

Labor Employer Reporting Instructions
Part VI - Reports Related to Service and Compensation
Chapter 4: Form CT-1, Employer's Annual Railroad Retirement Tax Return

Who Must File

Each system unit and local lodge unit must file an annual tax return, Form CT-1, Employer's Annual Railroad Retirement Tax Return, with the Internal Revenue Service (IRS). The grand lodge may choose to file one Form CT-1 with the IRS for all units.

Where to File

All Forms CT-1 are filed at:

Internal Revenue Service Center
Cincinnati, OH 45999-0007

Due Date

Form CT-1 for a calendar year is due at the IRS by the last day of February of the following year.

IRS/RRB Jurisdiction Coordination

The IRS and the RRB have coordination procedures for their respective functions in connection with railroad retirement. A copy of each employer's completed Form CT-1 is sent to the RRB for tax reconciliation with that employer's reported creditable compensation for the year.

Form CT-1 is also used to report the amount of Medicare tax paid, but there is no corresponding employee earnings report which must be filed with the RRB for payment of the Medicare tax.

Representatives from the RRB have no authority to give definitive answers to railroad retirement tax questions. Although the Quality Reporting Service Center reporting specialist may help you with some railroad retirement tax or Form CT-1 questions, it may be necessary for them to refer you to an IRS railroad retirement tax specialist.

Obtaining Form CT-1

Form CT-1 is an IRS form, not a RRB form. The IRS releases Form CT-1, and its separate instructions, to employers in December. Form CT-1 is also available on the IRS Internet site at www.irs.gov. If you do not receive a Form CT-1 by December 31, contact the IRS. If you are still unable to obtain Form CT-1, contact QRSC:

Quality Reporting Service Center

Railroad Retirement Board
844 North Rush Street
Chicago, Illinois 60611-1275

Phone: (312) 751-4992

Fax: (312) 751-7123

Email: QRSC@rrb.gov

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Tax Rates and Compensation Bases

The RRB notifies employers by December each year of the tax rates and compensation bases applicable for the following year.

How to Make Tax Deposits

Railroad retirement taxes must be deposited with an authorized financial institution or a Federal Reserve Bank /branch by electronic funds transfer using the Electronic Federal Tax Payment Systems (EFTPS). To get more information about EFTPS or to enroll in EFTPS, visit the EFTPS website at www.eftps.gov, or call 1-800-555-4477 or 1-800-733-4829 (TDD).

Additional information about EFTPS is also available in the Internal Revenue Service Publication (Pub.) 966, Electronic Federal Tax Payment System: A Guide to Getting Started. See Form CT-1 for deposit requirements.

If you do not want to use EFTPS, you can arrange for your tax professional, financial institution, payroll service, or other trusted third party to make a deposit on your behalf. However, EFTPS is a free service provided by the Department of Treasury. Services provided by your tax professional, financial institution, payroll service, or other party may have a fee.

As previously stated, taxes must be deposited with the U.S. Department of the Treasury; taxes must not be paid to the IRS or to the RRB.

CT-2, Employee Representative's Quarterly Railroad Retirement Tax Return

Do not use Form CT-2, Employee Representative's Quarterly Railroad Retirement Tax Return, to make deposits. Only Employee Representatives use Form CT-2. An “employee representative” within the meaning of the Railroad Retirement Act does not refer to an employee of a national rail labor organization employer.

When to Make Tax Deposits

In general, your total RRTA tax liability in the previous year determines the frequency of your tax deposits. Each November, the IRS will notify employers of their deposit frequency for the coming calendar year. If you do not receive a notification, you must determine your own deposit status. See the deposit rules in the Form CT-1 instructions.

Medicare Tax

Form CT-1 is also used to report the amount of SSA Medicare tax paid. There is no corresponding employee earnings report that must be filed with the RRB for payment of the Medicare tax.

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Penalties and Interest

The law provides penalties for failure to file and late filing of a Form CT-1 and failure to pay taxes or late payment or deposit of taxes. Interest is also charged on taxes deposited late at the rate set by law. If you are unavoidably late in filing or paying taxes, send an explanation with Form CT-1. If taxes are not withheld and paid, you may be subject to a penalty of 100% of the unpaid taxes.

RRB/IRS Coordination

The IRS and the RRB have coordination procedures for their respective functions concerning railroad retirement. Form CT-1 information is sent to the RRB for tax reconciliation with that employer's reported creditable compensation for the year.

Representatives from the RRB have no authority to give definitive answers to railroad retirement tax questions. Questions about railroad retirement taxes or completion of Form CT-1 may be directed to a Quality Reporting Service Center reporting specialist at the RRB. However, it may be necessary for them to refer you to an IRS railroad retirement tax specialist for the answers to some questions about railroad retirement taxes.