



FROM THE DESK OF

WALTER A. BARROWS
LABOR MEMBER



U.S. RAILROAD RETIREMENT BOARD

Walter A. Barrows

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Spouses Encouraged to Apply for Benefits

In addition to the retirement annuities payable to employees, the Railroad Retirement Act provides annuities for the spouses of retired employees. Payment of a spouse annuity is made directly to the wife or husband of the employee.

Many spouses who are eligible for such railroad retirement benefits are not applying for them. In some cases this is due to the employee and/or spouse not being aware that such spouse benefits are available. However, it appears that in many cases this situation is due to spouses being eligible for non-railroad retirement benefits, such as social security benefits, based on their own work and earnings and their belief that they cannot receive railroad retirement spouse annuities. While certain benefits can cause a reduction in a portion of the railroad retirement annuity otherwise payable, **it is to the spouse's financial advantage to apply for a railroad retirement spouse annuity.**

The following questions and answers should clear up some of the misconceptions about spouse benefits that may exist in the railroad community.

1. How are spouse annuities reduced for the receipt of other benefits?

The tier I portion of a spouse annuity is reduced for any social security entitlement, regardless of whether the social security benefit is based on the spouse's own earnings, the employee's earnings, or the earnings of another person. This reduction follows principles of social security law which limit payment to the higher of any two or more benefits payable to an individual at one time.

The tier I portion of a spouse annuity may also be reduced for receipt of any Federal, State, or local pension separately payable to the spouse based on the spouse's own earnings. For spouses subject to the public service pension reduction, the tier I reduction is equal to $\frac{2}{3}$ of the amount of the public service pension.

While these offsets can reduce or even completely wipe out the tier I benefit otherwise payable to a spouse, they do not affect the tier II benefit potentially payable to that spouse.

2. What would be an example of how this reduction applies?

Mary, the spouse of a retired 60/30 employee, quits her social security-covered job as soon as she attains age 62 and applies for her social security benefit which, after the required age reduction, yields \$850 a month. Mary also applies for a railroad retirement spouse annuity. Her husband's railroad retirement annuity consists of a tier I benefit of \$1,600 a month and a tier II benefit of \$1,200 a month.

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Her gross spouse annuity would therefore consist of a tier I benefit of \$800 a month (50 percent of \$1,600 with no early retirement reduction as her husband is 60/30) and a tier II benefit of \$540 (45 percent of \$1,200 with no age reduction). Since Mary's own social security benefit is larger than her spouse tier I benefit, no tier I spouse benefit is payable in this case, but she would still be entitled to the spouse tier II benefit, yielding an additional \$540 in monthly income.

3. How do the average railroad retirement and social security benefits awarded to spouses compare?

Annuities awarded to railroad retirement spouses (married to a career rail employee with 30 years of service) at the end of fiscal year 2016 averaged \$1,455 per month and \$17,460 annually, while spouses under social security were awarded annuities averaging \$910 and \$10,920, respectively.

4. How can someone get more information about railroad retirement spouse annuities?

Publications, news releases, and other materials related to retirement benefits are available on the RRB's website (www.rrb.gov) under the main menu tab labeled **Benefits (Retirement)**. Employees and spouses may schedule an appointment with a field service representative for individual retirement counseling, which is provided at any RRB field office or over the phone. Employees and their spouses are encouraged to contact the RRB when planning for retirement so that agency representatives can explain benefit rights and furnish estimates of their prospective annuities.

Request an appointment for individual retirement counseling or ask for additional information by contacting the nearest RRB office online or by phone 24 hours a day. The **Field Office Locator** page (on the agency's website) provides the following channels for navigating to any field office webpage: an interactive map, the Zip Locator, or drop down lists for offices serving individuals residing in the United States and Canada. The street address and other service information for each office is posted to its own webpage, as well as the option for individuals to contact the office directly by using the feature labeled **send a secure message**.

The agency's toll-free number (1-877-772-5772) is equipped with an automated menu offering a variety of service options which include finding the street address for a local field office, hearing general information regarding retirement benefits, requesting documents related to various benefits, and being transferred to an office to speak with a representative or leave a message.

Most RRB field offices operate during the business hours of 9:00 a.m. to 3:30 p.m. on weekdays, except for Wednesdays when offices are open to the public from 9:00 a.m. to noon. All RRB offices are closed on Federal holidays.