

Labor Employer Reporting Instructions
Part III - Principles of Service and Compensation
Chapter 5: Taxation of Compensation under the Railroad Unemployment Insurance Act

RUIA Tax Withholding Introduction

Unlike compensation under the RRA and the RRTA, the monthly maximum taxable and creditable compensation amount under the RUIA for an employee may be allocated among multiple concurrent employers.

RUIA Tax Withholding from Multiple Employers

If an employee works only for a system unit in a month, earnings are creditable and taxable under the RUIA up to the monthly maximum. If the employee also worked for another covered employer in the same month, the employee's combined earnings are creditable up to the RUIA monthly maximum.

If the combined earnings exceed the RUIA monthly maximum, the creditable RUIA compensation may be allocated or prorated between the two employers. The method of prorating is not set by the Railroad Retirement Board, but by agreement between the two employers. Any method that yields the correct total RUIA compensation and produces payment of the RUIA contribution liability is acceptable to the RRB.

[Part IV, Chapter 2](#) and the [Form OE-1 instructions](#) includes more detailed information about alternative ways, including examples, to apportion RUIA earnings between multiple employers.

Labor Organizations and RUIA Reports/Tax

If a labor organization does not report or tax RUIA compensation because of primary carrier earnings, proper documentation must exist in the system subordinate unit's records to substantiate non-reporting of RUIA earnings. Because the RUIA maximum earnings are monthly, substantiation must exist for each month of non-reporting and the corresponding non-payment of RUIA contributions is assumed. Substantiation is needed to prevent the underpayment of RUIA tax and possible resultant penalties and interest.