 2010 – January 2, 2011	February 19, 2011	March 1, 2011
January 2, 2011 – May 11, 2011	May 19, 2011	June 1, 2011

EDM activity posted	RESCUE G90 date	ROC voucher
May 11, 2011 – August 16, 2011	August 25, 2011	September 1, 2011
August 16, 2011 – January 2, 2012	February 24, 2012	March 1, 2012
January 2, 2012 – May 14, 2012	May 23, 2012	June 1, 2012
May 1, 2012 – August 14, 2012	August 22, 2012	September 4, 2012
August 14, 2012 – January 1, 2013	February 25, 2013	March 1, 2013
January 1, 2013 – May 14, 2013	May 24, 2013	June 3, 2013
May 14, 2013 – August 14, 2013	August 21, 2013	September 3, 2013
August 14, 2013 – January 1, 2014	February 20, 2014	March 3, 2014
January 1, 2014 – May 13, 2014	May 23, 2014	June 2, 2014
May 13, 2014 – August 14, 2014	August 21, 2014	September 2, 2014
August 14, 2014 – January 1, 2015	February 20, 2015	March 2, 2015
January 1, 2015 – May 13, 2015	May 21, 2015	June 1, 2015
May 13, 2015 – August 13, 2015	August 24, 2015	September 1, 2015
August 13, 2015 – January 1, 2016	February 25, 2016	March 1, 2016
January 1, 2016 – May 11, 2016	May 20, 2016	June 1, 2016
May 11, 2016 – August 18, 2016	August 24, 2016	September 1, 2016
August 18, 2016 – January 1, 2017	February 22, 2017	March 1, 2017
January 1, 2017 – May 15, 2017	May 23, 2017	June 1, 2017
May 15, 2017 – August 16, 2017	August 22, 2017	September 1, 2017
August 16, 2017 – January 1, 2018	February 21, 2018	March 1, 2018

EDM activity posted	RESCUE G90 date	ROC voucher
January 1, 2018 – May 16, 2018	May 23, 2018	June 1, 2018
May 17, 2018 to December 31, 2018	February 25, 2019	March 1, 2019
January 1, 2019 – May 15, 2019	May 22, 2019	June 3, 2019
May 16, 2019 –August 17, 2019	August 23, 2019	September 3, 2019
August 18,2019 –December 31, 2019	February 26, 2020	March 2, 2020
January 1, 2020 – May 18, 2020	June 10, 2020	June 11, 2020
May 19, 2020 – August 17, 2020	August 20, 2020	September 1, 2020
August 18, 2020 – December 31, 2020	February 23, 2021	March 1, 2021
January 1, 2021 –May 15, 2021	May 21, 2021	June 1, 2021
May 18, 2021 – August 19, 2021	August 26, 2021	September 1, 2021
August 18, 2021 – December 31, 2021	February 28, 2022	March 1, 2022
January 1, 2022 – June 17, 2022	June 23, 2022	July 1, 2022
January 1, 2022 – August 17, 2022	August 25, 2022	September 1, 2022
August 18, 2022 – December 31, 2022	February 23, 2023	March 1, 2023
January 1, 2023 –May 18, 2023	May 24, 2023	June 1, 2023
May 17, 2023 – August 16, 2023	August 24, 2023	September 1, 2023
August 16, 2023 – December 31, 2023	February 22, 2024	March 1, 2024
January 1, 2024 – May 20, 2024	May 22, 2024	June 3, 2024
May 20, 2024 – August 15, 2024	August 23, 2024	September 2, 2024
August 15, 2024 – December 31, 2024	February 20, 2025	March 3, 2025

January 1, 2025 – May 20, 2025	May 23, 2025	June 2, 2025
May 15, 2025 – August 18, 2025	August 22, 2025	September 2, 2025
August 18, 2025 – December 31, 2025	February 19, 2026	March 2, 2026
January 1, 2026 – May 15, 2026	May 21, 2026	June 1, 2026

A special RESCUE run in November 2006 adjusted non-terminated employees for any service or earnings changes posted to EDM prior to 2006. The cases were identified by comparing new SEARCH PIA 1 and gross tier 2 computations to the amounts being paid. Approximately 42,000 employees were considered in this special run. Adjusted annuities have a voucher date of November 2, 2006.

The special run also included the spouses and divorced spouses of the active employees. If the spouse/divorced spouse was deceased, any accrued annuity due was released to the employee. If the spouse was terminated for other than death, the accrued annuity was posted to PREH and a USTAR referral was issued for RBD to pay the accrual to the spouse. If the former spouse was in receipt of a divorced spouse annuity, the accrued spouse annuity was released to the divorced spouse.

A special RESCUE run in March 2007 paid accrued annuities resulting from service or earnings changes posted to EDM prior to 2006. The terminated employee annuities were identified by comparing new SEARCH PIA 1 and gross tier 2 amounts to the amounts in PREH. Approximately 15,000 employees were considered in this special run.

If there was an active widow(er)/young mother on the rolls, RESCUE paid the employee's accrued annuity to this survivor annuitant. Based on the high percentage of widow(er)s/young mothers who meet "living with" requirements, the Board agreed to have RESCUE release the employee's accrued annuity without a "living with" determination in order to facilitate automated handling of the cases. If RESCUE was not able to pay the employee's accrued annuity (the case rejected or there was no active widow(er)/young mother on the rolls), examiners should investigate "living with" in the normal manner before paying the employee's accrued annuity.

If the only active survivor annuitant was a child, a parent, a remarried widow(er), or a surviving divorced spouse, RESCUE computed the employee's accrued annuity and posted a 3275-RHACOPO record to PREH with OPO type code A. A USTAR referral was issued for SBD to pay the accrued annuity to the appropriate recipients.

If there was no active survivor annuitant on the rolls, no further action was taken on the case after the special RESCUE run. APPLE will issue a referral if a survivor application is ever filed; SBD should take action to pay the employee's accrued annuity that was posted to PREH. If RESCUE rejected the case, SBD must have the accrued annuity computed by RBD. The Board will waive the two year filing requirement for these accrued annuity payments.

In the special run in March 2007, RESCUE also paid spouse/divorced spouse accrued annuities if the spouse/divorced spouse was receiving a survivor annuity. If the spouse/divorced spouse was not on the rolls as a survivor, RESCUE computed the accrued annuity and posted a 3275-RHACOPO record (OPO type code A) to PREH. A

USTAR referral was issued for RBD to pay the spouse/divorced spouse accrued annuity.

6.8.90 RESCUE SEARCH Computations

RESCUE will obtain PIAs and AMC computations from the SEARCH system for all activated cases found in PREH in final payment status except cases activated solely to add delayed retirement credits.

If RESCUE adjusts the annuity a RESCUE G90 is loaded to the G90 Online Database (GOLD). If RESCUE issues a reject referral to USTAR, a RESCUE G90 is loaded to GOLD unless the reason for the reject indicates the G90 may be incorrect.

6.8.91 RESCUE Evaluation

After obtaining computations from SEARCH, RESCUE evaluates the case to determine if an adjustment is needed in:

- Tier 1 to adjust PIA 1 or to include DRCs earned in the ABD year
- Tier 2 to correct the basic annuity
- The supplemental annuity, including both initial payment of a supplemental annuity or adjustment of an existing supplemental annuity
- A SALSA payment is due, including an initial payment or an additional payment

If the case needs one or more of the above adjustment actions, RESCUE edits the information in EDM and PREH and the SEARCH computations to determine if the automated adjustment can be made or if the case must be referred for examiner handling.

RESCUE evaluates spouse and divorced spouse annuities if the employee is activated. The spouse/divorced spouse tier 1 will be adjusted only if half of the new PIA 1 is greater than the spouse/divorced spouse's current gross tier 1.

RESCUE does not apply any tolerance when it determines if the annuity needs to be adjusted. If RESCUE sees any increase in PIA 1, the tier 2 basic annuity, or the gross supplemental annuity amount, RESCUE will send the case to ROC to compute an adjustment. If ROC determines that the net monthly rate will not change (for instance, tier 1 is reduced to zero by other benefits), an update only award will be sent to PREH.

6.8.92 RESCUE Processing for Terminated Records

RESCUE will update the monthly annuity rates for terminated records. The only terminated records not activated by RESCUE are:

- Terminated spouses/divorced spouses when RESCUE rejects the employee
- Terminated spouses/divorced spouses where the payee code of the record is the same as another CPS or terminated spouse/divorced spouse record.

If an accrued annuity is due in a terminated annuity, RESCUE will post the amount due on PREH (3275-RHACOPO record) and USTAR referral will be issued if RESCUE cannot determine who is entitled to receive the accrued money. If the employee is deceased, the STAR referral will be under the unit code SPR. OP must determine appropriate payees for the accrued annuity. Unpaid accruals posted by RESCUE in terminated cases can be recognized by the following:

- The activity source code on the 3275 record is “RESCUR R CO 7205.” • The OPO type code on the 3275 record is “COMP ONLY A”

Prior to November 2006, RESCUE processed PREH update only awards for all terminated annuities. Beginning in November 2006, RESCUE processes PREH update only awards for the following terminated annuities:

- Deceased employee – SBD must determine the appropriate payees. If there is an active widow, SBD must verify that the widow met “living with” requirements and is entitled to the accrued annuity

In normal RESCUE runs, a change in service or earnings may be detected for deceased employees where the annuity was terminated more than two years ago. The two year period during which survivors can file an application for the accrued annuity should be counted from the date of the RESCUE run, not the date the employee was terminated. In this situation, the application should be submitted with code 6 manual review on APPLE.

In order to automate deceased employee accrued annuity payments due in cases where service/earnings changes were reported before 2006, the Board authorized payment of accrued annuities to active widow(er)s/young mothers without a “living with” investigation in the special RESCUE run in March 2007. The waiver of the “living with” investigation applies only to cases paid by RESCUE. SBD must investigate for “living with” before paying deceased employee accrued annuities that RESCUE was not able to pay.

- If there was no active survivor annuitant on the rolls at the time of the special RESCUE run in March 2007, no further action was taken. APPLE will issue a referral in these cases if a survivor application is ever filed. The Board has waived the two year filing requirement for payment of the deceased employee’s accrued annuity in the cases RESCUE could not pay. Deceased spouse/divorced spouse if the employee is deceased

- Annuities terminated for other than death – RBD must determine if the annuitant is alive and obtain a current address

Beginning in November 2006, RESCUE releases accrued annuity payments in the following situations:

- Deceased spouse/divorced spouse – the accrued annuity is released to the active employee
- Terminated spouse converted to divorced spouse – the accrued annuity is released to the divorced spouse
- Terminated spouse/divorced spouse who is now an active widow(er)/surviving divorced spouse – the accrued annuity is released to the active widow(er) or surviving divorced spouse

6.8.93 ROC Processing for RESCUE

Once RESCUE determines that an annuity needs to be adjusted, RESCUE uses ROC to compute the new annuity rates. RESCUE gives ROC the adjustment effective date(s) and the G90 ID number. ROC obtains the PIA, service and AMC information that it needs from the SEARCH database, and ROC performs its normal computations.

ROC will obtain RUIA clearance where needed for RESCUE cases. If the RUIA recovery amount exceeds the RESCUE accrual, the case will be referred to WORKLIST in the normal manner. The list will show that the award originated in RESCUE.

Voucher number 575 is used for all RESCUE retirement awards.

ROC does the following as part of its processing for RESCUE awards:

- Tier 1 social security offset amounts are obtained from PREH's tier 1 records. ROC does not call JADE for RESCUE awards.
- If temporary work deductions are in force (regular and/or LPE) equal to the full work deduction component amount, ROC recomputes the work deduction components based on the new tier 1, tier 2 and supplemental annuity and continues to withhold the maximum amounts. RESCUE will ask ROC to adjust the tier only from the later of January of the current year or the month TWDs began; ROC will restrict its accrual calculation to that date. If the TWDs are only partial amounts, RESCUE will refer the case for examiner handling.
- If the annuity is reduced for a fixed non-partition deduction, ROC derives the beginning date of the deduction by comparing the annuity rate and deduction

history in PREH. All cases with partition deductions and all cases with percentage deductions are referred by RESCUE for examiner handling.

- If the spouse tier 1 is reduced for dual RR entitlement, ROC goes to the spouse's employee annuity to obtain the amount (gross or net employee tier 1) by which to reduce the spouse tier 1. If the employee annuity is archived (no tier 1 history in PREH), ROC will use the maximum dual offset amount found in the spouse's tier 1 records.
- If tier 1 is adjusted for months between December 1999 and June 2001, RESCUE gives ROC a deduction amount representing the CPI accrual paid for those months.
- RESCUE performs special computations to derive accrual amounts payable for years before 1995. ROC adds these pre-1995 accrual amounts to the accrual which it computes for years after 1994.
- ROC will process PREH-update-only awards if the current recurring monthly rate does not change

RESCUE awards are processed in ROC during the last week of the month. **If a RESCUE award is pending vouchering in ROC, examiners should defer any award action on the case until after the RESCUE award is vouchered, unless the RESCUE award will create an error in the case. If the pending RESCUE award should not be allowed to voucher, a lead examiner or supervisor should delete the RESCUE award from ROC. The service and earnings change that RESCUE was going to voucher should be taken into consideration in the examiner award.**

If a RESCUE award rejects in DAISY, the ROC award will be sent to the ROC reject Inbox in WORKFLOW. Examiners can correct the problem that caused the reject and submit the RESCUE computations again. **If examiners decide to recompute the RESCUE award in any way, the RESCUE award should be deleted from ROC. In preparing their own awards examiners should consider the service and earnings change that RESCUE was going to voucher.**

6.8.94 RESCUE Pre-1995 Accruals

ROC is able to perform calculations for RESCUE only for the months for which history is available in PREH. For the majority of cases that were already on the rolls at the time PREH was first loaded in June 1995, the database only has history retroactive to December 1994. The earliest adjustment effective date RESCUE gives to ROC for calculations is January 1, 1995.

If the ABD of the case is before 1995 and tier 2 is increasing or the PIA 1 is increasing prior to 1995, RESCUE uses special processing to compute amounts payable for

months prior to January 1995. The special accruals calculated are then given to ROC to add to the accrual ROC calculates for months after 1994.

Tier 1 accrual for months before 1995 is calculated as follows by RESCUE:

- The new raw PIA 1 is adjusted for all tier 1 cost-of-living increases through December 1994.
- The new tier 1 amount payable for December 1994 is computed. The computation uses the DRCs shown in PREH for December 1994, and all offset amounts that are shown in PREH for December 1994 (social security benefit, public service pension, maximum dual entitlement offset). The age reduction amount is computed using the number of age reduction months shown in PREH.
- This amount is compared to the December 1994 net tier 1 in PREH
- The difference in the two rates is multiplied by the number of months from the PIA 1 effective date through December 1994
- Sample: The employee tier 1 is reduced by 3 months. The net tier 1 previously paid for December 1994 was \$979.40. The eligibility year is 1980. RESCUE finds the employee is due a PIA 1 increase from January 1983. RESCUE computes the pre1995 tier 1 accrual as follows:

Step	Computation
1	Add cumulative COLs to the January 1983 raw PIA 1: $\$484.70$ (raw PIA 1) \times 2.05756 (cumulative COLs 1980-1994) = $\$997.20$ new December 1994 PIA 1
2	Age reduce the December 1994 gross tier 1: $\$997.00$ (new December 1994 gross tier 1) \times $.98333$ (age reduction factor) = $\$980.38$ new December 1994 net tier 1

Step	Computation
3	Compute the December 1994 net increase in tier 1 $\$980.38 - \$979.40 = 0.98$ net increase in December 1994 tier 1
4	Compute total pre-1995 tier 1 accrual: $\$0.98 \times 144$ months (January 1983 – December 1994) = \$141.12 pre-1995 tier 1 accrual paid by RESCUE

Tier 2 accrual amounts for months before 1995 are computed as follows by RESCUE:

- The current tier 2 basic annuity shown in PREH is subtracted from the new tier 2 basic annuity computed by SEARCH for RESCUE
- The difference in the two amounts is reduced for age using the age reduction months shown in PREH. For spouses, the increase in the tier 2 basic annuity is multiplied by 45 percent, and this amount is reduced for age.
- The age reduced increase in the tier 2 basic annuity is adjusted for each tier 2 cost of living increase to which the annuitant is entitled through December 1994. Each COL-adjusted amount is multiplied by the appropriate number of months for which that amount is payable.
- Sample: The employee is due a tier 2 increase from the ABD of August 1, 1991. The annuity is age reduced by 28 months.

Step	Computation
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1	<p>Compute the increase in the tier 2 basic annuity:</p> $\$422.17 \text{ (new basic tier 2)} - \$414.72 \text{ (current basic tier 2)} = \7.45
2	<p>Age reduce the increase in the basic tier 2:</p> $\$7.45 \times .84444 \text{ (age reduction factor)} = \6.29
3	<p>Add COLs to the age-reduced increase in the tier 2 basic annuity and round up to the penny:</p> $\$6.29 \times 1.012 \text{ (December 1991 COL)} = \6.37 $\$6.37 \times 1.01 \text{ (December 1992 COL)} = \6.44
Step	Computation
	$\$6.44 \times 1.008 \text{ (December 1993 COL)} = \6.50 $\$6.50 \times 1.009 \text{ (December 1994 COL)} = \6.56
4	<p>Accrue the increase amounts:</p> $\$6.29 \times 4 \text{ (August 1991 – November 1991)} = \25.16 $\$6.37 \times 12 \text{ (December 1991 – November 1992)} = \76.44 $\$6.44 \times 12 \text{ (December 1992 – November 1993)} = \77.28 $\$6.50 \times 12 \text{ (December 1993 – November 1994)} = \78.00 $\$6.56 \times 1 \text{ (December 1994)} = \6.56

5	The total pre-1995 tier 2 accrual paid by RESCUE is \$263.44
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The tier 1 and tier 2 computations described above produce accrual amounts that are different from the amounts that would be computed if the tier 1 and tier 2 accruals were computed manually using history found in the folder for years before 1995. In the majority of cases, the formula RESCUE uses for tier 1 will produce an amount higher than the amount that would be computed manually. The formula used by RESCUE to compute pre-1995 tier 2 accruals produces an amount that may be a few dollars more than the amount that would be computed manually.

Board Order 05-72 dated November 23, 2005 authorizes the use of these formulas by RESCUE in order to facilitate automated annuity adjustments for years prior to 1995. Accrual amounts calculated and paid by RESCUE in accordance with these formulas are considered by Board Order 05-72 to be the correct amount due for the period prior to 1995. Annuitants who are paid an accrual by RESCUE for years before 1995 can ask for verification that RESCUE followed the rules of the formulas, but they cannot appeal the fact that RESCUE used the formulas for its calculations.

The formulas authorized by Board Order 05-72 are strictly for use by the RESCUE system. If a case referred by RESCUE for manual handling needs adjustment for years before 1995, the computations should be done on ROC. If PREH does not have complete history for the case, history for years before 1995 should be obtained from the folder.

6.8.95 RESCUE ROC Awards

RESCUE awards can be viewed in:

- The ROC database using the normal online viewing screens (RESCUE awards will be purged from the ROC database using the normal purge schedule), and
- The electronic folder in the Imaging system if the RESCUE award is vouchered

The ROC RESCUE awards display explanatory information on both the award forms and the online screens:

ROC screen	Award form	Explanation
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General Information	Remarks	Remarks message explains the actions taken by RESCUE. For example, "RESCUE/PIA/T2/SUPP/ADJ"
Tier 1 Payment Summary	Remarks	Remarks message explains any restrictions on the RESCUE tier 1 adjustment effective date. For example, "RESCUE T1 ACCR LIMITED BY WORK DED"
Tier 2 Payment Summary	Remarks	Remarks message explains any restrictions on the RESCUE tier 2 adjustment effective date. For example, "RESCUE T2 ACCR LIMITED BY PREV OM".
Supplemental Annuity Payment Summary	Remarks	Remarks message explains any restrictions on the RESCUE supplemental annuity adjustment effective date. For example, "RESCUE SUPP ACCR LIMITED BY PREH HISTORY"
Additional Amounts	Additional Amounts block RESCUE ADDITIONS T1 B4 11-83 T1 B4 11-85 T1 B4 12-94	If RESCUE computes pre-1995 accrual amounts, the tier 1 and/or tier 2 amounts paid are displayed along with the accrual period beginning date. The amounts are broken down into the appropriate tax accounting components. <u>Note: If the RESCUE award is preempted by an examiner, the pre-</u>
ROC screen	Award form	Explanation
	T2 B4 11-83 T2 B4 12-94	<u>1995 accrual information should be deleted using the PF4 key.</u>

Tier 1 Accrual Summary	Deduction Amounts block	The CPI accrual deduction, if any, is displayed as a "PREV OPO"
Tier 1 Accrual Summary	Remarks	If RESCUE computes a pre-1995 tier 1 accrual, the accrual effective date and the 1994 raw PIA 1 are displayed.
Tier 2 Accrual Summary	Remarks	If RESCUE computes a pre-1995 tier 2 accrual, the accrual effective date and the gross tier 2 increase amount are displayed.
Final Rates and Accrual Summary	Remarks	<ul style="list-style-type: none"> • If RESCUE computed an accrued annuity for a terminated case, "ACCRL DUE AT TERM" is displayed in Remarks. • The ACCRUAL PER FROM date displayed is the date from which ROC calculated accrual amounts. If RESCUE paid accrual amounts for years before 1995, ACCRUAL PER FROM date will be 01/01/1995, the date from which ROC calculated its portion of the total accrual.

6.8.96 RESCUE Award Letters

Form letters RL-119R (recertification award) and RL-45R (one-time payment) are used to notify annuitants of RESCUE award actions. A sample of the letter templates can be found in Exhibit 32 (RL-119R) and Exhibit 33 (RL-45R). A copy of the RESCUE letter can be found in the electronic folder in the Imaging system.

One or more special paragraphs are used to explain the RESCUE award action. The RESCUE paragraphs are provided below:

Reason for adjustment	RESCUE paragraph
Add DRCs to tier 1	“Additional credits are payable in the tier 1 portion of your annuity. You earned a credit for each month before your annuity began last year during which you were between full retirement age and age 70.”
Increase PIA 1 or tier 2 (supplemental annuity may also be adjusted)	“An adjustment was made to the service months and/or earnings reported for you. The adjustment increases the amount of your monthly annuity. A total of ___ service months are used to compute your annuity. This is the number of reported service months and creditable military service months prior to the beginning date of your annuity.”
Increase in PIA 1, tier 2, or supplemental annuity due to service/earnings changes posted before 2005 (released in the special backlog run to employees with ABDs before 2005)	Recent system improvements make it possible for us to review all our records. This review shows your service and earnings record was adjusted sometime after you retired. The adjustment increases the amount of your monthly annuity. A total of ___ service months are used to compute your annuity. This is the number of reported railroad service months and creditable military service months prior to the beginning date of your annuity.
Add deemed service months	“For one or more years after 1984, your former railroad employer reported more compensation than the amount allowable for the number of service months reported. We used the extra compensation to give you additional service months.”

RRSIA 60/30 with delayed tier 1 increase for ABD year earnings	“Because your tier 1 annuity component is computed under Social Security Act rules, the additional earnings cannot be included in your tier 1 until the year after you attain age 62. We will adjust your tier 1 automatically when you become eligible.”
RRSIA 60/30 tier 1 increase at age 62	“An increase is payable in your railroad retirement annuity because you have attained age sixty-two. Your earnings in the year your annuity began and later years can now be used in the tier 1 portion of your annuity.”

Reason for adjustment	RESCUE paragraph
Tier 1 adjustment for additional SS wages	“Additional wages that you earned outside the railroad industry are now available to include in the tier 1 portion of your annuity.”
Increase in supplemental annuity (used if the regular annuity is not adjusted)	“An adjustment was made to the service months reported for you. The additional service months increase the amount of your monthly supplemental annuity.”
Initial supplemental annuity payment	“An adjustment was made to the service months reported for you. You are now entitled to a supplemental annuity.”
Initial SALSA payment	“Your former railroad employer paid to you a separation allowance or severance payment. Your employer correctly deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. As a result, you are due a special payment based on these taxes.”

Additional SALSA payment	“Your former railroad employer paid to you a separation allowance or severance payment. Your employer correctly deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. After you retired, we sent to you a special payment based on these taxes. We have now received new information from your former employer. As a result, you are due another special payment based on the taxes you paid.”
Spouse or divorced spouse adjustment	“An adjustment in the employee’s annuity results in an increase in your annuity.”
Deceased spouse accrued annuity paid to employee	The adjustment in your annuity results in an increase in the annuity that was previously paid to your spouse. By law, you are entitled to receive all unpaid accrual due on your spouse’s account.
Terminated spouse accrued annuity paid to divorced spouse	A change has been made to the service and earnings record of the railroad employee. This results in an increase in the spouse annuity previously paid to you.
Reason for adjustment	RESCUE paragraph
Deceased employee accrued annuity paid to widow(er)/young mother (used only in the special RESCUE run in March 2007)	“A change has been made to the service and earnings record of the railroad employee. By law you are entitled to receive all unpaid accrual due on the employee’s account.”

6.8.97 Tracking RESCUE Actions

If RESCUE determines the annuity should be adjusted, the results of the RESCUE run can be determined by the following:

- Adjusted cases will have a RESCUE ROC award and a letter in the electronic folder in the Imaging system and a G90 in GOLD. PREH records of the RESCUE adjustment will contain the source code of “RESCUR”.
- Rejected cases will have a referral in STAR under the unit code “RUE” or “SPR” and a G90 in GOLD (unless RESCUE decided the SEARCH computations were not reliable).

If RESCUE determines the annuity does not need to be adjusted, there is no STAR referral and there is no G90 in GOLD. For each RESCUE run, an Excel spreadsheet is available in the RESCUE NAN folder in the Share server of the USRRB domain <\\\\share\\RESCUE NAN> containing the claim numbers of records in which activity was posted to EDM and considered by RESCUE, but the activity did not result in a change in the annuity. The spreadsheet provides the following information:

- The last railroad earnings year on record at the time of the RESCUE run
- The railroad service months and compensation in the last earnings year on record at the time of the RESCUE run
- The last social security earnings year on record at the time of the RESCUE run
- The social security wages in the last wage year on record at the time of the RESCUE run (wages will be shown only if the wage year is within twenty years of the current calendar year).

A second spreadsheet is available in the RESCUE NAN folder with the claim numbers of RRSIA 60/30 employees who attained age sixty-two in the previous calendar year and ABD year earnings do not produce an increase in PIA 1. This spreadsheet contains the ABD year and the date of birth.

When Field Service representatives check to determine if a case was considered by RESCUE, they should take the following steps:

- Start by checking PREH and/or the electronic folder in the Imaging system. If no RESCUE award is found, then
- Check FieldStar for a referral with unit code RUE. For further information about a RESCUE referral, send an email to the general RBD mailbox. If no RESCUE referral is found in STAR, then
- Check the RESCUE NAN folder in the shared area of USRRB (<\\\\Share\\RESCUE NAN>)

6.8.98 RESCUE Referrals

RESCUE edits the EDM, PREH and SEARCH information before attempting to adjust any case. The evaluation process may result in a reject from the automated system, or the case may be adjusted by RESCUE but a referral is issued for further examiner action. The chart below provides the referral codes and explanations for those situations in which RESCUE cannot adjust the annuity or the automated adjustment must be followed by additional examiner review.

Note 1: When handling a RESCUE reject, always check for and make all necessary adjustments in tier 1, tier 2, the supplemental annuity and the SALSA.

Note 2: When handling an employee reject, always check PREH for terminated spouse and divorced spouse records and determine if accrued annuities are due.

STAR referral code	Reject or review	Explanation
01	Review	The OM was previously payable and PIA 9 is now increasing. Adjust the OM for the months it was in effect.
02	Reject	The OM is currently payable or was previously payable and PIA 9 is now decreasing. Investigate the reason for the decrease. Adjust the OM, and check for any increase/decrease in the regular RR formula rate.
03	Not used	
04	Reject	Service months have increased for the 1937/1974 Act employee annuity. Obtain a G90 and pay any tier 1 and tier 2 increase due.

STAR referral code	Reject or review	Explanation

05	Reject	The tier 2 basic annuity has decreased. Investigate the reason for the decrease. Adjust tier 2 and check for any changes in tier 1, the supplemental annuity or the SALSA.
06	Reject	PIA 1 is decreasing. Investigate the reason for the decrease. Adjust tier 1 and check for any changes in tier 2, the supplemental annuity or the SALSA.
07	Reject	PIA 1 is increasing for the 1937/1974 Act age-reduced annuity.
08	Review	The SALSA amount has decreased. Investigate the reason for the decrease and take appropriate recovery actions.
09	Reject	A service/earnings report submitted by the railroad rejected from EDM. Send the case to PEMS – Compensation and Employer Services (CES) to resolve the problem, then request a new G90.
10	Review	Deeming of service months has not been resolved for one or more years. Referral goes to PEMS – CES to resolve the deeming.
11	Reject	Service is reported for months after the ABD. If EDM indicates an investigation is pending, hold the case for a resolution then request a new G90. If a return to RR service has been confirmed, request a new G90 and make all necessary adjustments.

12	Review	Tier 1 and tier 2 compensation discrepancies exist in one or more years. Referral goes to PEMS – CES to resolve the problem.
13	Reject	The account number in EDM is not verified. Send the case to PEMS- CES to resolve the problem then request a new G90.
14	Reject	Earnings before 1975 have changed and the employee receives a VDB. Adjust tier 1, tier 2, the VDB, and the supplemental annuity as needed.

STAR referral code	Reject or review	Explanation
15	Reject	The disabled employee has earnings over \$4999.99 in a year after the ABD but before attainment of FRA. Adjust the annuity as needed with appropriate disability work deductions.
16	Reject	SEARCH rejected RESCUE's request for computations. Request a new G90 and make any necessary changes in the annuity.

17	Reject	SS wages posted on the account may be a duplication of RR earnings for the year. Investigate and request a new G90.
18	Reject	There is a discrepancy between the type of annuity according to PREH and the type of annuity according to SEARCH. Request a new G90 and make all necessary changes in the annuity.
19	Reject	EDM does not show a sufficient number of service months for the type of annuity being paid.
20	Review	The Frozen Minimum PIA may apply. Recertify tier 1.
21	Reject	The employee has multiple SSNs. Send the case to PEMSCES to validate the information in EDM. Request a new G90 when the earnings record is correct.
22	Reject	The PIA 1 eligibility year in PREH and the eligibility year used by SEARCH are discrepant. Request a new G90.
23	Review	The employee has more than 4 periods of MS. Request new PIA and tier 2 computations using all appropriate MS.
24	Reject	The correct 1959 earnings amount could not be determined. Request a new G90.

25	Reject	The RRSIA 5 year annuity contains a tier 1 amount but the employee does not have the required SS insured status to receive a tier 1.
26	Review	Railroad service and/or compensation are reported for the current calendar year. Control the case until SEARCH can include the current year information in PIAs and tier 2 then request a new G90.

STAR referral code	Reject or review	Explanation
27	Reject	PREH military service records may not be accurate. Validate the number of MS months used as RR service on the RESCUE G90. Request a new G90 as needed.
28	Reject	The employee's earnings record contains a previously reported error. Request new PIA and or tier 2 computations as needed.
29	Reject	The annuity is in suspense. Control for reinstatement and adjust the annuity for the change in service and/or earnings. If the annuity is suspended for debt recovery, prepare a ROC award and use any accrual to reduce the debt. Voucher the award as a reinstatement if the accrual fully recovers the debt. Voucher the award as a PREH update only if the accrual does not fully recover the overpayment. Take necessary actions to update the PARS records also.

30	Reject	There is an unhandled COLA reject in the case.
31	Reject	PIA 1 must be modified for NCSP.
32	Reject	The annuity has not yet been paid final.
33	Reject	<ul style="list-style-type: none"> • The annuity is currently reduced for any type of 3rd party partition deduction, or • The annuity is reduced for a non-partition deduction that is based on a percentage, or • ROC cannot determine the correct beginning date for the 3rd party deduction, or • The annuity was previously reduced for a 3rd party deduction that is now terminated.
34	Reject	Tier 2 must be indexed
35	Reject	Tier 1 is reduced for worker's compensation benefits or public disability benefits and the change in earnings may affect those offset amounts.

STAR referral code	Reject or review	Explanation
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36	Reject	The administrative finality date of birth is missing from PREH. Request a new G90.
37	Reject	Administrative finality was previously applied to a change in the earnings record or to previous payments.
38	Reject	The employee is also entitled to a spouse/survivor annuity and the spouse/survivor tier 1 is greater than zero. Adjust both annuities.
39	Reject	A record was found in PARS for this claim number but there is no annuitant identification code for the overpayment.
40	Reject	A supplemental annuity is now payable but the supp attainment code in PREH does not indicate if the employee has a RR pension or not. RESCUE adjusted tier 1, tier 2 and the SALSA as needed.
41	Reject	The spouse annuity is based on a child who has attained age 18.
42	Reject	The divorced spouse was previously entitled as a spouse, but the ABD for the previous annuity is missing from PREH.
43	Reject	An activity is already pending in ROC for this claim number.

44	Review	PREH does not contain complete tier 1 history after 1994. Adjust tier 1 for months prior to the RESCUE adjustment effective date.
45	Reject	PREH history has been archived for the annuitant. Contact BIS-DMG to have the history restored to PREH.
46	Reject	There are gaps in the tier 1 and/or tier 2 history in PREH.
47	Review	The annuitant is deceased. RESCUE adjusted the tier history and posted an accrued annuity to PREH. Pay the accrual to appropriate survivor annuitants.
48	Reject	The annuitant is entitled to more than one annuity and both annuities are active in the RESCUE run.

STAR referral code	Reject or review	Explanation
49	Reject	The adjustment effective date determined by RESCUE is a future date, or the termination effective date is before the RESCUE adjustment effective date.

50	Reject	The employee receives an age reduced annuity, but the employee has acquired 30 years of railroad service. Remove the age reduction.
51	Reject	There is a survivor A-prefix record but there is no employee record in PREH. RESCUE could not obtain survivor SEARCH computations.
52	Reject	The OM is currently payable. Adjust the OM if PIA 9 is increasing. Update the regular RR formula annuity information for any changes in PIA 1 and/or tier 2. Check for a supplemental annuity change or a SALSA payment due.
53	Review	The OM formula was previously paid. RESCUE adjusted tier 1 from the date the RR formula was paid. Make any further payments or updates to PREH for tier 1.
54	Reject	No current RESCUE SEARCH computations were found. Request a new G90.
55	Review	Military service months were previously required to establish eligibility. Additional RR service has been posted to EDM and the employee is now eligible without MS. Check for potential impact on vesting.
56	Reject	The employee has service months prior to 1937. Verify both the total service and the AMC; request a new G90 if needed.

57	Reject	PIA 1 is modified for NCSP and the YOCs have increased.
58	Review	A retirement application is pending on APPLE. Check to see if the initial G90 reflects all service and earnings shown in EDM.
59	Review	A survivor application is pending on APPLE. Check to see if the wage record reflects all service and earnings shown in EDM.

STAR referral code	Reject or review	Explanation
60	Reject	The case has an outstanding overpayment and either the OIG is investigating the case or the beneficiary's due process rights have not yet expired.
61	Reject	PARS has more than 5 overpayment balances on the claim number.
62	Reject	PARS has more than 1 type of overpayment for the annuitant (for example, both an RRA debt and a Medicare debt).

63	Reject	PARS type of overpayment does not agree with PREH partial withholding overpayment source code.
64	Review	PREH does not contain complete tier 2 history after 1994. Adjust tier 2 for months prior to the RESCUE adjustment effective date.
65	Review	Non-exclusion applies to PIA 1 and the employee has earnings after the eligibility year. Request new PIA calculations to include the additional wages.
66	Review	The disabled employee has earnings between the disability onset and FRA. Request new PIA calculations to include the additional earnings.
67	Review	PREH does not contain complete supplemental annuity history after 1994. Adjust the supplemental annuity for months prior to the RESCUE adjustment effective date.
68	Reject	RUIA clearance is needed for the annuity adjustment and there is an open RUIA debt on PARS. The clearance amount returned to ROC may or may not include the open debt on PARS.
69	Reject	The supplemental annuity is increasing but the current supplemental annuity payment is not reduced for the RR pension shown in PREH. Adjust tier 1 and tier 2 as needed also.

70	Reject	The supplemental annuity needs to be adjusted but the RR pension effective date cannot be determined from the
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STAR referral code	Reject or review	Explanation
		supplemental annuity history in PREH. RESCUE adjusted tier 1, tier 2 and the SALSA as needed.
71	Reject	The initial PIA 1 formula is TRANS but the formula switches to AIME.
72	Reject	PREH indicates military service has been used as RR service, but the current tier 2 does not include MS.
73	Review	The effective date of the tier 1 adjustment was restricted to January of the year after tier 1 work deductions ceased to be withheld. If tier 1 work deductions ended in the current year, the tier 1 adjustment was restricted to the month after the work deductions ended. Adjust tier 1 and work deductions for earlier months.
74	Reject	<ul style="list-style-type: none"> • Partial work deduction withholding is currently in force, or • Work deductions were previously withheld but the ending date of the work deduction withholding is unknown(either there is no ending date in PREH or the ending date conflicts with the withholding history) • Tier 1 work deductions are in force but there is no PIA 17 available

75	Reject	<ul style="list-style-type: none"> The termination effective date is later than the termination accounting date. The case may have been in suspense prior to termination, or The annuitant died prior to 1995. Obtain payment history from the folder.
76	Reject	There is EDM activity for an employee with an ABD before 1950. Obtain manual PIA and AMC computations.
77	Reject	No record was found in PREH for the annuitant.
78	Reject	The spouse has a dual entitlement reduction in tier 2, or PREH does not contain the tier 2 restored amount effective date for the dual spouse.

STAR referral code	Reject or review	Explanation
79	Reject	RRSIA 5 year age reduced annuity with tier 1 SS offset but there is no information in PREH about the type of SS benefit or the date of entitlement.
80	Reject	The case involves more than one active spouse or more than one active divorced spouse.
81	Reject	Additional service gives the employee 120 service months. Recalculate the annuity under non-RRSIA rules and correct PREH information.

82	Review	The effective date of the tier 2 adjustment was restricted to January of the year after tier 2 work deductions ceased to be withheld. If tier 2 work deductions ended in the current year, the tier 2 adjustment was restricted to the month after the work deductions ended. Adjust tier 2 and work deductions for earlier months.
83	Review	The effective date of the supplemental annuity adjustment was restricted to January of the year after supplemental annuity work deductions ceased to be withheld. If supplemental annuity work deductions ended in the current year, the supplemental annuity adjustment was restricted to the month after the work deductions ended. Adjust the supplemental annuity and work deductions for earlier months.
84	Reject	Service months have decreased. The supplemental annuity is overpaid, or may be overpaid for months before the RR pension began.
85	Reject	Tier 1 needs to be adjusted but tier 1 has a felony code for a period after January 1995.
86	Review	Temporary work deductions are in force. RESCUE adjusted tier 1 from January of the current year or the month TWDs began if later. Adjust tier 1 for previous months.
87	Reject	The spouse current gross tier 2 is more than 45% of the employee's basic tier 2.

STAR referral code	Reject or review	Explanation
88	Reject	The spouse current gross tier 1 is more than 50% of the employee's PIA.
89	Reject	Non-exclusion applies to PIA 1 but the eligibility year in PREH appears incorrect.
90	Review	The employee who receives a disability annuity has acquired 30 years of service. Correct the annuity type code in PREH to insure proper payment of spouse annuities.
91	Reject	The divorced spouse has excess earnings.
92	Review	The special minimum PIA applies in tier 1. The regular PIA 1 has increased; update the regular PIA 1, AIME/AMW and YOCs in PREH.
93	Review	The OM formula was previously paid. RESCUE adjusted tier 2 from the date the RR formula was paid. Make any further payments or updates to PREH for tier 2.

94	Review	Temporary work deductions are in force. RESCUE adjusted tier 2 from January of the current year or the month TWDs began if later. Adjust tier 2 for previous months.
95	Review	Supplemental annuity temporary work deductions are in force. RESCUE adjusted the supplemental annuity from January of the current year or the month TWDs began if later. Adjust the supplemental annuity and work deductions for previous months.
96	Reject	Earnings are posted to EDM for a year after the employee died.
97	Reject	The terminated spouse has the same payee code as another spouse record.
98	Reject	ROC calculated a rate decrease or a negative accrual.
99	Reject	<ul style="list-style-type: none"> • The spouse was rejected because the employee rejected, or • ROC rejected the employee because the spouse award had to be rejected

STAR referral code	Reject or review	Explanation
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100(1A on STAR)	Review	<p>Pre-1995 tier 2 accrual may be due. RESCUE did not pay an accrual for years before 1995 because:</p> <ul style="list-style-type: none"> • Tier 2 was previously reduced to zero by the VDB, the takeback, or the RRA maximum, or • The OM formula was in force in December 1994, or • Tier 2 was withheld in December 1994 due to a return to RR service, or • Disability work deductions were withheld in December 1994, or • The spouse is a dual RR annuitant and tier 1 increased for years before 1995 so the tier 2 restored amount needs to be adjusted, or • LPE work deductions were withheld before 1995
101 (1B on STAR)	Review	<p>Pre-1995 tier 1 accrual may be due. Rescue did not pay an accrual for years before 1995 because:</p> <ul style="list-style-type: none"> • The OM formula was in force in December 1994, or • Tier 1 was withheld in December 1994 due to a return to RR service, or • Disability work deductions were withheld in December 1994, or • PREH does not contain a tier 1 record for December 1994, or • Tier 1 was withheld in December 1994 for felony, non-citizenship, or deportation, or • RESCUE previously paid a tier 1 accrual for years before 1995, or • The tier 1 PIA is AMW formula or TRANS formula, or

STAR referral code	Reject or review	Explanation
		<ul style="list-style-type: none"> • The spouse is a dual RR annuitant and the December 1994 maximum dual offset amount is zero in PREH or the tier 2 restored amount needs to be adjusted before 1995, or • Tier 1 work deductions were withheld before 1995, or • Tier 1 was reduced for worker's compensation or public disability benefits in December 1994
102 (1C on STAR)	Review	Multiple PIA 1 increases are due before 1995. RESCUE paid the latest increase. Adjust tier 1 for the earlier increases.
103 (1D on STAR)	Review	1937/1974 Act dual spouse and the tier 2 restored amount must be adjusted.
104 (1E on STAR)	Review	The annuitant is deceased and there are no active survivor annuitants. RESCUE computed an accrued annuity and posted it to PREH. Determine if there are any payees entitled to the accrued annuity.

105 (1F on STAR)	Review	The annuitant is terminated for a reason other than death. RESCUE computed an accrued annuity and posted it to PREH. Investigate to determine if the annuitant is still alive, obtain the correct address, and pay the accrued annuity. If the annuitant is deceased, determine if there are survivors who should receive the accrued annuities.
106 (1G on STAR)	N/A	Used in June and September of 2006 only.
107 (1H on STAR)	Review	RESCUE adjusted the supplemental annuity from January 1995. Pay the supplemental annuity accrual due before 1995.
108 (1J on STAR)	Reject	<p>One of the following is true:</p> <ul style="list-style-type: none"> • VDB waiver code is set in PREH, or • Part of the annuity is being waived, or

STAR referral code	Reject or review	Explanation
		<ul style="list-style-type: none"> • Part of the annuity was previously waived

109 (1K on STAR)	Reject	PIA 1 has increased but the PIA formula is not AIME. Adjust tier 1.
110 (1L on STAR)	Reject	One or more records in PREH have more than 50 occurrences.
111 (1M on STAR)	Reject	RESCUE computed a pre-1995 tier 2 accrual of more than \$15,000.00 (employee) or \$7,000.00 (spouse).
112 (1N on STAR)	Reject	RESCUE computed a pre-1995 tier 1 accrual of more than \$5,000.00 (employee) or \$2,500.00 (spouse).
113 (1P on STAR)	Reject	Tier 1 is paid with the special minimum PIA 1 and the YOCs are increasing.
114 (1Q on STAR)	Reject	ROC calculated an accrual greater than \$20,000.00 (employee) or \$10,000.00 (spouse).
115 (1R on STAR)	Reject	ROC cannot determine the maximum dual offset amount for the spouse because the spouse's own employee annuity is archived.

116 (1S on STAR)	Reject	Tier 2 needs to be adjusted but the \$10.00 minimum guaranty applies or previously applied to the current tier 2.
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117 (1T on STAR)	Reject	Employee and spouse rejected because one or both has an outstanding overpayment, or divorced spouse rejected because the divorced spouse has an outstanding overpayment. The indication of an outstanding overpayment is: <ul style="list-style-type: none"> • An open debt on PARS, or
STAR referral code	Reject or review	Explanation
		<ul style="list-style-type: none"> • The annuity is currently reduced for partial withholding
118 (1U on STAR)	Reject	ROC was unable to correctly prefill information from PREH, or there was an error in the ROC calculations.
119 (1V on STAR)	Reject	The employee tier 2 was previously reduced for the RRA maximum. Roc cannot compute tier 2 correctly because the employee and spouse tier 2 adjustments have different effective dates.

120 (1W on STAR)	Review	Tier 2 decreased but the PIA 1 increased by a greater amount so ROC adjusted the annuity. Investigate the reason for the tier 2 decrease; request EDM corrections and/or adjust the annuity where appropriate.
121 (1X on STAR)	Review	PIA 1 decreased but tier 2 increased by a greater amount so ROC adjusted the annuity. Investigate the reason for the PIA 1 decrease; request EDM corrections and/or adjust the annuity where appropriate.
122 (1Y on STAR)	Reject	There was an active widow(er)/young mother on the rolls but RESCUE could not compute the entire accrued annuity for the deceased employee. Compute the accrued annuity and investigate for "living with" before paying the amount.
123 (1Z on STAR)	Reject	SEARCH computed incorrect PIA 1 recomputations for the RRSIA 60/30 employee.
124	Reject	Independent XA – request a G90 to obtain the latest wage record and adjust annuity if necessary. Also consider possible partition entitlement and needed change in rate due to additional earnings.

Appendices

Appendix A - Mass Adjustment Reject And Review Codes

- I. The following described mass adjustment microfilm format is used for all mass mechanical annuity adjustment operations beginning December 1, 1988 through December 1991. Information for all 1991 and later mass adjustments is stored in the Mass Adjustment Inquiry System (MAIS) in RRAPID. See [RCM 16-2](#) for details.

Item	Title	Contents										
(1)	CLAIM NUMBER	<p>The beneficiary symbol, prefix and claim number.</p> <p>Below this information "PC" is followed by the CHICO payee code and in divorced spouse and survivor cases "SYM" is followed by one of the symbols below:</p> <table data-bbox="708 642 1143 1033"> <thead> <tr> <th data-bbox="708 642 818 680">Symbol</th> <th data-bbox="862 642 1143 680">Type of Beneficiary</th> </tr> </thead> <tbody> <tr> <td data-bbox="721 722 743 751">A</td> <td data-bbox="862 722 1122 751">Disabled Widower</td> </tr> <tr> <td data-bbox="721 814 743 844">B</td> <td data-bbox="862 814 1110 844">Father (Widower)</td> </tr> <tr> <td data-bbox="721 907 743 936">C</td> <td data-bbox="862 907 1019 936">Minor child</td> </tr> <tr> <td data-bbox="721 999 743 1029">D</td> <td data-bbox="862 999 1062 1029">Disabled child</td> </tr> </tbody> </table>	Symbol	Type of Beneficiary	A	Disabled Widower	B	Father (Widower)	C	Minor child	D	Disabled child
Symbol	Type of Beneficiary											
A	Disabled Widower											
B	Father (Widower)											
C	Minor child											
D	Disabled child											

		<p>F Father (parent)</p> <p>G Minor, Disabled or Student Grandchildren</p> <p>H Aged Widower</p> <p style="padding-left: 100px;">M Mother (Widow)</p> <p style="padding-left: 100px;">P Parent</p> <p>R Disabled Widow</p> <p>S Student</p> <p>WAged Widow</p> <p>X Divorced Wife</p> <p style="padding-left: 100px;">KA Divorced disabled</p> <p style="padding-left: 100px;">KB Divorced father</p>
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widower

(widower)

KH

Divorced aged widower

Item	Title	Contents
		<p>KM Divorced mother (widow)</p> <p>KR Divorced disabled widow</p> <p>KS 37 or 74 Act nonphase-out student</p>

	KW	Divorced aged widow
	LF	Parent(father) if both parents are entitled under 1983 SS amendments
	LP	Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled
	LS	83 RRA amendment nonphase-out student
	NS	81 amendment continuing entitlement student
	PS	81 amendment nonphase-out student
	RA	Remarried disabled widower
	RB	Remarried father (widower)
	RH	Remarried aged widower
	RM	Remarried mother (widow)
	RR	Remarried disabled widow
	RW	Remarried widow
	TS	37 or 74 Act continuous entitlement student

Tier 1 Data		Items (2) through (15) are blank if no RR annuity is being paid or the RR annuity adjustment rejects.
(2)	Tier 1 PIA/CODE	In employee and survivor cases, the PIA 1 based on the employee's earnings record upon which the tier 1 computation is based. Shown in dollars and dimes.

Item	Title	Contents																
		<p>If the employee is a law year 83 60/30 case in which no tier 1 COL is payable, item (2) is blank.</p> <p>Item (2) is blank in spouse cases, except in the RAIL mass adjustment.</p> <p>If a PIA is shown, the type of PIA code is as follows:</p> <table border="0"> <tr> <td>Code</td> <td>Type of PIA</td> </tr> <tr> <td>A</td> <td>AIME</td> </tr> <tr> <td>T</td> <td>TRANS</td> </tr> <tr> <td>W</td> <td>AMW</td> </tr> <tr> <td>S</td> <td>SPC MIN</td> </tr> <tr> <td>P</td> <td>Old Start</td> </tr> <tr> <td>R</td> <td>Alternative PIA</td> </tr> <tr> <td>F</td> <td>Frozen minimum</td> </tr> </table> <p>In the RAIL, REJ and the reason code is shown in item (2) if the tier 1 cannot be calculated mechanically. If the lag compensation does not increase PIA 1, "NO CHGE" is shown.</p>	Code	Type of PIA	A	AIME	T	TRANS	W	AMW	S	SPC MIN	P	Old Start	R	Alternative PIA	F	Frozen minimum
Code	Type of PIA																	
A	AIME																	
T	TRANS																	
W	AMW																	
S	SPC MIN																	
P	Old Start																	
R	Alternative PIA																	
F	Frozen minimum																	

(3)	Gross Tier 1/ CODE	<p>The gross tier 1 amount. For employees, the COL increased PIA, including DRCs rounded down to the nearest dollar or dime as appropriate. For spouses, fifty percent of the employee's COL increased PIA rounded down to the nearest dollar or dime as a appropriate. For survivors, the COL increased original rate, including DRCs and rounded down to the nearest dime.</p> <p>Codes are as follows:</p> <table border="0"> <tr> <td>Code</td> <td>Situation</td> </tr> <tr> <td>A</td> <td>PL 94-547 applies</td> </tr> <tr> <td>B</td> <td>Survivor maximum case</td> </tr> </table>	Code	Situation	A	PL 94-547 applies	B	Survivor maximum case
Code	Situation							
A	PL 94-547 applies							
B	Survivor maximum case							

Item	Title	Contents						
		<table border="0"> <tr> <td>D</td> <td>Reduced 60/30 employee or spouse not eligible for tier 1 COL</td> </tr> <tr> <td>E</td> <td>Reduced 60/30 employee eligible for tier 1 COL</td> </tr> <tr> <td>F</td> <td>Reduced 60/30 spouse eligible for tier 1 COL</td> </tr> </table>	D	Reduced 60/30 employee or spouse not eligible for tier 1 COL	E	Reduced 60/30 employee eligible for tier 1 COL	F	Reduced 60/30 spouse eligible for tier 1 COL
D	Reduced 60/30 employee or spouse not eligible for tier 1 COL							
E	Reduced 60/30 employee eligible for tier 1 COL							
F	Reduced 60/30 spouse eligible for tier 1 COL							
(4)	AGE RED/CODE	<p>In retirement cases, the tier 1 age reduction amount. In survivor cases, the tier 1 after age reduction or RIB limitation.</p> <p>Codes are as follows:</p> <table border="0"> <tr> <td>Code</td> <td>Situation</td> </tr> <tr> <td>A</td> <td>Survivor case with entitlement before 1978</td> </tr> </table>	Code	Situation	A	Survivor case with entitlement before 1978		
Code	Situation							
A	Survivor case with entitlement before 1978							

		<p>B Survivor case with entitlement after 1977</p> <p>C Retirement case with reduction factor based on 1/180</p> <p>D Spouse or divorced spouse with reduction factor based on 1/144</p> <p>E Survivor with RIB limitation amount as first adjusted rate.</p> <p>F Survivor with 82-1/2 percent of the PIA as first adjusted rate.</p>
		<p>G Employee or spouse with lawyear 83 60/30 age reduction and tier 1 COL payable</p> <p>1 blank in law year 83 cases in which tier 1 of payable.</p>
(5)	INCR 1/CODE	In the 12/88 COL the recalculated 10/88 net tier 1 amount for dual widows. In the AERO or RAIL mass adjustment, the tier 1 monthly increase amount payable on the tier 1 accrual effective date.

Item	Title	Contents
		The code indicates the effective date of the adjustment. RCM 6.8 Appendices E and F provide effective date codes for the AERO and RAIL respectively.
(6)	DRC	The number of delayed retirement credits used in tier 1.
(7)	%	The DRC increase percentage. If 1/12 of one percent is used, 1 is shown. If 1/4 of one percent is used, 3 is shown. If a variable percent is used because the employee's DOB is after 1-1-25, 5 is shown.
(8)	PSP	The PSP offset amount subtracted from a spouse or widow(er) tier 1.
(9)	SSA OFFSET	<p>The SSA offset amount in tier 1 as determined by Research. The amount shown is rounded to the dollar. The amount in (9) may differ from the amount in (37). In LAF E cases, only the SS benefit certified by the Board is shown in (37).</p> <p>If the beneficiary is also receiving a benefit certified by SSA, the amount in (9) will reflect both benefits.</p>
(10)	DUAL OFFSET	The amount by which a spouse or widow annuitant is reduced because of entitlement to his/her own employee annuity.
(11)	INCR 2	In the AERO and RAIL, the tier 1 monthly increase amount payable on the second date break, if any, in the accrual period. In the COLA, the tier 1 work deduction amount.

(12)	NET TIER 1/CODE	<p>The net tier 1 amount after DRC's and COL increase are included, and after all reductions except tax withholding are considered (maximum, age, public pension, own employee annuity tier 1, SS benefit, (worker's comp).</p> <p>The code is as follows:</p> <table border="0"> <tr> <td>Code</td> <td>Situation</td> </tr> <tr> <td>A</td> <td>Alien suspension</td> </tr> </table>	Code	Situation	A	Alien suspension
Code	Situation					
A	Alien suspension					

Item	Title	Contents								
		<table border="0"> <tr> <td>F</td> <td>Felony suspension</td> </tr> <tr> <td>T</td> <td>Spouse or widow tier 1 terminated</td> </tr> <tr> <td>D</td> <td>LY83 spouse with net tier 1 decrease due to SSA benefit increase</td> </tr> <tr> <td>E</td> <td>Deportation</td> </tr> </table> <p>If tier 1 is zero due to reductions or because of nonpayment provisions "000.00" is shown.</p> <p>If no reductions are required in tier 1, the rate in (3) is repeated in retirement cases. In survivor cases, the rate in (4) is shown rounded down to the dollar.</p>	F	Felony suspension	T	Spouse or widow tier 1 terminated	D	LY83 spouse with net tier 1 decrease due to SSA benefit increase	E	Deportation
F	Felony suspension									
T	Spouse or widow tier 1 terminated									
D	LY83 spouse with net tier 1 decrease due to SSA benefit increase									
E	Deportation									
(13)	PREV TIER 1	<p>The net tier 1 amount before the current adjustment action. If the previous net tier 1 is zero, "000.00" is shown. Blank in OM cases.</p>								

(14)	WC/PDB	The worker's compensation and/or public disability benefit offset amount. In the RAIL, the item shows the tier 1 monthly increase amount, payable on the third date break, if any, in the accrual period. In the AERO, the new tier I work deduction amount.				
(15)	TOTAL ACCRUAL	In the 12/88 COL the total accrual amount computed for dual widows. In the AERO or RAIL mass adjustment, the total tier 1 accrual amount. If the accrual is a reject "REJ" is shown.				
Tier II Data		Items (16) through (31) are blank if no RR annuity is being paid, the annuitant is not entitled to tier 2 or the record rejects in the adjustment operation.				
(16)	COMP 1/CODE	<p>The amount shown is indicated by the code as follows:</p> <table border="0" data-bbox="716 1020 1455 1289"> <tr> <td style="padding-right: 20px;">Code</td> <td>Amount Represents</td> </tr> <tr> <td>A</td> <td>Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has</td> </tr> </table>	Code	Amount Represents	A	Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has
Code	Amount Represents					
A	Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has					

Item	Title	Contents
		<p>only a component 1 in tier 2 and the \$10.00 takeback minimum guaranty applies, the component 1 before the guaranty is shown.</p> <p>B Employee was initially awarded under the 1981 or 1983 amendments. Tier 2 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the \$10.00 takeback minimum guaranty applies, the net tier 2 before the guaranty is shown.</p>

		<p>C</p> <p>Spouse base rate is 50% of the employee's tier 2. (SP awarded before the 1981 Amendments.) The amount shown is the tier 2 after restoration of the tier 1 dual offset after COL increase, age reduction, RRA max reduction and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>D</p> <p>Spouse base rate is 45% of the employee's tier 2 (spouse awarded under 1981 or 1983 Amendments). The amount shown is after restoration of the tier 1 dual offset, after COL increase and after reduction for RRA max and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>If the spouse ABD is before 1-1-84, the amount shown is after age reduction. If the spouse ABD is 1-1-84 or later, the amount shown is before reduction for age.</p>
		<p>E</p> <p>30% of the survivor 5/82 or OBD original or reduced for maximum rate reduced for age, increased for additional COL increases and reduced for 12/83 and 12/84 takebacks but before \$10.00 takeback minimum guaranty.</p>

Item	Title	Contents
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		<p>F Applicable percentage of the employee's tier 2 on the survivor's OBD reduced for age, increased for COL and reduced for 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>If tier 2 is reduced to zero, (16) should be blank.</p>
(17)	SURV EQL AMT	The equalized amount added to a survivor tier 2.
(18)	LAG BAS ANN	The new tier 2 basic annuity computed in the RAIL mass adjustment.
(19)	INCR 1/CODE	<p>The tier 2 monthly increase amount payable on the tier 2 accrual effective date in the RAIL. The code indicates the adjustment effective date. RCM 6.8 Appendix F provides the effective date codes.</p>
(20)	COMP 2	<p>If the employee was initially awarded under the 1974 Act, component 2 after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown.</p> <p>Item (20) is blank if the employee is a 1937 Act case, a 1981 or 1983 amendment case or a 1974 Act case with only one component payable in tier 2. Item (20) is blank in spouse and survivor cases.</p>

(21)	SURV RST AMT	If the annuitant is a widow(er), the amount shown is the amount to be restored in tier 2 if the widow(er)'s own employee annuity tier 1 was deducted from the widow(er)'s tier 1.
(22)	AGE RED	The tier 2 age reduction amount. In 1974 employee cases in which tier 2 is composed of three components, Item (22) is the sum of prorated age reduction amounts for each of the components. The age reduction amount is already subtracted from the tier 2 amounts shown in (16), (20) and (24), except in spouse cases with an ABD of 1-1-84 or later.

Item	Title	Contents
(23)	INCR 2	In the RAIL, the tier 2 monthly increase amount payable on the second date break, if any, in the tier 2 accrual period.
(24)	COMP 3	If the employee was initially awarded under the 1974 Act, component 3 after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown. Item (24) is blank if the employee is a 1937 Act case, a 1981 or 1983 Amendment case, or a 1974 Act case in which only one component is payable in tier 2. Item (24) is blank in spouse and survivor cases.

(25)	SP MIN GUAR	The amount added to the survivor tier 2 for the spouse minimum guaranty. In the RAIL the RRA maximum reduction amount subtracted from the spouse tier 2.
(26)	AMC W/LAG	The new tier 2 AMC computed in the RAIL mass adjustment.
(27)	UNTITLED	In the COLA, the new tier 2 work deduction amount. In the AERO, the tier 2 work deduction amount. In the RAIL, the tier 2 monthly increase amount payable on the third date break, if any, in the tier 2 accrual period.
(28)	NET TIER 2	<p>In employee and spouse cases, the net tier 2 amount payable after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks and after application of the \$10.00 takeback minimum guaranty. Item (28) is the sum of items (16), (20) and (24), or \$10.00 if the takeback guaranty applies.</p> <p>If the spouse ABD is 1-1-84 or later, item (28) equals item (16) minus item (22).</p> <p>In survivor cases, the net tier 2 amount payable after COL increases and after reduction for age and 12/83 and 12/84 takebacks and after the application of the \$10.00 takeback minimum guaranty, plus any restored amount, equalized amount or spouse minimum guaranty amount.</p>
Item	Title	Contents

		<p>Item (28) is the sum of (16), or \$10.00 if the takeback minimum guaranty applies, and items (17), (21) and (25).</p> <p>If net tier 2 is zero, 0000.00 is shown.</p>
(29)	PREV TIER 2	The net tier 2 amount before the current adjustment action. If the previous net tier 2 is zero, "000.00" is shown. Blank in O/M cases.
(30)	SM W/LAG	The new total railroad service months computed in the RAIL mass adjustment. The number includes any military service months used as railroad service.
(31)	TOTAL ACCRUAL VDB Data	<p>The total tier 2 accrual paid in the RAIL mass adjustment. If the accrual rejects, REJ and the code are shown. If the spouse tier 2 decreases because of the RRA maximum reduction, the tier 2 overpayment amount is shown. In the SALSA, the payment amount or the reject code is shown.</p> <p>Items (32) through (34) are blank if no RR annuity is being paid, the annuitant is not entitled to a vested dual benefit, or the record rejects in the adjustment operation.</p>
(32)	NET VDB	The net vested dual benefit after age reduction and any cutback. If a survivor VDB was computed as zero, "000.00" is shown.
(33)	AGE RED	The VDB age reduction amount in retirement cases.
(34)	C/B	The VDB cutback amount if a funding restriction is in force.

(35)	UNTITLED	In the COLA and the AERO, the VDB work deduction amount. In the RAIL, the amount of employee accrual used to recover the spouse overpayment caused by the RRA maximum reduction.
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Item	Title	Contents
	SS Ben Data	<p>In the COLA, these items are used for SS benefit information. Data is shown if the person is entitled to an SS benefit even if the RR annuity is a reject.</p> <p>In the RAIL, these items are used to show RR annuity work deduction information.</p>
(36)	SSA PIA	<p>In the COLA, the PIA upon which the SS benefit is based. If the person receives dual benefits, the PIA on the person's own account number ("A" benefit) is shown.</p> <p>In the RAIL, the tier I work deduction amount.</p>
(37)	SSA AMOUNT	<p>In the COLA, the amount of the SS benefit after dollar rounding, but before SMI premium deduction. In cases where the annuitant is receiving more than one SSA benefit, it is possible that RRB is paying one of the benefits and SSA the other. In such cases, the amount shown is what RRB is paying. The offset amount shown in the tier 1 data will reflect all the SS benefits. If the SS benefit rejects, item (37) is left blank.</p> <p>In the RAIL, the tier 2 work deduction amount.</p>

(38)	<p>In the COLA, if the person receives SS benefits, "BIC" is shown followed by the benefit suffix (the alpha character indicating the type of benefit - A, B, C, D, etc.).</p> <p>In the RAIL, the VDB work deduction amount.</p>	
(39)	UNTITLED	<p>If the person receives an SSA benefit, "LAF" is shown followed by E if RRB pays the benefit or C if SSA pays the benefit. If the SS benefit is paid by the Board but the benefit rejects in the SS COLA "REJ" shows. In the RAIL, the total net accrual paid. For employees the amount is the sum of items 15 and 31 minus item 35. In spouse cases, the amount is the sum of items 15 and 31 plus item 35.</p>

Item	Title	Contents
(40)	RECUR REG TAX	<p>The tax withholding amount subtracted from the recurring regular annuity rate. If there is no regular annuity tax, "000.00" is shown.</p>
(41)	RECUR SUPP TAX	<p>The tax withholding amount subtracted from the recurring supplemental annuity rate. If there is no supp tax, "000.00" is shown.</p>

(42)	SSEB PIA/CODE	<p>For employee records the adjusted SSEB PIA. The code indicates the type of SSEB PIA:</p> <table border="0"> <tr> <td>Code</td> <td>PIA Type</td> </tr> <tr> <td>A</td> <td>AIME</td> </tr> <tr> <td>T</td> <td>TRANS</td> </tr> <tr> <td>W</td> <td>AMW</td> </tr> <tr> <td>S</td> <td>SPC MIN</td> </tr> <tr> <td>P</td> <td>Old Start</td> </tr> <tr> <td>F</td> <td>Frozen Min.</td> </tr> </table> <p>Blank in spouse and survivor cases.</p>	Code	PIA Type	A	AIME	T	TRANS	W	AMW	S	SPC MIN	P	Old Start	F	Frozen Min.
Code	PIA Type															
A	AIME															
T	TRANS															
W	AMW															
S	SPC MIN															
P	Old Start															
F	Frozen Min.															
(43)	ACCRL TAX RECUR RATE DATA	Tax amount, if any, withheld from a total mass adjustment accrual.														
(44)	OLD RATE BEFORE SMI	<p>The pre-adjustment regular RR annuity rate before SMIB and tax withholding but after actuarial adjustment, partial withholding, temporary work deductions or legal process deduction.</p> <p>Item (44) is blank if the RR is a reject or RRB is paying an SS benefit only.</p>														
(45)	NEW BEFORE SMI RATE	The adjusted regular RR annuity rate before SMIB and tax withholding but after actuarial adjustment, partial withholding, temporary work deductions or legal process deduction.														

Item	Title	Contents														
		<p>If the RR annuity is a reject, item (45) will show "REJ" with one of the following codes shown to identify the type of reject:</p> <table data-bbox="721 558 1419 1121"> <thead> <tr> <th data-bbox="721 558 802 590">Code</th> <th data-bbox="867 558 1081 590">Type of Benefit</th> </tr> </thead> <tbody> <tr> <td data-bbox="721 632 745 663">A</td> <td data-bbox="867 632 1019 663">BDP reject</td> </tr> <tr> <td data-bbox="721 705 745 737">B</td> <td data-bbox="867 705 1182 737">Benefit payment reject</td> </tr> <tr> <td data-bbox="721 779 745 810">C</td> <td data-bbox="867 779 1398 852">Due Process code in benefit payment record</td> </tr> <tr> <td data-bbox="721 894 745 926">D</td> <td data-bbox="867 894 1227 926">Case in partial rate status</td> </tr> <tr> <td data-bbox="721 968 745 999">E</td> <td data-bbox="867 968 1057 999">Interim widow</td> </tr> <tr> <td data-bbox="721 1041 745 1073">F</td> <td data-bbox="867 1041 1419 1115">No adjusted record received by CHICO from Research.</td> </tr> </tbody> </table> <p>Item (45) is blank if we are paying an SS benefit but no RR annuity.</p>	Code	Type of Benefit	A	BDP reject	B	Benefit payment reject	C	Due Process code in benefit payment record	D	Case in partial rate status	E	Interim widow	F	No adjusted record received by CHICO from Research.
Code	Type of Benefit															
A	BDP reject															
B	Benefit payment reject															
C	Due Process code in benefit payment record															
D	Case in partial rate status															
E	Interim widow															
F	No adjusted record received by CHICO from Research.															
(46)	NEW RATE AFTER SMI	<p>The new regular RR annuity rate after actuarial adjustment, partial withholding, temporary work deductions, legal process deduction and tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown.</p> <p>This rate does not include the Supp annuity if one is payable or the SS benefit if RRB is paying it.</p> <p>This column is blank if the regular annuity rejects unless a deduction is needed for the SMI premium or tax withholding.</p>														

(47)	CHECK RR/SS/SUPP	<p>The total monthly payment amount.</p> <p>The amount is the total of the RR annuity (after actuarial adjustment, partial withholding, temporary work deductions, legal process deduction tax withholding and SMIB), the Supp annuity (after tax withholding) and the SS benefit (if RRB is paying the SS benefit).</p>
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Item	Title	Contents
(48)	SMIB PREM/CODE	<p>The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not issued because the claim is suspended for other than cause code 98 or was terminated, item (47) will be blank.</p> <p>An asterisk (*) immediately follows the amount if a code 98 suspension is in effect.</p> <p>The SMIB premium amount (table or variable) being subtracted from the monthly payment. An F is shown in the code box if the premium is being deducted from the SS benefit instead of the RR annuity.</p>
(49)	SMIB CODE	<p>The five position code on CHICO which describes the SMIB status.</p> <p>Rate Table Indicator (S, P, or C)</p> <p>Variable Rate Indicator (V or N)</p> <p>Penalty Percentage Indicator (000 through 220)</p>

(50)	OTHER DED/CODE	<p>The rate deductions if any, subtracted from the gross annuity rate.</p> <p>The code indicates the type of deductions.</p> <p>Code Situation</p> <p>A Actuarial adjustment</p> <p>P Partial withholding</p> <p>W Retirement temporary work deductions</p> <p>G Legal process deduction</p>
		<p>B Actuarial adjustment and partial withholding</p> <p>C Actuarial adjustment and temporary work deductions</p>
Item	Title	Contents
		<p>D Partial withholding and temporary work deductions</p> <p>E Actuarial adjustment, partial withholding and temporary work deductions</p> <p>F Actuarial adjustment, and legal process deduction</p> <p>J Partial withholding and legal process deduction</p>

		<p>K Temporary work deduction and legal process deduction</p> <p>M Actuarial adjustment, partial withholding and legal process deduction</p> <p>Q Actuarial adjustment, temporary work deduction and legal process deduction</p> <p>R Partial withholding, temporary work deduction and legal process deduction</p> <p>S Actuarial adjustment, partial withholding, temporary work deduction and legal process deduction</p>
(51)	SUP BEFORE TAX	The monthly supplemental annuity rate before tax withholding.
(52)	RJ/RV	<p>The reject and special handling review codes. "SA" is shown for cases with LAF E SSA benefits which are due an AERO increase.</p> <p>An asterisk (*) is shown if the record rejected or was earmarked for special handling and review in a previous mechanical COL operation. The asterisk will show even if the case does not reject or is not earmarked for review in the current COL operation.</p>

II. The following described format was used for all mass adjustments December 1, 1985 through November 1988. All items described below were used on cost-offliving microfilms. Selected items were used on the microfilms for other mass adjustments.

Item	Title	Contents and Instructions
(A)	CLAIM NUMBER	Beneficiary symbol, prefix, and claim number are shown.

(B)	PC	Payee Code																				
(C)	SYM	<p>Blank for employee and the spouse records. For divorced spouse and survivor records the symbol is derived as follows:</p> <table data-bbox="708 495 1459 1285"> <thead> <tr> <th data-bbox="708 495 818 533">Symbol</th> <th data-bbox="818 495 1459 533">Type of beneficiary</th> </tr> </thead> <tbody> <tr> <td data-bbox="708 554 818 592">A</td> <td data-bbox="818 554 1459 592">Disabled Widower</td> </tr> <tr> <td data-bbox="708 642 818 680">B</td> <td data-bbox="818 642 1459 680">Father (Widower)</td> </tr> <tr> <td data-bbox="708 730 818 768">C</td> <td data-bbox="818 730 1459 768">Minor child</td> </tr> <tr> <td data-bbox="708 819 818 856">D</td> <td data-bbox="818 819 1459 856">Disabled child</td> </tr> <tr> <td data-bbox="708 907 818 945">F</td> <td data-bbox="818 907 1459 945">Father (parent)</td> </tr> <tr> <td data-bbox="708 995 818 1033">G</td> <td data-bbox="818 995 1459 1033">Minor, Disabled or Student Grandchild</td> </tr> <tr> <td data-bbox="708 1083 818 1121">H</td> <td data-bbox="818 1083 1459 1121">Aged Widower</td> </tr> <tr> <td data-bbox="708 1171 818 1209">M</td> <td data-bbox="818 1171 1459 1209">Mother (Widow)</td> </tr> <tr> <td data-bbox="708 1260 818 1297">P</td> <td data-bbox="818 1260 1459 1297">Parent</td> </tr> </tbody> </table>	Symbol	Type of beneficiary	A	Disabled Widower	B	Father (Widower)	C	Minor child	D	Disabled child	F	Father (parent)	G	Minor, Disabled or Student Grandchild	H	Aged Widower	M	Mother (Widow)	P	Parent
Symbol	Type of beneficiary																					
A	Disabled Widower																					
B	Father (Widower)																					
C	Minor child																					
D	Disabled child																					
F	Father (parent)																					
G	Minor, Disabled or Student Grandchild																					
H	Aged Widower																					
M	Mother (Widow)																					
P	Parent																					

R	Disabled	Widow
S	Student	
W	Aged Widow	
X	Divorced Wife	
	KA	Divorced disabled widower
	KB	Divorced father (widower)
	KH	Divorced aged widower
	KM	Divorced mother (widow)

Item	Title	Contents and Instructions
		KR Divorced disabled widow
		KS 37 or 74 Act nonphase-out student
		KW Divorced aged widow
		LF Parent(father) if both parents are entitled under 1983 SS amendments
		LP Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled
		LS 83 RRA amendment nonphase-out student
		NS 81 amendment continuing entitlement student

		<p>PS 81 amendment nonphase-out student</p> <p>RA Remarried disabled widower</p> <p>RB Remarried father (widower)</p> <p>RH Remarried aged widower</p> <p>RM Remarried mother (widow)</p> <p>RR Remarried disabled widow</p> <p>RW Remarried widow</p> <p>TS 37 or 74 Act continuous entitlement student</p>
	<p>Tier 1 Items (D) through (J) are blank if:</p> <ul style="list-style-type: none"> • the RR annuity is a reject, or • RRB is paying on ly an SS benefit 	
(D)	TIER 1 PIA	In employee and survivor cases, the PIA 1 based on the employee's earnings record upon which the tier 1 computation is based. Shown in dollars and dimes.
Item	Title	Contents and Instructions

		<p>If the employee is a Law year 83 60/30 case in which no tier 1 COL is payable, item (D) is blank.</p> <p>Item (D) is blank in spouse cases.</p>
(E)	GROSS TIER 1 CODE	<p>The gross tier 1 amount is shown with an explanatory code.</p> <ul style="list-style-type: none"> • If the annuitant is an employee, the COL increased PIA, including DRC's, rounded down to the nearest dollar. • If the annuitant is a spouse or divorced spouse, 50% of the employee's COL increased PIA rounded down to the nearest dollar. • If the annuitant is a survivor, the COL increased original rate. The amount shown will include DRC's and is rounded to the nearest dime. <p>Code Amount Represents</p> <p>A PL 94-547 rate for an employee or spouse, rounded down to the nearest dollar.</p> <p>B Survivor maximum case. The PIA upon which the reduced for maximum rates are based. The amount shown will include DRC's and is rounded to the nearest dime.</p> <p>D Reduced 60/30 employee or spouse not eligible for tier 1 COL (annuitant under age 62, or age 62 but tier 1 recalculation has not been performed prior to COL mass adjustment). No amount will show in (E).</p>

		<p>E Reduced 60/30 employee eligible for tier 1 COL. Gross tier 1 equals PIA 1 (not rounded to the dollar.)</p> <p>F Reduced 60/30 spouse eligible for tier 1 COL. Gross tier 1 equals 50% of employee's PIA 1 rounded to the dime.</p>
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Item	Title	Contents and Instructions
(F)	DRC DRC %	<p>The number of increment months, if any, used to compute the employee's or survivor's delayed retirement credit.</p> <p>A "1" is shown if the DRC's used are based on 1/12 of one percent for each month. A "3" is shown if DRC's used are based on 1/4 of one percent for each month.</p>
(G)	AGE REDUCTION	<p>In retirement cases, the age reduction amount is it applies in tier 1. In survivor cases, the first adjusted rate, i.e., the rate after age reduction or RIB limitation. The codes are as follows:</p> <p>Code Meaning</p> <p>A Percentage increase method used (entitlement before 1978). Applies to survivor cases only.</p> <p>B Initial reduction months based on a factor of 19/40 if aged widow(er) or 19/40 and 43/240 if disabled widow(er). Applies to survivor cases only.</p>

C Initial reduction months based on factor of 1/180. Applies to retirement cases only.

D Initial reduction months based on a factor of 1/144. Applies to spouses only.

E The first adjusted rate is the RIB limitation amount. Applies only to widows.

F The first adjusted rate is 82 1/2% of the PIA. Applies only to widows.

	G Law	<p>year 83 reduced 60/30 tier 1 age reduction amount. Shown only if tier 1 COL is payable.</p> <p>In Law year 83 reduced 60/30 cases in which no tier 1 COL is payable, item (G) is blank.</p>
Item	Title	Contents and Instructions
(H)	SSA OFFSET	<p>The SSA, offset amount in tier 1 as determined by Research. This amount is rounded to the dollar. The amount in (H) may differ from the amount in (V). The LAF E cases, only the SS benefit certified by the Board is shown in (V). If the beneficiary is also receiving in (H) will reflect both benefits.</p> <p>In code 34 and code 37 special handling cases, the amount shown in (H) is an assumed amount.</p>

(I)	NET TIER 1	<p>The net tier 1 amount shown in this item is the amount after DRC's and COL increase are included, and after all reductions except tax withholding are considered (maximum, age, public pension, own employee annuity tier 1, SS benefit, worker's comp).</p> <p>If the tier 1 is reduced for amounts other than age and SS benefits, the code indicates the type of additional reductions:</p> <p>Code Meaning</p> <p>A Gross tier 1 is reduced by the annuitant's own employee annuity tier 1 amount.</p> <p>B Gross tier 1 is reduced by the annuitant's public pension amount.</p> <p>C Gross tier 1 is reduced by both the annuitant's public pension and his/her own employee annuity tier 1 amount.</p>
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D	Gross tier 1 is amount.	reduced by the annuitant's worker's comp
E	Gross tier 1 is	reduced by the annuitant's worker's comp and public pension amounts.
F	Gross tier 1 is	reduced by both the annuitant's worker's comp and own employee annuity tier 1 amounts.

Item	Title	Contents and Instructions
		<p>G Gross tier 1 is reduced by the annuitant's worker's comp, public pension and own employee annuity tier 1 amounts.</p> <p>H Felony case. Tier 1 not payable.</p> <p>I Law year 83 60/30 spouse not entitled to a tier 1 COL and net tier 1 decreases due to the increase in the spouse's SSA benefit and/or the increase in the spouse's own employee annuity tier 1 amount.</p> <p>If tier 1 is wiped out due to reductions or nonpayment due to felony conviction, "000.00" is shown.</p> <p>If no reductions are required in tier 1, the (E) rate is repeated in retirement cases. In survivor cases, the (G) rate is shown rounded down to the dollar.</p> <p>In Law year 83 reduced 60/30 cases which no tier 1 COL is payable, item (I) is the only tier 1 item with an entry.</p>

(J)	PREV TIER 1	<p>The amount shown in this item is the net tier 1 amount before the current COL adjustment. Blank in O/M cases.</p> <p>Tier 2 Items (K) through (P) are blank if:</p> <ul style="list-style-type: none"> • the RR annuity is a reject, or • only an SS benefit is being paid, or • the annuitant is not eligible for a tier 2
(K)	COMP 1	<p>The amount shown is indicated by the code as follows. If the takeback reduces tier 2 to zero, (K) is blank.</p> <p>Code Amount Represents</p> <p>A Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL</p>

Item	Title	Contents and Instructions
		<p>increase and 12/83 and 12/84 takebacks is shown. If the employee has only a component 1 in tier 2 and the \$10.00 takeback minimum guaranty applies, the component 1 before the guaranty is shown.</p> <p>B Employee was initially awarded under the 1981 amendments. Tier 2 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the \$10.00 takeback minimum guaranty applies, the net tier 2 before the guaranty is shown.</p>

		<p>C Spouse base rate is 50% of employee's tier 2. The amount shown is the tier 2 after restoration of own EE annuity tier 1, after COL increase and after reduction for the RRA max and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>D Spouse base rate is 45% of employee's tier 2. The amount shown is after restoration for own EE annuity tier 1 after COL increase and after reduction for RRA max and 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>If the spouse ABD is before 1-1-84, the amount shown is after age reduction. If the spouse ABD is 1-1-84 or later, the amount shown is before reduction for age.</p> <p>E 30% of the survivor 5/82 or OBD original or reduced for maximum rate reduced for age, increased for additional COL increases and reduced for 12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.</p> <p>F Applicable percentage of the employee's tier 2 on the survivor's OBD reduced for age, increased for COL and reduced for</p>
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Item	Title	Contents and Instructions
		12/83 and 12/84 takebacks but before the \$10.00 takeback minimum guaranty.

(L)	COMP 2	<p>If the employee was initially awarded under the 1974 Act, component 2 after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown.</p> <p>Item (L) is blank if the employee is a 1937 Act case, a 1981 Amendment case or a 1974 Act case with only one component payable in tier 2.</p> <p>Item (L) is blank in spouse cases.</p> <p>If the annuitant is a widow(er), the amount shown is the amount to be restored in tier 2 if the widow(er)'s own employee annuity tier 1 was deducted from the widow(er)'s tier 1.</p>
(M)	COMP 3	<p>If the employee was initially awarded under the 1974 Act, component 3 after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown.</p> <p>Item (M) is blank if the employee is a 1937 Act case, a 1981 Amendment case, or a 1974 Act case in which only one component is payable in tier 2. Item (M) is blank in spouse cases.</p> <p>In survivor cases, the amount to be added to the widow(er)'s tier 2 for the spouse minimum guaranty or the amount to be added to a survivor's tier 2 for 1/75 conversion equalization is shown.</p>
(N)	AGE REDUCTION	<p>The total tier 2 reduction amount.</p> <p>In 1974 employee cases in which tier 2 is composed of three components, Item (N) is the sum of the prorated age reduction amounts for each of the components.</p> <p>The age reduction amount shown is already subtracted from the tier 2 amounts shown in (K),</p>
Item	Title	Contents and Instructions

		(L) and (M), except in spouse cases with an ABD of 1-1-84 or later.
(O)	NET TIER 2	<p>In employee and spouse cases, the net tier 2 amount payable after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks and after application of the \$10.00 takeback minimum guaranty. Item (O) is the sum of items (K), (L) and (M), or \$10.00 if the takeback guaranty applies.</p> <p>If the spouse ABD is 1-1-84 or later, item (O) equals item (K) minus item (N).</p> <p>In survivor cases, the net tier 2 amount payable after COL increases and after reduction for age and 12/83 and 12/84 takebacks and after the application of the \$10.00 takeback minimum guaranty, plus any restored amount or spouse minimum guaranty amount. Item (O) is the sum of (K), or \$10.00 if the takeback minimum guaranty applies, and items (L) and (M).</p>
(P)	PREV TIER 2 Windfall	<p>The tier 2 amount to be entered in this item is the net amount before the current COL adjustment. Blank in O/M cases.</p> <p>Items (Q) through (R) are blank if:</p> <ul style="list-style-type: none"> • the RR annuity is a reject, or • only an SS benefit is being paid, or • the annuitant is not entitled to a windfall
(Q)	NET WINDFALL	<p>The amount of the windfall after age reduction.</p> <p>The survivor cases if a windfall was calculated but it resulted in a zero rate, "000.00" is shown.</p>
(R)	AGE REDUCTION	The age reduction amount applied to the windfall. Blank in survivor cases.

(S)	UNTITLED	The tier 1 non-SSEB taxable amount. This amount is included in the annuity amount subject to
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Item	Title	Contents and Instructions
		withholding upon which the tax withholding amount is calculated.
(T)	TAX W/H	Total taxes withheld from the recurring regular RR and Supp annuity monthly payment. If no taxes are withheld, "000.00" is shown.
	SS Benefit	SS benefit data is shown even if the RR annuity is a reject.
(U)	SSA PIA	The COL increased PIA in dollars and dimes upon which the SS benefit is based. For various reasons, the PIA is not always updated for the COL even though the benefit amount is increased. In this case the PIA will be left to avoid confusion.
(V)	SSA AMOUNT	The amount of the SS benefit after dollar rounding, but before SMI premium deduction. This amount is shown in pure LAF E SS cases as well as cases involving RR payments and LAF E or LAF C SS benefits. In cases where the annuitant is receiving a combined benefit as SSA, it is possible that RRB is paying one of the benefits and SSA and other. In such cases, the amount shown is what RRB is paying. The offset amount shown in the tier 1 data will reflect all the SS benefits. In the SS benefit rejects, item (V) is left blank.
(W)	Suffix	The suffix that describes the type of SS benefit, e.g., A, B, H, C, D, etc. If RRB is paying SS benefits, the suffix from the CHICO record is shown. Otherwise the suffix from the MBR record is shown.

(X)	Paid	<p>The codes described below indicate which agency is paying the SS benefit:</p> <p>Code Description</p> <p>C LAF C case - SSA is paying the benefit</p>
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Item	Title	Contents and Instructions
	Monthly Rate Data	<p>E LAF E case - RRB is paying the benefit</p> <p>R LAF E case - increase rejected</p> <p>These columns show the old and new rates, show a reject or are left blank under certain circumstances.</p>
(Y)	OLD RATE BEFORE SMI	<p>The pre-adjustment regular RR annuity rate before tax withholding but after actuarial adjustment or partial withholding.</p> <p>Item (Y) is blank if the RR is a reject or RRB is paying an SS benefit only.</p>

(Z)	NEW RATE BEFORE SMI	<p>The adjusted regular RR annuity rate before tax withholding but after actuarial adjustment or partial withholding.</p> <p>If the OM formula is paid, the rate shown has no relationship to any tier or windfall amount shown in previous items. Item (Z) is blank if we are paying an SS benefit but no RR annuity.</p> <p>If the RR annuity is a reject, item (Z) will show "REJ". One of the following codes is shown to identify the type of reject:</p> <table border="0"> <tr> <td>Code</td> <td>Type of Reject</td> </tr> <tr> <td>A</td> <td>BDP (Research) reject</td> </tr> <tr> <td>B</td> <td>Benefit payment (Checkwriting) reject</td> </tr> <tr> <td>C</td> <td>Due Process code in benefit payment record</td> </tr> <tr> <td>D</td> <td>Case in partial rate status</td> </tr> <tr> <td>E</td> <td>Interim Widow</td> </tr> <tr> <td>F</td> <td>No adjusted record received by CHICO from Research.</td> </tr> </table>	Code	Type of Reject	A	BDP (Research) reject	B	Benefit payment (Checkwriting) reject	C	Due Process code in benefit payment record	D	Case in partial rate status	E	Interim Widow	F	No adjusted record received by CHICO from Research.
Code	Type of Reject															
A	BDP (Research) reject															
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D	Case in partial rate status															
E	Interim Widow															
F	No adjusted record received by CHICO from Research.															

Item	Title	Contents and Instructions
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<p>(a)</p>	<p>NEW RATE AFTER SMI</p>	<p>The regular RR annuity rate after actuarial adjustment, partial withholding and tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown.</p> <p>This rate does not include the Supp annuity if one payable or the SS benefit if RRB is paying it.</p> <p>This column is blank if regular annuity rejects unless a deduction is needed for the SMI premium.</p> <p>The following codes are used to describe any special provisions used to make the annuity adjustment:</p> <table border="0"> <thead> <tr> <th data-bbox="706 779 797 814">Code</th> <th data-bbox="862 779 1110 814">Special Provision</th> </tr> </thead> <tbody> <tr> <td data-bbox="706 856 743 892">A</td> <td data-bbox="862 856 1156 892">Actuarial adjustment</td> </tr> <tr> <td data-bbox="706 951 743 987">B</td> <td data-bbox="862 951 1122 987">Partial withholding</td> </tr> <tr> <td data-bbox="706 1045 743 1081">C</td> <td data-bbox="862 1045 1312 1129">Actuarial adjustment and partial withholding</td> </tr> <tr> <td data-bbox="706 1188 743 1224">D</td> <td data-bbox="862 1188 1192 1224">Elected tax withholding</td> </tr> </tbody> </table>	Code	Special Provision	A	Actuarial adjustment	B	Partial withholding	C	Actuarial adjustment and partial withholding	D	Elected tax withholding
Code	Special Provision											
A	Actuarial adjustment											
B	Partial withholding											
C	Actuarial adjustment and partial withholding											
D	Elected tax withholding											

		E	Elected tax withholding and actuarial adjustment
		F	Elected tax withholding, actuarial adjustment and partial withholding
		G	Elected tax withholding, actuarial adjustment and partial withholding
		H	Mandatory tax withholding
		I	Mandatory tax withholding and actuarial adjustment
		J	Mandatory tax withholding and partial withholding
		K	Mandatory tax withholding, actuarial adjustment and partial withholding
Item	Title	Contents and Instructions	

(b)	ADJUSTMENT CHECK AMOUNT	<p>The amount of the adjustment check for each payee.</p> <p>The amount is the total of the RR annuity (after actuarial adjustment and/or partial withholding), the Supp annuity and the SS benefit if RRB is paying the SS benefit minus any reduction for tax withholding and/or SMI.</p> <p>The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not issued because the claim is suspended for other than cause code 98 or was terminated, item (b) will be blank.</p> <p>An asterisk (*) immediately follows the amount if a code 98 suspension is in effect.</p> <p>A code D indicates the check is going to a financial institution.</p>
(c)	SUPP ANN	<p>The monthly supplemental annuity rate payable after RRA max reduction and before tax withholding.</p>
(d)	REJ/REV	<p>This area will show the reject and special handling review codes. A list of codes is provided on RCM 6.8 Appendix B.</p> <p>An asterisk (*) is shown if the record rejected or was earmarked for special handling and review in a previous mechanical COL operation. The asterisk will show even if the case does not reject or is not earmarked for review in the current COL operation.</p>

- III. The following described format was used for all mechanical adjustments February 1, 1982 through November 30, 1985. An explanation of microfilm before February 1982 is available in binder "RCM 6.8 PRE-FEB 1982 MASS ADJ" located on your supervisor's desk.

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
	<ul style="list-style-type: none"> • DATE • TITLE 	<p>Date the microfilm tape record is prepared.</p> <p>Name of the adjustment.</p>	<p>All</p> <p>All</p>
(A)	CLAIM NUMBER	Beneficiary symbol, prefix and claim number. Includes cases where we are paying an SS benefit but no RR annuity. All	
(B)	PC	Payee code. If there is more than one survivor beneficiary in the payee code (combined check case), the payee code is shown only on the line containing the combined check rate. All	
(C)	SYM	<p>Blank for employee and spouse annuitants. All</p> <p>The divorced wife and survivor beneficiary symbol is based on the following:</p> <p>Symbol Type of Beneficiary</p> <p>A Disabled Widower</p> <p>B Father (Widower)</p> <p>C Minor Child</p> <p>D Disabled Child</p> <p>G Minor, Disabled, or Student Grandchild</p> <p>H Aged Widower</p> <p>M Mother (Widow)</p> <p>P Parent</p> <p>R Disabled Widow</p>	

	S	Student
	W	Aged Widow
	X	Divorced Wife

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		KA	Divorced disabled widower
		KB	Divorced father (widower)
		KH	Divorced aged widower
		KM	Divorced mother (widow)
		KR	Divorced disabled widow
		KS	37 or 74 Act nonphase-out student
		KW	Divorced aged widow
		LF	Parent(father) if both parents are entitled under 1983 SS amendments
		LP	Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled
		LS	83 RRA amendment nonphase-out student
		NS	81 amendment continuing entitlement student
		PS	81 amendment nonphase-out student
		RA	Remarried disabled widower
		RB	Remarried father (widower)
		RH	Remarried aged widower

		RM	Remarried mother (widow)
		RR	Remarried disabled widow
		RW	Remarried widow
		TS	37 or 74 Act continuous entitlement student

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
	TIER 1	<p>If there is more than one beneficiary in a payee code (combined check case), the payee code lines are blank.</p> <p>Columns (D), (E), (F), (G), and (H) are blank if: 16-82 WF</p> <ul style="list-style-type: none"> • The RR annuity is a reject, or • We are paying only an SS benefit, or • The annuity is adjusted only for the SMI premium increase, or • The spouse adjustment is based on the "TackOn" method. 	<p>All, except 2-</p> <p>Accrual Payment</p>

(D)	GROSS TIER I CODE	<p>The term "Gross TIER 1" is defined below.</p> <p>Code Amount Represents</p> <ul style="list-style-type: none"> • If the annuitant is an employee the COL increased PIA (including DRC's if applicable) rounded down to the nearest dollar. • The SS Act wife's/husband's/divorced wife's benefit based on the employee annuitant's cost-of-living increased PIA. (50% of the PIA rounded down to the nearest dollar.) • The SS Act survivor's cost-of-living increased original rate. The amount shown will include DRC amounts (if applicable as indicated in column (F), DRC).
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COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
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		<p>A The PL-94-547 rate for an employee or spouse. This rate is the 12-1974 annuity rate based on the pass-thru PIA and increased annually by the cost-of-living increase percentage applied to SS Act benefits.</p> <p>B In a survivor maximum case, the PIA upon which the reduced for maximum rates are based. The amount shown will include DRC amounts (if applicable as indicated in column (F), DRC).</p> <p>C The new rate was determined by the "tack on" method because the sum of the old rate tier amounts plus the windfall minus deductions does not total within \$1.00 of the old annuity rate. This will apply only for spouse cases, only the "new rate", "old rate" SS benefit date, "new rate after SMI" and the adjustment check will be shown.</p> <p>D Reduced 60/30 employee or spouse under age 62 and not eligible for tier 1 COL.</p>
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COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
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(E)	NET TIER 1	<p>The net tier 1 amount is the amount after DRC's are included, and after all reductions are considered (maximum, age, public pension, employee annuity net tier 1, SS The amount shown in column (D) is always reduced by the amount of the age reduction (in retirement cases, the amount of age reduction is shown in column (G)), and for the SS benefit amount shown in column (V). The SS amount shown in column (V) is after dollar rounding but before SMI deduction. (See code (D) for exception.) If a public pension or employee annuity net tier 1 are reducing the gross tier 1 amount, the code will indicate the reduction. If the tier 1 is wiped out, "000.00" is shown. If no adjustment is required, the (D) rate is repeated. The codes and amounts represented are as follows:</p> <p>Code Amount Represents</p> <p>A The gross tier 1 amount is annuitant's own employee amount.</p> <p>B The gross tier 1 amount is annuitant's public pension</p> <p>C The gross tier 1 amount is both the annuitant's public amount and their employe amount.</p>
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COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		<p>D The SS benefit amount used to reduce tier 1 is different than the SS benefit RRB is paying (column V). The column (V) amount is from the benefit payment master.</p> <p>The SS amount deducted in tier 1 is determined by Research. If the amounts differ by a \$1.00 (tolerance) or more and the RR rate results in an increase, this code will appear.</p>	
(F)	<p>DRC</p> <p>DRC %</p>	<p>The number of increment months, if any, used to compute the employee's delayed retirement credit. 2-16-82 WF</p> <p>A "1" is shown if the DRC's used are based on 1/12 of one percent for each month (1 percent a year). A "3" is shown if DRC's used are based on 1/4 of one percent for each month (3 percent a year).</p>	<p>All, except Accrual Payment</p> <p>All, Accrual except 2-16-82 WF Payment</p>

(G)	AGE RED	<p>All, except 2-1682 WF Accrual Payment</p> <p>The codes and meaning of each code are as</p> <p>A Percentage increase</p> <p>B Initial reduction months used based on a factor All, beginning 1-1-84</p>
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In retirement cases, the age reduction amount as it applies in tier 1 is shown. In survivor cases, the first adjusted rate is shown, i.e., the rate after age reduction or RIB limitation.

follows:

Code Meaning

method used (entitlement before 1978). Applies to survivor cases only.

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
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		<p>of 19/40 if aged widow(er) or if disabled widow(er). Applies to survivor case only.</p> <p>C Initial reduction months used based on a factor of 1/180. Applies to retirement case only.</p> <p>D Initial reduction months used based on a factor of 1/144. Applies to spouse only.</p> <p>E The first adjusted rate is the RIB limitation amount.</p>	
		<p>F The first adjusted rate is 82 1/2% of the PIA.</p>	

(J)	COMPONENT 1	The amount shown is indicated by the code as follows:	All except 2-1-82 EE LAG ADJ. 2-16-82 WF Payment, and 4-1-82 AERO ADJ. Accrual
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		<p>Code Amount Represents</p> <p>A The employee was initially awarded before the Amendments. Component 1 increase is shown.</p> <p>B The employee was initially awarded before the Amendments. The column is left.</p> <p>C Base rate is 50% of EE's tier 2. The amount for shown is the tier 2 before age and M/S reduction the RRA Max, if applicable, for the COL.</p> <p>D Base rate is 45% of EE's amount</p>	<p>1981 after COL</p> <p>1981</p> <p>the reduction M/S no longer applies reduced for and increased</p> <p>tier 2. The</p>
	Effective 9-183		
COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		<p>shown is before age and M/S reduction, reduced for RRA Max, if applicable, and increased for the COL.</p> <p>E 30% of the survivor's 51982 or OBD original or reduced for maximum rate increased for additional COL increases as applicable.</p> <p>F Applicable percentage of the employee's tier 2 on the survivor's OBD</p>	

		increased for applicable COL increases.	
(K)	COMPONENT 2	<p>If the employee was initially awarded before the 1981 Amendments, component2 of tier 2 is shown.</p> <p>If the annuitant is a spouse or widow(er), the amount, if any, to be restored in tier 2 because the spouse or widow's own employee annuity tier 1 was deducted from the spouse or widow tier 1.</p>	All except2-1682 WF Accrual Payment

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
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(L)	COMPONENT 3	<p>If the employee was initially awarded before the 1981 Amendments, component 3 increased for COL is shown.</p> <p>In the survivor cases, the amount to be added to a widow(er)'s tier 2 on account of the spouse minimum guaranty, or the amount to be added to a survivor's tier 2 on account of 11975 conversion equalization. The amount to be added if more than one of the above conditions applies.</p>	All except 2-1682 WF Accrual Payment
(M)	RRA MAX	Amount of deduction for the RRA maximum.	All except 2-1682 WF
(N)	TIER 2 COL T/B	<p>Amount of the takeback in tier 2 due to 12-83 or 12-84 tier 1 COL increase. This column will be blank in O/M cases.</p> <p>NOTE: If the figure entered is followed by an asterisk "*", the takeback amount was computed based on a fictional 11-84 net tier 1.</p>	All, beginning with the 12-83 COL
(O)	AGE RED	The age reduction amount as it applies in tier 2.	All except 2-16-82 WF Accrual Payment and 1-2-85 COL ADJ
(P)	PREV TIER 2	The net tier 2 amount before 1284 COL adjustment. This column will be blank in O/M cases.	All, beginning with the 12-83 COL

	WINDFALL	Column (Q) through column (T) will be blank if,	
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COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		<ul style="list-style-type: none"> • The RR annuity is a REJECT, or • We are paying only an SS benefit, or • The annuity is adjusted only for the SMI premium increase, or • The spouse adjustment is based on the "tack on" method. <p>In a survivor combined check case, the payee code line showing the combined RR annuity check rate is left blank.</p>	
(Q)	GROSS WF	<p>The amount of the windfall before any reductions for age and/or military and service, and before cutback. In survivor cases if a windfall was recalculated but it resulted in a zero, "000.00" will be in this column. If no windfall this space is left blank.</p>	All

(R)	TOTAL T/B AMT	<p>5% of the 11/83 net tier 1 amount.</p> <p>NOTE: If the figure entered is followed by an asterisk "**", the takeback amount was computed based on a "fictional" 11-83 net tier 1. A fictional figure was used when the SS MBR rate for 1283 was higher than the updated figure for 12-83 was higher than the updated figure in our record.</p>	All,
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COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(S)	AGE RED	The age reduction amount as it applies in the windfall.	All
(T)	NONE(Reserve d)	Total taxes withheld from recurring monthly annuity payments shown beginning with the 12-84 COL. Previously used to show the amount of any retroactive accrual.	All, beginning with the 12-84 COL

	SS BEN DATA	<p>In a survivor combined check case, columns (U), (V), (W), and (X) are blank showing the combined RR annuity check rate. The data for these columns is shown on the line that contains the data for the beneficiary in the combined check. The SS benefit data is shown even though the RR annuity is a REJECT.</p> <p>NOTE: The MBR record is not passed to our system during the February 1 check adjustment. Therefore, if there is no CHICO record, no SS benefit data will be shown on the first line. Refer to the latest cost-of- living microfilm if MBR data is needed.</p>	<p>All, before the November1983 payment. After11-1-83 there should be only 1 beneficiary per payee code.</p>
(U)	PIA	<p>The cost-of-living increased PIA in dollars and dimes upon which the SS benefit is based. For various reasons the PIA is not always updated for the COL even though the benefit amount is increased. In this case the PIA will be left blank to avoid confusion.</p>	COL adjustment

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
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(V)	AMOUNT	<p>The amount in dollars and dimes of SS benefit after dollar rounding, but before SMI premium deduction. This is true for pure SS cases (RRB paying and no RR annuity) as well as cases involving SS and RR payments. In cases where the annuitant is receiving a combined benefit at SSA, it is possible that RRB is paying one of the benefits and SSA the other.</p> <p>In such cases, the amount shown is what RRB is paying (code E will appear in column (X)). The offset in tier 1 is the entire combined benefit (code D will appear in column (E)). If the SS benefit rejected (as indicated in column (X)), the column is left blank. Due to program error, if no Medicare is involved and the case is pure SS benefit case, the column is left blank for 1982 COL.</p>	COL adjustment
(W)	SFX	<p>The suffix that describes the type of SS benefit, e.g., A, B, H, A, C, etc. If RRB is paying SS this will be the suffix from the CHICO record. Otherwise the suffix will come from the MBR record.</p>	COL adjustment
(X)	RR PD	<p>The codes described below indicate which agency is paying the SS benefit.</p> <p>Code Description</p>	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
	RATE BEFORE SMI	<p>C LAF C case - SSA is paying the SS benefit</p> <p>E LAF E case - RRB is paying the SS benefit</p> <p>R LAF E case - increase rejected</p> <p>These columns show the old and new rates, show a reject or are left blank under certain circumstances.</p>	
(Y) and (Z)	OLD AND NEW RATES	(a) If there is only one beneficiary in the payee code, the old rate is the pre-adjustment annuity rate; the new rate is the adjusted annuity rate. If actuarial adjustment or partial withholding is involved the amount shown is after reduction. Rates are before tax withholding.	All except 2-1682 WF Accrual Payment

(b) If	there is more	than one All, before the survivor beneficiary in the 1983 payee code, the old rate After and the new rate on the payee code line is the should combined annuity rate. 1 Succeeding date lines per the old and new code. rate for beneficiary in the payee code. new rates on the payee code equal the total of the old and each beneficiary.	November payment. 11-1-83, there be only beneficiary payee reflect each The old and line should new rates for
COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT

		<p>(c) The new rate for 100% O/M cases and 100% O/M Grandfather cases has no relationship to any tier or windfall amount that may be shown. Only the 100% O/M cases will get a COL adjustment. The old and new rates for the 100% O/M Grandfather cases, is the same.</p> <p>(d) The old rate column is blank for an RR annuity reject and the abbreviation "REJ" is shown in the new rate column. One of the following codes is shown to identify the type of reject:</p> <p>A DP&A Reject</p> <p>B Benefit Payment Reject</p> <p>C Due Process Code in Benefit Payment Record</p> <p>D Interim Widow</p> <p>(e) The old rate column and new rate columns are blank if:</p> <ul style="list-style-type: none"> • We are paying an SS benefit but no RR annuity, or • The RR annuity is adjusted only for the SMI premium increase. 	
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COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(a)	NEW RATE AFTER SMI	The new regular RR annuity rate after tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown. If SMI premiums begin or stop in month of adjustment, rate shown reflect SMI status in month before adjustment. This rate does not include a SUP ANN if one is payable or the SS benefit if we are paying it. Tax withholding applied to any SUP ANN is not considered in this rate.	All, except 216-82 WF

All,	before	The new combined annuity November 1983 if there is one After 11-1-83, beneficiary code. there should be This blank on the lines only 1 beneficiary data. beneficiary code.	rate more than in the payee column is containing the per payee
Also,	this column is	blank if the regular annuity rejects (REJ column (D)) unless a needed for the new SMI	printed in deduction is Premium.
The	following	codes are used to describe any special used to make the annuity	provisions adjustment.
Code	Special	Provision	
	A actuarial	adjustment	
	B partial	withholding	
	C actuarial	adjustment and partial withholding both apply	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		D elected tax withholding	
		E elected tax withholding and actuarial adjustment	
		F elected tax withholding and partial withholding	

		<p>G elected tax withholding, actuarial adjustment, and partial withholding</p> <p>H mandatory tax withholding</p> <p>I mandatory tax withholding and actuarial adjustment</p> <p>J mandatory tax withholding and partial withholding</p> <p>K mandatory tax withholding, actuarial adjustment, and partial withholding</p>	
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COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
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(b)	ADJUSTMENT CHECK AMOUNT	<p>The amount of the adjustment check for each payee code. The amount is the total the RR annuity, SUP ANN and the SS benefit (if we are paying it) after reduction for the new SMI premium, if enrolled for SMI and SUP ANN tax withholding. The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not printed because the claim was suspended for other than cause 98 (investigation of address) or was terminated, the amount column 1 will be blank. An asterisk (*) immediately follows the amount if a code 98 suspension (investigation of address) is in effect.</p> <p>If there is more than one survivor beneficiary in the payee code, only the date and the amount of the combined check are shown. This column is blank on the lines that contain data for the beneficiaries in the payee code. Should be only 1 beneficiary per payee code. A code "D" indicates whether the check is going to a financial organization.</p>	<p>All. After tax withholding beginning with 12-84 COL</p> <p>All, 1983. After 11-1-83, there</p>
(c)	SUPP ANN RED FOR RRA MAX	<p>This column is used to show several items as explained below:</p> <ul style="list-style-type: none"> • The amount of reduction in the SUP ANN because of the RRA maximum. 	COL ADJUSTMENT

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(d)	REJ/REV	<ul style="list-style-type: none"> • The AERO accrual amount, if it was computed. "REJ" and a reject code, if the accrual rejected. • The amount of the windfall accrual. <p>This area will show the reject and special handling review codes.</p>	<p>AERO</p> <p>WINDFALL ACCRUAL ADJUSTMENT starting 10-182</p> <p>All adjustment</p>

Appendix B - COLA Mass Adjustment Reject and Review Codes

Introduction

This appendix explains the reject and review codes for annual COLA mass adjustment operation. In each COLA mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. The type of reject is identified as follows:

Type	Microfilm	MAIS	PREH - general inquiry	PREH - full inquiry
Calculation	"A" in item 45	"CALC REJ"	"REJ CD - CALC"	MASS-ADJ-CALCREJ-CD
Checkwriting	"B" in item 45	"CHICO REJ"	"REJ CD - PYMNT"	MASS-ADJ-PYMTREJ-CD

Does a reject/review code require work?

Most reject and review codes are indications that further work must be done in the case. The codes that do not require further examiner handling are identified with an asterisk (*) by the number in the list of codes below. The information in PREH also indicates if a reject/review requires examiner handling:

NOTE: Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (MASS-ADJ-PYMT-REJ-CD). The PREH earmark should be removed with RREM8 when the COL is included in the reinstatement-recertification award.

Type	MASS-ADJ-RESULT-CD	MASS-ADJ-SPEC-1-CD
Reject - to work	2	N/A
Reject - NAN	1	N/A
Review - to work	N/A	First position of the code is not "X"
Review - NAN	N/A	First position of the code is "X"

Clearing PREH earmarks in terminated records

An open earmark on PREH on a terminated record can be cleared with an OPO recert award by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction system

Earlier code definitions

The definition for some reject and review codes has changed over the years. This appendix provides the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

Calculation rejects - retirement RR

The following list provides the code definitions for retirement RR formula calculation rejects:

Code	Definition
01#	Unknown type of legal process deduction or unknown type of 3 rd party payment
02	Waiver

03*#	COL already paid on December award - NAN if MASS-ADJ-PYMT-REJ-CD is 09
04	Percentage legal process deduction but no 3 rd party record in PREH

Code	Definition
06	No tiers in the employee's PREH records
07#	3 rd party payee with SSA payment
08	Percentage legal process deduction or 3 rd party payment but the factor is missing
09	No PIA 1 in PREH
10	Calculated COL gross tier 1 is less than pre-COL gross tier 1
11#	Partition case but 3 rd party's rate does not equal the tier components
12#	RR formula case with partition deduction and tier 1 partition amount
13	The type of annuity is age reduced but the annuitant is over 65 on the ABD
14	The sum of the calculated COL tier 1 and tier 2 is less than the pre-COL tier 1 plus tier 2
15#	The type of legal process computation is unknown or the type of computation in the employee's record does not agree with the type of computation code in one or more 3 rd party records.

16	The employee's calculated COL rate is higher than the pre-COL rate by more than the COL percentage
17	The employee's calculated COL net tier 1 is zero
18	The employee's calculated COL rate is zero due to the increase in LAF C SS benefits
19	The employee's calculated COL rate is zero and either there is no SS benefit or the SS benefit is LAF E
20	The employee and spouse are paid under different formulas (RR versus OM)
21	Partition case but 3 rd party's tier components do not equal the employee's partition deduction amount
22#	Non-partition case but 3 rd party's rate does not equal the employee's non-partition deduction amount
23	The employee's calculated COL rate is less than the pre-COL rate

Code	Definition
24	The 1937 or 1974 Act employee has no tier 2 components in PREH
25	Percentage partition case and one or more of the 3 rd party's pre-COL components is not correct
26	The calculated COL rate is less than the pre-COL rate

27#	The number of DRCs is excessive for the employee's DOB
28	Percentage non-partition case but the 3 rd party's pre-COL rate is not correct
29	Spouse has percentage legal process deduction
41	The spouse is entitled to his/her own employee annuity and has SS benefits on an account other than the employee's or the spouse's.
42	The divorced spouse has no previous spouse entitlement and the number of calculated age reduction months is erroneous
43	The divorced spouse was previously entitled as a spouse and the number of calculated age reduction months is erroneous
44	The spouse's tier 2 is blank in PREH
45	The spouse's tier 1 must be reduced by the total annuity (s)he is entitled to as an employee
46	The number of age reduction months calculated for the spouse is erroneous
47#	The spouse is based on a child over 18 who is not disabled; the spouse has not been terminated (refer to FOM1 320.40 "When Child No Longer In Care.")
48	The sum of the COL tier 1 and tier 2 calculated for the spouse is less than the pre-COL tier 1 and tier 2

49	The spouse pre-COL rate is zero but the calculated COL rate is greater than zero.
50	The dual RR offset needed for the spouse cannot be calculated because the spouse's own employee tier 1 has a WC/PDB reduction
51	The COL rate calculated for the spouse is higher than the pre-COL rate by more than the COL percentage

Code	Definition
52	The COL gross tier 1 calculated for the spouse is zero because there is no PIA in the employee's record in PREH
53*#	Both the spouse's pre-COL rate and the rate calculated with the COL are zero
54	The COL rate calculated for the spouse is zero due to the increase in LAF C SS benefits
55	There are no tiers in the spouse's PREH records
56	The employee is a disability annuitant under the 1983 Amendments but the spouse is not age reduced
57	The employee and spouse are not paid under the same Act
58	The spouse's pre-COL gross tier 1 is incorrect
59#	The spouse's tier 2 is not reduced for the employee's vested dual benefit
60	The COL rate calculated for the spouse is less than the pre-COL rate
61	The spouse is entitled to an annuity as an employee but no dual offset amount was calculated for the COLA
62	The dual offset amount in the spouse tier 1 is erroneous

63	The spouse is entitled to an annuity as an employee but the spouse tier 1 is not offset for the dual entitlement
64	The spouse is entitled to an annuity as an employee and the employee annuity is missing some previous COL increases
65	There are multiple non-divorced spouses on the rolls
66	The COL rate calculated for the spouse is zero but the spouse is not entitled to SS benefits or the SS benefits are LAF E
67	The previous ABD is needed to calculate the spouse/divorced spouse age reduction amount
68	Based on the spouse ABD, the tier 2 after COL should be age reduced but no age reduction was calculated
69	The spouse's PSP information in PREH contains errors
Code	Definition
87	The COL increase in the 3 rd party payment is too large
88*	The calculated COL rate equals the pre-COL rate
89	The 3 rd party COL-increased rate is less than the pre-COL rate
90	The employee has a percentage non-partition deduction and a variable SMIB premium
91	The RRSIA 5-year case includes an illegal component: <ul style="list-style-type: none"> • The disabled employee is under age 62 but the rate includes a tier 2, or • The employee does not have an SSIS but the rate includes a tier 1
92	The regular annuity and/or the supplemental annuity is still reduced for the RRA maximum
93	The COL-increased RR formula rate is higher than the COL-increased OM formula rate but the annuity is reduced for a percentage non-partition deduction

94	The employee or spouse has an age reduction in tier 1 but the annuity should be calculated under the RRSIA 60/30 provision
95	Annuity is missing the previous COL increase.
99	The spouse rejected because the employee rejected

Calculation rejects – retirement OM

The following list provides the code definitions for retirement OM formula calculation rejects:

Code	Definition
05	The OM could not be calculated because: <ul style="list-style-type: none"> • The spouse/divorced spouse has a PSP, or • The employee also receives a survivor annuity, or • The IPI is over age 19 and not a DAC

Code	Definition
08	OM formula grandfather clause applies
70	The special minimum PIA applies
71	Work deductions apply
72	The spouse's share is less than the spouse's SS benefit amount
73	The spouse is also entitled to an employee annuity

74	The calculated COL rate is less than the pre-COL rate
75	The COL share calculated for the employee is higher than the pre-COL share by more than the COL percentage
76	The COL share calculated for the spouse is higher than the pre-COL share by more than the COL percentage
77	The COL share calculated for the employee is less than the pre-COL share
78	The COL share calculated for the spouse is less than the pre-COL share
79	The spouse should not be included in the OM because the all the children are over 16 and none of them are disabled
80	The pre-COL OM amount is not offset for the SS benefits the family are receiving
81	There are multiple spouses included in the OM
82#	The total family SS benefit amount on the employee's account includes an amount paid to a divorced spouse; or the divorced spouse's formula code is "OM"
83	Felony case
84	The COL rate calculated is less than zero
85	The SS benefit amount in PREH is greater than \$999.99

86	The calculated COL OM amount is less than the calculated COL RR rate but the RR rate may not be correct
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Calculation rejects – survivor

The following list provides the code definitions for survivor calculation rejects:

Code	Definition
06	Annuitant has a percentage legal process deduction

10	Waiver
13	Disabled widow(er) is still reduced for months before age 60
15	No tier information in PREH
16	Disabled widow is not age reduced
19#	The annuitant is suspended because of excess earnings. The tier 1 and tier 2 amounts in PREH have been updated for the COL. The checkwriting record was not updated; when the annuitant's rate can again be paid, prepare a reinstate-recertification award.
50	The family has SS benefits and the calculated COL RR rate is less than the pre-COL rate
51	One or more COL rates calculated for the family is higher than the pre-COL rate by more than the COL percentage

52	There is an error in the number of age reduction months
53	The dual RR offset needed for the widow(er) cannot be calculated because the widow(er)'s own employee tier 1 has a WC/PDB reduction
54	MBR received from SSA but tier 1 is not currently reduced for SS
55	The widow(er) is entitled to an annuity as an employee but no dual offset amount was calculated for the COLA
56#	Not currently used
57#	Not currently used
58#	Not currently used
59	The calculated COL family rate is higher than the pre-COL family rate by more than \$600.00

Code	Definition
60#	<p>WIMA error:</p> <ul style="list-style-type: none"> • 1981 amendment widow(er) but WIMA total is missing, or • WIMA tier 2 increase amount is incorrect
61	The dual RR offset in the widow(er)'s tier 1 is still the gross employee tier 1 instead of the net employee tier 1

62	The employee had no earnings after 1936; the widow(er) is not entitled to tier 1 and the rest of the annuity (tier 2 and/or the VDB) are frozen
63	Sole survivor conditions appear to apply to the disabled widow
64	The employee's RIB limit amount is invalid
65	The calculated COL rate is zero due to the increase in LAF C SS benefits
66	The calculated COL rate is zero and either there is no SS benefit or the SS benefit is LAF E
67#	Not currently used
68#	COL WIMA tier 2 increase amount is incorrect
69	The widow has an equalized amount and a restored amount
70	The widow has an equalized amount and a spouse minimum amount
71	Family members have the same payee code
72	<p>The spouse minimum applies and either of the following conditions was detected:</p> <ul style="list-style-type: none"> • The rate calculated for the COL is less than the pre-COL rate • The rate calculated for the COL is higher than the pre-COL rate

73	The dual RR offset amount calculated for the COL tier 1 is less than the preCOL dual RR offset amount
74	The pre-COL tier 1 exceeds the PIA and the sole survivor limit
75	The sole survivor amount applies and the annuitant has an age reduction and an OBD after 1977

Code	Definition
76	The SS benefit amount received for the COL includes a B benefit for which the RW should not be reduced
77	The widow(er) is entitled to an annuity as an employee and the employee annuity is missing some previous COL increases
78	The widow(er)'s tier 1 must be reduced by the total annuity (s)he is entitled to as an employee
79	The rate calculated for the COL is higher than the pre-COL rate by more than the COL percentage
80	The rate calculated for the COL is less than the pre-COL rate; the decrease is not attributable to SS benefits or dual RR entitlement
81	The widow(er) is entitled to an annuity as an employee but the widow(er) tier 1 is not offset for the dual entitlement
82	The rate calculated for the COL is less than the pre-COL rate; the decrease exceeds the increase in SS benefits and/or the dual RR offset amount
83	The RW should be reduced for all SS benefits
84	WIMA applies and COL rate decreases, but decrease amount is not valid
88*	The calculated COL rate equals the pre-COL rate
93*	Both the pre-COL rate and the rate calculated for the COL are zero

94	The pre-COL rate is zero and the rate calculated for the COL is greater than zero
95*	COL already paid on December award – NAN if MASS-ADJ-PYMT-REJ-CD is 09
96	Unable to determine the DRC increase percentage because the deceased employee's day of birth is blank
97	There is an error in the PSP information in PREH
98	Unable to determine the deceased employee's age reduction factor because the employee's day of birth is blank

Calculation rejects – retirement/survivor MBR matching

Code	Definition
30	The COL SS benefit rate is less than the pre-COL SS benefit
31	The COL SS benefit rate is higher than the pre-COL SS benefit amount by more than the COL percentage
32	The pre-COL SS benefit amount is zero
35	An MBR record was matched to the annuity but tier 1 is not currently offset for SS benefits
38#	The survivor annuitant is entitled to more than one SS benefit but the correct tier 1 offset amount cannot be determined
39	The SS benefit is a Prouty benefit

Checkwriting rejects – retirement/survivor

The following list provides the code definitions for retirement and survivor checkwriting rejects:

Code	Definition
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01	There is no checkwriting record for the annuitant under the prefix, claim number and payee code that are in PREH
02	The annuity is terminated
03	The annuity is suspended for other than codes 35, 69, 88 or 98
04*	The annuitant is an interim widow
05*	The pre-COL checkwriting rate equals the calculated COL rate
07	The pre-COL rate in PREH does not equal the pre-COL checkwriting rate
09*	The COL was already paid on a December voucher
10	A LAF E SS benefit is subtracted from the calculated COL tier 1 and either of the following is true:

Code	Definition
	<ul style="list-style-type: none"> • there is no SS benefit on checkwriting, or • the SS benefit on checkwriting is less than the tier 1 offset amount
11	The COL tier 1 is not offset for SS benefits but there is an SS benefit on checkwriting
12	No MBR was matched for the RR COLA so the COL tier 1 SS offset was calculated by adding the COL percentage to the pre-COL tier 1 SS offset; the resulting offset amount is less than the SS benefit on checkwriting
13	The calculated COL rate is more than \$3000.00 and the COL rate is higher than the pre-COL rate by more than the COL percentage
14	The case is still being paid a partial rate
15	The SS MBR is terminated for death but the RRB is still paying an annuity
16#	Not currently used
18	The SS benefit paid by the RRB is higher than the SS offset amount in tier 1

20	The checkwriting record for the employee shows a December voucher that paid the COL but this voucher is not reflected in PREH; the spouse was rejected to avoid an overpayment
22	3 rd party record rejected because the primary annuitant rejected.
96*	SS only case adjusted for SMIB
97*	SS only case adjusted for the COL and SMIB
98*	The RR annuity was adjusted for SMIB but not the COL
99	No COL rate was calculated for the annuitant; one of the following conditions is true: <ul style="list-style-type: none"> the spouse was not selected for the COLA because the employee has been in suspense more than two years, or the payment is a legal process payment that is not correctly identified as such on checkwriting, or the survivor record was not selected for the COLA because PREH shows the rate as a partial payment, or
Code	Definition
	<ul style="list-style-type: none"> PREH and the checkwriting record do not have the same prefix, claim number or payee code for the annuitant

Review codes – retirement

The following list provides the definitions for retirement review codes:

Code	Definitions
01	The 1983 Amendment annuitant is under age 62 but PREH indicates tier 1 has already been adjusted for the recalculation not due until age 62
02#	Not currently used

03*#	Not currently used
04*#	Not currently used
05	The OM formula is in force; the RR formula rate needs to be updated for previous COL increases
06	The MBR SS benefit did not reflect a COL increase so the COL percentage was added to the tier 1 SS offset.
09	The spouse receives his/her own employee annuity and the tier 1 dual RR offset amount was not adjusted for a change that was made in the employee annuity sometime before the COLA
10	The spouse's pre-COL gross tier 1 is less than half the employee's PIA
11	PREH indicates the spouse should be paid the \$10.00 guaranty in tier 2; the actual tier 2 is zero in PREH so the spouse is underpaid if the actual tier 2, with the COL increase, now exceeds \$10.00
12	No tier 1 COL was calculated for the 1983 Amendment employee because tier 1 has not been adjusted for the recalculation due at age 62
13	No tier 1 COL was calculated for the 1983 Amendment spouse because tier 1 has not been adjusted for the recalculation due at age 62
14	Administrative finality was applied to a DOB discrepancy but the original DOB is not in PREH
Code	Definitions

15	The special minimum PIA exceeds the regular PIA; the SPC MIN PIA was used for the COL but the pre-COL annuity needs to be adjusted to include the SPC MIN PIA
16	The pre-COL gross tier 1 is underpaid for the 1983 Amendment spouse
17	The employee has attained age 62 or age 65 but the WC/PDB reduction is still in force
18*#	Not currently used
19	The WC/PDB offset amount is erroneous because it exceeds the gross tier 1
20	The 1981 Amendment employee has amounts in PREH for components 2 and 3 of tier 2
21*#	Not currently used
22	The spouse was paid the OM formula and the RR rate could not be accurately updated for the COL
23	<p>The OM was paid with an SS reduction but no MBR was received from SSA because the SS benefits are paid on an account other than the employee's; the pre-COL SS amount in PREH was updated by COL percentage. The examiner should verify that the COL SS amount is correct; if the actual SS amount on the MBR is different from the amount used in the COLA take one of the following actions:</p> <ul style="list-style-type: none"> • Correct the amount in PREH (3200 record) if the discrepancy is \$1.00 or less, or • recertify the monthly rate if the discrepancy is more than \$1.00
24	The 1983 Amendment spouse is eligible for but has not yet received the tier 1 recalculation due at age 62; the recalculated tier 1 will be greater than zero.
25	The OM formula was paid; the COL update of the RR formula rate rejected
26	The 1983 Amendment spouse is eligible for but has not yet received the tier 1 recalculation due at age 62; the recalculated tier 1 will be zero.
27#	PREH shows a previous COL reject has not yet been handled

28	An MBR record was received for the spouse; tier 1 is currently reduced for dual RR entitlement but not for SS benefits
Code	Definitions
29	The offset for dual RR entitlement in the spouse's tier 1 was calculated by adding the COL percentage to the previous offset amount
40	The spouse's gross tier 2 is less than 45 percent of the employee's tier 2 and the spouse's net tier 2 is greater than zero
41	The spouse's gross tier 2 is less than 45 percent of the employee's tier 2 and the spouse's net tier 2 is zero.
42	The spouse tier 1 is reduced for a non-OPM PSP. Net tier 1 was zero before the COL, but the COL net tier 1 is greater than zero.

Review codes – survivor

The following list provides the definitions for survivor review codes:

Code	Definitions
61*#	Not currently used
62	The spouse minimum guaranty applies
63	The case has one annuitant who is receiving less than the minimum PIA
65#	Not currently used

66	The pre-COL tier 1 of the annuitant(s) is less than the statutory share; a family member may have been terminated but the corresponding adjustment was not made in the shares of the family maximum
67	The offset for dual RR entitlement in the widow(er)'s tier 1 was calculated by adding the COL percentage to the previous offset amount
68	The family group has SS benefits and the COL rate is less than the pre-COL rate
69	The MBR SS benefit did not reflect a COL increase so the COL percentage was added to the tier 1 SS offset.
70	The widow(er) receives his/her own employee annuity and the tier 1 dual RR offset amount was not adjusted for a change that was made in the employee annuity sometime before the COLA
Code	Definitions
71#	Not currently used
72	The special minimum PIA exceeds the regular PIA; the SPC MIN PIA was used for the COL but the pre-COL annuity needs to be adjusted to include the SPC MIN PIA

73	The remarried widow or surviving divorced spouse has tier 2 and/or VDB information in PREH
74	PREH shows a previous COL reject has not yet been handled
75	PREH shows DRCs that were not included in the pre-COL tier 1. The COLA did not use the DRCs. The examiner should adjust the rate to include the DRCs, or, if the DRCs are erroneous, remove them from PREH.
76	Conditions exist for Parisi redistribution; pre-COL tier 1 does not include Parisi increase.
77	The widow's tier 1 is reduced for a non-OPM PSP. Net tier 1 was zero before the COL, but the COL net tier 1 is greater than zero.

Review codes – MBR

The following list provides definitions for MBR review codes:

Code	Definition
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30	<p>One of the following is true about the MBR:</p> <ul style="list-style-type: none"> • it is terminated, or • it is in suspense for waiver, or • it is in suspense for felony imprisonment, or • it is in suspense for a trail work period <p>Check to be sure the MBR information is correct.</p> <p>If the MBR information is correct, remove the SS offset from tier 1; if the SS benefit is suspended for a trial work period, set a call-up to restore the tier 1 SS offset when the SS benefit is reinstated.</p>
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Code	Definition
	If the MBR information is not correct, make the necessary corrections (eg., remove the erroneous MBR earmark, etc.)
31#	The LAF is E or the RRIC is R and the SS date of entitlement is prior to the current year, but tier 1 is not offset for the SS benefit
32	The MBR is terminated for death
33	No MBR was matched. Tier 1 is reduced for SSA; the COL SS offset was calculated by adding the COL percentage to the pre-COL offset. Net tier 1 is zero before and after the COLA.
34	No MBR was matched. Tier 1 is reduced for SSA; the COL SS offset was calculated by adding the COL percentage to the pre-COL offset. Net tier 1 is greater than zero.
35* (Surv)	An MBR was received for survivor benefits on the deceased employee's account. Review the case to verify which agency has jurisdiction for payment of the survivor benefits. If the review confirms RRB jurisdiction, advise SSA to correct the laf code to "T0" effective with the month and year of the railroad employee's death via RR-3 using the priority fax process.

35 (Ret)	The 1937/1974 Act annuitant is age reduced. The SS benefit (LAF C or E) was increased before the COLA, but tier 1 was not adjusted for the increase. The correct SS offset was used in the COLA, but tier 1 must be adjusted to correct the calculation of the age reduction.
36	The LAF C SS benefit was increased before the COLA, but tier 1 was not adjusted for the increase. The correct SS offset was used in the COLA but the pre-COL rate(s) are overpaid.
37	The SS offset in tier 1 is higher than the SS rate received on the MBR.
38*	The SS offset in tier 1 is higher than the SS rate received on the MBR, and net tier 1 is zero.
39	SSA and the RRB do not agree on one or more of the following: <ul style="list-style-type: none"> • Name • DOB • BOAN
Code	Definition
	<ul style="list-style-type: none"> • The MBR matched for the COLA may not actually belong to the annuitant.

[Appendix C - Survivor Decombining Adjustment \(paper\)](#) [Appendix D - Folder Notice Format \(paper\)](#)

[Appendix E - AERO Mass Adjustment History](#)

Introduction

The following charts provide historical information for the AERO mass adjustment operations. The first chart describes the data that was displayed on microfilm and microfiche for the AERO operations from 1978 through 1992.

Beginning in 1993, micrographics were no longer used; the AERO information was provided on MAIS for the operations performed in 1993 through 1995. Beginning in 1995, AERO information is located in PREH. MAIS was not updated after 1995. The second chart provides the dates for operations after 1992.

Chart 1 – 1978 through 1991 AEROs

The following chart describes the information provided on micrographics for the AERO operations performed from 1978 through 1991. An asterisk (*) next to the OPO payment date means the actual release of the accrual must be verified on the AERO SAMM tape if the annuitant was in suspense on the date the accrual was paid or if the annuitant had excess earnings in the AERO earnings year:

Earnings year	Payment adjusted	OPO date	OPO information	Film display
1977	12-1-78	9-25-79*	1-1-1978 or the ABD accrued through 10-31-1978	N/A
1978	4-1-82	4-13-82*	1-1-1979, 1-1-1980, 1-1-1981, 11-1982, or the ABD accrued through 2-28-1982	Accrual in item c
1979 and 1980	4-1-83	4-15-83*	1-1-1980, 1-1-1981, 1-1-1982, 11-1983 or the ABD accrued through 2-28-1983	Accrual in item c
1981	8-1-84	9-20-84*	Accrued through 6-30-1984	Effective date: • A = 1-1-1982

Earnings year	Payment adjusted	OPO date	OPO information	Film display
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				<ul style="list-style-type: none"> • B = 1-1-1983 • C = 1-1-1984 • D = ABD <p>Increase amounts:</p> <ul style="list-style-type: none"> • 1st in item Q • 2nd in item S • 3rd in item T <p>Total accrual: item c</p>
1982	8-1-85	9-20-85*	Accrued through 6-30-1985	<p>Effective date:</p> <ul style="list-style-type: none"> • A = 1-1-1983 • B = 1-1-1984 • C = 1-1-1985 • D = ABD <p>Increase amounts:</p> <ul style="list-style-type: none"> • 1st in item M • 2nd in item M • 3rd in item S <p>Total accrual: item c</p>
1983	8-1-86	7-18-86	Accrued through 6-30-1986	<p>Effective date:</p> <ul style="list-style-type: none"> • A = 1-1-1984 • B = 1-1-1985 • C = 1-1-1986 • D = ABD

Earnings year	Payment adjusted	OPO date	OPO information	Film display
				Increase amounts: <ul style="list-style-type: none"> • 1st in item K • 2nd in item M • 3rd in item O Total accrual: item S
1984	10-1-86	9-24-86	Accrued through 8-31-1986	Effective date: <ul style="list-style-type: none"> • A = 1-1-1985 • B = 1-1-1986 • C = ABD Increase amounts: <ul style="list-style-type: none"> • 1st in item K • 2nd in item M Total accrual: item O
1985	10-1-87	9-24-87	Accrued through 8-31-1987	Effective date: <ul style="list-style-type: none"> • A = 1-1-1986 • B = 1-1-1987 • C = ABD • D = month 62 Increase amounts: <ul style="list-style-type: none"> • 1st in item K • 2nd in item M Total accrual: item O

1986	8-1-88	7-25-88	Accrued through 6-30-1988	Effective date:
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Earnings year	Payment adjusted	OPO date	OPO information	Film display
				<ul style="list-style-type: none"> • A = 1-1-1987 • B = 1-1-1988 • C = ABD • D = month 62 Increase amounts: <ul style="list-style-type: none"> • 1st in item K • 2nd in item L Total accrual: item M
1987	5-1-89	4-17-89	Accrued through 3-31-1989	Effective date: <ul style="list-style-type: none"> • A = 1-1-1988 • B = 1-1-1989 • C = ABD • D = month 62 Increase amounts: <ul style="list-style-type: none"> • 1st in item 5 • 2nd in item 11 Total accrual: item 15

1988	5-1-90	4-17-90	Accrued through 3-31-1990	<p>Effective date:</p> <ul style="list-style-type: none"> • A = 1-1-1989 • B = 1-1-1990 • C = ABD • D = month 62 • E = month EE 62
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Earnings year	Payment adjusted	OPO date	OPO information	Film display
				<ul style="list-style-type: none"> • F = SSA DOE <p>Increase amounts:</p> <ul style="list-style-type: none"> • 1st in item 5 • 2nd in item 11 <p>Total accrual: item 15</p>

1989	5-1-91	4-18-91	Accrued through 3-31-1991	<p>Effective date:</p> <ul style="list-style-type: none"> • A = 1-1-1990 • B = 1-1-1991 • C = ABD • D = month 62 • E = month EE 62 • F = SSA DOE • G = 12-1-1990 <p>Increase amounts:</p> <ul style="list-style-type: none"> • 1st in item 5 • 2nd in item 11 <p>Total accrual: item 15</p>
1990	5-1-92	4-17-92	Accrued through 3-31-1992	<p>Effective date:</p> <ul style="list-style-type: none"> • A = 1-1-1991 • B = 1-1-1992 • C = ABD • D = month 62 • E = month EE 62
Earnings year	Payment adjusted	OPO date	OPO information	Film display

				<ul style="list-style-type: none"> • F = SSA DOE • G = 12-1-1991 <p>Increase amounts:</p> <ul style="list-style-type: none"> • 1st in item 5 • 2nd in item 11 <p>Total accrual: item 15</p>
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Chart 2 - AEROs after 1992

The following chart provides the dates for the AERO operations performed after 1992:

Earnings year	Payment adjusted	OPO date	OPO accrued through
1991	5-1-1993	4-20-1993	3-31-1993
1992	5-1-1994	4-19-1994	3-31-1994
1993	10-1-1994	9-20-1994	8-31-1994
1994	10-1-1995	9-19-1995	8-31-1995
1995	10-1-1996	9-18-1996	8-31-1996
1996	10-1-1997	9-18-1997	8-31-1997
1997	10-1-1998	9-18-1998	8-31-1998
1998	10-1-1999	9-20-1999	8-31-1999
1999	10-1-2000	9-19-2000	8-31-2000
2000	10-1-2001	9-18-2001	8-31-2001
2001	10-1-2002	9-18-2002	8-31-2002
2002	10-1-2003	9-19-2003	8-31-2003
2003	10-1-2004	9-23-2004	8-31-2004

Earnings year	Payment adjusted	OPO date	OPO accrued through
2004	10-1-2005	9-22-2005	8-31-2005

Appendix F - RAIL Mass Adjustment History

Introduction

The following charts provide historical information for the RAIL mass adjustment operations. The first chart describes the data that was displayed on microfilm and microfiche for the RAIL operations from 1989 through 1991.

Beginning in 1992, micrographics were no longer used; the RAIL information was provided on MAIS for the operations performed in 1992 through 1995. The second chart provides the dates for these operations.

Beginning in 1995, RAIL information is located in PREH. MAIS was not updated after 1995. The second chart provides the dates for operations in 1995 and later.

Chart 1 - 1989-1991 RAILs

The following chart describes the information provided on micrographics for the RAIL operations performed from 1989 through 1991:

Lag year	Payment adjusted	Accrual paid	Tier 1 eff. date (film code)	Tier 1 increase amounts (film items)	Tier 2 eff. date (film code)	Tier 2 increase amounts (film items)
1988	9-1-89	8-21-89	A = ABD B = 1/89	#5 = 1 st increase #11 = 2 nd increase	A = ABD B = VDB DOE	#19 = 1 st increase #23 = 2 nd increase

			C = month 70 D = month 62 E = month spouse 62 F = SSA DOE	#15 = total accrual	C = 12/88	#31 = total accrual
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Lag year	Payment adjusted	Accrual paid	Tier 1 eff. date (film code)	Tier 1 increase amounts (film items)	Tier 2 eff. date (film code)	Tier 2 increase amounts (film items)
			G = 12/88			
1989	9-1-90	8-20-90	A = ABD B = 1/90 C = month 70 D = month 62 E = month spouse 62 F = SSA DOE	#5 = 1 st increase #11 = 2 nd increase #14 = 3 rd increase #15 = total accrual	A = ABD B = VDB DOE	#19 = 1 st increase #23 = 2 nd increase #27 = 3 rd increase #31 = total accrual

1990	9-1-91	8-16-91	A = ABD B = 1/91 C = month 70 D = month 62 E = month spouse 62 F = SSA DOE	#5 = 1 st increase #11 = 2 nd increase #14 = 3 rd increase #15 = total accrual	A = ABD B = VDB DOE	#19 = 1 st increase #23 = 2 nd increase #27 = 3 rd increase #31 = total accrual #35 = spouse o/p amount #39 = net T1 + T2 accrual
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Chart 2 - RAILS 1992 and later The following chart provides the dates for the RAIL operations performed after 1991:

Lag year	Payment adjusted	Accrual paid
1991	9-1-92	8-17-92
1992	9-1-93	8-18-93
1993	9-1-94	8-19-94
1994	9-1-95	8-18-95
1995	7-1-96	6-18-96
1996	7-1-97	6-18-97
1997	7-1-98	6-18-98
1998	7-1-99	6-18-99

1999	7-1-00	6-20-00
2000	7-1-01	6-19-01
2001	7-1-02	6-18-02
2002	7-1-03	6-18-03
2003	7-1-04	6-22-04
2004	7-1-05	6-23-05

Appendix G - COL Increase Percentages

Appendix_G: Percentages

The following table provides the annual COL increase percentages for tier 1 and tier2.

Date	Tier 1 %	Tier 2 %	Date	Tier 1 %	Tier 2 %	Date	Tier 1 %	Tier 2 %
1965	7	N/A	12/1992	3	1	12/2017	2	0.7
1968	13	N/A	12/1993	2.6	0.8	12/2018	2.8	0.9
1970	15	N/A	12/1994	2.8	0.9	12/2019	1.6	0.5
1971	10	N/A	12/1995	2.6	0.8	12/2020	1.3	0.4
9/1972	20	N/A	12/1996	2.9	0.9	12/2021	5.9	1.9
3/1974	7	N/A	12/1997	2.1	0.7	12/2022	8.7	2.8
6/1974	3.74	N/A	12/1998	1.3	0.4	12/2023	3.2	1.0
6/1975	8	N/A	12/1999	2.5	0.8	12/2024	2.5	0.8
6/1976	6.4	N/A	12/2000	3.5	1.1	12/2025	2.8	0.9
6/1977	5.9	1.9	12/2001	2.6	0.8			
6/1978	6.5	2.1	12/2002	1.4	0.5			
6/1979	9.9	3.2	12/2003	2.1	0.7			
6/1980	14.3	4.6	12/2004	2.7	0.9			
6/1981	11.2	3.6	12/2005	4.1	1.3			
6/1982	7.4	2.4	12/2006	3.3	1.1			
6/1983	N/A	1.1	12/2007	2.3	0.7			
12/1983	3.5	N/A	12/2008	5.8	1.9			

Date	Tier 1 %	Tier 2 %	Date	Tier 1 %	Tier 2 %	Date	Tier 1 %	Tier 2 %
12/1984	3.5	1.1	12/2009	0	0			
12/1985	3.1	N/A	12/2010	0	0			
12/1986	1.3	0.4	12/2011	3.6	1.2			
12/1987	4.2	1.4	12/2012	1.7	0.6			
12/1988	4	1.3	12/2013	1.5	0.5			
12/1989	4.7	1.5	12/2014	1.7	0.6			
12/1990	5.4	1.8	12/2015	0	0			
12/1991	3.7	1.2	12/2016	0.3	0.1			

Appendix H - Non-Current Mass Adjustment Reject And Review Codes

Appendix H provides lists of reject and review codes for mass adjustment operations which are either no longer performed or are not performed on an annual basis. The operations covered are:

- i. Section 1: Vested Dual Benefit Cutback
- j. Section 2: Retirement Lag/DRC Adjustment
- k. Section 3: Student Phase-Out Operations

Section 1: Vested Dual Benefit Cutback Reject Codes

The following is a list of the reject codes for VDB Cutback adjustments.

Retirement DP&A RR Calculation Reject Codes for VDB Cutback Adjustment

Reject Code	Explanation
11	Appears no CB in force (used in mass adjustment to remove CB reduction)
12	Research VDB after cutback greater than Research VDB after age reduction

13	The gross windfall minus the age reduction and military service reduction is less than zero
14	VDB after Adjustment is less than zero
Reject Code	Explanation
15	Annuity after VDB adjustment is less than zero
16	Invalid increase
17	VDB after CB is zero
20	Entire VDB is being withheld for work deductions
21	Part of VDB is being withheld for work deductions
23	Total VDB equals VDB after CB
24	Invalid VDB age reduction amount

Survivor DP&A RR Calculation Reject Code for VDB Cutback Adjustment

Reject Code	Explanation
50	Net VDB after adjustment is zero
51	Widow(er's) annuity after adjustment is less than zero
52	Family annuity rate after Adjustment is less than zero
53	No change in widow(er)'s annuity after adjustment
54	No change in family annuity rate after adjustment
55	Record indicates VDB not previously adjusted
56	Annuity after adjustment is out of range
57	Appears CB amount incorrect

58	Error in net annuity
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Retirement and Survivor Benefit Payment (Checkwriting) Reject Codes for VDB Cutback Adjustment

Reject Code	Explanation
01	There is no CHICO master.
Reject Code	Explanation
04	The CHICO record is interim widow.
05	The CHICO pre VDB cutback rate equals the rate after VDB cutback from Research.
07	The pre VDB cutback rate in CHICO does not equal the pre VDB cutback rate from Research.

Section 2: EE LAG Reject and Review Codes

The following is a list of the reject and review codes for the EE LAG adjustment. The last LAG mass adjustment was performed in May 1988. Beginning in 1989, the RAIL job (Section 6) added lag service to annuity computations.

Employee DP & A RR Calculation Reject Codes for EE LAG Adjustment

Reject Code	Explanation
08	COL Reject
10	J & S Option
11	Waiver
12	Tier 1 withheld- felony
13	Computed gross Tier 1 unequal to gross Tier 1 in RES record
14	Computed old rate unequal to old rate in RES record

17	O/M Case
22	Reduced LY83 case age 62 but tier 1 not yet recalculated
40	Invalid age reduction months
41	Tier Increase negative or too high
42	Decrease case
43	Lag recomp - increase too high
44	Additional DRC increase too high
Reject Code	Explanation
46	New Rate Zero
47	No offset, and increase percentage too high
48	Incorrect ABD --DRC's invalid
49	Administrative finality applied to E/E DOB discrepancy

Spouse DP & A RR Calculation Reject Codes for EE LAG Adjustment

Reject Code	Explanation
18	Waiver
19	Computed old rate unequal to old rate in RES record
20	O/M Case
52	Gross tier 1 not recomputed
53	Spouse has other RR benefit amount but not own E/E annuity
54	1937/74 Act - Tier 1 decrease before age
55	Age reduction months greater than 36

56	Spouse alone - no matching EE record
57	Net increase in the spouse tier 1 is negative or too high
58	Spouse decrease case
59	Administrative finality applied to SP DOB discrepancy
60	Spouse increase percentage too high
61	New rate zero
62	SP has WC reduction
63	SP has own E/E annuity
64	SP has other RR annuity amount equal to SP gross tier 1
Reject Code	Explanation
65	Calculated age reduction months are zero
66	Error in divorced spouse age reduction months

Employee and Spouse Benefit Payment (Checkwriting) Reject Codes for EE LAG Adjustment

Reject Code	Explanation
01	No CHICO Master
02	CHICO record terminated
03	CHICO record in suspense for other than cause 98
04	CHICO record is interim widow
05	Matched on new rate
07	Unmatched on old rate

11	Railroad adjustment computed without social security offset - SS benefit in active pay status on CHICO
12	Due process
13	New rate more than \$2000 or too small for SMI premium deduction

Employee and Spouse Special Handling (Review) Codes For EE LAG Adjustment

Reject Code	Explanation
31	Dual RR case
32	Retro DRC's due
33	Check LAG PIA - may be paid too early
34	SP tier 1 withheld - felony or alien suspension

Section 3 - Student Reinstatement and Family Adjustment Reject Codes

The following is a list of the reject and special handling codes the Student Reinstatement and Family Adjustment.

DP&A Calculation Reject Codes for Student/Family Adjustment

Reject Code	Explanation
1	Waiver of benefits is involved
2	Partial award
3	Widow(er) with own RR annuity
4	Tier I PIA equals zero or tier I PIA is over \$1,200
5	Disabled widow(er) with no age reduction
6	More than one widow(er) or remarried widow(er)
7	Retirement to survivor conversion phase-out student involved

8	Non-student CPS family member was COL reject
9	Non-student CPS family member with net tier 1 and no 4(g) takeback amount
10	Family composition in force is greater than family composition in CPS
11	Redetermination savings clause--aged widow(er) and student only involved
12	Redetermination savings clause applies--aged widow(er) and 2 or more other members involved
13	Student alone receiving SS benefit
14	Family member other than widow(er) has an SS benefit
15	1937 Act Conversion case where the additional amount payable in tier II applies
16	Non-student family member with net tier I but no 4(g) amount recovered

Reject Code	Explanation
26	1981 Act case

27	No student in family with date of birth after 10-01-61.
41	Deemed PIA is greater than regular PIA in force
42	Disabled widow with less than 60 or more than 180 age reduction months
43	May individual rate increased by more than [15%]
44	May individual rate decreased
45	May individual rate increased more than \$200.00

46	May family rate increased by more than \$400.00
47	June 1982 individual rate increased by more than 65% In June 1983 and June 1984 this code means: additional tier 2 amount
48	June 1982 individual rate decreased
49	June individual rate increased 58 more than \$200.00
50	June 1982 family rate increased more than \$400.00
51	Frozen minimum or special minimum PIA applies
52	EE year of eligibility is zero or after 1981
53	PIA not in PIA table
54	EE year of eligibility is after 1978 and EE DOD is after (1982)
55	1981 Act Case (1982) Increase Case
56	September individual rate increased more than 35%
57	Student September net tier I is greater than May net tier I (does not include SSM Student)
58	Student September rate is less than 70% (1982) or 60% of the May rate
Reject Code	Explanation
59	Deemed PIA is greater than regular and special minimum PIA

Benefit Payment (Checkwriting) Reject Codes for Student/Family Adjustments

Reject Codes	Explanation
01	There is no CHICO master

05	The CHICO pre adjustment rate equals the rate after adjustment from Research
07	The pre adjustment rate in CHICO does not equal the pre adjustment rate from Research

Special Handling Codes for Student/Family Adjustment

Code	Explanation
10	Widowed Mother/Father in suspense, should be terminated
17	Computed net annuity not within dollar tolerance of net annuity in the Research record.
41	No May 1982 family maximum amount.
42	One member student family with sole survivor equal to \$122.00.
43	Student with EE years of eligibility zero or after 1981.
44	Sole survivor student with no tier 1 benefit.

Appendix I - Supplemental Annuity Sequestration History

Check Dates	%	Notice	Microfilm	Description
12-1-87 through 2-1-88 (benefit for 11/87-1/88)	8.5	T-10 check stuffer	11-87 SUPP ADJ	Benefits reduced
Check Dates	%	Notice	Microfilm	Description

3-1-88(benefit for 2/88)	N/A	T-17 check stuffer	2-88 SUPP ADJ	<p>Cutback removed. Full refund for 1/87 - 1/88 paid unless:</p> <ul style="list-style-type: none"> employee suspended other than code 98 cutback removed by examiner on January voucher <p>January 1988 TAS Recert removed cutback from 2/1/88 payment. February mass adjustment issued refund for 11/87 - 12/87</p>
11-1-89 through 2-1-90 (benefit for 10/89 - 1/90)	2.7	T-10 letter	10-89 SUPP ADJ	Benefits reduced
3-1-90 through 10-1-90 (benefit for 2/90 - 9/90)	0.7	T-48 letter	2-90 SUPP ADJ	<p>Percentage reduced. Difference between 2.7% and 0.7% for 10/89 - 1/90 paid unless:</p> <ul style="list-style-type: none"> suspended for other than code 98 amount less than \$1.00
11-1-90 (benefit for 10/90)	N/A	T-10 letter	None	Cutback removed. No refund.

Appendix J - Vested Dual Benefit Adjustment History

ADJ DT	CB%	CHECK DT	EXPLANATION
09/17/81	21%	10/01/81	<p>VDB reduced effective 9/81</p> <p>Notice - mechanical letter</p> <p>Record - 10/01/81 VDB CB microfilm</p>

ADJ DT	CB%	CHECK DT	EXPLANATION
11/16/81	100%	12/01/81	VDB for 11/81 withheld Notice - postcard Record - 12/01/81 MOMS microfilm
12/04/81	N/A	12/04/81	OPO issued for 79% of VDB for 11/81 Notice - postcard Record - 12/01/81 VDB SUPP PMT microfilm
12/16/81	15%	01/01/82	VDB reduced effective 12/81 Notice - T-18 insert Record - 01/02/82 VDB CB microfilm
02/16/82	N/A	02/16/82	OPO issued for 6% of VDB for 9/81, 10/81 and 11/81 Notice - T-5 insert Record - 02/16/82 VDB ACCL microfilm
09/20/82	0%	10/01/82	Full VDB paid retroactively effective 7/82. The VDB was increased eff with the 10/01 payment for 9/82. The accrual for 7/82 and 8/82 was included in the 10/01 pymt. Notice - T-6 insert Record - 10/01/82 VDB ADJ microfilm
03/18/86	7.7%	04/01/86	VDB reduced effective 3/86 Notice - T-32 insert Record - 03/01/86 VDB CB microfilm

09/15/86	0%	10/01/86	Full VDB paid effective 9/86 Notice - T-16 insert Record -09/01/86 AERO/WF ADJ microfilm
ADJ DT	CB%	CHECK DT	EXPLANATION
03/01/88	5.3%	04/01/88	VDB reduced effective 3/88 Notice - T-8 insert Record - 04/01/88 VDB CB microfilm
09/19/88	0%	10/01/88	Full VDB paid effective 9/88 Notice - T-16 insert Record - 09/01/88 VDB ADJ microfilm
12/15/95	64%	01/01/96	VDB reduced effective 12/95 Notice - T-60 letter Record - PREH
01/19/96	0%	02/01/96	Full VDB paid effective 12/95. The monthly payment for 1/96 was increased. An OPO was issued for 12/95. Notice - T-60 letter Record - PREH

Appendix K - AERO Mass Adjustment Reject and Review Codes

This appendix explains the reject and review codes for the annual AERO mass adjustment operation.

In each AERO mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. Calculation rejects are type "A" in item 45 of the microfilm, "CALC REJ" on MAIS and "REJ CD CALC" on the MAD screen of PREH. Checkwriting rejects are type "B" in item 45 of the microfilm, "CHICO REJ" on MAIS and "REJ CD PYMNT" on the MAD screen of PREH.

Most reject and review codes are indications that further work must be done in the case. Some reject and review codes do not cause the case to be earmarked for further handling by examiners. The codes that do not require further examiner handling are identified with an asterisk (*) by the number.

NOTE: Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (PREH: 'REJ CD PAYMENT'). Prior to the 1998 AERO, the earmark was only present on PREH, not DATAQ. Before submitting a reinst/recert award, verify any earmarks on PREH, screen 3250, and remove them if appropriate. Beginning with the 1998 AERO, earmarks are no longer present on DATAQ regardless of the reject or review code.

An open earmark on PREH is to be cleared on a terminated record by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards and processing an OPO recert award. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction facility.

The definition of some codes has changed over the years. This appendix gives the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

DPA RR Calculation Reject Codes for AERO Adjustment (Film:"REJ A")(MAIS:"CALC REJ")(PREH:"REJ CD CALC")

Reject	Explanation
Codes	
01*	Increase in years of coverage but not PIA
02*	Termination
03	DRCs exceed maximum number allowable based on age
04	Partial Award

05*	AERO wages but insufficient to increase PIA or already included in the PIA
06*	Temporary rate
07	Work deduction information out-of-balance or tier 1 work deduction with SSA offset or VDB work deduction but no VDB or tier 1 work deduction with prior COLA reject
08	Tier 1 PIA missing
09	Error in pre-AERO net tier 1 in PREH
10	Joint and survivor option
11	Employee waiver

Reject	Explanation
12	Record shows reduced age annuity but no age reduction or full age or disability annuity with age reduction
13	Pre-AERO Gross tier 1 in PREH incorrect
14	Error in employee pre-AERO annuity rate in PREH

15	Employee adjusted rate is negative
16	EE has multiple SSN's, SSA indicates the SSN is incorrect or the wage record may have an error; the PIA increase seems excessive so the case has been rejected
17	EE paid under O/M
18	Spouse Waiver
19	Error in spouse pre-AERO annuity rate in PREH
20	Spouse paid under O/M
21	Worker's compensation or other disability benefit reduction
22	Increase in employee adjusted net annuity rate is excessive; the wages posted may be erroneous; request a field office investigation where appropriate
23	Employee type of annuity code blank in PREH

24	Recomp not payable until future date
25	1937 Act case and wage record may be incorrect or employee's age makes the wages suspect
26	PIA must be modified for NCSP
27	The employee's lawyear type code in the record is invalid
28	EE is LY83 disability but SP not age reduced
29	Current PIA is AIME PIA; AERO PIA is not AIME PIA
30	Discrepancy between the annuity type code used by SEARCH and the annuity type code now in PREH

Reject	Explanation
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31	Discrepancy between the PIA 1 eligibility year used by SEARCH and the eligibility year now in PREH
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32	SP has own RR annuity but the offset amount in the record does not reduce the adjusted spouse tier 1 to zero
33	SP annuity type code blank in PREH
34	SP PSP amount must be verified before tier 1 increase can be paid
35	RRA max applies and tier I increase payable from ABD; use FAMC on AERO G90 if employee paid final after 4-27-94; otherwise request FAMC computation under old rules. Not used after 2001.
36	RRA max may apply; use FAMC on AERO G90 if employee paid final after 4-27-94; otherwise request FAMC computation under old rules. Not used after 2004.
37	RR Earnings may be posted as SS wages
38	Employee net tier 1 zero but rate increases
39	SEARCH Reject
40	Employee calculated age reduction months exceed the maximum allowable
41	Decrease in employee net tier I
42	Employee rate decrease more than a dollar
43*	Employee rate decrease less than a dollar

44	Divorced spouse age reduction based on previous spouse annuity ABD - previous ABD not in PREH
45	Lawyear 83 spouse is less than 62 but the record shows the age 62 tier 1 recalculation has been done
47	RRA max applies; PIA I increase may be due from ABD; new FAMC provided on AERO G90. Not used after 2001.
48	Spouse based on non-disabled child who has attained age 16
52	Current SPC MIN PIA exceeds current regular PIA 1 but SPC MIN not used for tier 1

Reject	Explanation
53	Spouse rate decrease more than a dollar
54*	Spouse rate decrease less than a dollar
55	Calculated spouse age reduction months exceed the maximum allowable or do not equal the number of months PREH
56	Spouse net tier 1 zero but total rate increases
57	Decrease in spouse net tier I
58	Spouse adjusted rate is negative

59	Increase in spouse new rate is excessive
61	Annuity type is full age 65 but EE under 65 on ABD
62	Law year 83 EE - less than 360 RR Service months in EDM
63	Administrative finality applied to employee DOB but original DOB not in record
64	Administrative finality applied to spouse DOB but original DOB not in record
65	AERO PIA program calculated TRANS or 1977 O.S PIA; current PIA is AIME or AMW
66	Employee has earnings in the AERO year or the prior year; RBD previously reported an error in the employee's earnings record. Determine if the previous error has been corrected.
67	Total work deduction amount increased by more than the increase in tier 1 or case has tier 1 work deduction and net annuity changed
68	No wage record received for AERO; AERO PIA less than PREH PIA
69	EE currently overpaid because RR earnings erroneously duplicated by SSA were used in the current PIA
70	AERO PIA must be recomputed to include deemed MS credits
72	No change in AMW/AIME but PIA decreases - possible error in previous payments

73	Percentage of EE's annuity is being garnished
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Reject	Explanation
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74	AERO PIA eligibility year is different from current PIA eligibility year; AERO PIA less than current PIA
75*	EE has more than 4 periods of M/S
76	AERO PIA less than current PIA - AERO wages included in PIA
77	Dual EE receives spouse or widow annuity which must be reduced for EE AERO increase
78	Multiple non-divorced spouses on record
79*	Tier 1 zero but rate increases- increase less than \$1.00
80	1959 RR compensation code blank in PREH; AERO PIA must be recomputed
81	Employee has miscellaneous compensation 1982-84 and AERO PIA less than PREH PIA
82	Correct SS benefit rate not available for tier 1 offset
83	Law year 83 employee with pre-ABD earnings that increase the ABD PIA
84	SEARCH did not use correct special drop out years for the PIA calculation; request a new PIA computation
85	Open RAIL reject
86	Employee returned to service after the ABD and the annuity was suspended for a period of months.
87	Employee has wages in the AERO year but administrative finality was previously applied to the earnings record. Request a PIA computation from CCU using the new wages with the earnings record to which finality was applied.

88*	No change in net annuity rate
89	More than 3 service months have been reported for periods after the ABD – PEMS must investigate for a return to RR service; adjust the case based on the revised G90
90	RRSIA 5 year annuity with gross tier 1 but employee does not have SS insured status.
Reject	Explanation
99	Spouse rejected because employee rejected

Checkwriting Reject Codes for AERO Adjustment (Film:"REJ B")(MAIS:"CHICO REJ")(PREH:"REJ CD PYMNT")

Reject	Explanation
01	No CHICO master
02	CHICO record terminated
03	CHICO record in suspense for other than cause 35, 69, 88 or 98
04*	CHICO record is interim widow
05*	Calculated AERO rate equals the rate already being paid
07	Pre-AERO rate in PREH not equal to rate being paid on the checkwriting record
11	No SSA offset in computed annuity but SSA benefit in pay status
12	Due process
13	New rate too small for SMI premium rate.
14	CHICO record still in partial rate status.
15	MBR indicates annuitant deceased

19	Employee address is foreign (non-Canadian) - AERO wages may be erroneous
20	Unhandled RAIL reject

Special Handling Review Codes for AERO Adjustment (MAIS:"REV 1, 2, 3")(PREH:"SPEC HNDL CODE 1")

Codes	Explanation
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27#	Based on the service months in EDM, an increase is due in the supplemental annuity, or the employee is now entitled to a supplemental annuity
28#	Disability freeze is terminated; AERO PIA may need to be adjusted
29	LY 83 case due increase from first month 62 entire month; AERO paid increase from January of year age 63
30	LY83 tier 1 needs to be adjusted from an earlier date.
31*	All or part of the PIA increase is due to earnings record corrections for years prior to last year, but the corrections do not produce a PIA increase of \$1.00 or more
32#	Tier 1 accrual effective date restricted to the SSA benefit date of entitlement
33	Reduced Law year 83 annuitant over 62 on ABD
34	Tier 1 accrual effective date restricted to either the effective date or the ending date of tier 1 work deductions.
35	Tier 1 accrual effective date restricted to the month the formula switched from OM to RR.

36	Tier 1 accrual effective date is the ABD for a dually entitled spouse; the tier 2 restored amount may need to be adjusted.
37	Tier 1 accrual effective date restricted to the DRC effective date.
38	<p>Tier 1 accrual effective date restricted to one of the following:</p> <ul style="list-style-type: none"> • The date the SSA benefit offset changed for other than the COL, or • The date the SSA benefit offset terminated, or • The date of entitlement to a PSP, or • The date the PSP changed, or • The date the spouse became entitled to her own employee annuity
40	The PIA increase paid from January of the current year is payable from an earlier date (AERO G90 has one PIA); or in addition to the PIA increase paid from January of the current year, there is another recomp payable from an
Codes	Explanation
	earlier date (AERO G90 has 2 PIAs). An "earlier date" does not necessarily refer to January of the previous year. Please refer to RCM 8.1.1 , PIA Determinations, for further instructions. Request appropriate recomps via G563.
41	The FAMC has increased; the annuity is currently reduced for the RRA maximum; the maximum should be re-tested with the new FAMC and any tier 1 increase payable on the ABD. Not used after 2001.

AERO Accrual Calculation Reject Codes for AERO Adjustment (MAIS:"T1 ACCRL REJ")(PREH:"SPEC HNDL CODE 2: "A")

Reject Codes	Explanation
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90#	Not currently used
91	Invalid ABD.
92*	Invalid accrual date, eg. no accrual payable because the increase is effective only from the current month (i.e., September 1st).
93#	Not currently used
94*	Accrual less than \$1.00.
95	There are no tier 1 work deductions in force in the recurring monthly rate, but deductions were in force in the accrual period, or the tier 1 work deduction currently in force is a partial amount
98	LAF C SS benefit ("A" benefit if employee; "B" benefit if spouse)
99	The annuitant has a tier 1 SSA benefit offset, but the entitlement date for the benefit (3205-SS-BENF-CURR-ENT-DT) is missing in PREH

Appendix L - RAIL Mass Adjustment Reject and Review Codes

This appendix explains the reject and review codes for the annual Retirement Adjustment to Include Lag (RAIL) mass adjustment operation. In the RAIL mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. Calculation rejects are type "A" in item 45 of the microfilm, "CALC REJ" on MAIS and "REJ CD CALC" on the MAD screen of PREH.

Checkwriting rejects are type "B" in item 45 of the microfilm, "CHICO REJ" on MAIS and "REJ CD PYMNT" on the MAD screen of PREH.

Most reject and review codes are indications that further work must be done in the case. In this situation, DATAQ will show "RE" under the specific mass adjustment operation earmark code. Some reject and review codes do not cause the case to be earmarked for further handling by examiners. The DATAQ display in these instances will be "OK". The

codes that do not require further examiner handling are identified with an asterisk (*) by the number.

NOTE: Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (PREH: 'REJ CD PAYMENT'). The earmark is only present on PREH, not DATAQ. Therefore, when doing a reinst/recert verify any earmarks on PREH, screen 3250, and remove them if appropriate.

An open earmark on PREH is to be cleared on a terminated record by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards and processing an OPO recert award. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction facility.

The definition of some codes has changed over the years. This appendix gives the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

Annuity calculation recurring rate rejects (Film:"REJ A")(MAIS:"CALC REJ")(PREH:"REJ CD CALC")

Code	Explanation
01	Annuitant terminated for death – compute any accrued annuity due; if there is a survivor annuitant on the rolls, refer the case to SBD to adjust the survivor annuity
02	Annuitant terminated for reason other than death
03	SEARCH was not able to provide PIA or tier 2 amounts
04	Employee's post-1977 railroad earnings may also be erroneously posted as SS wages

05	OM formula currently paid or the OM was paid for a past period
06	Employee's Research record coded as LY83 half-age reduction or as 1981 Amendment 60/30

Code	Explanation
07	One of the following applies: 1) temporary rate is being paid, 2) employee has non-entitlement months due to return to service, or 3) employee is disabled and has non-entitlement months due to excess earnings
08	Gross VDB Zero
09	DRC case with unreliable PIA or tier 1 calculation
10	Annuity reduced for percentage legal process deduction
11	Tier 1 reduced for WC or PDB
12	Annuity waiver in force
13	Divorced spouse not coded as 1981 Amendment annuity, or spouse type of law year is not the same as the employee's.
14	Spouse ABD before EE ABD or SP ABD not current or prior year

15	Annuitant also entitled to other RR annuity. Make all necessary adjustments in both annuities.
16	60/30 employee but EDM has less than 360 service months
17	Spouse in partial status-RASI final award will not reflect employee RAIL information
18	Employee occupational disability under age 60 on ABD but EDM has less than 240 service months
19	EDM has less than 120 service months
20	Too many M/S months may be included in RAIL total months
21	Computed employee age reduction months negative or greater than the maximum allowable
22	Employee coded as full lawyear 83 62/30 but also coded as being age reduced
23	Spouse coded as lawyear 83 half age reduction
24	Spouse of lawyear 83 disability employee but spouse tier 1 is not age reduced

Code	Explanation
25	Computed spouse age reduction months do not equal age reduction months in the research record
26	Spouse adjusted tier 2 less than current tier 2

27	Employee adjusted annuity rate less than current annuity rate
28*	Employee adjusted rate changed less than \$1.00
29	Increase in employee adjusted annuity rate seems too high
30	Spouse adjusted annuity rate less than current annuity rate
31*	Spouse adjusted rate changed less than \$1.00
32	Increase in spouse adjusted annuity rate seems too high
33	DRC only case, additional DRCs payable on ABD and RRA Max. reduction currently greater than zero
34	RRA maximum cannot be tested because correct ABD PIA not available
35	Calculated RRA max reduction greater than zero and adjustment cannot be made
36	Error in computed tier 2 VDB reduction
37	Decrease in total service months resulting in tier 2 decrease
38	Employee adjusted tier 2 less than current tier 2
39	Increase in employee adjusted tier 2 seems too high
40	Increase in spouse adjusted tier 2 seems too high
41	RRA max no longer applies and increase in employee adjusted tier 2 seems too high
42	RRA max no longer applies and increase in spouse adjusted tier 2 seems too high
45	Employee ABD not current or prior year.
46	Divorced spouse previously entitled to spouse annuity but previous ABD not in record

Code	Explanation
47	Employee adjusted annuity rate less than zero
48	Reduced law year 83 spouse under 62 but research record code indicates spouse has received age 62 Recalc.
49	Employee adjusted tier 1 less than current tier 1
50	Employee adjusted tier 1 less than current tier 1 and earnings record has compensation/wage duplication
51	Spouse adjusted tier 1 less than current tier 1
52	Spouse has PSP and adjusted net tier 1 greater than zero
53	Calculated number of DRCs negative or less than current number of DRCs.
54	Service months credited after ABD used in tier 2 calculation
55	Difference between total service months with M/S and total service months without M/S is more than total M/S months in research record
56	Research record shows M/S used as comp but M/S months are not included in current total service months - new total service months include M/S and therefore may be incorrect
58	Employee has multiple SSN's and wage record may be incorrect
59	Multiple spouses with more than one non-divorced spouse.
60	Excessive increase in years of service
61	Rate increase too large
62	EE alone RRA maximum applies
63	Spouse based on non-disabled child - child has attained age 18
64	Error in MS dates in the record
65	Error in work deduction data in the record

66	More than 3 service months reported after the ABD - PEMS will investigate for return to RR service; adjust the case based on the revised G90
68	Erroneous work deduction DRCs in the record
Code	Explanation
69	Open RAIL reject from previous year
70	BNSF report for lag year includes compensation but no reported service months.
71	Disability annuity based on 5 years of service after 1995; employee not insured for tier 1 and too young for tier 2
72	Tier 2 or supplemental annuity is still reduced for the RRA maximum
88*	No change in rate
99	Spouse rejected because employee rejected

Annuity calculations tier 1 rejects(tier 2 adjusted)(MAIS:"Tier 1 REJ")(PREH:"SPEC HNDL CODE 2: "T")

Code	Explanation
03	RAIL PIA 1 eligibility year different from eligibility year on research record
04	Research record indicates current PIA 1 is AIME but RAIL PIA 1 is not AIME
05	Research record indicates current PIA 1 is AMW or AIME but RAIL PIA 1 is TRANS
06	Adjusted tier 1 is less than current tier 1 and no wage record was received from SSA for RAIL
07	PIA 1 must be modified for employee NCSP
09	Increase in employee adjusted tier 1 seems too high
10*	Spouse previous ABD needed to calculate tier 1

11*	Reduced law year 83 spouse under 62 but employee over 62 - no PIA available for spouse tier 1 calculation
12	Spouse adjusted gross tier 1 is zero
13	Spouse has tier 1 work deduction which cannot be updated because the spouse is suspended and/or tier 1 is not yet adjusted for the last COL.
14	Increase in spouse adjusted tier 1 seems to high
Code	Explanation
16	EE has post 1956 M/S but RAIL PIA does not reflect deemed M/S credits.
89*	No change in PIA 1

Accrual rejects (MAIS:"T1 ACCRUAL REJ","T2 ACCRL REJ")(PREH:Tier 1 accrual reject - "SPEC HNDL CODE 2:"A"; Tier 2 accrual reject - "SPEC HNDL CODE 3:"A")):

Code	Explanation
01	Accrual effective date invalid (future date or impossible date)
02	Research record information indicates there is an error in the current tier amount
03	Tier I work deductions currently in force
04	Unhandled COL reject
05*	Accrual less than \$1.00

Review codes (MAIS:"REV 1, 2, 3")(PREH:"SPEC HNDL CODE 1")

Code	Explanation
20	Tier 1 adjusted for recomp PIA 1 - additional adjustment due from ABD or age 62

21	Supplemental annuity being paid but EDM shows less than 25 years of service
22	Spouse due tier 1 accrual for months before child attained 16
23	RAIL rate must be adjusted to include prior service
24	Employee paid as regular reduced age but lag provides 30 YOS- employee entitled to full 62/30 annuity
25#	DRC only adjustment in RAIL; RRA maximum reduction is in force and lag compensation changes the FAMC. Re-test the RRA max
26	Increase in service months will result in supplemental annuity entitlement or higher supp annuity amount

Code	Explanation
27	ABD year DRCs accrued based on age were included in tier 1 from the date the work deduction DRCs are payable. The age-based DRCs are also payable from an earlier date; adjust tier 1 for the earlier months
28	Tier 1 adjusted from DRC effective date - additional adjustment needed from ABD for PIA increase
29	Tier 1 adjusted for recomp PIA 1 - additional adjustment needed for DRC's from ABD or month 70
30	Tier 1 adjusted for recomp PIA 1 - additional adjustment needed for prior months for law year 83 age 62 recalc

31	Employee tier 1 adjusted from SSA date of entitlement - additional adjustment due for prior months
32	Reduced law year 83 tier 1 adjusted for age 62 recalc and adjustment also needed from ABD
33#	Disabled employee's disability freeze was terminated; freeze not considered in RAIL PIA; check for possible impact of terminated freeze
34	Spouse tier 1 adjusted from SSA date of entitlement or PSP date of entitlement or the date a change was made in either the PSP or the SSA benefit (other than the SSA COL) - additional adjustment due for prior months
35#	The accrual effective date was restricted to a) the month after disability work deductions were withheld or b) the month after the employee stopped work after returning to RR service
36	Spouse tier 2 adjusted from employee VDB effective date - additional adjustment needed from ABD up to VDB date
37	Spouse tier 1 adjusted for Recomp PIA 1 - additional adjustment needed for prior months for law year 83 age 62 Recalc

38	Employee tier 2 adjusted from VDB effective date - additional adjustment needed from ABD up to VDB date
39	No wage record received from SSA
40	No SSA effective date on record - additional accrual due if SS effective date is later than RAIL tier 1 accrual date
Code	Explanation
41	No VDB effective date - additional accrual due if VDB effective date later than ABD
42	No DRCs were included on initial award - ABD rate should be adjusted for DRCs.
43	RRA max does not apply - adjust supplemental annuity.
44	Annuitant had tier 2 work deductions for unknown period after ABD - half of tier 2 accrual withheld.
45	Law year 83 annuitant adjusted from December - pre-COL SS benefit amount needed to adjust to ABD

46	The accrual effective date was restricted to January 1, 2002 because the employee and/or spouse annuity was reduced for the RRA maximum before 2002 or the annuity should be reduced for the RRA maximum for months prior to 2002.
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Checkwriting Reject Codes (Film:"REJ B")(MAIS:"CHICO REJ")(PREH:"REJ CD PYMNT")

Code	Explanation
01	No CHICO record for record received from Research
02	Terminated Record - Research Record not terminated
03	Suspended Record
04*	Interim widow
05*	RAIL adjustment already made manually
07	CHICO and Research pre-adjustment check rates do not match
09	Manual voucher in RAIL voucher month
11	LAF E SS benefit being paid - tier 1 computed without SS offset
13	Monthly rate exceeds \$3500.00
14	Case still in partial status
Code	Explanation
17	RRA Maximum applies- spouse rejected because employee rejected

Appendix M - SALSA Mass Adjustment Reject Codes

This appendix explains the reject and review codes for the annual SALSA mass adjustment operation.

Code	Explanation
01	No SALSA is payable. The employee received a separation allowance payment but the entire amount was used to provide retirement service credits.
02	Employee terminated
03	Employee not paid final
04	SEARCH cannot calculate SALSA due to an error in the employer report.
05	Employee suspended
06	SALSA is less than \$1.00
07	The current SALSA calculated by SEARCH is less than a previous SALSA payment issued to the employee
08	SEARCH cannot calculate SALSA; SALSA previously paid manually or mechanically
09	Mechanical SALSA rejected to prevent duplication of a payment made manually in the same month.

Appendix N - Previous Mass Adjustment Reject/Review Definitions

Introduction

The definition of some mass adjustment reject and review codes has changed over the years. This appendix gives previous definitions for the codes that have changed. These codes are earmarked with '#' in Appendices B (COLA), K (AERO) and L (RAIL).

Previous COLA definitions

The following definitions were previously used for COLA codes:

Code	Type	Used	Definition
01	Retirement reject	Before 2002	Joint and survivor option

02	Retirement review	Before 1996	Spouse has PSP that must be policed; tier 1 COL not paid
03	Retirement reject	Before 1995	Previous COL reject not yet handled
03	Retirement review	Before 1997	Spouse tier 2 takeback code missing
04	Retirement review	Before 1997	Invalid tier 2 takeback amount
07	Retirement reject	Before 2002	RR formula grandfather clause applies
08	Retirement reject	Before 2002	OM formula grandfather clause applies
11	Retirement reject	Before 2002	1937 act employee has age reduced disability annuity
12	Retirement reject	Before 2002	MBR received from SSA but tier 1 no currently reduced for SSA
15	Retirement reject	Before 1995	Increase in EE LAF C SS benefits causes RR decrease more than \$30.00
16	CHICO reject	1993 1994-1997	MBR received from SSA but no tier 1 SS offset; SSA and RRB DOBs discrepant but last name matches Previous unhandled COL reject
18	Retirement review	Before 1997	Invalid EE tier 2 takeback amount
19	Survivor reject	Before 1994	Previous unhandled COL reject
21	Retirement review	Before 1997	Tier 1 not payable (felony, alien suspension, deportation, termination)

22	Retirement reject	Before 1990	EE increased by too high a percentage
27	Retirement reject	Before 1994	Discrepant work deduction information in MBF

Code	Type	Used	Definition
27	Retirement review	Before 1990	Increase in LAF C SS benefits causes RR decrease less than \$30.00
31	MBR review	Before 1994	MBR indicates partial benefit rate
38	MBR reject	Before 1994	SS benefit amount from SSA includes survivor benefit on deceased RR employee
47	Retirement reject	Before 1991 1991	Divorced spouse not 1981 Amendment case Spouse based on child and either child over 16 and tier 1 not terminated or child over 18 and tier 2 not terminated
49	Retirement reject	Before 1991	Increase in spouse LAF C SS benefits causes RR decrease more than \$30.00
53	Retirement reject	Before 1991	Spouse increased by too high a percentage
56	Survivor reject	Before 1990	COL rate increases by too high a percentage
57	Survivor reject	Before 1990	COL rate decreased
58	Survivor reject	Before 1990	COL rate increased by too high an amount
59	Retirement reject	Before 1992	Spouse has PSP that does not exceed tier 1; PSP must be policed

60	Survivor reject	Before 1990	Increase in LAF C SS benefits causes RR decrease more than \$30.00
61	Survivor review	Before 1997	Tier 1 not payable (felony, alien suspension, deportation, termination)
65	Survivor review	Before 1990	Increase in LAF C SS benefits causes RR decrease less than \$30.00
67	Survivor reject	Before 1992	Widow has PSP that does not exceed tier 1; PSP must be policed
Code	Type	Used	Definition
68	Survivor reject	Before 1992	Remarried or divorced widow has tier 2
71	Survivor review	Before 1996	Widow has PSP that must be policed; tier 1 COL not paid
82	Retirement reject	Before 1992	Divorced SP in OM family

Previous AERO definitions

The following definitions were previously used for AERO codes:

Code	Type	Used	Definition
27	Review	Before 1992	Review employee's other RR annuity for change in tier 1 offset
28	Review	Before 1997	All or part of the PIA increase is due to earnings record corrections for years prior to last year. The increase has been paid only from January of the current year.

32	Review	Before 1994	Tier 1 accrual restricted to 1)SSA DOE or 2) previous December because of a COLA reject
71	Reject	Before 1997	PIA decrease for unknown reason
90	Accrual reject	Before 1990	SSA benefit effective date within the accrual period
93	Accrual reject	Before 1991	Accrual amount seems excessive

Previous RAIL definitions

The following definitions were previously used for RAIL codes:

Code	Type	Used	Definition
25	Review	Before 1995	More than 3 service months reported after the ABD; RAIL did not use these months. Investigate for return to RR service
33	Review	1989	Employee accrual effective date restricted to December 1988 due to military service in PL100-647 period
35	Review	1989	Spouse accrual effective date restricted to December 1988 due to employee's military service in PL100-647 period

Appendix O - WIMA Mass Adjustment Reject Codes/

In April and June of 2002, the “widow(er)’s initial minimum amount” was tested in a mass adjustment for aged and disabled widow(er)s, young mothers and young fathers paid under the 1981 amendments. The following reject codes were used in the mass adjustments.

Calculation reject codes:

Code	Explanations
01	The annuity was suspended before January 2002, and the reason for the suspension was something other than excess earnings or small overpayment recovery, or The annuity was suspended for excess earnings and either the suspension was effective before January 2001 or there is no net annuity rate in PREH
02	There is an unhandled COLA reject in the case.
03	The annuitant has a gross tier 2, but the deceased employee’s tier 2 on the OBD is zero.
04	DIB age reduction rules apply, the annuitant is over 65, and there is no OBD tier 1 information in PREH.
05	The annuitant’s OBD is after November 1983, the deceased employee’s ABD was before 1984, and there is no employee actual or fictional takeback amount in PREH.
06	A “D” case and the annuitant’s OBD is after November 1983, the employee died before 1984, and there is no employee actual or fictional takeback amount in PREH.

Code	Explanations
07	The annuitant’s gross tier 2 is less than 50% of the employee’s tier 2 on the OBD and the gross tier 2 is not restricted by the family maximum.
08	The current tier 1 is reduced for age or the RIB limit but the OBD tier 1 is not reduced.
09	The OBD tier 1 is reduced for age or the RIB limit but the current tier 1 is not reduced. There is no ARF in the case, and the DIB age reduction rules do not apply.

10	The cases involves both the DIB age reduction rules and an ARF.
11	The annuitant's OBD is after November 1983 and PREH does not contain any takeback information.
12	The WIMA increase amount is more than 50% of the employee's tier 2 on the OBD.
13	The WIMA tier 1 is greater than the current tier 1 before reductions for other benefits.
14	The calculated new rate is less than zero.
15	The calculated new rate is less than the current rate.
16	The calculated new rate is higher than the current rate by more than the WIMA increase amount.

17	<p>The number of months the widow(er) is under FRA on the OBD were calculated and one of the following is true:</p> <ul style="list-style-type: none"> • The months calculated are zero but PREH has age reduction months for either tier 1 or tier 2 • The months calculated are greater than zero but there are no months in PREH and there is no ARF in the case. • The months calculated do not equal the months in PREH and there is no ARF in the case.
18	The age reduction factor does not correspond to the number of age reduction months.
19	The OBD information in PREH does not reflect the CPI correction but a backdated tier 1 was not computed.
20	PREH does not contain an OBD gross tier 1, and a backdated gross tier 1 could not be calculated.
21	Tier 1 was restricted by the family maximum on the OBD and the correct WIMA tier 1 could not be calculated.

22	The widow(er)s' tier 1 is based on the ALT PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.
23	The widow(er)s' tier 1 is not based on the ALT PIA or the special minimum PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.
Code	Explanations
24	PREH does not contain OBD age/RIB adjusted tier 1 information, and a backdated age/RIB adjusted tier 1 could not be calculated.
25	The calculated gross WIMA tier 2 is greater than the deceased employee's tier 2 on the OBD.
26	A WIMA tier 2 could not be calculated.
27	The necessary age reduction could not be calculated for the WIMA tier 2.
28	The WIMA tier 2 takeback amount could not be determined.
29	There was an error in the calculation of the WIMA tier 2.
30	The takeback guaranty should be applied to the WIMA tier 2 but the net WIMA tier 2 is not \$10.00.
31	The WIMA is higher than the current rate but the case is in suspense.
32	The widow(er)s' tier 1 is based on the special minimum PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.
33	The annuitant was terminated after February 2002 and the WIMA is higher than the last rate paid.
34	Tier 1 is restricted by the family maximum but the annuitant's current share of the maximum is not correct based on the number of people in the family group.
35	The annuitant's gross tier 2 amount is more than 50% of the deceased employee's tier 2 on the OBD.

Checkwriting reject:

Code	Explanation
01	The annuity was not found on the checkwriting master.
02	The annuity is terminated.
03	The annuity is suspended.
04	The annuitant is an interim widow.
05	The new rate equals the rate already being paid.
07	The pre-adjustment rate in PREH does not equal the rate being paid.
25	The RR annuity is in pay status but the LAF E SS benefit is terminated with a death code.

Review codes:

Code	Explanation
01	There are multiple widow's on the rolls; verify the family group and the computation of the WIMA tier 1.
Code	Explanation
02	The accrual was restricted to the date the family group changed. Compute and pay a WIMA accrual due from February up to the month the family group changed.

Appendix P - RRSIA RRA Maximum Mass Adjustment

In May 2002, a mass adjustment was performed to remove RRA maximum reductions from tier 2 and supplemental annuities in accordance with the Railroad Retirement and Survivors' Improvement Act of 2001. Reductions for the maximum were removed effective with annuities payable for January 2002 and later. The reject and review cause codes used in the operation are provided below.

Calculation Reject Codes:

Code	Explanation
01	Employee receives a 1974 Act formula annuity.
02	A prior COLA reject has not yet been handled.
03	A takeback should apply to the employee's tier 2 but there is no takeback amount in PREH.
04	The employee's rate is reduced for a percentage legal process deduction.
05	The annuity is paid under the OM formula.
06	<p>The annuity is terminated; the termination effective date is after January 2002. OP should take the following actions:</p> <ul style="list-style-type: none"> • RBD should compute and pay any accrued annuity due prior to the termination effective date • RBD should forward the case to SBD to determine any impact on survivor benefits • SBD should re-test the spouse minimum using the increased spouse tier 2 where appropriate

07	The annuity is suspended.
08	There is an error in the current employee tier 2.

Code	Explanation
09	The employee's tier 2 VDB reduction cannot be calculated because the gross VDB is not in PREH.
10	The employee's calculated tier 2 after the VDB reduction does not equal the tier 2 after VDB reduction in PREH.
12	The employee's adjusted tier 2 is less than the current tier 2.
13	The increase in the employee's adjusted tier 2 is too high.
14	The employee's adjusted annuity rate is less than zero.
15	The employee's adjusted annuity rate is less than the current rate.
16	The increase in the employee's adjusted annuity rate does not equal the increase in tier 2.
17	The employee's adjusted tier 2 work deduction amount is less than the current tier 2 work deduction amount.

18	The employee tier 2 was reduced for the RRA maximum but the supplemental annuity is not reduced.
19	The age reduction months calculated for the employee's tier 2 do not equal the age reduction months in PREH.
30	The supplemental annuity attainment code in PREH indicates the employee does not have a RR pension, but there is pension information in PREH.
31	There is no RR pension information in PREH but the employee worked for a RR that pays a pension for which the supplemental annuity needs to be reduced.
32	The supplemental annuity attainment code in PREH indicates the employee has a RR pension, but there is no pension information in PREH.
33	The adjusted supplemental annuity is less than the current supplemental annuity.
34	The increase in the adjusted supplemental annuity is too high.
35	The adjusted supplemental annuity work deduction amount is less than the current supplemental annuity work deduction amount.

Code	Explanation
50	A takeback should apply to the spouse's tier 2 but there is no takeback amount in PREH.
51	The spouse record contains a total takeback amount, but the 1983 and 1984 takeback reduction amounts are zero.

52	The spouse's ABD is before 1984 and there is an error in the current tier 2 amount.
53	The spouse's ABD is after 1983 and there is an error in the current tier 2 amount.
54	The spouse's gross tier 2 is more than 45% of the employee's tier 2 after VDB reduction.
56	The pre-1984 tier 2 COL calculated for the spouse is not equal to the COL amount in PREH.
57	The spouse tier 2 age reduction amount is missing in PREH.
58	The spouse tier 2 dual restoration effective date is not in PREH.
59	The spouse 1984 tier 2 COL increase cannot be calculated because the dual restoration effective date is after November 1986.
60	The spouse's adjusted tier 2 is less than the current tier 2.
61	The increase in the spouse's adjusted tier 2 is too high.
62	The spouse's adjusted annuity rate is less than zero.
63	The spouse's adjusted annuity rate is less than the current rate.
64	The increase in the spouse's adjusted annuity rate is too high.
65	The spouse's adjusted tier 2 work deduction amount is less than the current tier 2 work deduction amount.
66	The spouse's gross tier 2 amount is not in PREH.
67	The age reduction months calculated for the spouse tier 2 do not equal the age reduction months in PREH.

Checkwriting rejects:

Explanation

01	There is no record on the checkwriting master for the annuitant.
----	--

02	The checkwriting master record is terminated.
03	The checkwriting master record is suspended.
04	The spouse is an interim widow.
05	The calculated new annuity rate equals the rate the annuitant is currently being paid.
07	The current annuity rate in PREH does not equal the current annuity rate on the checkwriting master.
13	The adjusted annuity rate is more than \$3,500.00.
22	The current supplemental annuity in PREH does not equal the current supplemental annuity on the checkwriting master.

Accrual reject codes:**Explanation**

01	The regular annuity accrual effective date cannot be determined.
02	The supplemental annuity accrual effective date cannot be determined.

Review codes:**Explanation**

01	The spouse gross tier 2 is less than 45% of the employee's tier 2 after VDB reduction.
02	The regular annuity accrual date was restricted because of VDB entitlement, LPE work deductions or dual annuity entitlement; additional accrual is due for months prior to this date.
03	The supplemental annuity accrual date was restricted because of LPE work deductions; additional accrual is due for months prior to this date.

Appendix Q - RESCUE FAQs

Q. What causes RESCUE to adjust an annuity?

A. Any of three events will cause RESCUE to evaluate the need to adjust an annuity (RCM6.8.89):

- A change in railroad service, railroad earnings (including miscellaneous compensation and separation/severance payments), or social security wages, or
- Delayed retirement credits (DRCs) are earned in the ABD year but cannot be included in tier 1 until the following January or the month the employee attains age 70, or
- ABD year earnings increase the PIA 1 of a RRSIA 60/30 annuity effective with January of the year following the year the employee attains age 62. **Q.** When does RESCUE process annuity adjustments?

A. RESCUE runs four times a year, about every 3 months though not necessarily at the end of standard calendar quarters. RESCUE sends annuity adjustments to ROC the last week of the month, and the awards are vouchered the first of the following month. **Q.**

What types of annuities does RESCUE adjust?

A. RESCUE will adjust all types of employee and spouse annuities. RESCUE does not adjust survivor annuities. If a change in service and/or earnings is detected for a survivor annuity, RESCUE refers the case to SBD to adjust. **Q.** Does RESCUE decrease annuity rates?

A. RESCUE only pays annuity increases. If RESCUE's evaluation of a case reveals that the annuity needs to be decreased, the case is referred for RBD to determine the cause of the decrease and adjudicate any overpayment. If the decrease is the result of a record error in EDM or PREH, RBD will resolve the error and adjust the case. **Q.** How does RESCUE handle terminated cases?

A. RESCUE computes accrued annuities due in terminated cases. The accrued annuity is posted to PREH. If the employee is deceased, SBD will determine payees for the accrual. If the employee is alive, RBD will issue the accrued annuity.(RCM6.8.92) **Q.** How can I determine if RESCUE considered a case?

A. Three steps determine if a case was considered by RESCUE ([RCM6.8.97](#)):

- Go to PREH and look for a check record and/or an OPO record with a source of RESCUR or a voucher number of 575

- Go to STAR and look for a referral with unit code RUE. Field representatives should check FieldStar. A referral is generated if RESCUE rejects the case.
- Go to the RESCUE NAN folder on the SHARE server of the USRRB domain <\\\\Share\\RESCUE NAN>. A case will appear in this folder if the case was considered in the RESCUE operation, but there was no change in the annuity rate. **Q.** How do I determine the problem in a case if I find a RESCUE referral in STAR?

A. Descriptions of the RESCUE referral codes can be found in RCM6.8.98. If further information is needed, an email can be sent to the general RBD mailbox. **Q.** Where can I find information about a RESCUE annuity adjustment?

A. Information about RESCUE awards is provided in several places:

- The ROC award ([RCM6.8.95](#)) and the award letter ([RCM6.8.96](#)) can be viewed in Imaging.
- The results of the adjustment action can be viewed in PREH. Look for check and OPO records with the source code RESCUR and voucher number 575. There is no mass adjustment screen (MAD) for RESCUE adjustments. **Q.** How is the RESCUE accrual computed?

A. ROC computes the accrual for months beginning with January 1, 1995 in the normal manner. ROC calculates all the necessary rate breaks and extracts previous payment history from PREH. For months before 1995, RESCUE computes the accrual using special formulas authorized by the Board to facilitate automated adjustments by RESCUE ([RCM6.8.94](#)). RESCUE adds the accrual computed using the special formulas to the accrual ROC computes in the normal manner. Information is displayed on ROC awards for both the normal accrual computation and the special formula amounts ([RCM6.8.95](#)).

Exhibits

Exhibit 2 - T-13 Employee AERO Notice

T-13(10-99)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs

Operations

RRB Claim Number

A

Visit Our Web Site at www.rrb.gov

An increase in your railroad retirement annuity is payable. Your earnings through ____ are now available to include in the tier 1 portion of your annuity. Your October 1, 20__ payment is \$____. The rate shown includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$____ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is effective _____. You will receive a payment for \$_____ within the next ten days. This is the total increase through August minus Federal income taxes of \$_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations

The final paragraph may vary. If the entire accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is effective _____. The total increase through August is \$_____. We withheld \$_____ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before September at a later date.

Exhibit 3 - T-14 Spouse AERO Notice

T-14(10-99)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

 Office of Programs

Operations

RRB Claim Number

MA

Visit Our Web Site at www.rrb.gov

An increase in your railroad retirement annuity is payable. An adjustment in the tier 1 portion of the employee's annuity results in an increase in your tier 1 amount. Your October 1, 20__ payment is \$____. The rate shown includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$____ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from you last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is effective _____. You will receive a payment for \$_____ within the next ten days. This is the total increase through August minus Federal income taxes of \$_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations

The final paragraph may vary. If the entire accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is effective _____. The total increase through August is \$_____. We withheld \$_____ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before September at a later date.

Exhibit 4 - T-11 Employee RAIL Notice

¹ the lag year is shown; eg. for the 2005 RAIL, the lag year is 2004.

T-11(7-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number

A

Always Use these Letters and
Numbers When Writing Us

Visit our Web site at www.rrb.gov

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date.

The wages you earned in non-railroad employment through __ are included in the calculation of your annuity.

Your July 1, __ payment is \$___. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$_____ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is payable for months before June _____. You will receive a payment for \$_____ within the next ten days. This is the total increase through May minus Federal income taxes of \$_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations

The first paragraph will vary. If the employee is adjusted only to add delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. Additional credits are payable in the tier 1 portion of your annuity. You earned one credit for each month in ¹ before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is ____; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in ¹ before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations (used prior to 2002), the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is ____; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If the employee receives an age annuity based on 30 years of service (used beginning in 2002), the following paragraph is included:

We adjusted your tier 2 for your earnings in (*ABD year shown*). Your (*ABD year shown*) earnings cannot be included in your tier 1 until the year after you attain age 62. We will adjust your tier 1 automatically when you become eligible.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is \$ _____. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

The final paragraph may vary. If the accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is payable for months before June ___. The total increase through May is \$ ___. We withheld \$ ___ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before June at a later date.

Exhibit 4a - T-11a Employee RAIL Notice

¹ the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year .

T-11a (7-99)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
A
Always Use These Letters And Numbers
When Writing Us
Visit our Web site at www.rrb.gov

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date.

The wages you earned in non-railroad employment through __ are included in the calculation of your annuity.

Your July 1, __ payment is \$__. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$__ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and your spouse are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on your earnings in the ten years before your annuity began. Because of the benefit ceiling, the increase in your annuity causes a decrease in your spouse's annuity.

The adjustment in your annuity and your spouse's annuity is effective for months before June __. The total decrease in your spouse's benefits through May is \$__. We recovered this amount from the increase payable to you for those months.

Robert J. Duda
Director of Operations

The first paragraph may vary. If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in ¹ before your annuity began during which you were between ages 65 and 70.

¹ the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year.

T-11b(7-98)

If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through 1 are now included in your annuity. The number of 1 service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is \$____. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

If the entire accrual was not needed to recover the spouse's overpayment, an additional paragraph will close the letter. If the net accrual is withheld for Federal income taxes, the closing paragraph reads:

The balance of your increase through May is \$____. We withheld \$__ in Federal income taxes from this payment.

If the net accrual is not withheld for Federal income taxes, the closing paragraph reads:

You will receive a payment for \$____ within the next ten days. This is the balance of your increase through May minus Federal income taxes of \$__. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Exhibit 4b - T-11b Employee RAIL Notice

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs

RRB Claim Number

Operations

A

Always Use These Letters and
Numbers When Writing Us

Visit our Web site at www.rrb.gov

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date.

The wages you earned in non-railroad employment through __ are included in the calculation of your annuity.

Your July 1, __ payment is \$__. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$__ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and your spouse are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on your earnings in the ten years before your annuity began.

The adjustment in your annuity and your spouse's annuity is effective for months before June __. Through May your spouse received \$__ which is no longer payable because of the maximum provision. We recovered this amount from the increase payable to you through May.

Robert J. Duda

Director of Operations

The first paragraph may vary. If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the

tier 1 portion of your annuity. You earned one credit for each month in ¹ before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and to perform the law year 83 age 62 recalculations, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through ¹ are now included in your annuity. The number of ¹ service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is \$____. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

If the entire accrual was not needed to recover the spouse's overpayment, an additional paragraph will close the letter. If the net accrual is withheld for Federal income taxes, the closing paragraph reads:

The balance of your increase through May is \$____. We withheld \$__ in Federal income taxes from this payment.

If the net accrual is not withheld for Federal income taxes, the closing paragraph reads:

You will receive a payment for \$__ within the next ten days. This is the balance of your increase through May minus Federal income taxes of \$ _____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Exhibit 5 - T-12 Spouse RAIL Notice

¹ the lag year is shown; eg., for the 2005 RAIL, 2004 was the lag year.

T-12(7-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844 N. Rush St.

Chicago, IL 60611-2092

Date:

 Office of Programs
 Operations
RRB Claim Number
MAAlways Use These Letters and
Numbers When Writing UsVisit our Web site at www.rrb.gov

An increase in your railroad retirement annuity is payable. The railroad service and compensation earned by the employee through ¹ are now included in your annuity.

Your July 1, ___ payment is \$___. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$___ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is payable for months before June ___. You will receive a payment for \$___ within the next ten days. This is the total increase through May minus Federal income taxes of \$___. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda Director of Operations

The opening paragraph may vary. If the spouse is adjusted because additional wages are included in the employee's PIA, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The wages earned by the employee through _____ are now included in your annuity.

If the law year 83 age 62 recalculation is also performed and the spouse tier 1 increases (used before 2002), the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation earned by the employee through ¹ are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If the law year 83 age 62 recalculation results in a decrease in tier 1 but the lag RR service increases tier 2 (used before 2002), the first paragraph reads: An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through ¹ are now included in the tier 2 portion of your annuity. We also adjusted the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable. Your tier 1 is now reduced for the number of months you are under age 65. The change in your tier 1 results in a decrease in your annuity rate.

If the law year 83 age 62 recalculation results in a decrease in tier 1 and there is no increase in tier 2 (used before 2002), the first paragraph reads:

An adjustment is due in your railroad retirement annuity. We adjusted the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable. Your tier 1 is now reduced for the number of months you are under age 65. The change in your tier 1 results in a decrease in your annuity rate.

If the spouse annuity is reduced for the RRA maximum and the maximum reduction increases (used before 2002), the following paragraph is included in the letter:

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began. The increase in your annuity is limited by this provision.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is \$____. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

The last paragraph may vary. If tier 2 increases but tier 1 decreases due to the law year 83 age 62 recalculations (used before 2002), the final paragraph reads:

The increase in your tier 2 is payable for months before June __. You will receive a payment for \$__ within the next ten days. This is the total increase through May minus Federal income taxes of \$____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

If the accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is payable for months before June __. The total increase through May is \$____. We withheld \$__ in Federal income taxes from this payment.

If only tier 2 increases and the accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your tier 2 is payable for months before June __. The total increase through May is \$____. We withheld \$__ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before June at a later date.

Exhibit 5a - T-12a Spouse RAIL Notice

¹ the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year.

T-12a(7-98)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
MA
Always Use These Letters and
Numbers When Writing Us
Visit our Web site at www.rrb.gov

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through ¹ are now included in your annuity.

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began.

Because of the maximum provision, the increase in the employee's annuity causes a decrease in your annuity. Your July 1, __ payment is \$__. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$__ in

Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The change in your annuity and the employee's annuity is effective for months before June __. The total decrease in your benefits through May is \$__. We recovered this amount from the increase payable to the employee for the same months.

Robert J. Duda Director of Operations

The opening paragraph may vary. If the lawyear 83 age 62 recalculation is also performed, the first paragraph reads:

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through ¹ are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Because of the maximum provision, the increase in the employee's annuity causes a decrease in your annuity. Your July 1, 1999 payment is \$____. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

Exhibit 5b - T-12b Spouse RAIL Notice

¹ the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year.

T-12b(7-97)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
MA
Always Use These Letters and
Numbers When Writing Us
Visit our Web site at www.rrb.gov

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through ¹ are now included in your annuity.

Your July 1, ___ payment is \$___. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding \$__ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began.

The change in your annuity and the employee's annuity is effective for months before June __. Before _____, you received \$__ which is no longer payable because of the maximum provision. We recovered this amount from the increase payable to the employee for the same months.

Robert J. Duda
Director of Operations

The opening paragraph may vary. If the law year 83 age 62 recalculation is also performed, the first paragraph reads:

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through ¹ are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is \$ _____. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

Exhibit 6 - T-30 SALSA Notice

T-30(8-00)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number

A

Always Use These Letters and
Numbers When Writing Us

Visit our Web site at www.rrb.gov

Before this year, your former railroad employer paid to you a separation allowance or severance payment. Your employer legally deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits.

You are receiving a special payment based on these taxes. You will receive the payment of \$____ within the next ten days. We will deposit this payment in your checking or savings account if you are in the direct deposit program. This payment is not subject to Federal income tax.

You have the right to request reconsideration of this payment within 60 days. If you have any questions, contact the nearest office of the Railroad Retirement Board.

Robert J. Duda
Director of Operations

If a SALSA has previously been paid, the letter reads:

Before this year, your former railroad employer paid to you a separation allowance or severance payment. Your employer legally deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. After you retired, we sent to you a special payment based on these taxes.

We have now received new information from your former employer. You are receiving another special payment based on the taxes you paid. You will receive the payment of \$_____ within the next ten days. We will deposit this payment in your checking or savings account if you are in the direct deposit program. This payment is not subject to Federal income tax.

Exhibit 7 - T-51 December 1st SSA Offset Correction Notice

NOTE: T-51 is no longer used. In 2022, it was replaced by RL-51A (refer to Exhibit 34).

T-51(11-15)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs

Visit our Web site at www.rrb.gov Operations

The Tier 1 portion of your railroad retirement annuity must be reduced by the amount of any social security benefit to which you are entitled. The Social Security Administration advises that your total social security benefit amount (before the cost-of-living increase that will be included in your January payment and before any deduction for a Medicare premium) is \$ _____. Your Tier 1 is currently reduced by a lower amount of \$ _____.

Your Tier 1 amount will be corrected as soon as possible but not before January 1, _____. Your Tier 1 will be reduced by your current social security benefit amount adjusted for the 0.3 percent cost-of-living increase payable on the benefit beginning January 1.

If the social security benefit amount provided by the Social Security Administration is not correct, contact the nearest office of the Railroad Retirement Board within thirty days of the date of this letter.

Director of Programs

Exhibit 8 - CPI T-60 Version 1

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits. Benefits are only affected by this change if, before January 2000, the employee on whose record the benefits are based was age 62 or older, determined to be disabled, or deceased.

If you have questions about this notice, write to us at the address shown above or call us at

(999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board T-60 (01)
07/01

Exhibit 9 - CPI T-60 Version 2

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent, a difference of 0.1 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits. The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security, a public service pension, or another railroad retirement annuity. Because of these benefit calculation rules, the small increase of 0.1 percent in the cost-of-living adjustment did not change the amount of your monthly benefits.

U. S. Railroad Retirement Board If

T-60 (02)

07/01

Exhibit 10 - CPI T-60 Version 3

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA751606119999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

you have questions about this notice, write to us at the address shown above or call us

at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on “What’s New,” or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

XXX 999-99-9999

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly railroad retirement annuity.

Your August 1, 2001 payment will be \$ 9999.99. This new rate includes any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (03)

07/01

Exhibit 11 - CPI T-60 Version 4

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. Most beneficiaries affected by this change will receive an increase in their August 1, 2001 payments.

We did not adjust your August 1 payment. We need to review the calculation of your monthly benefits. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our tollfree RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (04)

07/01

Exhibit 12 - CPI T-60 Version 5

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA751606119999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, a small increase in monthly Social Security benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits because of one of the following reasons.

Benefits are only affected by this change if, before January 2000, the person on whose record the benefits are based was age 62 or older, determined by the Social Security Administration to be disabled, or deceased.

Because of rounding rules, the small increase of 0.1 percent did not change your monthly Social Security rate.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our tollfree RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (05)

07/01

Exhibit 13 - CPI T-60 Version 6

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly Social Security benefits.

Your August 1, 2001 payment will be \$ 9999.99. If a Medicare premium was deducted from your last payment, this new rate is after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (06)

07/01

Exhibit 14 - TCI T-60 Version 7

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly benefits.

Your August 1, 2001 payment will be \$ 9999.99. This new rate includes your Social Security benefits and any supplemental annuity paid to you by the Railroad Retirement Board. The new rate is after any Federal income tax withholding from your monthly payment. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (07) 07/01

Exhibit 15 - CPI T-60 Version 8

Railroad Retirement Board
 Field Office Address Line 1
 Field Office Address Line 2
 Field Office Address Line 3
 Field Office Address Line 4

POSTAL BAR CODE
 COA7516061199999999989
 Name and Address Line 1
 Name and Address Line 2
 Name and Address Line 3
 Name and Address Line 4
 Name and Address Line 5
 Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number
 XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent.

We are adjusting your August 1, 2001 payment to include the increase due in your monthly tier 1 railroad retirement benefits. Your August 1 payment will be \$ 9999.99. This new rate includes your Social Security benefits and any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due in your tier 1 benefits for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment.

Please do not confuse this payment with your regular monthly payment.

We did not adjust your Social Security benefits. We need to review the calculation of your monthly rate. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (08)

07/01

Exhibit16 - CPI T-60 Version 9

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent.

We adjusted your August 1, 2001 payment to include the increase due in your monthly Social Security benefits. Your August 1 payment will be \$ 9999.99. This new rate includes any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of \$ 99.99 within the next few days for the increase due in your Social Security benefits for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

We did not adjust your tier 1 railroad retirement benefits. We need to review the calculation of your monthly railroad retirement benefits. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our tollfree RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (09)

07/01

Exhibit 17 - CPI T-60 Version 10

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent, a difference of 0.1 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits and Social Security benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits because of one or both of the following reasons.

Benefits are only affected by this change if, before January 2000, the employee on whose record the benefits are based was age 62 or older, determined to be disabled, or deceased.

The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security, a public service pension, or another railroad retirement annuity. Because of these benefit calculation rules, the small increase of 0.1 percent in the cost-of-living adjustment did not change the amount of your monthly benefits.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our tollfree RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (10)

07/01

Exhibit 18 - CPI T-60 Version 11

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE
COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad

retirement benefits and Social Security benefits, the increase should have been 2.5 percent. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

Your August 1, 2001 payment will not change. The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security. Because of these benefit calculation rules, the total amount of your current monthly payment does not change.

Even though your current monthly payment does not change, you are due a small increase in your Social Security benefits for months before July 2001. You will receive a separate payment of \$99.99 within the next few days. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our tollfree RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board T-60 (11)

07/01

Exhibit 19 CPI T-61

Notice About U. S. Federal Income Taxes

If your regular monthly payments are reduced because of United States Federal income tax withholding, we also deducted U. S. Federal income taxes from the separate payment you are due for months before July 2001. The amount of the payment that is shown in the accompanying letter is after we reduced the payment for income tax withholding.

Form T-61 (07/01)

Exhibit 20 T-78 WIMA Mass Adjustment Notice

T-78(04-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844
N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs

Operations

RRB Claim Number

A

Visit our Web site at

www.rrb.gov

Your May 1, 2002 payment (your annuity for April) will increase to \$_____. The increase in your annuity is also payable for months before April. You will receive a payment for \$_____ within the next ten days. This is the increase amount due through March minus Federal income taxes of \$_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

The increase in your monthly payment is a result of the Railroad Retirement and Survivors' Improvement Act of 2001. The new law created a widow(er)'s initial minimum amount beginning with annuities payable for February 2002 (March 1, 2002 and later payments). Your initial minimum amount is higher than your current tier 1 and tier 2 benefits. Your monthly payment will be based on your initial minimum amount until annual cost-of-living increases raise your regular annuity to a higher amount.

If you have any questions, contact the nearest office of the Railroad Retirement Board. You have the right to request reconsideration of this rate change within 60 days of the date of this letter.

Robert J. Duda

Director of Operations.

If the accrual payment is reduced to zero by Federal income tax withholding, or no accrual is payable, the first paragraph is worded to describe those situations.

Exhibit 21 - T-79

T-79(04-02)

RAILROAD RETIREMENT NOTICE

U.S.

Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs

Operations

RRB Claim Number

A

Visit our Web site at www.rrb.gov

The Railroad Retirement and Survivors' Improvement Act of 2001 created a widow(er)'s initial minimum amount beginning with annuities payable for February 2002 (March 1, 2002 and later payments). We are not able to compute your initial minimum amount at this time. We will complete our review of your case within the next 90 days, and we will send you another letter to let you know if your initial minimum amount will increase your monthly payment.

Robert J. Duda

Director of Operations

Exhibit 22 RRA Max T-84

T-84 RRA Maximum Mass Adjustment Notice

T-84(05-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844

N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs

Operations

RRB Claim Number

A

Visit our Web site at

www.rrb.gov

Your June 1, 2002 payment (your annuity for May) will increase to \$_____. We are withholding \$_____ in Federal income taxes from your monthly payment. The increase in your annuity is also payable for months before May. You will receive a payment for \$_____ within the next ten days. This is the increase amount due through April minus Federal income taxes of \$_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

The increase in your monthly payment is a result of the Railroad Retirement and Survivors' Improvement Act of 2001. The new law eliminates the maximum amount that reduces some monthly employee and spouse annuities. The maximum amount ends effective with annuities payable for January 2002 (February 1, 2002 and later payments).

If you have any questions, contact the nearest office of the RRB. You have the right to request reconsideration of this rate change within 60 days of the date of this letter.

Robert J. Duda

Director of Operations.

If the accrual payment is reduced to zero by Federal income tax withholding, or no accrual is payable, the first paragraph is worded to describe those situations.

If the RRA maximum reduction reduced tier 2 to zero and RRB records indicate the annuitant (or the employee if the annuitant is a spouse) is currently working in LPE, an additional paragraph is included to advise the annuitant that LPE work deductions were withheld now that tier 2 is greater than zero. The special paragraphs are as follows:

Annuitant is an employee:

“We are withholding a portion of your annuity because our records show that you are working for your last pre-retirement employer. If this is not correct, contact the nearest office of the Railroad Retirement Board.”

Annuitant is a spouse:

“We are withholding a portion of your annuity because our records show that you or your spouse are working for a last pre-retirement employer. If this is not correct, contact the nearest office of the Railroad Retirement Board.”

Exhibit 23 RRA Max T-85

T-85 RRA Maximum Mass Adjustment Notice

T-85(05-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844
N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number

A

Visit our Web site at

www.rrb.gov

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminates the maximum amount that reduces some employee supplemental annuities. Your monthly payment will not change. Your supplemental annuity is also reduced by the pension you receive from your former railroad employer. Because of this pension reduction, your monthly supplemental annuity amount does not change.

Robert J. Duda

Director of Operations.

Exhibit 24 RRA Max T-86

T-86 RRA Maximum Mass Adjustment Notice

T-86(05-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board 844
N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number

A

Visit our Web site at

www.rrb.gov

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminates the maximum amount that reduces some monthly employee and spouse annuities. We are not able to adjust your annuity at this time, but we will adjust it within the next 90 days. You will receive another letter that will provide your new monthly payment amount, and you will receive any back payments due.

Robert J. Duda

Director of Operations.

Exhibit 25 T-71 WIMA Increase Advance Notice

T-71(01-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board (Field
Office address)

Issued: January 23, 2002

RRB Claim Number

A recent change in the law will affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases.

Your initial base amount is compared to the monthly tier 1 and tier 2 benefits to which you are entitled beginning in February 2002. We have reviewed our records, and determined that your initial base amount is higher than your tier 1 and tier 2 benefits effective February 2002. We are working on your case to determine the exact amount of the increase you are due. We will finish our determination by May 1, 2002. At that time your monthly payment will be adjusted and you will receive another letter explaining the increase. You will also receive a special payment for the additional amount you are due for months beginning with February 2002.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 26, T-72 No WIMA Increase

T-72(1-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board (Field
Office address)

Issued: January 24, 2002

RRB Claim Number

A recent change in the law does not affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases.

Your initial base amount is compared to the monthly tier 1 and tier 2 benefits to which you are entitled beginning in February 2002. After careful review of your payment, we find that your tier 1 and tier 2 benefits computed under the regular formula as of February 2002 are higher than your initial base amount. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 27 T-73 No WIMA for Remarried Widow(er)s or Surviving Divorced Spouses

T-73(01)02

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board (Field
Office address)

Issued: January 28, 2002

RRB Claim Number

This is to notify you of a recent change in the law and to explain why your monthly payment is not affected by the change.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. The law does not change the annuity computation for remarried widow(er)s or surviving divorced spouses. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 28 T-74 No WIMA for 1937/1974 act Widow(er)s annuities

T-74(01-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board (Field
Office address)

Issued: January 31, 2002

RRB Claim Number

This is to notify you of a recent change in the law and to explain why your monthly payment is not affected.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s if the railroad employee began receiving a payment or died after September 1981, or the widow(er) began receiving a payment after September 1986. After a careful review of your records, we find that the new law does not apply to your monthly payment because it began before October 1, 1986, and the railroad employee died or began receiving a payment before October 1, 1981. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 29 T-75 Notice to Employees and Spouses with RRA Maximum Reduction

T-75(01-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board (Field

Office address)

Issued: January 25, 2002

RRB Claim Number

A recent change in the law affects the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 repealed the maximum retirement benefit provision of the Railroad Retirement Act effective with monthly benefits payable for January 2002. This provision had limited monthly family benefits to an amount based on an employee's average earnings in the 10-year period prior to retirement. Reductions were applied to employee and/or spouse payments so that benefits did not exceed the maximum amount.

Your monthly payment is currently reduced because of the maximum provision. We will remove the reduction in your monthly payments by June 1, 2002. At that time we will mail you another letter to explain the increase in your monthly payments. You will also receive a special payment for the additional benefits due you for months after December 2001.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 30 T-76 Notice to Employees of Impact on Potential Spouse Benefits Resulting From Elimination of the RRA Maximum

T-76(01-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board (Field
Office address)

Issued: January 18, 2002

RRB Claim Number

A recent change in the law may affect the amount of railroad retirement benefits payable based on your earnings.

The Railroad Retirement and Survivors' Improvement Act of 2001 repealed the maximum benefit provision of the Railroad Retirement Act effective with monthly benefits payable for January 2002. This provision had limited monthly family benefits to an amount based on an employee's average earnings in the 10-year period prior to retirement. Reductions were applied to employee and spouse annuities so that benefits did not exceed the maximum amount.

Under the maximum benefit provision, combined employee and spouse benefits could sometimes be less than the benefits paid to the employee alone. In this situation, we advised the spouse not to file for benefits. With the repeal of this provision, it is now advantageous for these spouses to file for benefits.

If you have a spouse who is not receiving monthly railroad retirement payments and may be eligible for benefits, write to us at the address shown above or call us a (999) 9999999. Due to the high volume of calls we are receiving, we ask for your patience.

You can also get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov or by calling our toll-free RRB HelpLine at 1800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web sit and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 31 T-77 WIMA Eligibility Cannot be Determined

T-77(01-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board (Field
Office address)

Issued: January 22, 2002

RRB Claim Number

A recent change in the law may affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases. The initial base amount is compared to the tier 1 and tier 2 benefits to which you are entitled effective February 2002.

We are working on your case to determine if your initial base amount is higher than the monthly tier 1 and tier 2 benefits payable to you effective February 2002. We will finish our determination by May 1, 2002. At that time we will mail you another letter to let you know if you are due an increase in your monthly payment. If you are due an increase, we will also tell you the amount of the increase.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 32 RL-119R RESCUE adjustment letter

RAILROAD RETIREMENT AWARD NOTICE

U.S. Railroad Retirement Board

844 N. Rush Street Chicago, Illinois 60611-2092

Date:

RL-119R

Office of Programs

Operations

NAME

A 999-99-9999

ADDRESS LINE 1

ADDRESS LINE 2

Your monthly annuity payments have been adjusted.

(RESCUE paragraphs)

[the following paragraph is included in employee letters if only the regular annuity is adjusted]

Your new regular monthly annuity amount is \$_____. This is only your regular annuity rate; it does not include any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include your new regular annuity rate plus any supplemental annuity or social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[the following paragraph is included in employee letters if both the regular annuity and the supplemental annuity are adjusted]

Your new regular monthly annuity amount is \$_____. Your new monthly supplemental annuity amount is \$_____. Your next monthly payment will include both your new regular annuity rate and your new supplemental annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[the following paragraph is included in employee letters if only the supplemental annuity is adjusted]

Your new supplemental annuity amount is \$_____. This is only your supplemental annuity rate; it does not include your regular annuity or any social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include both your regular annuity rate and your new supplemental annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[the following paragraph is included in spouse letters]

Your new monthly annuity amount is \$_____. This is only your railroad retirement annuity rate; it does not include any social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include both your new regular annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[the following paragraph is included if taxes are withheld from the monthly payment]

We are withholding \$_____ in Federal income taxes from your monthly payment. This may include taxes withheld from the social security equivalent benefit portion of tier 1 based on your IRS Form W-4V voluntary withholding request.

[the following paragraph is included only if a regular annuity accrual is paid]

The increase in your regular annuity is payable for earlier months. You will receive a payment for \$_____. This payment is the difference between the amount of regular annuity benefits that were due and any benefits that have already been paid minus Federal income taxes of \$_____.

[the following paragraph is included only if a supplemental annuity accrual is paid]

The increase in your supplemental annuity is payable for earlier months. You will receive a payment for \$_____). This payment is the difference between the amount of supplemental annuity benefits that were due and any benefits that have already been paid minus Federal income taxes of \$_____.

If you are enrolled in the Direct Deposit Program, your back payment(s) will be sent to your checking or savings account. If you have not already received your back payment(s), you should receive it within the following two weeks. If you do not receive this payment, please refer to this number when writing to us: Voucher number 575.

YOUR RIGHTS TO RECONSIDERATION AND APPEAL

If you believe that this rate change is not correct, you may request that the rate be reconsidered. Your right to reconsideration applies only to the Railroad Retirement Board's rate change in this case; it does not apply to the adjustment for federal income tax withholding. If you wish this reconsideration, you must request it in writing, and your request must be received by the Railroad Retirement Board WITHIN 60 DAYS from the date of this notice. You may send your request to any field office of the Railroad Retirement Board or you may send it directly to the following address: Railroad Retirement Board, Reconsideration Section, 844 North Rush Street, Chicago Illinois 60611-2092. If you have any additional evidence to be considered, please include it with your request.

If you disagree with the reconsideration, you may then appeal to the Bureau of Hearings and Appeals within 60 days from the date of the Reconsideration decision.

If you do not request a reconsideration within 60 days from the date of this notice, you may not be able to file an appeal at a later date.

IF YOU HAVE ANY QUESTIONS

If you have any questions about your railroad retirement payments or if you wish to change the amount of taxes withheld each month, you should contact a representative in our _____ field office. That office is located at:

The telephone number is XXX-XXX-XXXX.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have an appointment, but the Railroad Retirement Board's representatives can serve you better with an appointment. Most Railroad Retirement Board offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday.

Exhibit 33 RL-45R RESCUE One Payment Only Letter

RAILROAD RETIREMENT AWARD NOTICE

U.S. Railroad Retirement Board

844 N. Rush Street Chicago, Illinois 60611-2092

Date:

RL-45R

Office of Programs

Operations

NAME

A 999-99-9999

ADDRESS LINE 1

ADDRESS LINE 2

You are entitled to an adjustment payment of \$_____.

INFORMATION ABOUT THIS AWARD

(RESCUE paragraphs)

INFORMATION ABOUT YOUR PAYMENT

Since you are enrolled in the Direct Deposit Program, this payment will be sent to your checking or savings account,

OR

The payment will be delivered to you at the address shown on this letter.

If you have not already received this payment, you should receive it within the following two weeks.

If you do not receive this payment, please refer to this number when writing to us: Voucher number 575.

YOUR RIGHTS TO RECONSIDERATION AND APPEAL

If you believe that this rate change is not correct, you may request that the rate be reconsidered. Your request must be in writing and you should explain why you disagree. If you wish this reconsideration, your request must be received by the Board WITHIN 60 DAYS from the date of this notice. You may file your request at any field office of the Railroad Retirement Board or you may send it directly to the following address: Railroad Retirement Board, Reconsideration Section, 844 North Rush Street, Chicago, Illinois, 60611-2092. If you have additional evidence to be considered, please include it with your request.

If you disagree with the reconsideration decision, you may then appeal to the Bureau of Hearings and Appeals within 60 days from the date of the reconsideration decision.

If you do not request a reconsideration within 60 days from the date of this notice, you may not file an appeal at a later date.

IF YOU HAVE ANY QUESTIONS

If you have any questions about this notice, you should contact a representative in our _____ field office. That office is located at:

The telephone number is XXX-XXX-XXXX.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have an appointment, but the Railroad Retirement Board's representatives can serve you better with an appointment. Most Railroad Retirement Board offices are open to the public from 9:00 a.m to 3:30 p.m. Monday through Friday

IF YOU HAVE ANY QUESTIONS

If you have any questions about your railroad retirement payments or if you wish to change the amount of taxes withheld each month, you should contact a representative in our _____ field office.

That office is located at _____

The telephone number is XXX-XXX-XXXX.

If you have any questions about the amount of taxes you may owe, contact an office of the Internal Revenue Service.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have an appointment, but the Railroad Retirement Board's representatives can serve you better with an appointment. Most Railroad Retirement Board offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday.

Exhibit 34 - RL-51A December 1st SSA Offset Correction Notice

RL-51A (11-22)

RAILROAD RETIREMENT NOTICE

UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 N. RUSH STREET
CHICAGO, IL 60611-1275
Office of Programs Operations

DATE: DECEMBER 1, 2022

Visit our website at: www.rrb.gov

The Tier I portion of your railroad retirement annuity must be reduced by the amount of any social security benefits to which you are entitled. The Social Security Administration advises that your total social security benefit amount is \$0000.00. This is the amount before the cost-of-living increase that will be included in your January payment, and before any deductions for Medicare premiums. Your Tier I is currently reduced by a lower amount of \$0000.00. This amount is incorrect.

Your Tier I amount will be corrected as soon as possible, but not before January 1, 2023. It will be reduced by your social security benefit amount, adjusted for the 8.7 percent cost-of-living increase payable beginning January 1, 2023.

If the social security benefit amount provided by the Social Security Administration is not correct, please contact the nearest office of the Railroad Retirement Board within 30 days of the date of this letter.

Director of Retirement and Survivor Benefits