

---

---

# Spouse/Divorced Spouse Annuity

---

---



**United States of America  
Railroad Retirement Board  
Visit our Web site at [www.rrb.gov](http://www.rrb.gov)**

Form **RB-30** (04-16)

## INTRODUCTION

---

This is important information regarding your spouse or divorced spouse annuity under the Railroad Retirement Act (RRA). We recommend that you read this booklet before you file your application. It explains the requirements you must meet to qualify for a spouse or divorced spouse annuity.

The employee must file a separate application to qualify for an employee annuity before you can be paid a spouse or divorced spouse annuity on the employee's earnings record. However, in certain cases, a divorced spouse can be paid an annuity if the employee is eligible and not receiving an annuity, and both the employee and divorced spouse are at least age 62 for a full month. Booklet RB-1, *Age and Service Employee Annuity*, explains the employee application and entitlement requirements. In order to receive a spouse or divorced spouse annuity, you must file an application and meet the requirements, as explained in Part I and Part II of this booklet.

Part VII of this booklet explains what will happen after you file your application and includes information about how and when you will receive your monthly payments.

Railroad Retirement Board (RRB) representatives will be happy to discuss and explain the information included in this booklet. To locate the nearest office, visit our Web site at [www.rrb.gov](http://www.rrb.gov) or call 877-772-5772. When contacting the RRB by telephone or mail, always provide your RRB claim number, your name, and your daytime telephone number.

Your railroad retirement annuity is affected by certain events that may occur. A description of these events and an explanation of how you should report them are covered in the Booklet RB-9, *Employee and Spouse Annuities - Events That Must Be Reported*. Because these events can take place any time after you receive your annuity payments, you should keep the RB-9 booklet for future reference.

### Important Notices

Be sure to read the important notices at the end of this booklet.

### Other Booklets of Interest

IB-2 *Railroad Retirement and Survivor Benefits*

RB-3 *Furnishing Evidence to Support Your Claim*

G-179 *Special Guaranty in Employee and Spouse Annuities*

RRB booklets are available on the Railroad Retirement Board's Web site at [www.rrb.gov](http://www.rrb.gov).

# TABLE OF CONTENTS

---

## **PART I - APPLYING FOR YOUR ANNUITY**

Chapter 1	Marriage Requirements for Spouse or Divorced Spouse Annuity _____	1
Chapter 2	Age Requirements for Spouse Annuity or Divorced Spouse Annuity _____	1
Chapter 3	Annuity Based on Child-In-Care _____	2
Chapter 4	Additional Requirements You Must Meet to Receive a Divorced Spouse Annuity _____	3
Chapter 5	Additional Requirements for Annuities Based on 60-119 Months of Railroad Service with at Least 60 Months of Railroad Service After 1995 _____	3
Chapter 6	Selecting Type of Annuity on Your Application _____	3

## **PART II - WHEN YOUR ANNUITY CAN BEGIN**

Chapter 7	Stop Railroad Work _____	4
Chapter 8	File RRA Annuity Application _____	4
Chapter 9	Earliest Possible Spouse Annuity Beginning Date _____	5
Chapter 10	Earliest Possible Divorced Spouse Annuity Beginning Date _____	5

## **PART III - REDUCTIONS FOR EARLY RETIREMENT**

Chapter 11	Basic Formula _____	6
Chapter 12	Full Retirement Age for Spouse and Divorced Spouse _____	6
Chapter 13	Spouse Annuity Age Reduction When Employee Has Less Than 360 Months of Railroad Service _____	6
Chapter 14	Spouse Annuity When Employee Has at Least 360 Months of Railroad Service _____	7
Chapter 15	Divorced Spouse Annuity Age Reduction _____	7

## **PART IV - DEDUCTIONS FOR EARNINGS**

Chapter 16	Self-Employment and Other Nonrailroad Work _____	7
Chapter 17	Spouse Tier 1 and Divorced Spouse Annuity Work Deductions _____	8
Chapter 18	Your Last Pre-Retirement Nonrailroad Employer _____	9
Chapter 19	Spouse Annuity Tier 2 Work Deductions _____	9

## **PART V - REDUCTIONS FOR OTHER BENEFITS**

Chapter 20	Social Security Benefits _____	10
Chapter 21	Other Railroad Retirement Annuities _____	10
Chapter 22	Public Service Pensions _____	11

## **PART VI - DEDUCTIONS FOR OTHER FEDERAL PROGRAMS**

Chapter 23	Medicare Coverage and You _____	12
Chapter 24	Federal Income Tax Withholding _____	14

## **TABLE OF CONTENTS**

---

### **PART VII - AFTER YOU APPLY FOR YOUR ANNUITY**

Chapter 25 Notice of Decision about Your Application	14
Chapter 26 How Payments Are Made	14
Chapter 27 Receiving Your Payment	15
Chapter 28 Change of Address	15
Chapter 29 When Your Annuity Is Not Payable	16
Chapter 30 When Your Annuity Ends	16
Chapter 31 Records You Should Keep	16

## **APPENDIXES**

---

Appendix A	Spouse Age Requirements - Employee Has 60 - 359 Months of Railroad Service
Appendix B	Spouse Age Requirements - Employee Has At Least 360 Months of Railroad Service
Appendix C	Divorced Spouse Age Requirement
Appendix D	Determining Your Work Deductions

## **IMPORTANT NOTICES**

---

Nondiscrimination on the Basis of Disability  
Fraud and Abuse Hot Line  
Paperwork Reduction Act and Privacy Act Notices

## **PART I - APPLYING FOR YOUR ANNUITY**

---

A spouse annuity under the Railroad Retirement Act (RRA) is a monthly amount paid to the wife or husband of a retired railroad employee. A divorced spouse annuity under the RRA is a monthly amount paid to a person who is legally divorced from the employee. Included in this section are the requirements you must meet to receive a spouse or divorced spouse annuity.

Shorten the processing time for your annuity application by submitting proof of your date of birth and proof of marriage or divorce to your local Railroad Retirement Board (RRB) office now. Booklet RB-3, *Furnishing Evidence to Support Your Claim*, will explain acceptable evidence for proof of age and proof of marriage or divorce. Whenever sending documents to the RRB, always include your name, social security number, and daytime telephone number where you can be reached.

You may file your application up to three months before your annuity beginning date. We recommend that you read this booklet and read booklet RB-3, *Furnishing Evidence to Support Your Claim*, before you file your annuity application.

### **Chapter 1 - Marriage Requirements for Spouse or Divorced Spouse Annuity**

**A. *Spouse Annuity*** - In order to qualify for a spouse annuity, you must be the legal spouse of the employee and you must have been legally married to the railroad employee for at least one year immediately prior to filing your spouse annuity application. The one-year marriage requirement is waived if any of following conditions exist:

1. you are the natural parent of the railroad employee's child; or,
2. you were eligible for a widow(er)'s, parent's, or disabled child's annuity under the Railroad Retirement Act in the

month before your marriage to the employee; or,

3. you had met the one-year marriage requirement for a previous spouse annuity on the employee's earnings record before a divorce and you later remarried that employee.

**B. *Divorced Spouse*** - The marriage requirement for a divorced spouse annuity is met if your marriage ended by a final divorce decree and:

1. you were legally married to the railroad employee for at least 10 consecutive years immediately preceding the date of your final divorce decree; and,
2. you are divorced from that railroad employee; and,
3. you are not currently married to anyone. (If you remarried after the divorce from the employee, the later marriage must have terminated.)

### **Chapter 2 - Age Requirements for Spouse Annuity or Divorced Spouse Annuity**

**A. *Spouse Annuity Age Requirements*** - The employee must be currently receiving an employee annuity and must attain a certain age in order for you to qualify for a spouse annuity. If the employee has attained the required age, you may then be eligible for a spouse annuity, regardless of your age, if you have the employee's Child-in-Care. Child-in-Care is explained in Chapter 3. Otherwise, your own age requirement is explained in this chapter and summarized in the Appendixes.

The age requirement for a spouse annuity depends on both the employee's total months of railroad service and the employee's *Annuity Beginning Date (ABD)*. Your *Full Retirement Age (FRA)* affects the amount of any age reduction to your spouse annuity as explained in Chapter 12 and Chapter 13.

1. *Employee's ABD is After December 2001 and Based on 60-119 Months of Railroad Service with at Least 60 Months of Railroad Service After 1995* - The employee must be at least age 62 to qualify you for a spouse annuity. The employee must have a *Social Security (SS) Act Insured Status* (see Chapter 5) to qualify you for a Tier I component.

You must have attained age 62 for a full month.

2. *Employee's ABD is After December 1974 and Based on 120-359 Months of Railroad Service* - The employee must be at least age 62 to qualify you for a spouse annuity.

You must have attained age 62 for a full month.

3. *Employee's ABD is After June 1974 and Based on at Least 360 Months of Railroad Service* - The employee must be at least age 60 to qualify you for a spouse annuity beginning January 1, 1975, or later.

You must have attained age 60 for a full month.

4. *Employee's ABD is Before January 1975 if the Employee Has Less Than 360 Months of Railroad Service, or Employee's ABD is Before July 1974 if the Employee Has at Least 360 Months of Railroad Service* - The employee must be at least age 65 to qualify you for a spouse annuity.

You must have attained age 62 for a full month.

**B. Divorced Spouse Annuity Age Requirements -**

If the employee is not receiving an annuity, the employee must be at least age 62 for a full month.

If the employee is totally and permanently disabled with a disability freeze, the employee must be at least age 62 (disability freeze is explained in Chapter 5).

If the employee is receiving an age and service annuity or a disability annuity without a disability freeze, the employee must be at least age 62 for a full month.

You must have attained age 62 for a full month.

**Chapter 3 - Annuity Based on Child-In-Care**

- A. Spouse Annuity** - A spouse may qualify for a full spouse annuity, based on having a child of the employee in care. The employee must have attained age 62 (or age 60 with 30 years of railroad service) to qualify the spouse for this annuity. The child must be either:

1. under age 18 or
2. age 18 or older with a permanent disability that began before the child attained age 22 that makes the child unable to perform any type of regular employment.

The term *Child-in-Care* includes the railroad employee's unmarried natural child, or unmarried dependent adopted child, stepchild, or, under certain conditions, a grandchild whose parents are deceased or disabled.

A child is in your care if you exercise parental control over, and are responsible for, the welfare and care of the child. If the child is permanently disabled, but mentally competent, he or she is considered to be in your care if you perform personal services for that child. The RRB will make the final determination regarding the personal services you perform and whether or not they constitute the child being in your care.

- B. Divorced Spouse Annuity** - There is no provision in the Railroad Retirement Act for a divorced spouse annuity based on having a *Child-in-Care*.

## Chapter 4 - Additional Requirements You Must Meet to Receive a Divorced Spouse Annuity

In addition to the marriage requirements for a divorced spouse annuity explained in Chapter 1 and the age requirements for a divorced spouse annuity explained in Chapter 2, the RRA states that, to qualify for a divorced spouse annuity, the following conditions must also apply:

1. You cannot be entitled to a benefit from the Social Security Administration based on your own earnings (before any reductions for age, earnings, etc.) that is equal to or greater than your divorced spouse annuity (before any reductions for age, earnings, etc.).
2. You cannot be entitled to another RRA annuity based on a different claim number that is equal to or greater than your divorced spouse annuity.
3. You and the employee must be divorced for two full years from the date the divorce became final if the employee is not currently receiving an annuity.

Your divorced spouse annuity may begin before the railroad employee's annuity begins, if the employee is eligible, the two-year divorce requirement is met, and both you and the employee are age 62 for a full month.

## Chapter 5 - Additional Requirements for Annuities Based on 60-119 Months of Railroad Service with at Least 60 Months of Railroad Service After 1995

If the employee annuity is based on 60-119 months of railroad service with at least 60 months of railroad service after 1995, the employee must have a *Social Security (SS) Act Insured Status* on combined railroad earnings, creditable military service earnings, and social security earnings, to qualify you for a spouse annuity Tier 1 component or for a divorced spouse annuity. An *SS Act Insured Status* is based on *Quarters of Coverage (QC)*. In general, the SS Act specifies an amount for each calendar year that

will qualify the wage earner for a QC for that year. If the employee earns that amount (or a multiple of that amount up to 4 QCs), the employee's earnings record will be credited with those QCs.

The employee has an SS Act Insured Status if:

- A. **Employee Annuity Based on Age** - The employee must have a *Fully Insured Status* as defined in the SS Act, but using combined railroad earnings, creditable military service earnings, and social security earnings. The SS Act QC requirement for a *Fully Insured Status* for employees born after 1928 is 40 QC.
- B. **Employee Annuity Based on Disability** - The employee must have a *Disability Freeze (D/F)* as defined in the SS Act, but using combined railroad earnings, creditable military service earnings, and social security earnings. The SS Act requirements are:
  1. The employee must be rated totally and permanently disabled;
  2. the employee must have a *Fully Insured Status*. Generally, the QC requirement for a Fully Insured Status is at least one QC for each calendar year after the year the employee attained age 21, through the year the employee became disabled; and,
  3. the employee must have at least 20 QC in a period of 40 consecutive calendar quarters (10 years) ending with the quarter of the disability onset date. This is also referred to as the 20-in-40 QC test.

## Chapter 6 - Selecting Type of Annuity on Your Application

When you file your application for a spouse annuity or divorced spouse annuity, your application must indicate the type of annuity for which you are filing.

- A. **Spouse Annuity** - The type of annuity on your application should be based on whether you are filing based on your age or based on having a *Child-in-Care*.



1. *Choose Full Age Annuity* if you believe that you qualify for a spouse annuity that is not reduced for early retirement. You should also indicate whether or not you would accept a *Reduced Age Annuity* should you be found not eligible for a *Full Age Annuity*.

*Full Age Annuity* means that:

- a. you have attained *Full Retirement Age (FRA)*;
  - b. the employee is not receiving a 60/30 annuity that is reduced for retirement before age 62 with an *ABD* before January 2002 (see Appendix B at the end of this booklet); and,
  - c. you did not previously receive an age reduced spouse annuity or age reduced divorced spouse annuity on the same earnings record.
2. *Choose Reduced Age Annuity* if you believe that you do not meet the requirements for a spouse annuity that is not reduced for early retirement. If you previously received a spouse annuity or divorced spouse annuity based on the same earnings record that had an age reduction, choose *Reduced Age Annuity*.
  3. *Choose Reduced 60/30 Age Annuity* if the employee is receiving a 60/30 annuity that is reduced for retirement before age 62 with an *ABD* before January 2002 (see Appendix B at the end of this booklet).
  4. *Choose Annuity Based on Children* if you want your annuity to be based on having a child of the employee in your care, regardless of your age. You should also indicate whether or not you would accept a *Reduced Age Annuity* should you be found not eligible for a *Full Age Annuity* based on having a *Child-in-Care*.

**B. Divorced Spouse Annuity** - The type of annuity depends on your age and whether you were previously entitled to an annuity on the same earnings record.

1. *Choose Full Age Annuity* if you meet the requirements for a divorced spouse annuity that is not reduced for early retirement. You should also indicate whether or not you would accept a *Reduced Age Annuity* should you be found not eligible for a *Full Age Annuity*.

*Full Age Annuity* means that:

- a. you have attained *FRA* and
  - b. you did not receive an age reduced spouse annuity based on the same earnings record before your divorce.
2. *Choose Reduced Age Annuity* if you do not meet the requirements for a *Full Age Annuity*.
  3. *Choose Divorced Spouse With Previous Spouse Annuity Age Reduction* if you previously received a spouse annuity based on the same earnings record that had an age reduction and that terminated due to your divorce from the employee.

## **PART II - WHEN YOUR ANNUITY CAN BEGIN**

---

### **Chapter 7 - Stop Railroad Work**

In addition to the requirements in Part I - *Applying for Your Annuity*, if you are working for a railroad, you must stop the railroad work and give up any rights you have to return to such work.

Also note that, after the annuity is awarded, payment cannot be made for any month in which you return to work for a railroad employer.

### **Chapter 8 - File RRA Annuity Application**

You must file an RRA application for a spouse annuity or divorced spouse annuity to receive railroad retirement spouse or divorced spouse benefits.

If you were previously entitled to spouse benefits based on *Child-in-Care* that terminated when the child attained age 18, you may need to file another



spouse annuity application. This application is required to pay spouse benefits based on your age. Please discuss this with an RRB representative.

When you file an application, you may select the day you want your annuity to begin. You have two choices: the earliest date permitted by law, or a later date designated by you that may be to your advantage.

Most applicants select the earliest date permitted by law. This means the RRB will set your annuity beginning date as the very first day it could legally begin. If you choose to select a beginning date yourself, your annuity will begin on that date. However, the date you choose cannot be before the earliest date permitted by law.

Note - If you delay filing for benefits, you may lose benefits for some or all of the period before the month in which you file.

## **Chapter 9 - Earliest Possible Spouse Annuity Beginning Date**

The earliest spouse annuity beginning date permitted by law is the latest of the following:

1. The first day of the month you meet the marriage requirement.
2. The day after the day you last worked in the railroad industry.
3. The first day of the first full month you are age 62 if the employee has less than 360 months of railroad service and you file for a *Reduced Age Annuity*.
4. The first day of the first full month you are age 60 if the employee has at least 360 months of service.
5. The first day of the month in which you are *Full Retirement Age* if the employee has less than 360 months of railroad service and you file for a *Full Age Annuity*.
6. The first day of the month in which you filed your annuity application if your

annuity is reduced for early retirement and an earlier beginning date would increase your age reduction.

7. The first full month you have the employee's *Child-in-Care*, regardless of the dates in Items 3-5 above.
8. The first day of the sixth month prior to the month in which you filed your annuity application if your annuity is not reduced for early retirement or if an earlier beginning date would not increase an age reduction.

However, your spouse annuity will not begin before the railroad employee's annuity begins or before the railroad employee meets the age requirement described in Chapter 2(A) and Appendixes A-B.

If Items 1-5 above apply, you can file your application up to three months before the earliest annuity beginning date permitted by law.

## **Chapter 10 - Earliest Possible Divorced Spouse Annuity Beginning Date**

The earliest divorced spouse annuity beginning date permitted by law is the latest of the following:

1. The first day of the month in which your decree of absolute divorce becomes final.
2. The day after the day you last worked in the railroad industry.
3. The first day of the first full month in which you are age 62 if you file for a *Reduced Age Annuity*.
4. The first day of the month in which you are *Full Retirement Age* if you file for a *Full Age Annuity*.
5. The first day of the month in which two full years have passed since the date of the decree of absolute divorce became final only if the employee is not currently receiving an annuity.

6. The first day of the month in which you file your annuity application if your RRA annuity is reduced for early retirement.
7. The first day of the sixth month prior to the month in which you file your annuity application if your RRA annuity is not reduced for early retirement.

However, your divorced spouse annuity will not begin before the railroad employee meets the age requirement described in Chapter 2(B).

If Items 1-5 above apply, you can file your application up to three months before the earliest annuity beginning date permitted by law.

## PART III - REDUCTIONS FOR EARLY RETIREMENT

### Chapter 11 - Basic Formula

Railroad retirement annuities are calculated under the following two-tier formula:

**A. Tier 1 Component** - The first tier is based on railroad retirement credits and any social security credits an employee has acquired. If the employee has at least 120 months of railroad service, or 60-119 months of railroad service with at least 60 months of railroad service after 1995, the amount of the first tier is calculated using reductions to the social security formula.

Exception: If the employee has at least 360 months of railroad service or is disabled and has at least 120 months of railroad service, the amount of the first tier is calculated using social security formulas and railroad retirement age and service requirements.

**B. Tier 2 Component** - The second tier is based on railroad retirement credits only, and may be compared to the retirement benefits sometimes paid to workers in other industries in addition to social security benefits. Reductions are based on the Railroad Retirement Act.

## Chapter 12 - Full Retirement Age for Spouse and Divorced Spouse

The term *Full Retirement Age (FRA)* means the age at which the spouse of an employee with less than 360 months of railroad service or a divorced spouse can receive a full annuity (not reduced for early retirement). FRA for persons who were born before January 2, 1938, is age 65. The FRA for persons born after January 1, 1938, will gradually increase over a 20-year period to age 67, as illustrated in the following chart.

### DETERMINING YOUR FULL RETIREMENT AGE

If your year of birth is:	Then your <i>FRA</i> is:
Before 1-2-1938	65
1-2-1938 thru 1-1-1939	65 and 2 months
1-2-1939 thru 1-1-1940	65 and 4 months
1-2-1940 thru 1-1-1941	65 and 6 months
1-2-1941 thru 1-1-1942	65 and 8 months
1-2-1942 thru 1-1-1943	65 and 10 months
1-2-1943 thru 1-1-1955	66
1-2-1955 thru 1-1-1956	66 and 2 months
1-2-1956 thru 1-1-1957	66 and 4 months
1-2-1957 thru 1-1-1958	66 and 6 months
1-2-1958 thru 1-1-1959	66 and 8 months
1-2-1959 thru 1-1-1960	66 and 10 months
1-2-1960 and later	67

(FRA also affects Tier 2 component work deductions, for nonrailroad earnings, regardless of the number of the employee's years of railroad service, as described in Chapter 17.)

## Chapter 13 - Spouse Annuity Age Reduction When Employee Has Less Than 360 Months of Railroad Service

**A. Tier 1 Component Age Reduction** - Your spouse Tier 1 component age reduction depends on the employee's total years of railroad service.

1. *Employee Has 60-119 Months of Railroad Service with at Least 60 Months of Railroad Service After 1995* - Your Tier 1 is reduced by 1/144 for the first 36 months you are under *Full Retirement Age (FRA)* and by 1/240 for each additional month you are under FRA on

your RRA *Annuity Beginning Date* (ABD) or, if earlier, your social security benefit date of entitlement.

2. *Employee Has 120-359 Months of Railroad Service* - Your Tier 1 is reduced by 1/144 for the first 36 months you are under FRA and by 1/240 for each additional month you are under FRA on your ABD.

**B. Tier 2 Component Age Reduction** - Your spouse Tier 2 component age reduction depends on whether or not the employee had railroad service before August 12, 1983.

1. *Employee Does Not Have Railroad Service Before August 12, 1983* - Your Tier 2 is reduced by 1/144 for the first 36 months you are under FRA and by 1/240 for each additional month you are under FRA on your ABD.
2. *Employee Has Some Railroad Service Before August 12, 1983* - Your Tier 2 is reduced by 1/144 for each month you are under age 65 on your ABD.

## **Chapter 14 - Spouse Annuity When Employee Has at Least 360 Months of Railroad Service**

Refer to Appendix B at the end of this booklet to see if an age reduction applies to your spouse Tier 1 component.

Your spouse Tier 2 component will not have an age reduction.

## **Chapter 15 - Divorced Spouse Annuity Age Reduction**

A divorced spouse annuity is limited to a Tier 1 component only. Regardless of the employee's total years of railroad service, your annuity is reduced by 1/144 for the first 36 months you are under *Full Retirement Age (FRA)* and by 1/240 for each additional month you are under FRA on your *Annuity Beginning Date*. However, if you were entitled to a spouse annuity before your final divorce from the employee, any previous spouse

annuity age reduction is applied to your divorced spouse annuity.

## **PART IV - DEDUCTIONS FOR EARNINGS**

---

A spouse annuity is not payable for any month in which you are or the employee is in railroad service. In addition, nonrailroad earnings after your *Annuity Beginning Date* can have an effect on your annuity computation as explained in Chapters 16-19.

A divorced spouse annuity is not payable for any month in which you are in railroad service.

### **Chapter 16 - Self-Employment and Other Nonrailroad Work**

Earnings from nonrailroad employment, including self-employment, after your annuity beginning date may cause work deductions. Nonrailroad work is any job that is not in the railroad industry. This includes work for a Canadian railroad which is not covered under the Railroad Retirement Act and work as an elected or appointed public official.

If you are claiming self-employment, the RRB determines whether or not you are performing "substantial services" as an independent contractor. The payment of self-employment taxes may be evidence of an independent contractor status, but is not conclusive. If you are working for an incorporated business that you own, the RRB does not consider that work self-employment. If you are self-employed as a consultant, the RRB considers how your self-employment compares to the work you did for your former railroad or nonrailroad employer before you applied for your annuity. You should complete and return Form AA-4, *Self-Employment and Substantial Service Questionnaire*, to provide the RRB with the necessary information to make that determination. For more information about self-employment, see Form G-177L, *General Information about Continuing in or Returning to Nonrailroad Employment after Retirement under the Railroad Retirement Act*.

## Chapter 17 - Spouse Tier 1 and Divorced Spouse Annuity Work Deductions

If both you and the employee are *Full Retirement Age (FRA)* (see Chapter 14) or older on your annuity beginning date, you may skip to Chapter 18. You are not affected by work deductions to your spouse annuity Tier 1 component or divorced spouse annuity.

If either you are or the employee is under FRA, earnings from any nonrailroad employment (including self-employment) over the *Annual Earnings Exempt Amount* may cause work deductions to your spouse annuity Tier 1 component or divorced spouse annuity.

**A. Definition of Annual Earnings Exempt Amount** - The term *Annual Earnings Exempt Amount* means the amount of money you or the employee can earn in a year without losing part of your annuity. There are separate *Annual Earnings Exempt Amounts* for persons under FRA and for the year in which the person attains FRA. Refer to Appendix D at the end of this booklet and to Form G-77a, *How Work Affects Your Railroad Retirement Benefits*, for the *Annual Earnings Exempt Amounts* to use when completing the earnings items on your annuity application.

**B. Definition of Earnings for Work Deductions** - In general, earnings restrictions apply to gross earnings from employment and net earnings from self-employment. Gross earnings are all salaries, commissions, bonuses, retroactive wage increases, or any allowances for room or board. If these earnings are from an employer covered under the Social Security Act, the amount of the gross earnings is equal to the amount reported for social security tax under the *Federal Insurance Contributions Act*. Net earnings from self-employment equal the amount of gross income minus expenses that were reported for social security tax under the *Self-Employment Contributions Act*. Add your earnings from employment and self-employment together to determine the total earnings for the year for the purpose of Tier 1 work deductions.

Do not include as earnings any money that you received for any reason other than work, such as interest from savings, income investments, gifts, inheritances, pensions or other retirement benefits.

When employees have earnings over the *Annual Earnings Exempt Amount* for their age group, the excess is charged against their annuity and the annuities of all others entitled on their earnings record. An exception applies for a divorced spouse who has been divorced from the employee for at least two years. The employee's earnings will not cause work deductions to the divorced spouse annuity effective from the second anniversary of the divorce. If the employee was receiving an annuity prior to the divorce, none of the divorced spouse's annuity will be withheld based on the employee's earnings.

**C. Exception for First Year of Entitlement** - In the year your annuity begins, deductions for your own earnings are based on your earnings for the entire year, not just the earnings after you retire. However, a special rule may be used to apply work deductions in the first year after your annuity begins in which you have a non-work month. For many people, this is the year their annuity begins.

A *Non-Work Month* is a month in which you earn less than the *Monthly Earnings Exempt Amount* for your age (the *Annual Earnings Exempt Amount* for your age divided by twelve) or, if self-employed, render no substantial services. (The RRB uses Form AA-4, *Self-Employment and Substantial Service Questionnaire*, to determine months in which you rendered no substantial services.)

**1. Special Rule Applies** - In the year the special rule is applied, no Tier 1 work deductions for your own earnings are applied to any *Non-Work Month*. If you have high earnings before your annuity begins but do not earn more than the *Monthly Earnings Exempt Amount* in any month after your annuity begins, Tier 1 deductions for your own earnings will not be required.



2. *Special Rule Does Not Apply* - If you do earn more than the *Monthly Earnings Exempt Amount* in one or more months after your annuity begins, deductions are assessed to those months up to the amount required based on your total earnings for the year. Also, after the first year in which you have a *Non-Work Month*, this monthly test does not apply. If your earnings are high enough, deductions will be assessed to your annuity for the entire year, even if you only work part of the year.

**D. Exception for Social Security Benefit Entitlement** - No earnings deductions are made by the RRB in your spouse annuity Tier 1 component or divorced spouse annuity if you are receiving social security benefits. Earnings deductions may be made by the Social Security Administration in your social security benefit.

## Chapter 18 - Your Last Pre-Retirement Nonrailroad Employer

**A. Definition** - Your *Last Pre-Retirement Nonrailroad Employer (LPE)* is defined as any nonrailroad individual, company, or institution for whom you are working on the date your spouse annuity begins or for whom you stopped working in order to receive an annuity. Even work for which you are paid minimal earnings can be LPE. A few exceptions for types of nonrailroad work are listed in Section B of this chapter.

The nonrailroad employer is always your LPE if you are working in nonrailroad employment on the date your spouse annuity begins or, if you have stopped working, you still hold rights to return to service of the nonrailroad employer on the date your spouse annuity begins.

The nonrailroad employer is presumed to be your LPE if you stopped working within the six months preceding your annuity beginning date. When you were working for two or more persons, companies, or institutions within the six months preceding your annuity beginning date, all such employers are presumed to be your LPE.

**B. Work That is not Considered Last Pre-Retirement Nonrailroad Employment** - Some types of nonrailroad work are not considered LPE no matter when they are done. The following types of nonrailroad work are not LPE:

1. military service;
2. mail handling under contract for the U.S. Post Office;
3. jury duty;
4. employment for which you are reimbursed only for your expenses;
5. certain seasonal employment where you do not have rights to return to the employment (such as working in a department store during the Christmas season);
6. work as a member (owner) of a Limited Liability Corporation; or,
7. self-employment as defined under the Railroad Retirement Act.

Also note that any nonrailroad employment after the date your spouse annuity begins, for an employer that you never worked for before the date your spouse annuity begins, is not LPE and does not affect your Tier 2 component. It can, however, cause Tier 1 work deductions as explained in Chapter 17.

## Chapter 19 - Spouse Annuity Tier 2 Work Deductions

Employee annuitants must report earnings from their own *Last Pre-Retirement Nonrailroad Employer (LPE)*. They are charged work deductions against their Tier 2 components and their supplemental annuities, if any, and the Tier 2 components of spouses entitled on their earnings records. The term LPE is explained in Chapter 18.

Also, if you are applying for a spouse annuity, you must report your own earnings from LPE in or after the month your spouse annuity begins. Your LPE earnings will reduce your Tier 2 component. The reduction is \$1 for each \$2 earned (subject to a maximum reduction of 50% of the Tier 2). The reduction to Tier 2 occurs at any age, even after *Full Retirement Age* (which is explained in Chapter 12).





Work deductions for LPE apply even if the employee has 360 or more months of railroad service. There is no *Annual Earnings Exempt Amount* or *Monthly Earnings Exempt Amount* for the first year of entitlement for LPE work deductions. The LPE work deductions apply no matter how much money you earn in LPE.

Earnings from self-employment or other nonrailroad employment are not added to your LPE earnings when computing Tier 2 component work deductions.

## **PART V - REDUCTIONS FOR OTHER BENEFITS**

---

### **Chapter 20 - Social Security Benefits**

If you are entitled to Social Security (SS) benefits based on any wage record, your spouse annuity Tier 1 component or your divorced spouse annuity will be offset for those SS benefits (before any withholding under the SS Act for your earnings over the *Annual Earnings Exempt Amount*). This is why your SS benefits may be certified to the RRB for payment. If you have already filed for your SS benefits, it is important to include the SS benefit information on your annuity application. This will help to prevent an overpayment of your annuity.

**A. *Annuity Based on at Least 120 Months of Railroad Service*** - Your railroad retirement application may be used to protect your filing date for SS benefits if you have not yet filed at the Social Security Administration (SSA) and will be entitled to the SS benefits within three months. This means the date you file your railroad retirement application can be used as the date you file for SS benefits. If you want to use your railroad retirement application to protect your filing date, the RRB representative will prepare Form RR-8, *Notice of Protection of Filing Date for Social Security Benefits*, and send a copy to your local SSA office. The SSA office will contact you to secure an application for SS benefits.

Your railroad retirement application may protect your filing date, but it is not an application for

SS benefits. You must file a separate application for those benefits at SSA.

In many cases, filing for SS benefits will not affect your total benefit rate, because of the deduction in your annuity. It is usually not to your advantage to apply for benefits at both agencies. It is a good idea to discuss this matter with an RRB representative before deciding to file for SS benefits. Contact your local RRB office for information about your situation before filing at SSA.

**B. *Annuity Based on 60-119 Months of Railroad Service With at Least 60 Months of Railroad Service After 1995*** - Your railroad retirement application is also deemed to be an application for any SS benefits that you may be entitled to on the employee's earnings record or your own earnings record.

### **Chapter 21 - Other Railroad Retirement Annuities**

If you are entitled to more than one Railroad Retirement Act (RRA) annuity, the other RRA annuity can have an effect on your spouse or divorced spouse annuity.

**A. *Spouse Annuity*** - If you are entitled to both an RRA employee annuity based on your own earnings record, and an RRA spouse annuity based on a different earnings record, the reduction to your RRA spouse annuity depends on whether or not there is railroad service before January 1, 1975, on either earnings record.

1. *If either earnings record has railroad service before January 1, 1975*, your RRA spouse annuity Tier 1 is reduced by your own RRA employee annuity Tier 1. The reduction in your RRA spouse annuity Tier 1 may be restored to your RRA spouse annuity Tier 2.
2. *If neither earnings record has railroad service before January 1, 1975*, your RRA spouse annuity Tier 1 and Tier 2 are reduced by your own RRA employee annuity Tier 1 and Tier 2. The reduction is not restored to your RRA spouse annuity Tier 2.

**B. Divorced Spouse Annuity** - If you are entitled to both an RRA employee annuity based on your own earnings record and an RRA divorced spouse annuity based on a different earnings record, your RRA divorced spouse annuity is reduced by your RRA employee annuity.

**C. Survivor Annuity** - If you are entitled to both an RRA spouse/divorced spouse annuity and an RRA survivor annuity based on different earnings records, only the higher of your RRA spouse/divorced spouse annuity or your RRA survivor annuity is payable unless you elect to receive the smaller benefit.

## Chapter 22 - Public Service Pensions

**A. General** - Any *Public Service Pension (PSP)* payable to you may have an effect on the amount of your spouse annuity Tier 1 component or your divorced spouse annuity. A PSP is retirement pay you receive for public service employment. This may either be monthly payments or a lump-sum payment. It may be administered by a government agency or a private insurance company.

If you are currently entitled to, or will be entitled to, a PSP (or lump-sum payment that is more than just a refund of your own contribution to the pension fund), there may be an offset in your annuity.

Public service means service performed for the Federal Government of the United States, a State government, or any political subdivision of a State, such as a city, county, town, township, village, school or sanitation district. The definition of State includes the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

**B. Exceptions to PSP Offset** - If you believe that you qualify for an exception from the PSP offset, contact an RRB office. In general, the PSP offset will not apply to your Tier 1 if your:

1. public service employer was an interstate instrumentality, i.e., rare cases in which

two or more States are organized as a corporation to perform a governmental function (they are not considered public service employers for reduction purposes); or,

2. public service employer was a government of a foreign country (such as Canada); or,

3. government pension payments are social security, railroad retirement, veterans' affairs, military service, worker's compensation or black lung benefits. (However, social security benefits will cause a reduction to Tier 1 as explained in Chapter 20 and railroad retirement benefits will cause a reduction as explained in Chapter 21); or,

4. pension payments are based on the earnings of another person; or,

5. Federal employment was covered under the Federal Employees Retirement System and FICA taxes were deducted from the last 60 months of your Federal employment. (Note that a person covered under the Federal Civil Service Retirement System who has a payroll deduction for Medicare (*Hospital Insurance*) only tax, does not qualify for exemption from the PSP offset); or,

6. state or local government employment was covered under the Social Security Act and:

a. *Federal Insurance Compensation Act (FICA)* taxes were being deducted on your last day of employment, and either you filed for your spouse annuity before April 2004 or your last day of state or local government employment was before July 1, 2004; or,

b. FICA taxes were deducted from the last 60 consecutive months of your employment and you file for your spouse annuity after March 2004 and your last day of state or local government employment is after June 2004.

Note: If your last day of state or local government employment is before March 2, 2009, there is a provision for reducing the requirement of FICA taxes deducted for 60 consecutive months by giving you credit for months before March 2004 for which you paid FICA taxes.

## **PART VI - DEDUCTIONS FOR OTHER FEDERAL PROGRAMS**

---

### **Chapter 23 - Medicare Coverage and You**

#### **A. General Information About Medicare -**

Medicare is a Federal health insurance program, administered by the Centers for Medicare & Medicaid Services (CMS), for people who are age 65 or older, who are totally and permanently disabled, or who have permanent kidney failure. One part of Medicare is *Hospital Insurance* (also known as Part A) and the other part is *Medical Insurance* (also known as Part B). Medicare also provides prescription drug coverage (Part D) on a voluntary basis.

If you are eligible for Medicare because of permanent kidney failure (End Stage Renal Disease), you must call or visit your local Social Security Administration (SSA) office or call SSA at 1-800-772-1213 to enroll in Medicare Part A and Part B. For all other Medicare eligibility, the RRB can help you enroll in Medicare Part A and Part B.

1. *Hospital Insurance* (Part A) can help pay for four kinds of care:
  - a. inpatient hospital care;
  - b. inpatient care in a skilled nursing facility following a hospital stay;
  - c. care in your home by a home health agency; and,
  - d. hospice care.

As soon as you are determined to be eligible for Medicare, you will automatically be enrolled for *Hospital Insurance* (Part A). You do not pay a monthly premium for your *Hospital Insurance* (Part A).

2. *Medical Insurance* (Part B) can help pay for the following additional kinds of medically necessary care:
  - a. doctors' services;
  - b. outpatient hospital services; and,
  - c. a number of other medical services and supplies that are not covered by *Hospital Insurance* (Part A).

#### **B. Medical Insurance (Part B) at Age 65 or Older -** Enrollment for *Medical Insurance* (Part B) depends on your age when you file your spouse or divorced spouse annuity application.

1. *If you are under age 64 years and 5 months when you file your annuity application, you will be automatically enrolled in Medical Insurance (Part B) at age 65, unless you decline this coverage.*
2. *If you are at least age 64 years and 5 months when you file your annuity application, you can use your annuity application to enroll for Medical Insurance (Part B).*

If you want *Medical Insurance* (Part B) at age 65, you must pay a premium for each month you have this insurance. If you receive an annuity, the premium will usually be deducted from your monthly annuity rate.

If you do not want *Medical Insurance* (Part B) at age 65, and then later decide that you do want to sign up, your protection may be delayed and your premiums may be more expensive.

If, at any time, you wish to cancel the election that you make on your annuity application, you must contact the nearest office of the RRB.

#### **C. Special Enrollment Period -** You may delay enrolling in *Medical Insurance* (Part B) coverage without penalty if you are covered under a *Group Health Plan (GHP)* at age 65. The *GHP* must be based on your own employment or the employee's employment. You may enroll in *Medical Insurance* (Part B) at any time while

you are covered under the *GHP* or you can enroll during a *Special Enrollment Period (SEP)*. Your *SEP* begins when the employment on which the *GHP* is based ends, or the first month you are no longer covered under the *GHP*, whichever comes first. The *SEP* lasts for eight months.

The beginning date of your *Medical Insurance (Part B)* coverage depends on the status of your *GHP* coverage when you file for the *Medical Insurance (Part B)*.

1. If you file for *Medical Insurance (Part B)* during any month in which you are enrolled in a *GHP*, or in the first full month of your *SEP*, you can choose the effective date of your *Medical Insurance (Part B)*. This effective date can be the first day of the month you file or the first day of any of the following three months after the month of filing.

Example 1 - If your *GHP* coverage based on current employment has not ended and you file for *Medical Insurance (Part B)* in May, you can choose May 1, June 1, July 1, or August 1 for your *Medical Insurance (Part B)* effective date.

Example 2 - If your *GHP* coverage based on current employment ends on March 19, and you file for *Medical Insurance (Part B)*, the following applies:

- a. If you file anytime after March 19, but before April 1, you can choose the effective date of March 1, April 1, May 1, or June 1 for your *Medical Insurance (Part B)*.
  - b. If you file anytime in April, you can choose the effective date of April 1, May 1, June 1, or July 1 for your *Medical Insurance (Part B)*.
2. If you file for *Medical Insurance (Part B)* during the other seven months of your *SEP*, your *Medical Insurance (Part B)* will begin the first day of the month after the month you file. The beginning date can be

no later than the ninth month after the start of your *SEP*.

Example - If your *GHP* coverage based on current employment ends on March 19, and you file for *Medical Insurance (Part B)* anytime during the period May 1 through November 30, your *Medical Insurance (Part B)* will begin the month after the month in which you file your annuity application.

If you are already enrolled in *Medical Insurance (Part B)* and are paying higher premiums due to late enrollment, and you had *GHP* coverage at age 65, you may use your annuity application to request a review of the *Medical Insurance (Part B)* premium rate you are paying.

**D. Prescription Drugs** - Medicare offers optional prescription drug coverage (Part D) through Medicare prescription drug plans and other health plan options. To enroll in a Medicare prescription drug plan, you must have Medicare Part A and/or Part B. You will generally pay a monthly premium, an annual deductible, and a share of the cost of each prescription.

When a person first becomes eligible for Medicare, they can enroll in a Medicare prescription drug plan during the period that starts three months before the month their Medicare coverage starts and ends three months after that month. If you do not join a drug plan when you are first eligible, you may have to pay a higher premium if you join later.

**E. Early Medicare Based on Disability** - The RRA does not provide a spouse annuity or divorced spouse annuity based on disability. If you are totally disabled for all employment, you may be covered by early Medicare before age 65 on your own earnings record. If you have at least 120 months of railroad service, or 60-119 months of railroad service with at least 60 months of railroad service after 1995, refer to Booklet RB-1D, *Employee Disability Benefits*, for an explanation of the disability requirements. Otherwise, you should contact



SSA to file for early Medicare on your own earnings record.

**F. More Information About Medicare** - You may find answers to your questions by contacting the nearest RRB office; going to [www.medicare.gov](http://www.medicare.gov); or calling 1-800-MEDICARE (1-800-633-4227).

## **Chapter 24 - Federal Income Tax Withholding**

Withholding for Federal Income Tax may occur, either based on your election filed on IRS Form W-4V, *Voluntary Withholding Request*, and/or Form RRB W-4P, *Withholding Election Form*, or, if you do not file Form RRB W-4P, based on a status of "Married with three dependents."

## **PART VII - AFTER YOU APPLY FOR YOUR ANNUITY**

The chapters in this part of the booklet explain what the Railroad Retirement Board does after you file your annuity application. Included is important information about how soon you can expect a decision on your application.

## **Chapter 25 - Notice of Decision about Your Application**

When you are ready to retire, contact an RRB office to file your spouse annuity or divorced spouse annuity application. Our goal is to process your application as quickly as possible. Claims for some benefits may take longer to handle than others if they are more complex, or if we have to get information from other people or organizations. If this happens, we will give you an explanation and an estimate of the time required to make a decision.

Sometimes we will not be able to make a decision on your application for benefits without some additional information from you. If so, we will contact you by telephone or mail and ask you to send us the required forms, proofs, or statements.

If you do not receive a notice that additional information is needed, you should receive the decision on your annuity application as follows:

- A. Advance Filing Cases** - When you file up to three months before the earliest date your annuity can begin (see Chapters 9 and 10), you should receive your annuity award letter and first payment within 35 days of the date your annuity can begin. However, note that no payment is due until the first day of the month after the first month of annuity entitlement, as explained in Chapter 26.
- B. Other Than Advance Filing Cases** - If you do not file your application in advance of the earliest date on which your annuity can begin, you should receive your annuity award letter and first payment within 65 days from the date you file your application.
- C. Annuity Denial** - If you cannot be paid an annuity, the RRB will send you a decision within 35 days of the beginning date you requested, if you filed in advance, or within 65 days of the date you filed, if you did not file in advance, explaining why you cannot be paid and what you can do if you disagree with the reason you cannot be paid. If you think we made the wrong decision about your benefits, you have the right to ask for a review and to appeal within the required time limit shown in the denial letter.

## **Chapter 26 - How Payments Are Made**

The first payment you receive from the RRB will be separate from your annuity award letter. Annuities are payable at the beginning of the month following the month for which the annuity accrued. The payment that you receive at the beginning of the month actually represents the annuity that accrued for the previous month.

- A. Advance Filing Cases** - When you file up to three months before the earliest date your annuity can begin (see Chapters 9 and 10), no payment is due until the first day of the month after the first month of annuity entitlement.

**B. Other Than Advance Filing Cases** - If you are not filing in advance of your annuity beginning date, the initial payment may be a partial payment, with an estimated monthly rate, representing payment due through the end of the preceding month. You will continue to receive this partial amount until your final rate can be determined and awarded. Once your final rate has been certified, you will receive any increase due from your annuity beginning date. You may receive this payment at any time during the month.

**Remember:** The payment that you receive after your initial payment will be made once a month on the first day of the month. If the first day of the month falls on a Sunday or a holiday, the payment will be received on the next business day. The payment that you receive at the beginning of each month actually represents the annuity that accrued for the previous month.

## Chapter 27 - Receiving Your Payment

All applicants filing for RRB benefits must choose to receive their annuity payments by Direct Deposit to their financial institution or by the Direct Express® Debit MasterCard®.

Even though your payments are paid electronically be sure to keep your home address on our records current. See Chapter 28 for additional information.

### A. Direct Deposit

Under the RRB's Direct Deposit program, your monthly annuity payment will be deposited directly into the bank, credit union, or financial institution account that you indicate on your annuity application. You will find that this is both safe and convenient. If you decline direct deposit, you can still change your mind at a later date. Telephone or visit an RRB office. Have one of your personal checks available because it contains the information needed to start direct deposit.

Or, you may take one of your annuity checks to your financial institution and ask them to complete an automated QuickStart enrollment or a Form SF-1199A, *Authorization for Deposit of Federal Recurring Benefits*. Your financial institution will have this form on hand. Your financial institution will submit your enrollment to the RRB. Shortly after the RRB receives your direct deposit information, your monthly annuity payment will start going directly to your savings or checking account.

If you later change your account or financial institution, follow the steps indicated above for direct deposit to your new account. **Keep your old account open until the direct deposit of payments to your new account begins.**

### B. Direct Express® Debit MasterCard®

The Direct Express® Debit MasterCard® is a prepaid Debit MasterCard® you can use to get your monthly annuity payment. You do not need an account at a financial institution to sign up. Your monthly annuity payment will automatically be deposited directly to your card account. You can use your card to make purchases, pay bills, or get cash. There is no sign-up fee or monthly fees, and most services are free. After your annuity has been approved, you will receive in the mail a Direct Express® Debit MasterCard® and information package explaining the services available.

## Chapter 28 - Change of Address

Notify the nearest RRB office immediately if you change your address, even when your monthly annuity payments are going directly to your savings or checking account. All correspondence from the RRB is sent to your home mailing address on record. This mailing address is used to send any material other than your payments to you (such as notices of cost-of-living increases, Medicare information, new *Annual Earnings Exempt Amounts*, and tax statements). If you do not report your change of address, the RRB cannot be responsible for any important information that you do not receive.



A notice of change of address must always include:

- your RRB claim number;
- your name;
- your new address;
- your old address;
- the date you will start receiving mail at the new address; and
- a statement that your notice of change of address applies for both you and the employee or applies to you alone.

## **Chapter 29 - When Your Annuity Is Not Payable**

**A. *Spouse Annuity*** - A spouse annuity is not payable for any month in which:

1. the employee's annuity is not payable;
2. you work for a railroad employer;
3. neither you nor the employee began railroad service before 1975 and you become entitled to your own RRA employee annuity that exceeds the amount of the spouse annuity; or,
4. you become entitled to an RRA survivor annuity on a different RRB earnings record that exceeds the spouse annuity rate.

**B. *Divorced Spouse Annuity*** - A divorced spouse annuity is not payable for any month in which:

1. you work for a railroad employer, or
2. you become entitled to an RRA annuity based on your own earnings record that exceeds your RRA divorced spouse annuity rate.

## **Chapter 30 - When Your Annuity Ends**

**A. *Spouse Annuity*** - A spouse annuity ends the month before the month in which:

1. you die;
2. the employee dies (a widow(er)'s annuity may become payable at this time);
3. the employee's entitlement to an employee annuity terminates due to recovery from disability;
4. your marriage to the employee ends by absolute divorce (a divorced spouse annuity may become payable at this time);

5. your marriage to the employee is dissolved by annulment; or,
6. the child qualifying you for an annuity is no longer in your care or attains age 18 or recovers from disability. Your spouse annuity will end unless you are old enough to receive a spouse annuity based on age.

**B. *Divorced Spouse Annuity*** - A divorced spouse annuity ends the month before the month in which:

1. you die;
2. the employee dies (a surviving divorced spouse annuity may become payable at this time);
3. the employee's entitlement to an employee annuity terminates due to recovery from disability if you have not been divorced for two full years;
4. you marry;
5. you become entitled to social security benefits on your own earnings record that are greater than the RRA divorced spouse gross annuity; or
6. you become entitled to an RRA survivor annuity based on another claim number that exceeds the amount of the RRA divorced spouse annuity.

## **Chapter 31 - Records You Should Keep**

We recommend that you keep this booklet even after you file your annuity application. It contains important information concerning your entitlement to railroad retirement benefits. You should also keep your annuity award notice or denial notice.

Also keep:

- notes from the RRB representatives who helped you file your annuity application. The notes should detail any special aspects of your claim (such as why a certain employer was not your LPE).
- copy of the AA-3, *Receipt for Your Claim*;
- copy of Federal income tax forms (Form RRB W-4P, *Withholding Election Form*, and IRS Form W-4V, *Voluntary Withholding Request*); and
- Booklet RB-9, *Employee and Spouse Annuities - Events That Must Be Reported*, to help comply with the RRB's reporting requirements.



## APPENDIXES

Your *Full Retirement Age* (FRA) is explained in Chapter 12 of this booklet. Use Appendixes A-C to determine the age requirement for your spouse annuity or divorced spouse annuity and to determine if an age reduction would apply.

### Appendix A

<b>SPOUSE AGE REQUIREMENTS EMPLOYEE HAS 60 - 359 MONTHS OF RAILROAD SERVICE</b>			
<b>If the employee retired with an annuity beginning date:</b>	<b>and the employee has attained:</b>	<b>your spouse annuity can begin the first full month you are age 62. Your Tier 1 will have an age reduction if you retire before attaining:</b>	<b>Your Tier 2 will have an age reduction if you retire before attaining:</b>
before 1975 based on at least 120 months of railroad service,	age 65,	your <i>Full Retirement Age</i> (FRA).	age 65.
in 1975, or later, based on at least 120 months of railroad service, including some railroad service before August 12, 1983,	age 62,	your FRA.	age 65.
in 1975, or later, based on at least 120 months of railroad service and no railroad service before August 12, 1983,	age 62,	your FRA.	your FRA.
of January 2002 or later, based on 60-119 months of railroad service with at least 60 months of railroad service after 1995, and had some railroad service before August 12, 1983,	age 62,	your FRA.  (The employee must have an <i>SS Act Insured Status</i> to qualify you for a Tier 1 benefit.)	age 65.
of January 2002 or later, based on 60-119 months of railroad service with at least 60 months of railroad service after 1995, and did not have railroad service before August 12, 1983,	age 62,	your FRA.  (The employee must have an <i>SS Act Insured Status</i> to qualify you for a Tier 1 component.)	your FRA.

## Appendix B

<b>SPOUSE AGE REQUIREMENTS EMPLOYEE HAS AT LEAST 360 MONTHS OF RAILROAD SERVICE</b>			
<b>If the employee is retired based on:</b>	<b>and the employee:</b>	<b>your spouse annuity can begin the first full month you are age 60. Your Tier 1 will:</b>	<b>Your Tier 2 will:</b>
age with an annuity beginning date of July 1, 1974, or later, and both attained age 60 and acquired 360 months of railroad service before July 1984,	retired at age 60 or later,	not have an age reduction.  Note: For these cases, your spouse annuity cannot begin before January 1, 1975.	not have an age reduction.
age and either attained age 60 or acquired 360 months of railroad service in July 1984 through December 2001,	retired at age 60 through age 61, with an employee annuity beginning date before January 2002,	have an age reduction based on the employee's age reduction until both you and the employee have attained age 62.  You will then have an age reduction for the number of months you are under <i>Full Retirement Age (FRA)</i> when both you and the employee are age 62.	not have an age reduction.
age and either attained age 60 or acquired 360 months of railroad service in July 1984 through December 2001,	retired at age 62 or later,	not have an age reduction.	not have an age reduction.
age with at least 360 months of railroad service and an annuity beginning date of January 2002, or later,	retired at age 60 or later	not have an age reduction.	not have an age reduction.
disability with at least 360 months of service and an employee annuity beginning date before July 1, 1984,	has attained age 60,	not have an age reduction.	not have an age reduction.
disability with at least 360 months of service and an employee annuity beginning date of July 1, 1984, or later,	has attained age 60,	have an age reduction depending on your spouse annuity beginning date. <ul style="list-style-type: none"> <li>• If your spouse annuity begins before January 2002, and begins before your FRA, your Tier 1 will have an age reduction. (If you are age 60-61 on the date your spouse annuity begins, you are deemed to be age 62.)</li> <li>• If your spouse annuity begins January 1, 2002, or later, your Tier 1 will not have an age reduction.</li> </ul>	not have an age reduction.

## Appendix C

DIVORCED SPOUSE AGE REQUIREMENT			
If the employee has:	and the employee is at least:	your divorced spouse annuity can begin the first full month you are:	Your annuity will have an age reduction if you retire before attaining:
an <i>SS Act Fully Insured Status</i> based on combined railroad and SSA earnings (40 <i>Quarters of Coverage</i> for those born after 1928),	age 62 for a full month,	age 62.	your FRA.
an <i>SS Act Disability Insured Status</i> based on combined railroad and SSA earnings (disability freeze),	age 62,	age 62.	your FRA.

## Appendix D

Use Appendix D to determine the effect of your nonrailroad earnings on your spouse or divorced spouse annuity.

DETERMINING YOUR WORK DEDUCTIONS		
For a year in which:	you may lose up to \$1 in your Tier 1 component for every:	The reduction:
you attain <i>Full Retirement Age (FRA)</i> ,	\$3.00 of earnings over the <i>Annual Earnings Exempt Amount</i> for your age group. However, your earnings are only counted for months before the month in which you attain FRA.	is removed effective the month in which you attain your FRA.
you are under your FRA for the entire year,	\$2.00 of earnings over the <i>Annual Earnings Exempt Amount</i> for your age group.	applies for the full year.
you work outside the U.S. for 45 or more hours per month,	\$2.00 of earnings. There is no <i>Annual Earnings Exempt Amount</i> for work outside the U. S.. However, your earnings are only counted for months before the month in which you attain FRA.	is removed effective the month in which you attain your FRA.

## **Nondiscrimination on the Basis of Disability**

Under Section 504 of the Rehabilitation Act of 1973 and Railroad Retirement Board (RRB) regulations, no qualified person may be discriminated against on the basis of disability. RRB programs and activities must be accessible to all qualified applicants and beneficiaries, including those with impaired vision or hearing. Disabled persons needing assistance (including auxiliary aids or program information in accessible formats) should contact the nearest RRB office. Complaints of alleged discrimination by the RRB on the basis of disability must be filed within 90 days in writing with the **Director of Administration, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois, 60611-1275**. Questions about individual rights under this regulation may be directed to the RRB's Director of Equal Opportunity at the same address.

## **FRAUD, WASTE, AND ABUSE HOTLINE**

The RRB's Office of Inspector General established its Hotline as a public service. The Hotline provides individuals with a means to report or discuss any suspected misconduct relating to the RRB, its programs or employees.

If you believe a doctor, hospital or other health care provider is billing Medicare for services not provided or for unnecessary medical procedures or supplies; someone is illegally receiving RRB benefits; or you wish to report or discuss any other suspected misconduct relating to the RRB, its programs or employees, please contact the Office of Inspector General at:

**Toll-Free Hotline:** 1-800-772-4258

**U.S. Mail:** RRB-OIG Hotline Officer  
844 North Rush Street  
Chicago, Illinois 60611-1275

**Fax:** (312) 751-4342

**Email:** [hotline@oig.rrb.gov](mailto:hotline@oig.rrb.gov)

Please review the RRB's email notice and Internet privacy policy at [www.rrb.gov](http://www.rrb.gov) before submitting information online.

**Note:** Please do not contact the Office of Inspector General's Hotline with questions regarding benefit eligibility requirements, delayed payments or similar problems. These types of matters should be directed to an RRB office.



## Paperwork Reduction Act and Privacy Act Notices

This notice is given under the Paperwork Reduction Act of 1995 and the Privacy Act of 1974. The Privacy Act requires that the Railroad Retirement Board (RRB) tell you the following whenever we ask you for information:

- 1) The law which allows us to ask for information;
- 2) whether that law requires you to give us the information and what, if anything, might happen to you if you do not give it to us;
- 3) the reason why the information is requested; and
- 4) the persons, organizations, and agencies to which we may release the information without your permission.

The RRB's authority for requesting this information is Section 7(b) of the Railroad Retirement Act (RRA) of 1974. Providing us with this information is voluntary on your part. However, if you fail to provide us with the requested information we may be unable to pay you any benefits. The RRB needs this information to determine whether you are eligible to receive such benefits and, if so, the amount you are entitled to receive. If your annuity application is approved and we begin to pay you benefits, information that we may request from you in the future will be used to determine whether you are entitled to continue to receive such benefits.

Although the information we request is almost never used for any purpose other than the payment of benefits under the RRA, the RRB does have the authority to release information to the indicated individuals, organizations, and/or agencies without your approval:

- 1) An attorney, the Office of the President, a Congressional office, a labor union or the Department of State's embassy or consular offices if they allege to be representing you at your request.
- 2) Other people who are receiving benefits based on the same railroad retirement account as you are if the information affects their payments from the RRB.
- 3) A person who will receive benefits on your behalf if the RRB decided that some medical condition keeps you from receiving your own benefits; such information may also be released in determining whether such a medical condition exists and who is suitable to receive such benefits for you.
- 4) People or organizations who are working for the RRB; such information may include medical records.
- 5) The U.S. Treasury Department or U.S. Postal Service to issue payments and to investigate lost, forged, or stolen payments.
- 6) Your last employer to make sure that you are eligible to receive railroad retirement benefits and you continue to receive any available medical benefits, and to any railroad employer (or to its insurance company) to make sure that you can receive any private retirement or insurance benefits which may be offered by the employer.

- 7) The Social Security Administration, Centers for Medicare & Medicaid Services, Pension Benefit Guarantee Corporation, Office of Personnel Management, Department of Veterans Affairs, or Federal, State, or local welfare or public aid agencies to determine if you can receive benefits from their organizations and if any previous benefits were paid incorrectly.
- 8) The Internal Revenue Service or to State and local taxing authorities for figuring your taxes and for use in audits.
- 9) Your last address and the name of your last employer may be released to the Department of Health and Human Services to be used in the Parent Locator Service.
- 10) The Government Accountability Office for audits and for collecting overpayments owed to the RRB or the Social Security Administration.
- 11) The U.S. Department of Labor as required by the Federal Coal Mine and Safety Act.
- 12) In certain cases for law enforcement purposes and for court proceedings.
- 13) Information about the determination and recovery of an overpayment made to you may be released to any other person from whom any portion of the overpayment is being recovered.
- 14) Your name and address may be released to a Member of Congress to inform you about current or proposed legislation which could affect the railroad retirement system.
- 15) Professional Standards Review Organizations and State Licensing Boards when services provided by physicians or practitioners suggest unethical or unprofessional conduct.

---

We estimate the AA-3 process takes an average of 29 to 30 minutes per response to complete, including the time for reviewing the instructions, getting the needed data, and reviewing the completed form. Federal agencies may not conduct or sponsor, and respondents are not required to respond to, a collection of information unless it displays a valid OMB number. If you wish, send comments regarding the accuracy of our estimate or any other aspect of this process, including suggestions for reducing the completion time, to Chief of Information Resources Management, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-1275.

### Computer Matching and Privacy Protection Act Notice

The Computer Matching and Privacy Protection Act of 1988 requires the Railroad Retirement Board (RRB) to advise you that information you have provided may be used, without your consent, in automated matching programs. These matching programs are a computer comparison of RRB records with records kept by other Federal, State, or local governmental agencies. Information from these programs can be used to establish or verify a person's eligibility for federally funded or administered benefit programs and for repayment of payments or delinquent debts under these programs.

U.S. Railroad Retirement Board

Printed Matter

---

Official Business

Penalty for Private Use \$300

RB-30