APPLICATION OUTCOMES FOR DISABILITY BENEFITS, 2017

EMPLOYEE

Railroad retirement employee disability awards are based either on total disability or on occupational disability. A total disability annuity is based on disability for all employment and is payable at any age to employees with at least 10 years of service. Employees with less than 10 years of railroad service, but at least 5 years of service after 1995, may qualify on the basis of total disability if they also meet certain social security earnings requirements.^a An employee is considered totally disabled if medical evidence shows that a permanent physical or mental condition exists which prevents the performance of any regular work. A condition is considered to be permanent if it has lasted or may be expected to last for at least 12 months.

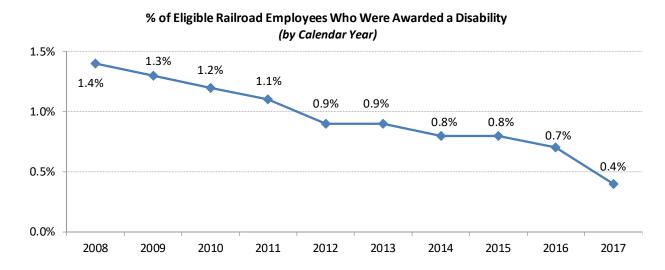
An occupational disability annuity is based on disability from the employee's regular railroad occupation and is payable to employees with a current connection with the rail industry at age 60, if the employee has 10 years of service, or at any age, if the employee has at least 20 years of service. An employee who worked for a railroad in at least 12 months in the 30 months immediately preceding the month his or her railroad retirement annuity begins will meet the current connection requirement. If an employee does not qualify for a current connection on this basis, but has 12 months of service in an earlier 30-month period, he or she may still meet the current connection requirement.^b An employee is considered occupationally disabled if medical evidence shows that a permanent physical or mental condition exists which prevents the performance of his or her regular railroad occupation. An employee considered occupationally disabled for work in his or her regular railroad occupation may be able to perform other kinds of work.

An application for an employee disability annuity is also an application for a period of disability, known as a disability freeze, under the Social Security Act. The standards for disability freeze determinations follow social security law and are comparable to the criteria for total disability. An employee granted a disability freeze may qualify for early Medicare coverage and lower Federal income taxes on his or her annuity.

For calendar year 2017, there were 247,000 active railroad employees of which 185,000 were eligible for a disability annuity on the basis of years of railroad service. Of these eligible employees, 0.4 percent were awarded disability benefits. The annual percent of eligible employees awarded disability benefits will change as pending cases are adjudicated. The percent of eligible employees awarded disability benefits has decreased from 1.4 percent in calendar year 2008. The chart below displays this decline of eligible railroad employees who were awarded a disability annuity.

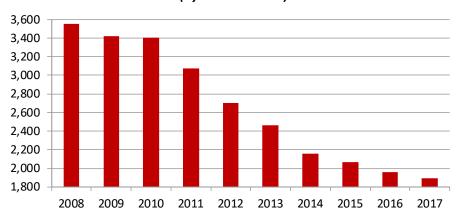
^a Ordinarily, an employee disability annuity is comprised of a Tier I component and a Tier II component. However, if a total disability annuity is payable to an employee with less than 10 years of service, the Tier II component is not payable until the employee attains age 62.

^b The current connection alternative generally applies if the employee did not have any regular employment outside the railroad industry after the end of the last 30-month period which included 12 months of railroad service and before the month the annuity begins or the date of death. Full or part-time work for a non-railroad employer in the interval between the end of the last 30-month period including 12 months of railroad service and the month an employee's annuity begins, or the month of death if earlier, can break a current connection. For additional information on current connection see - https://rrb.gov/sites/default/files/2018-08/QA1808.pdf.



Note: The figures in the chart above may change because some decisions for certain years have not been made yet. Data is from the December 2018 Retirement Master Benefit File.

As illustrated by the chart below, employee disability applications have decreased from 3,549 applications filed in calendar year 2008 to 1,890 applications in calendar year 2017, a 46.7 percent decline.



Employee Disability Applications Filed in Year (by Calendar Year)

SURVIVOR

Annuities are payable to surviving widow(er)s, children, and certain other dependents. The Railroad Retirement Board (RRB) pays survivor disability annuities to:

- Widow(er)s, Remarried Widow(er)s, and Surviving Divorced Spouses ages 50 to 59 who are totally disabled and unable to work in any regular employment; and
- Unmarried disabled children over age 18 if the child became totally disabled before age 22.

Eligibility for survivor disability benefits depends on whether or not the railroad employee was "insured" under the Railroad Retirement Act at the time of death.

An employee is insured if he or she has at least 120 months (10 years) of railroad service, or 60 months (5 years) performed after 1995, and a "current connection" with the railroad industry as of the month the annuity begins or the month of death, whichever occurs first.

If a deceased employee was not so insured, jurisdiction of any survivor benefits payable is transferred to the Social Security Administration and any survivor benefits are paid by that agency instead of the RRB. Regardless of which agency has jurisdiction, the deceased employee's railroad retirement and social security credits will be combined for the purpose of survivor benefit computations.

Disabled Widow(er), Remarried Widow(er), Surviving Divorced Spouse

These survivor annuities include the widow(er)s, remarried widow(er)s, and surviving divorced spouses payable at ages 50 to 59 if they are totally disabled and unable to work in any regular employment. The disability for each of these annuitant types must have begun within 7 years after the railroad employee's death or within 7 years after the termination of an annuity based on caring for a child of the deceased employee. In most cases, a 5-month waiting period is required after the onset of disability before a disability annuity can begin. These annuitants are entitled to the portion of a survivor annuity equivalent to a social security benefit.^c

Both of these disabled widow(er) annuitant types have different requirements concerning marriage to the employee, as well as any remarriages. Generally, the widow(er) must have been married to the employee for at least 9 months prior to death, unless she or he was the natural or adopted parent of their child, the employee's death was accidental or while on active duty in the U.S. Armed Forces, the widow(er) was potentially entitled to certain railroad retirement or social security benefits in the month before the month of marriage, or the marriage was postponed due to State restrictions on the employee's prior marriage and divorce due to mental incompetence or similar incapacity.

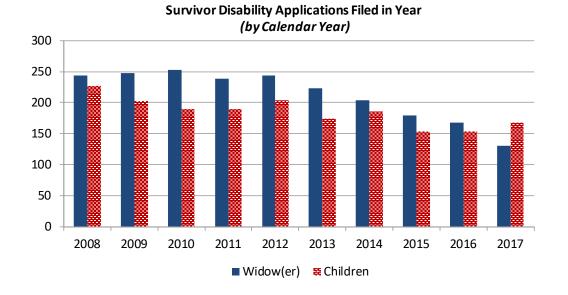
A disabled surviving divorced spouse may qualify if she or he was married to the employee for a period of at least 10 years immediately before the date the divorce became final, and is unmarried, or remarried under certain conditions.

^c Survivor disability annuities, like retirement annuities, consist of Tier I and Tier II components. Tier I is based on the deceased employee's combined railroad retirement and social security credits, and is generally equivalent to the amount that would have been payable under social security. Tier II amounts are percentages of the deceased employee's Tier II amount. **NOTE:** The surviving divorced spouse and remarried widow(er) are only entitled to Tier I, not Tier II.

Disabled Adult Child

Survivor annuities are also payable to an unmarried disabled child over age 18 if the child became totally disabled before age 22.

As illustrated by the chart below, widow(er)s' disability applications (includes widow[er]s, remarried widow[er]s, and surviving divorced spouses) have decreased from 243 applications filed in calendar year 2008 to 130 applications in calendar year 2017, a 46.5 percent decline. Adult children's disability applications have also decreased from 227 applications filed in calendar year 2008 to 167 applications in calendar year 2017, a 26.4 percent decline.



Source: Table 5

Tables 1-8 provide data on the application outcomes for disability benefits at different levels of adjudication (initial, reconsideration, hearings and appeals, and above) for employee and survivor disability benefits. These tables are derived from the Application Tracking System, which is maintained by the Office of Programs. The data in these tables is reported by the disability application filing year and includes decisions through the administrative appeals process. The administrative appeals process is defined as all adjudicative levels subsequent to the initial level. For this report, the decisions are through November 30, 2018 for applications filed during calendar years 2008 through 2017.

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Table 1: Outcomes of Disability Annuity Applications at All Adjudicative Levels Calendar Year of Applications, 2008-2017

Workers

				Total Disability						Occupational Disability							
							Freeze [Determinati	ons for Allow	wances ^a				Freeze	Determinati	ons for Allo	wances ^a
Calendar	Total		Technical		Allowa	inces	Fre	eze	Non-F	reeze		Allowa	ances	Fre	eze	Non-F	Freeze
Year	Applications	Pending	Denials⁵	Denials⁰	Number	Rate ^d	Number	Percent ^e	Number	Percent ^f	Denials⁰	Number	Rate ^d	Number	Percent ^e	Number	Percent ^f
2008	3,549	0	19	187	1,067	85.1%	893	83.7%	174	16.3%	40	2,236	98.2%	1,737	77.7%	499	22.3%
2009	3,424	0	25	177	1,147	86.6%	989	86.2%	158	13.8%	40	2,035	98.1%	1,639	80.5%	396	19.5%
2010	3,403	0	29	189	1,178	86.2%	1,013	86.0%	165	14.0%	39	1,968	98.1%	1,612	81.9%	356	18.1%
2011	3,077	0	26	197	1,086	84.6%	956	88.0%	130	12.0%	39	1,729	97.8%	1,415	81.8%	314	18.2%
2012	2,704	0	15	183	953	83.9%	833	87.4%	120	12.6%	25	1,528	98.4%	1,320	86.4%	208	13.6%
2013	2,462	0	20	159	927	85.4%	802	86.5%	125	13.5%	51	1,305	96.2%	1,097	84.1%	208	15.9%
2014	2,160	0	34	163	843	83.8%	753	89.3%	90	10.7%	38	1,082	96.6%	928	85.8%	154	14.2%
2015	2,064	0	34	159	829	83.9%	750	90.5%	79	9.5%	27	1,015	97.4%	874	86.1%	141	13.9%
2016	1,957	32	46	118	745	86.3%	640	85.9%	105	14.1%	26	990	97.4%	809	81.7%	181	18.3%
2017	1,890	334	36	66	584	89.8%	334	57.2%	250	42.8%	17	853	98.0%	467	54.7%	386	45.3%

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. An application for an employee disability annuity is also an application for a period of disability, also known as a disability freeze, under the Social Security Act. The standards for disability freeze determinations follow social security law and are comparable to the criteria for total disability. Also, an employee granted a disability freeze may qualify for early Medicare coverage and lower Federal income taxes on his or her annuity. Pending, denied, and cancelled disability freeze applications are included as non-freeze determinations.

- b. Applications were denied for non-medical reasons.
- c. Applications were denied for not meeting the medical criteria for disability.
- d. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.
- e. Freeze percents are determined by dividing freeze decisions by associated allowance decisions.
- f. Non-freeze percents are determined by dividing non-freeze decisions by associated allowance decisions.

Table 2: Outcomes of Disability Annuity Applications at the Initial Adjudicative Level Calendar Year of Applications, 2008-2017

Workers

				Total Disability						Occupational Disability							
							Freeze De	eterminatio	ons for Allow	wances ^a				Freeze D	eterminatio	ons for Allow	vances ^a
Calendar	Total		Technical		Allowa	Allowances		Freeze		Non-Freeze		Allowances		Freeze		Non-Freeze	
Year	Applications	Pending	Denials [▶]	Denials⁰	Number	Rate ^d	Number	Percent ^e	Number	Percent ^f	Denials⁰	Number	Rate ^d	Number	Percent ^e	Number	Percent ^f
2008	3,549	0	19	369	885	70.6%	768	86.8%	117	13.2%	65	2,211	97.1%	1,725	78.0%	486	22.0%
2009	3,424	0	25	376	948	71.6%	841	88.7%	107	11.3%	53	2,022	97.4%	1,635	80.9%	387	19.1%
2010	3,403	0	29	368	999	73.1%	884	88.5%	115	11.5%	50	1,957	97.5%	1,605	82.0%	352	18.0%
2011	3,077	0	26	347	936	73.0%	846	90.4%	90	9.6%	55	1,713	96.9%	1,405	82.0%	308	18.0%
2012	2,704	0	15	292	844	74.3%	762	90.3%	82	9.7%	37	1,516	97.6%	1,313	86.6%	203	13.4%
2013	2,462	0	20	272	814	75.0%	725	89.1%	89	10.9%	80	1,276	94.1%	1,092	85.6%	184	14.4%
2014	2,160	0	34	259	747	74.3%	685	91.7%	62	8.3%	49	1,071	95.6%	924	86.3%	147	13.7%
2015	2,064	0	34	237	751	76.0%	691	92.0%	60	8.0%	32	1,010	96.9%	872	86.3%	138	13.7%
2016	1,957	32	46	153	710	82.3%	614	86.5%	96	13.5%	29	987	97.1%	807	81.8%	180	18.2%
2017	1,890	334	36	77	573	88.2%	328	57.2%	245	42.8%	17	853	98.0%	467	54.7%	386	45.3%

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. An application for an employee disability annuity is also an application for a period of disability, also known as a disability freeze, under the Social Security Act. The standards for disability freeze determinations follow social security law and are comparable to the criteria for total disability. Also, an employee granted a disability freeze may qualify for early Medicare coverage and lower Federal income taxes on his or her annuity. Pending, denied, and cancelled disability freeze applications are included as non-freeze determinations.

b. Applications were denied for non-medical reasons.

c. Applications were denied for not meeting the medical criteria for disability.

d. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.

e. Freeze percents are determined by dividing freeze decisions by associated allowance decisions.

f. Non-freeze percents are determined by dividing non-freeze decisions by associated allowance decisions.

Table 3: Outcomes of Disability Annuity Applications at the Reconsideration Adjudicative Level Calendar Year of Applications, 2008-2017

Workers

				Total Disability							Occupational Disability						
						Freeze D	Determinati	ons for Allow	ancesª				Freeze	Determinatio	ons for Allow	wances ^a	
Calendar	Total			Allowances		Freeze		Non-Freeze			Allowances		Freeze		Non-Freeze		
Year	Applications	Pending	Denials⁵	Number	Rate ^c	Number	Percent ^d	Number	Percent ^e	Denials⁵	Number	Rate ^c	Number	Percent ^d	Number	Percent ^e	
2008	314	0	221	59	21.1%	49	83.1%	10	16.9%	18	16	47.1%	7	43.8%	9	56.3%	
2009	310	0	226	66	22.7%	50	75.8%	16	24.2%	10	8	44.4%	3	37.5%	5	62.5%	
2010	269	0	209	39	15.7%	33	84.6%	6	15.4%	15	6	28.6%	4	66.7%	2	33.3%	
2011	262	0	196	42	17.6%	34	81.0%	8	19.0%	18	6	25.0%	3	50.0%	3	50.0%	
2012	207	0	165	26	13.6%	22	84.6%	4	15.4%	9	7	43.8%	3	42.9%	4	57.1%	
2013	230	0	154	30	16.3%	21	70.0%	9	30.0%	35	11	23.9%	1	9.1%	10	90.9%	
2014	192	0	141	26	15.6%	20	76.9%	6	23.1%	22	3	12.0%	2	66.7%	1	33.3%	
2015	165	0	130	25	16.3%	20	80.0%	5	20.0%	6	4	40.0%	2	50.0%	2	50.0%	
2016	105	3	76	18	19.1%	12	66.7%	6	33.3%	7	1	12.5%	0	0.0%	1	100.0%	
2017	51	6	36	6	14.3%	5	83.3%	1	16.7%	3	0	0.0%	0		0		

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. An application for an employee disability annuity is also an application for a period of disability, also known as a disability freeze, under the Social Security Act. The standards for disability freeze determinations follow social security law and are comparable to the criteria for total disability. Also, an employee granted a disability freeze may qualify for early Medicare coverage and lower Federal income taxes on his or her annuity. Pending, denied, and cancelled disability freeze applications are included as non-freeze determinations.

b. Applications were denied for not meeting the medical criteria for disability.

c. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.

d. Freeze percents are determined by dividing freeze decisions by associated allowance decisions.

e. Non-freeze percents are determined by dividing non-freeze decisions by associated allowance decisions.

Table 4: Outcomes of Disability Annuity Applications at the Hearings and Appeals or Above Adjudicative Levels Calendar Year of Applications, 2008-2017

Workers

			Total Disability						Occupational Disability							
						Freeze	Determinat	ions for Allo	wances ^a				Freeze	Determinati	ons for Allo	wances ^a
Calendar	Total			Allowances		Freeze		Non-Freeze			Allowances		Freeze		Non-F	reeze
Year	Applications	Pending	Denials⁵	Number	Rate ^c	Number	Percent ^d	Number	Percent ^e	Denials⁵	Number	Rate ^c	Number	Percent ^d	Number	Percent ^e
2008	162	0	28	123	81.5%	76	61.8%	47	38.2%	2	9	81.8%	5	55.6%	4	44.4%
2009	174	1	35	133	79.2%	97	72.9%	36	27.1%	0	5	100.0%	1	20.0%	4	80.0%
2010	167	0	18	140	88.6%	96	68.6%	44	31.4%	4	5	55.6%	3	60.0%	2	40.0%
2011	147	1	25	108	81.2%	75	69.4%	33	30.6%	3	10	76.9%	7	70.0%	3	30.0%
2012	117	1	28	83	74.8%	49	59.0%	34	41.0%	0	5	100.0%	4	80.0%	1	20.0%
2013	140	0	35	83	70.3%	56	67.5%	27	32.5%	4	18	81.8%	4	22.2%	14	77.8%
2014	113	3	23	70	75.3%	47	67.1%	23	32.9%	9	8	47.1%	2	25.0%	6	75.0%
2015	100	12	32	53	62.4%	39	73.6%	14	26.4%	2	1	33.3%	0	0.0%	1	100.0%
2016	32	2	9	17	65.4%	14	82.4%	3	17.6%	2	2	50.0%	2	100.0%	0	0.0%
2017	12	0	7	5	41.7%	1	20.0%	4	80.0%	0	0	0.0%	0		0	

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. An application for an employee disability annuity is also an application for a period of disability, also known as a disability freeze, under the Social Security Act. The standards for disability freeze determinations follow social security law and are comparable to the criteria for total disability. Also, an employee granted a disability freeze may qualify for early Medicare coverage and lower Federal income taxes on his or her annuity. Pending, denied, and cancelled disability freeze applications are included as non-freeze determinations.

b. Applications were denied for not meeting the medical criteria for disability.

c. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.

d. Freeze percents are determined by dividing freeze decisions by associated allowance decisions.

e. Non-freeze percents are determined by dividing non-freeze decisions by associated allowance decisions.

Table 5: Outcomes of Disability Annuity Applications at All Adjudicative Levels Calendar Year of Applications, 2008-2017 Survivors

					Medical	
Calendar	Total		Technical	Decis	ion	Allowance
Year	Applications	Pending	Denialsª	Denials⁵	Allowances	Rate ^c
			Widow(er)s			
2008	243	0	7	29	207	87.7%
2009	247	0	10	32	205	86.5%
2010	252	0	7	34	211	86.1%
2011	239	0	5	31	203	86.8%
2012	243	0	7	37	199	84.3%
2013	223	0	9	38	176	82.2%
2014	204	0	5	36	163	81.9%
2015	179	1	4	21	153	87.9%
2016	168	6	5	30	127	80.9%
2017	130	56	3	11	60	84.5%
			Adult Children			
2008	227	0	6	51	170	76.9%
2009	202	0	4	42	156	78.8%
2010	190	0	8	48	134	73.6%
2011	189	0	3	35	151	81.2%
2012	204	0	5	51	148	74.4%
2013	174	1	6	31	136	81.4%
2014	186	0	8	38	140	78.7%
2015	153	0	4	38	111	74.5%
2016	153	9	3	36	105	74.5%
2017	167	60	2	11	94	89.5%

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. Applications were denied for non-medical reasons.

b. Applications were denied for not meeting the medical criteria for disability.

c. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.

Table 6: Outcomes of Disability Annuity Applications at the Initial Adjudicative Level Calendar Year of Applications, 2008-2017 Survivors

					Medical	
Calendar	Total		Technical	Decis	ion	Allowance
Year	Applications	Pending	Denials ^a	Denials [▶]	Allowances	Rate ^c
			Widow(er)s			
2008	243	0	7	48	188	79.7%
2009	247	0	10	50	187	78.9%
2010	252	0	7	44	201	82.0%
2011	239	0	5	45	189	80.8%
2012	243	0	7	44	192	81.4%
2013	223	0	9	44	170	79.4%
2014	204	0	5	44	155	77.9%
2015	179	1	4	29	145	83.3%
2016	168	6	5	35	122	77.7%
2017	130	56	3	11	60	84.5%
			Adult Children			
2008	227	0	6	60	161	72.9%
2009	202	0	4	47	151	76.3%
2010	190	0	8	53	129	70.9%
2011	189	0	3	39	147	79.0%
2012	204	0	5	52	147	73.9%
2013	174	1	6	33	134	80.2%
2014	186	0	8	45	133	74.7%
2015	153	0	4	42	107	71.8%
2016	153	9	3	45	96	68.1%
2017	167	60	2	12	93	88.6%

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. Applications were denied for non-medical reasons.

b. Applications were denied for not meeting the medical criteria for disability.

c. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.

Table 7: Outcomes of Disability Annuity Applications at the Reconsideration Adjudicative Level Calendar Year of Applications, 2008-2017 Survivors

				Medical	
Calendar	Total		Decisio	'n	Allowance
Year	Applications	Pending	Denials ^a	Allowances	Rate ^b
		Widow(er)s		
2008	30	0	20	10	33.3%
2009	34	0	20	14	41.2%
2010	25	0	19	6	24.0%
2011	21	0	15	6	28.6%
2012	19	0	15	4	21.1%
2013	21	0	19	2	9.5%
2014	17	0	16	1	5.9%
2015	15	0	10	5	33.3%
2016	15	0	11	4	26.7%
2017	4	0	4	0	0.0%
		Adult Chi	ldren		
2008	25	0	22	3	12.0%
2009	20	0	18	2	10.0%
2010	16	0	16	0	0.0%
2011	19	0	16	3	15.8%
2012	19	0	18	1	5.3%
2013	12	0	11	1	8.3%
2014	22	0	19	3	13.6%
2015	15	0	13	2	13.3%
2016	22	0	19	3	13.6%
2017	6	0	5	1	16.7%

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. Applications were denied for not meeting the medical criteria for disability.

b. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.

Table 8: Outcomes of Disability Annuity Applications at the Hearings and Appeals or Above Adjudicative Levels Calendar Year of Applications, 2008-2017 Survivors

Calendar	Total		Decisior	1	Allowance
Year	Applications	Pending	Denials ^a	Allowances	Rate ^b
		Widow	v(er)s		
2008	12	0	3	9	75.0%
2009	7	0	3	4	57.1%
2010	6	0	2	4	66.7%
2011	10	0	2	8	80.0%
2012	4	0	1	3	75.0%
2013	7	0	3	4	57.1%
2014	8	0	1	7	87.5%
2015	3	0	0	3	100.0%
2016	2	0	1	1	50.0%
2017	0	0	0	0	
		Adult Cl	nildren		
2008	9	0	3	6	66.7%
2009	6	0	3	3	50.0%
2010	10	0	5	5	50.0%
2011	5	0	4	1	20.0%
2012	5	0	5	0	0.0%
2013	4	0	3	1	25.0%
2014	11	0	7	4	36.4%
2015	3	0	1	2	66.7%
2016	9	0	3	6	66.7%
2017	0	0	0	0	

NOTES: Applications may be pending for recent years which will result in changes to decisions and rates.

a. Applications were denied for not meeting the medical criteria for disability.

b. Allowance rates (percents) are determined by dividing medical allowances by all medical decisions. Medical decisions are the sum of denials plus allowances.