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### **Railroad Retirement Disability Earnings Limit Increased**

Recently-enacted legislation (Public Law 109-478) increases the amount employees receiving railroad retirement disability annuities can earn without losing any benefits. The new law also provides a mechanism for annually indexing these disability earnings limits to average national wage increases.

Effective January 1, 2007, the monthly allowable amount a disability annuitant can earn increases to \$700, after deduction of disability-related work expenses, from the previous statutory amount of \$400. The annual earnings limitation likewise increases in 2007 to \$8,400, after deduction of disability-related work expenses, from the previous limit of \$4,800.

If a disabled annuitant's earnings in a year (after deduction of disability-related work expenses) exceed the annual limit, the annuity is not payable for the number of months derived by dividing the amount by which those earnings exceed the annual limit by the amount of the monthly limit. Any resulting fraction of a month equal to or greater than one-half (0.5) is rounded up, increasing the number of months in which the annuity is not payable by one.

For example, a disability annuitant earns \$8,700 in 2007, which is \$300 over the annual limit. Dividing \$300 by \$700 (the monthly limit for 2007) yields a remainder of 0.43. As this is less than half, no benefits would be lost.

Another disability annuitant earns \$9,500 in 2007, which is \$1,100 over the annual limit. Dividing \$1,100 by \$700 yields 1.57. As the remainder (.57) is more than half, the annuitant would lose 2 months of benefits.

As under prior law, these disability work restrictions cease upon a disabled employee annuitant's attainment of full retirement age. This transition is effective no earlier than full retirement age even if the annuitant had 30 years of service. Earnings deductions continue to apply to those working for their last pre-retirement nonrailroad employer.

*(More)*

If a disabled annuitant works before full retirement age, this may also raise a question about the possibility of that individual's recovery from disability, regardless of the amount of earnings. Consequently, any earnings must be reported promptly to avoid overpayments, which are recoverable by the RRB and may also include penalties.

Employee disability annuitants with questions about their earnings should contact the nearest RRB office. RRB offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday, except on Federal holidays. They can find the address and phone number of the RRB office serving their area by calling the toll-free RRB Help Line at 1-800-808-0772. The RRB Help Line is an automated telephone service available 24 hours a day, 7 days a week. Field office locations can also be found on the RRB's Web site at [www.rrb.gov](http://www.rrb.gov).

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