

United States Railroad Retirement Board

2019 Annual Report



U.S. Railroad Retirement Board

Mission Statement

The Railroad Retirement Board's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment and sickness. The Railroad Retirement Board also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the Railroad Retirement Board will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The Railroad Retirement Board will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

If you have comments or suggestions regarding the information in this report, please let us know. You can call us at 312-751-4777, e-mail us at opa@rrb.gov or write us at the following address:

**Public Affairs
U.S. Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611-1275**

UNITED STATES
RAILROAD RETIREMENT BOARD

2019 Annual Report

For Fiscal Year Ended September 30, 2018

THE REPORT IN BRIEF	1
A REVIEW OF OPERATIONS	6
ADMINISTRATIVE DEVELOPMENTS	34
LEGAL RULINGS	45
STATISTICAL TABLES	47



RRB.gov

THE REPORT IN BRIEF

Railroad retirement and unemployment insurance benefits totaling almost \$12.8 billion were paid by the Railroad Retirement Board (RRB) to about 563,000 beneficiaries in fiscal year 2018. Financial reports issued in 2019 on the solvency of the railroad retirement and railroad unemployment insurance systems were both favorable. Total railroad retirement system assets equaled \$28.3 billion as of September 30, 2018.

Benefits and Beneficiaries

Benefits paid under the Railroad Retirement and Railroad Unemployment Insurance Acts totaled almost \$12.8 billion in the fiscal year ending September 30, 2018. Retirement and survivor benefits were paid by the RRB to about 540,000 beneficiaries during the fiscal year, of whom 512,000 were on the RRB's annuity rolls at the end of the year. Approximately 24,000 railroad employees were paid unemployment and/or sickness insurance benefits. About 2,000 beneficiaries received payments under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

Retirement and survivor benefit payments of \$12.7 billion during fiscal year 2018 were \$223.5 million more than payments in the prior year. Employee and spouse annuitants were paid some \$10.6 billion, accounting for 83 percent of the total payments. Employees received over \$7.7 billion in age annuities (including \$1.4 billion to annuitants full retirement age and over originally awarded a disability annuity), \$0.9 billion in disability annuities, and \$60.5 million in supplemental annuities, while spouses and divorced spouses received about \$1.8 billion.¹ Survivors were paid \$2.1 billion in annuities and approximately \$2.3 million in lump-sum benefits. The total number of beneficiaries who received retirement and survivor benefits declined by about 8,000 from fiscal year 2017.

Note: Statistics are presented on the cash basis of accounting instead of the accrual basis of accounting for much of the Report. However, with the exception of the first paragraph on pages 2 and 6, the Federal Income Tax Transfers section on page 9 and the accompanying table on page 10, which are also presented as cash, the information on pages 2, 6-14 and 26-28 is presented on the accrual basis of accounting. The primary difference between the 2 bases of accounting is that the cash basis recognizes revenue and expenditures only when cash is received and paid. The accrual basis, on the other hand, recognizes revenue when it is earned and expenses when they are incurred.

¹ In the Annual Reports for the years through 2014, annuitants who were full retirement age and over and who were originally awarded a disability annuity were included in the disability counts. Effective with the 2015 and later reports, annuitants full retirement age and over originally awarded a disability annuity are included in the employee age and service counts because a disability annuity converts to an age and service annuity when the annuitant attains full retirement age.

Gross unemployment and sickness benefits paid in fiscal year 2018 totaled about \$117.4 million. Net benefits totaled approximately \$92.6 million after adjustment for recoveries of benefit payments, including injury settlements, some of which were made in prior years. Total gross benefit payments decreased by about \$12.6 million while net benefit payments decreased by more than \$12.7 million from the preceding year. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a sequestration reduction of 6.8 percent for days after September 30, 2015, 6.9 percent for days after September 30, 2016, and 6.6 percent for days after September 30, 2017.

Gross unemployment benefits decreased by 24 percent compared to the previous year due to the slower decline in employment than the prior year. Gross unemployment benefits totaling \$40.7 million (\$37.8 million net) were paid to more than 9,000 claimants, while gross sickness benefits totaling \$76.8 million (\$54.9 million net) were paid to almost 15,900 claimants. This includes a total of \$0.1 million net recoveries in temporary extended unemployment benefits under the American Recovery and Reinvestment Act of 2009 and the Worker, Homeownership, and Business Assistance Act of 2009, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012.

Financial Reports

The RRB's 2019 railroad retirement financial report to Congress, which covered the period 2019-2043, was generally favorable. It concluded that barring a sudden, unanticipated, large decrease in railroad employment, or substantial investment losses, the railroad retirement system will experience no cash flow problems during the next 25 years. The long-term stability of the system, however, is still uncertain. Under the current financing structure, actual levels of railroad employment and investment return over the coming years will largely determine whether corrective action is necessary.

The RRB's 2019 railroad unemployment insurance financial report was also generally favorable. Even as projected maximum benefit rates increase 44 percent (from \$77 to \$111) from 2018 to 2029, experience-based contribution rates maintain solvency. The report also predicted average employer contribution rates well below the maximum throughout the projection period. A 1.5 percent surcharge was imposed in calendar year 2019 in order to maintain a minimum account balance, with no surcharge expected in 2020 followed by a 1.5 percent surcharge the next two years and intermittently thereafter. Under the pessimistic employment assumption, a small, short-term cash flow problem is possible during fiscal year 2022, with full repayment of the resulting loan by the end of the same year.

The National Railroad Retirement Investment Trust's annual management report for fiscal year 2018 showed that, as of September 30, 2018, the net asset value of the Trust-managed assets was \$26.6 billion. This represented an increase from \$26.5 billion in the previous year, with a net investment return for the year of 7.37 percent. The ending balance also reflects a transfer of \$1.8 billion to the U.S. Treasury for the payment of railroad retirement (tier II) benefits. Total railroad retirement system assets, including those maintained at the Treasury, equaled \$28.3 billion.

The 2019 railroad retirement and railroad unemployment insurance financial reports and the National Railroad Retirement Investment Trust's 2018 annual management report are available by clicking on the *Financial & Reporting* tab at **RRB.gov**.

Service Delivery

Customer Service Plan

In fiscal year 2018, customers received benefit services within the timeframes promised in the RRB's Customer Service Plan 98.8 percent of the time.

Service Enhancements

The RRB issued new Medicare cards to its beneficiaries, processed a cost-of-living adjustment for retirement and survivor benefits, continued to improve its Employer Reporting System that allows employers to submit forms and information electronically, took steps to further reduce improper payments, implemented initiatives to improve processing of disability benefits, retirement claims and Medicare applications, and increased use of electronic document imaging in its internal systems.

Office of Inspector General

During fiscal year 2018, the Office of Inspector General continued its independent oversight of agency operations and its efforts to combat fraud, waste, and abuse. This included the issuance of five audit reports plus a management information report which identified the most serious management and performance challenges facing the RRB.

Investigative activities resulted in 19 arrests, 48 indictments and/or informations, 42 convictions, 22 civil judgments, and more than \$147 million in financial accomplishments. This reflects fraud amounts related to programs administered exclusively by the RRB, as well as fraud amounts from other Federal programs such as Medicare or social security which were identified during Office of Inspector General joint investigative work.

Selected Data on Benefit Operations

Retirement-Survivor ¹	Fiscal Year 2018	Fiscal Year 2017
Employee age annuities		
Number awarded	8,700	9,100
Awarded Age Annuity		
Number being paid at end of period	189,600	190,300
Average being paid at end of period	\$2,817	\$2,731
Disability converted to age annuity ²		
Number being paid at end of period	47,400	46,200
Average being paid at end of period	\$2,474	\$2,401
Employee disability annuities		
Number of total disability annuities awarded	700	700
Number of occupational disability annuities awarded	900	900
Number of total disability annuities being paid at end of period	9,100	9,600
Number of occupational disability annuities being paid at end of period	16,000	18,300
Average total disability annuity being paid at end of period	\$2,008	\$1,938
Average occupational disability annuity being paid at end of period	\$3,164	\$3,087
Supplemental employee annuities³		
Number awarded	4,200	5,200
Number being paid at end of period	120,200	122,100
Average being paid at end of period	\$42	\$42
Spouse and divorced spouse annuities		
Number awarded, total	10,500	10,800
Number being paid to divorced spouses at end of period	5,200	5,100
Number being paid at end of period, total	147,700	146,900
Average being paid to divorced spouses at end of period	\$656	\$632
Average being paid at end of period, total	\$1,035	\$1,008
Survivor annuities		
Number awarded to aged widow(er)s	5,400	5,500
Number awarded, total	6,900	6,900
Number being paid to aged widow(er)s at end of period	84,700	87,800
Number being paid at end of period, total	109,600	113,200
Average being paid at end of period to		
Aged widow(er)s	\$1,721	\$1,664
Disabled widow(er)s ⁴	\$1,367	\$1,326
Widowed mothers (fathers)	\$1,902	\$1,878
Remarried widow(er)s	\$1,114	\$1,071
Divorced widow(er)s	\$1,118	\$1,078
Children	\$1,110	\$1,078
Partition payments⁵		
Number being paid at end of period	1,900	1,700
Average being paid at end of period	\$317	\$315
Lump-sum survivor benefits awarded		
Number of lump-sum death benefits	2,500	2,500
Average lump-sum death benefit	\$936	\$933
Number of residual payments	6/	6/
Average residual payment	\$2,077	\$1,040

Selected Data on Benefit Operations (Continued)

Employees and Earnings ⁷	Fiscal Year 2018	Fiscal Year 2017
Average employment	223,000	226,000
Creditable earnings, Railroad Retirement Act (billions):		
Tier I	\$18.98	\$18.46
Tier II	\$17.65	\$17.09
Creditable earnings, Railroad Unemployment Insurance Act (billions)	\$4.13	\$4.10
Unemployment-Sickness ⁸	Benefit Year 2017-2018	Benefit Year 2016-2017
Qualified employees	242,100	260,700
Unemployment benefits		
Net amount paid (millions)	\$40.9 ⁹ (\$37.8) ¹⁰	\$53.9 ⁹
Beneficiaries	9,300 (9,000) ¹⁰	13,200
Number of payments	63,000	90,000
Normal benefit accounts exhausted	2,100	3,100
Average payment per 2-week registration period	\$601	\$594
Sickness benefits		
Net amount paid (millions)	\$56.2 (\$54.9) ¹⁰	\$59.8
Beneficiaries	15,700 (15,900) ¹⁰	16,100
Number of payments	115,000	114,400
Normal benefit accounts exhausted	3,500	3,400
Average payment per 2-week registration period	\$597	\$597

¹ Benefits are through September 30 for the associated years.

² A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age is age 65 for those born before 1938 and gradually increases to age 67 for those born in 1960 and later.

³ Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions. There are no annuitants receiving 1937 Act supplemental annuities.

⁴ Average in current-payment status includes annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

⁵ Limited to partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Partition payments from employees on the rolls are included with the employees' annuities.

⁶ Fewer than 50.

⁷ Except for fiscal year 2017 employment, all figures in this section are preliminary.

⁸ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 7.2% under sequestration for days of unemployment and sickness after September 30, 2013, a reduction of 7.3% for days after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, and 6.6% for days after September 30, 2017.

⁹ Benefit years 2016-2017 and 2017-2018 both include –\$0.2 million in temporary extended unemployment benefits authorized by the American Recovery and Reinvestment Act of 2009 and the Worker, Homeownership, and Business Assistance Act of 2009, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. Benefits had to begin by December 31, 2013. Current activity reflects recoveries.

¹⁰ Data in parentheses are for fiscal year (October 1, 2017 – September 30, 2018). Unemployment benefits include –\$0.1 million in temporary extended unemployment benefits.

A REVIEW OF OPERATIONS

At the end of fiscal year 2018, total railroad retirement system assets equaled \$28.3 billion. During fiscal year 2018, benefits totaling approximately \$12.8 billion were paid under the Railroad Retirement and Railroad Unemployment Insurance Acts. Retirement and survivor benefits accounted for almost all of this amount. Net unemployment and sickness benefits totaled \$100.2 million.

RAILROAD RETIREMENT AND SURVIVOR PROGRAM

As of September 30, 2018, total railroad retirement system assets, including those maintained in U.S. Treasury accounts and those maintained by the National Railroad Retirement Investment Trust (the “Trust” or NRRIT), equaled \$28.3 billion, an increase of \$0.5 billion during the fiscal year. Amounts in the (RR) Account not needed to pay current administrative expenses and amounts in the Social Security Equivalent Benefit (SSEB) Account not needed to pay current benefits and administrative expenses are transferred to the NRRIT, whose Board of 7 trustees is empowered to invest Trust assets in non-governmental assets, such as equities and debt, as well as in governmental securities.

FINANCIAL OPERATIONS - U.S. TREASURY ACCOUNTS

During fiscal year 2018, railroad retirement and survivor benefit payments were financed through four U.S. Treasury accounts.

The SSEB Account, established in fiscal year 1985, pays the portion of railroad retirement benefits equivalent to a social security benefit from various income sources related to these benefits. The RR Account funds retirement, survivor and disability benefits, in excess of social security equivalent benefits, from payroll taxes on employers and employees and other income sources. Supplemental benefit payments are also paid from the RR Account. The Dual Benefits Payments (DBP) Account and Federal Payments (FP) Account, funded by congressional appropriations from general revenues, finance the phase-out costs of certain vested dual benefits and interest on unnegotiated checks, respectively. The four accounts together incurred \$12.7 billion in benefit obligations (excluding \$1.8 billion in social security benefits which were reimbursed by the Social Security Administration) during fiscal year 2018.

Financing Sources

Payroll Taxes

The primary source of income to the railroad retirement and survivor program is payroll taxes levied on covered employers and their employees. Payroll taxes amounted to \$6.3 billion, representing 47.7 percent of total financing sources (excluding a loss of \$87.4 million, mostly due to a change in NRRIT net assets) and \$353.2 million more than in fiscal year 2017.

Railroad employees and employers pay tier I taxes which, by law, are the same as social security taxes. The 2018 rate of 7.65 percent was split between 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of earnings subject to the 6.20 percent rate in calendar year 2018 was \$128,400, with all earnings subject to the 1.45 percent Medicare tax.

Since 2013, employees pay an additional 0.9 percent Medicare tax on earnings above \$200,000 (for those who file an individual return) or \$250,000 (for those who file a joint return). This additional tax rate is not reflected in the tax rates shown above.

Both employees and employers also pay a tier II tax to finance railroad retirement benefit payments over and above social security levels. This tax, on earnings up to \$95,400 and \$94,500 in 2018 and 2017, respectively, was 4.9 percent on employees in both years. It was 13.1 percent on employers in both 2018 and 2017.

Tier I and tier II taxes for fiscal year 2018 amounted to \$3.0 billion and \$3.4 billion, respectively.

Financial Interchange Transfers

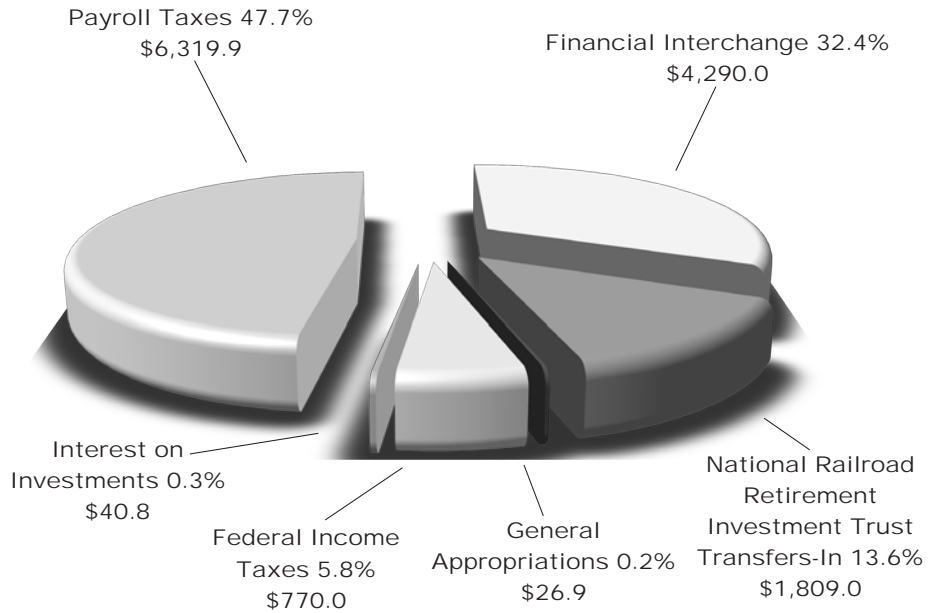
The second major source of income to the railroad retirement and survivor program consists of transfers from the social security trust funds under a financial interchange between the two systems. The financial interchange is intended to place the Social Security Old-Age, Survivors and Disability Insurance and Hospital Insurance Trust Funds in the same position in which they would have been had railroad employment been covered by the Social Security and Federal Insurance Contributions Acts. This involves computing the amount of social security taxes that would have been collected on railroad employment, and computing the amount of additional benefits which social security would have paid to railroad retirement beneficiaries during the same fiscal year.

In the computation of the latter amount, credit is given for any social security benefits actually paid to railroad retirement beneficiaries. When benefit reimbursements exceed payroll taxes, the difference, with an allowance for interest and administrative expenses, is transferred from the Social Security Trust Funds to the SSEB Account. If taxes exceed benefit reimbursements (this has not happened since 1951), a transfer would be made in favor of the Social Security Trust Funds. The net financial interchange transfer to the SSEB Account during fiscal year 2018 amounted to \$4.3 billion.

(text continued on page 9)

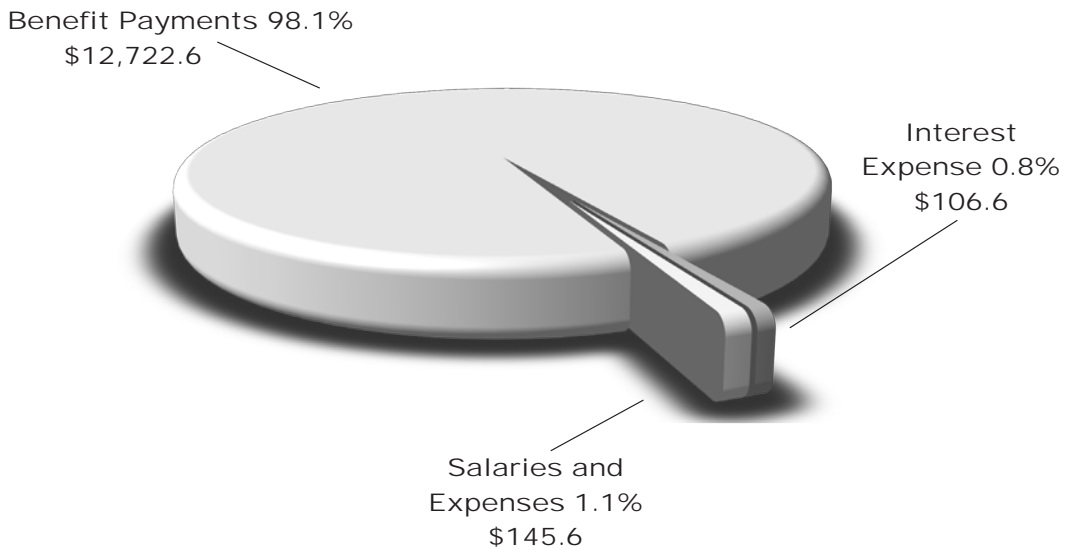
RETIREMENT AND SURVIVOR PROGRAM

Financing Sources - Fiscal Year 2018 (In Millions)
GROSS TOTAL: \$13,256.6¹



¹Excludes -\$87.4 million as shown under Other Financing Sources on page 11.

Costs - Fiscal Year 2018 (In Millions)
TOTAL: \$12,974.8



Note.--Percentages may not add to 100 due to rounding.

Interest on Investments and Other Revenue

Interest revenue increased from \$31.2 million in fiscal year 2017 to \$40.8 million in fiscal year 2018. Interest revenue was also earned from financial interchange advances.

Federal Income Tax Transfers

Legislation enacted in 1983 subjecting social security and railroad retirement benefits to Federal income taxes also provided for a transfer of the tax revenues to the social security and railroad retirement systems for the payment of benefits. Most of the revenue from income taxes on social security equivalent railroad retirement benefits is transferred to the SSEB Account, although a portion attributable to higher-income taxpayers is transferred to the Federal Hospital Insurance Trust Fund. Revenue derived from taxing regular railroad retirement benefits in excess of social security equivalent benefits is transferred to the RR Account. Revenue from taxing the vested dual benefits funded by the general revenue appropriations previously described is transferred to the DBP Account.

At the beginning of each quarter, income tax transfers are made from Treasury general funds to the SSEB, RR and DBP Accounts. These transfers are estimates of expected tax revenues for the quarter. Adjustments are made later to reconcile the estimates for a taxable year with actual tax revenues for the year. On a cash basis, original tax transfers for fiscal year 2018 amounted to \$674 million during the year. Original transfers for fiscal year 2017 totaled \$712 million. Net income tax transfers after adjustments were \$771 million for fiscal year 2018, including a \$97 million adjustment for calendar year 2013. Net transfers in fiscal year 2017 were \$712 million. There were no reconciliation adjustments in fiscal year 2017.

The information in the preceding paragraph is on a fiscal year basis, while the table on page 10 shows income tax transfers to the accounts for taxable (calendar) years 2009 through 2018, including reconciliation adjustments through 2013.

General Appropriations

General revenue appropriations were provided by the Railroad Retirement Act of 1974 to fund the phase-out costs of certain dual railroad retirement/social security benefits considered vested prior to 1975, and by the Railroad Retirement Solvency Act of 1983 to fund interest on unnegotiated checks. The total amounts appropriated by the Congress for vested dual benefits for fiscal years 2018 and 2017 were \$22.0 million and \$25.0 million, respectively. These amounts include Federal income tax transfers for 2018 and 2017. The amount appropriated for fiscal year 2018 was 12 percent less than fiscal year 2017, reflecting the continuing decrease in eligibility for these benefits, which are not increased for the cost of living. The total amount appropriated by the Congress for interest on unnegotiated checks was \$150,000 for fiscal years 2017-2018, and also \$150,000 for fiscal years 2016-2017.

(text continued on page 13)

**Federal Income Tax Transfers by Recipient Account and
Benefit Component, Taxable Years 2009-2018 (Millions)**

<u>Taxable year</u>	Revenue from taxes on		
	RRA benefits treated as SSA benefits	RRA benefits treated as private or public pensions	
	SSEB tier I benefits	Tier II and non-SSEB tier I benefits ¹	Vested dual benefits
	<u>SSEB Account²</u>	<u>RR Account</u>	<u>DBP Account³</u>
Original transfers during the year			
2009	\$144	\$304	\$3
2010	159	315	3
2011	160	300	3
2012	194	318	4
2013	199	333	3
2014	250	348	2
2015	263	386	2
2016	281	412	2
2017	292	422	2
2018	255	393	1
Reconciliation adjustments⁴			
2009 (2013)	20	2	1
2010 (2013)	23	16	1
2011 (2015)	32	49	••
2012 (2016)	17	60	-1
2013 (2018)	31	66	••

¹ Includes non-SSEB portion of tier I.

² Receives taxes on social security equivalent benefit (SSEB) portion of tier I.

³ Receives taxes on vested dual benefit component beginning October 1, 1988.

⁴ The year in parentheses is the year the adjustments were made.

Railroad Retirement and Survivor Program

Consolidated Financing Sources, Costs and Net Position (Millions)

For the Fiscal Year Ended September 30	2018	2017
Financing Sources:		
Payroll Taxes	\$6,319.9	\$5,966.7
Financial Interchange	4,290.0	4,133.4
Interest on Investments and Other Revenue	40.8	31.2
Federal Income Taxes	770.0	710.0
General Appropriations	26.9	30.0
Other	(87.4)	1,515.7
Transfers to the National		
Railroad Retirement Investment Trust	0.0	0.0
Transfers from the National		
Railroad Retirement Investment Trust	1,809.0	1,821.0
	<hr/>	<hr/>
Total Financing Sources	13,169.2	14,208.0
Costs:		
Benefit Payments	12,722.6	12,461.0
Interest Expense	106.6	101.0
Salaries and Expenses ¹	145.6	143.1
Other	(23.5)	(21.2)
	<hr/>	<hr/>
Total Costs	12,951.3	12,683.9
	<hr/>	<hr/>
Financing Sources over Costs	217.9	1,524.1
Net Position - Beginning of Period	27,155.5	25,631.4
	<hr/>	<hr/>
Net Position - End of Period	<u>\$27,373.4</u>	<u>\$27,155.5</u>

¹ Includes unemployment and sickness insurance salaries and expenses of approximately \$19.2 million and \$20.0 million for fiscal years 2018 and 2017, respectively.

National Railroad Retirement Investment Trust (NRRIT) **Fiscal Year 2018 Summary**

Market value of assets managed
by NRRIT on September 30, 2018 \$26.6 billion

Rate of return of investment portfolio
managed by NRRIT for full year
ended September 30, 2018 7.37%

Source: *NRRIT*

All NRRIT annual management reports and quarterly updates are available at **RRB.gov**.

Other Financing Sources

Other financing sources consisted of \$6.7 million to be provided by the Office of Personnel Management to pay future retirement benefits to RRB employees and \$29.2 million from the railroad unemployment trust funds in transfers-in for current budget fiscal year salaries and expenses. These financing sources were offset by a decrease in NRRIT net assets of \$101.9 million, transfers-out of \$9.5 million for salaries and expenses of the RRB's Office of Inspector General, a loss on contingent liability of \$181.0 million, and a \$17.1 million increase in unexpended appropriations.

Costs

The RRB pays all salaries and expenses under a single administrative fund (Limitation on Administration) for both the railroad retirement and survivor program and the unemployment and sickness insurance program. Consequently, of the \$145.6 million and \$143.1 million shown on page 11 for salaries and expenses in fiscal years 2018 and 2017, respectively, about \$19.2 million for fiscal year 2018 and \$20.0 million for fiscal year 2017 were for the unemployment and sickness insurance program. About \$0.9 million in other costs for fiscal year 2018 and \$0.9 million for fiscal year 2017 were for the unemployment and sickness insurance program.

Excluding \$20.9 million from total costs of \$13.0 billion for fiscal year 2018 and \$20.9 million from total costs of \$12.7 billion for fiscal year 2017, total costs for the railroad retirement and survivor program for fiscal year 2018 increased \$268.2 million, or 2.1 percent.

Benefit Payments

In fiscal year 2018, railroad retirement benefit payments increased \$261.6 million, or almost 2.1 percent, to about \$12.7 billion on an accrual basis, including \$20.3 million in vested dual benefits.

Interest Expense

Interest expense of \$106.6 million represents interest on the financial interchange advances made by the U.S. Treasury during the fiscal year.

Salaries and Expenses

Excluding unemployment and sickness insurance salaries and expenses of \$19.2 million for fiscal year 2018 and \$20.0 million for fiscal year 2017, salaries and expenses for the railroad retirement and survivor program were about \$126.4 million for fiscal year 2018 and about \$123.1 million for fiscal year 2017, a \$3.3 million or 2.7 percent increase. Adjusted by the \$19.2 million in salaries and expenses and \$0.9 million in other costs for the unemployment and sickness insurance program, fiscal year 2018 administrative expenses for the railroad retirement and survivor program were about 0.97 percent of total costs.

Other Costs

Other costs consisted primarily of post-retirement benefits (pensions, health and life insurance) for RRB employees of \$5.8 million for the railroad retirement and survivor program and \$0.9 million for the unemployment and sickness insurance program. In addition, carrier refunds of \$34,000 were incurred. These costs were offset by approximately \$29.8 million in reimbursements from the Centers for Medicare & Medicaid Services for Part B Medicare costs, reimbursement of approximately \$0.4 million from the RRB's Office of Inspector General for RRB-incurred expenses, and various other revenues of approximately \$1,500.

NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST OPERATIONS

Funds not needed immediately for benefit payments or administrative expenses are invested through the NRRIT. The Trust was established pursuant to section 105 of the Railroad Retirement and Survivors' Improvement Act of 2001 for the sole purpose of investing railroad retirement assets. The Act authorizes the Trust to invest the assets of the RR Account in a diversified investment portfolio in the same manner as those of private sector retirement plans. Prior to the Act, investment of RR Account assets was limited to U.S. Government securities. Although the Trust was created by Congress to hold and invest Federal assets, it is not an agency or instrumentality of the Federal government. It is a tax-exempt entity governed by a seven-member Board, three selected by rail management, three selected by rail labor and one independent trustee selected by the six rail trustees.

During fiscal year 2018, the net asset value of Trust-managed assets increased from \$26.5 billion on October 1, 2017, to \$26.6 billion on September 30, 2018. This includes \$1.8 billion that the Trust transferred to the U.S. Treasury for the payment of railroad retirement benefits during the year. The rate of return on Trust-managed assets for the year (net of fees) was 7.37 percent.

Total railroad retirement system assets (Trust-managed assets and reserves held in Treasury accounts) grew from \$20.7 billion in 2002 to \$28.3 billion as of the end of fiscal year 2018, after net transfers for benefit payments of approximately \$22.9 billion over the same time frame.

Trust operations are described in detail in the NRRIT Annual Management Report for fiscal year 2018, which is available by clicking on the *Financial & Reporting* tab at **RRB.gov**.

BENEFIT OPERATIONS

Retirement and survivor benefits paid, including vested dual benefits and supplemental employee annuities, totaled \$12.7 billion in fiscal year 2018, \$224 million more than in fiscal year 2017. Benefits were paid to about 540,100 beneficiaries in fiscal year 2018, and approximately 511,900 beneficiaries were being paid at the end of the year.

The table shown here presents retirement and survivor benefit payments for fiscal years 2018 and 2017, by type of benefit, and the percent changes in payments between the 2 years.

Under the two-tier railroad retirement formulas, the tier I annuity portion approximates a social security benefit and increases by the cost-of-living percentage applied to social security benefits. The tier II portion, which is comparable to retirement benefits paid over and above social security benefits to workers in other industries, increases by 32.5 percent of the social security percentage.

Effective December 2016, tier I benefits increased by 0.3 percent due to a cost-of-living adjustment, while tier II benefits increased by 0.1 percent. Increases of 2.0 percent for tier I and 0.7 percent for tier II were effective December 2017.

These cost-of-living increases provided additional benefit payments of about \$135 million in fiscal year 2018 compared to fiscal year 2017.

Monthly retirement and survivor benefits being paid numbered nearly 641,500 at the end of the 2018 fiscal year, about 6,800 less than at the end of the prior year. Monthly beneficiaries on the rolls declined by approximately 5,000 over the year, from 517,000 to 511,900. The number of monthly benefits paid is always greater than the number of beneficiaries on the rolls, since many annuitants receive more than one type of benefit. Although the second benefit is usually a supplemental employee annuity, some employees also receive a spouse or widow(er)'s annuity.

Regular employee annuities in payment status at the end of fiscal year 2018 numbered 262,100, about 2,400 less than at the end of the previous fiscal year. The number of age annuities being paid, including 47,400 disability annuities converted to age, rose slightly from 236,500 to 237,000 over the year,

while disability annuities decreased from 28,000 to 25,100. Supplemental annuities being paid to employees declined by approximately 1,800, numbering 120,200 at the end of the year. The number of divorced spouse annuities being paid rose over 100, to 5,200. Spouse and divorced spouse annuities together increased by almost 900, totaling 147,700 at year-end. About 109,600 monthly survivor benefits were being paid at the end of fiscal year 2018,

Type of benefit	Amount (in millions)		Percent change
	Fiscal year 2018	Fiscal year 2017	
Retirement benefits			
Employee annuities			
Age ¹	\$7,739.4	\$7,489.8	+3.3
Disability	933.7	1,015.4	-8.0
Supplemental ²	60.5	61.2	-1.1
Spouse and divorced spouse annuities	1,833.5	1,775.0	+3.3
Total	10,567.2	10,341.4	+2.2
Survivor benefits			
Annuities	2,116.5	2,119.5	-0.1
Lump-sum benefits	2.3	2.4	-1.3
Total	2,118.8	2,121.9	-0.1
Partition payments³	7.0	6.2	+12.1
Grand total	\$12,693.0	\$12,469.5	+1.8
¹ A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. FY 2018 and FY 2017 include \$1,368.6 million and \$1,291.4 million, respectively, in payments to annuitants full retirement age and over originally awarded a disability annuity.			
² Excludes partition payments to spouses and divorced spouses where the employee is deceased.			
³ Limited to partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Partition payments from employees on the rolls are included with the employees' annuities.			
Note.--Detail may not add to total due to rounding.			

a decrease of 3,600 from the previous year. Approximately 1,900 partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity were being paid at the end of fiscal year 2018, an increase of nearly 200 from the prior year.

Retirement

Regular employee annuities

Awards of regular employee annuities numbered 10,300 in fiscal year 2018, nearly 400 less than in fiscal year 2017. Data by type of annuity awarded during the year are given in the table shown here.

Railroad employees with 10 to 29 years of creditable service, or 5 to 9 years of service if at least 5 years were after 1995, are eligible for regular annuities based on age and service at age 62. Early retirement annuity reductions are applied to annuities awarded before full retirement age (the age at which an employee can receive full benefits with no reduction for early retirement). This ranges from age 65 for those born before 1938 to age 67 for those born in 1960 or later, the same as under social security. If an employee had any creditable railroad service before August 12, 1983, the retirement age for tier II purposes will remain 65. The reduction for early retirement is 1/180

Employee annuities awarded in fiscal year 2018	Number	Percent	Average		
			Monthly amount	Years of service	Age at retirement
Age					
Beginning at full retirement age or over	1,900	18	\$2,573	21.1	67.5
Unreduced, beginning at age 60 to under full retirement age	4,300	42	4,151	37.1	61.0
Reduced, beginning at age 62 to under full retirement age	2,500	24	1,988	16.3	63.3
Disability	1,700	16	2,775	20.1	54.8
Total	10,300	100	\$3,121	26.5	61.8
<i>Note.</i> --Detail may not add to total due to rounding.					

for each of the first 36 months the employee is under full retirement age when his or her annuity begins and 1/240 for each additional month.

Rail employees with 30 or more years of service are eligible for regular annuities based on age and service at age 60. Certain early retirement reductions were applied if the employee first became eligible for a 60/30 annuity July 1, 1984, or later and retired at ages 60 or 61 *before* 2002. Employees who retire at 60 or older with at least 30 years of railroad service are referred to as 60/30 retirees.

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 railroad service. Employees with 5-9 years of service,

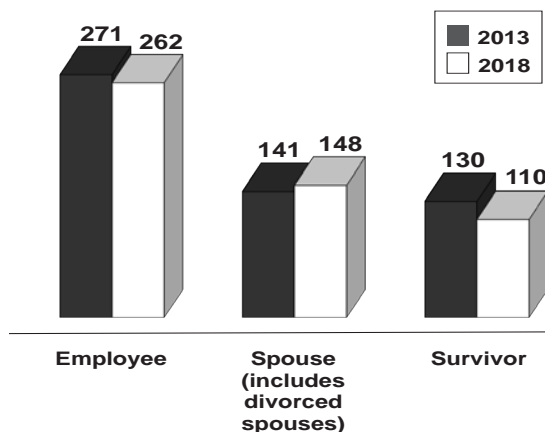
if at least 5 years were after 1995, may qualify for tier I only before retirement age on the basis of total disability if they also meet certain social security earnings requirements. An employee is considered totally disabled if medical evidence shows that a permanent physical or mental condition exists 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 for 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 is considered occupationally disabled if the physical or mental condition is such that the employee is permanently disabled for work in his or her regular railroad occupation, even though the employee may be able to perform other kinds of work.

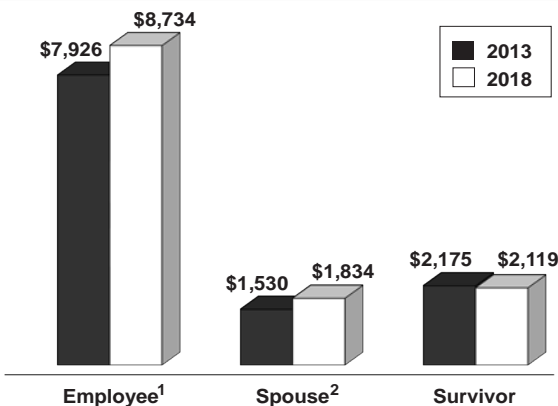
Of the year's 1,700 disability awards, 700 averaging \$2,082 per month were for total disability and 900 averaging \$3,343 were for occupational disability. Many employees who are disabled for all employment but are otherwise qualified for an occupational disability annuity are initially awarded occupational disability annuities in order to expedite payment.

An estimated two-thirds of all employees recently awarded disability annuities will meet the medical criteria for a disability freeze determination.

Number of monthly beneficiaries, September 30, 2013, and 2018 (thousands)



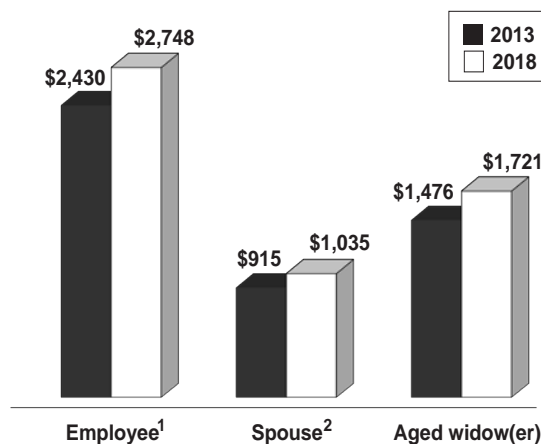
Amount of benefits paid, fiscal years 2013 and 2018 (millions)



¹Includes \$60.6 million in fiscal year 2013 and \$60.5 million in fiscal year 2018 for supplemental annuities.

²Includes divorced spouses.

Average monthly amount, September 30, 2013, and 2018



¹Without supplemental annuity.

²Includes divorced spouses.

The standards for freeze determinations follow social security law and are comparable to the criteria for granting 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.

Of the employees who were awarded regular annuities in fiscal year 2018, nearly 7,200, or 69 percent, last worked for a railroad either in the calendar year their annuity began or in the preceding year. Such retirements are termed “immediate,” while those that occur 2 or more calendar years after the year of last railroad employment are called “deferred.” As a group, immediate retirees represent career railroad employees who worked in the industry until retirement. Awards based on immediate retirement averaged \$3,609 per month, compared to \$2,021 for the 3,200 awards based on deferred retirement. Immediate retirees averaged 31 years of railroad service, almost twice the average of 17 years for deferred retirees. Of the year’s awards, 53 percent of normal age retirements were immediate. While 93 percent of all 60/30 retirements were immediate, only 35 percent of the reduced age awards to employees with less than 30 years of service were immediate. Immediate retirements accounted for 78 percent of the year’s disability awards.

The 262,100 retired employees on the rolls as of September 30, 2018, were being paid regular monthly annuities averaging \$2,748. The table shown here presents data by type of annuity for these benefits.

Of the 25,100 disability annuities being paid, 9,100 were for total disability and 16,000 for occupational disability. The two types of disability annuities averaged \$2,008 and \$3,164, respectively.

In fiscal year 2018, payments totaled about \$237 million for total disability annuities and \$697 million for occupational disability annuities.

Almost 185,600 employees on the rolls at the end of fiscal year 2018 were immediate retirees and their regular annuities averaged \$3,170 per month. Annuities

of the 76,500 deferred retirees averaged \$1,724. Although their average railroad retirement annuity was much lower, a greater proportion of the deferred annuitants also received social security benefits – 25 percent compared to 5 percent for the immediate retirees.

Employee annuities in current-payment status on September 30, 2018	Number	Percent	Average monthly amount	Percent immediate retirements
Age				
Beginning at full retirement age or over	21,800	8	\$2,219	49
Unreduced, beginning at age 60 to under full retirement age	107,600	41	3,587	92
Reduced, beginning at age 60 to under full retirement age	60,100	23	1,654	28
Disability converted to age annuity ¹	47,400	18	2,474	81
Disability	25,100	10	2,746	80
Total	<u>262,100</u>	<u>100</u>	\$2,748	71

¹A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age is age 65 for those born before 1938 and gradually increases to age 67 for those born in 1960 and later.

Note.--Detail may not add to total due to rounding.

Moreover, the average social security benefit paid to deferred retirees was higher than that paid to immediate retirees. Combined railroad retirement and social security benefits to deferred retirees who were dual beneficiaries averaged \$1,967, while combined benefits to immediate retirees averaged \$2,949. The table shown here presents numbers of beneficiaries and average benefit amounts for employees on the rolls who were receiving social security benefits, and for those who were not, by type of retirement.

Regular employee annuities consist of as many as three components: tier I, tier II, and a vested dual benefit. Reductions for early age retirement are made in all components in cases where the employee retired before full retirement age with less than 30 years of railroad service. The tier I component is based on the employee's combined railroad and social security covered earnings, and is reduced by the amount of any social security benefit that the employee receives.

The gross tier I amounts

of employees on the rolls at the end of fiscal year 2018 averaged \$2,081 per month. Tier I amounts of some 7,200 employees were completely offset by social security benefits. Tier I amounts being paid averaged \$1,924.

The employee tier II component is based solely on railroad earnings. Tier II amounts being paid at the end of fiscal year 2018 averaged \$894. Employees are eligible for vested dual benefits if, based on their own earnings, they met certain vesting requirements and qualified for both railroad retirement and social security benefits at the end of 1974, or, in some cases, at the end of an earlier year of last railroad service. Some 9,600 retirees were receiving vested dual benefits averaging \$159 at the end of the fiscal year.

Supplemental employee annuities

A supplemental annuity is payable to employees with a current connection with the rail industry at age 60 if the employee has at least 30 years of service, or at age 65 if the employee has 25-29 years of service. The employee must also have had some rail service before October 1981.

Almost 4,200 supplemental annuities were awarded in fiscal year 2018, about 1,000 less than in fiscal year 2017. Approximately 3,200 of the awards (77 percent) began concurrently with the employee's regular annuity, while the remaining 900 were to employees already receiving a regular annuity. Supplemental annuity awards averaged approximately \$41 per month after court-ordered partitions; 81 percent were at the current

Dual benefit status	Total	Type of retirement	
		Immediate	Deferred
Receiving social security benefit			
Number	28,700	9,600	19,200
Average monthly amount:			
Railroad retirement (regular)	\$ 975	\$1,797	\$ 564
Social security	1,320	1,152	1,404
Combined benefit	<u>2,295</u>	<u>2,949</u>	<u>1,967</u>
Not receiving social security benefit			
Number	233,300	176,000	57,300
Average monthly amount	\$2,966	\$3,245	\$2,111
Note.--Detail may not add to total due to rounding.			

maximum rate of \$43. Supplemental annuities are reduced for any part of a private railroad pension attributable to employer contributions. During the fiscal year, 1,100 supplemental annuities were not awarded because they were entirely offset by private pensions. There were no cases in which the supplemental annuity was partially offset by the pension, or the supplemental annuity was not offset because the pension was reduced.

Supplemental annuities averaged \$42 and were being paid to over 120,200, or 46 percent, of the retired employees on the rolls at the end of the 2018 fiscal year.

Spouse and divorced spouse annuities

Annuity awards to spouses and divorced spouses of retired employees numbered 10,500 in fiscal year 2018, 300 less than in the previous year. The table on page 21 presents numbers and average amounts of spouse and divorced spouse annuities awarded during the year and being paid at the end of the year, by type of annuity and whether subject to age reduction.

If an employee is at least age 62 and retires with 10-29 years of railroad service, or has 5-9 years of service and at least 5 years were after 1995, the employee's spouse is eligible for an annuity at age 62. Full retirement age for a spouse is gradually rising from 65 to 67, depending on the year of birth. Early retirement reductions are applied to the spouse annuity if the spouse retires before full retirement age. The reduction for early retirement is 1/144 for each of the first 36 months the spouse is under full retirement age when her or his annuity begins and 1/240 for each month (if any) over 36.

If an employee retires with at least 30 years of service and is at least age 60, the employee's spouse is eligible for an annuity at age 60. Prior to 2002, certain early retirement reductions were applied to the tier I component of such a spouse annuity if the employee retired before age 62, unless the employee attained age 60 and completed 30 years of service prior to July 1, 1984. If a 30-year employee retired at age 62, no age reduction applied to the spouse annuity. December 2001 legislation liberalized early retirement benefits for 30-year employees retiring at ages 60 or 61 after 2001 and their spouses. A spouse of an employee qualified for an age and service annuity is eligible for a spouse annuity at any age if caring for the employee's unmarried child, and the child is under age 18 or the child became disabled before age 22.

Of the approximately 2,700 reduced spouse annuities awarded in fiscal year 2018, fewer than 50 averaging \$667 per month were to spouses of 30-year employees, and nearly 2,700 averaging \$574 were to spouses of employees with less than 30 years of service.

At the end of fiscal year 2018, over 142,500 spouse annuities averaging \$1,049 per month were being paid. Almost 5,200 divorced spouse annuities averaging \$656 per month were also being paid. These included nearly 90, averaging \$667, where the employee was not yet entitled to an annuity. Families with an employee and spouse on the rolls were paid combined railroad retirement benefits averaging \$4,032. This included \$2,983 in regular and supplemental employee annuities and \$1,049 in spouse annuities.

Some 57,700, or 39 percent, of the spouses and divorced spouses on the rolls were also receiving social security benefits. Combined railroad retirement and social security benefits to these annuitants averaged \$1,618 per month, including \$412 in railroad retirement benefits and \$1,207 in social security benefits. Railroad retirement annuities to the 86,900 spouses not receiving social security benefits averaged \$1,455, while railroad retirement annuities to the 3,100 divorced spouses not receiving social security benefits averaged \$875.

Monthly spouse benefits	Awarded in fiscal year 2018		In current-payment status on September 30, 2018	
	Number	Average amount	Number	Average amount
Beginning at full retirement age or over	1,800	\$ 640	17,500	\$ 602
With minor or disabled child in care	200	1,273	1,600	1,360
Unreduced, beginning at age 60 to under full retirement age	4,900	1,510	78,900	1,443
Reduced rate	2,700	574	44,500	516
Total	<u>9,700</u>	1,082	<u>142,500</u>	1,049
Divorced spouse annuities	800	717	5,200	656
Grand total	10,500	\$1,054	147,700	\$1,035

Note.--Detail may not add to total due to rounding.

Like regular employee annuities, spouse annuities

consist of up to three components. The tier I component equals one-half of the employee's tier I amount before any reduction for the employee's social security benefit. The spouse tier I amount is reduced for the spouse's receipt of a social security benefit and may be reduced for a spouse's public service pension. The tier I portion may also be reduced if the spouse receives a railroad retirement employee annuity, but this reduction may be restored through an addition to the spouse tier II amount. Divorced spouses receive only a tier I benefit.

The spouse tier II component equals 45 percent of the employee's tier II amount. Railroad retirement amendments in 1981 precluded further awards of vested dual benefits to spouses.

Of the 142,500 spouses on the rolls at the end of fiscal year 2018, 94,100 were being paid tier I amounts averaging \$923 per month. The tier I amounts of 48,400 spouses were completely offset by other benefits also due. Spouse tier II amounts averaged \$478. Vested dual benefits averaging \$103 were being paid to fewer than 5 spouses. The 5,200 divorced spouses on the rolls at the end of fiscal year 2018 were being paid tier I amounts averaging \$669 per month, not reflecting all annuity adjustments.

Lump-sum retirement benefits

A lump-sum benefit may be payable at retirement to employees who received separation or severance payments after 1984. This benefit approximates the tier II payroll taxes deducted from separation or severance payments that did not yield additional service

credits for retirement. Almost \$0.3 million was paid in separation/severance lump-sum benefits during fiscal year 2018.

Employees who have at least 10 years of railroad service and are not entitled to a vested dual benefit may be eligible for a dual retirement tax refund if they had concurrent railroad retirement and social security earnings within the period 1951-74. The refund is equal to the social security taxes that the employee paid on the combined railroad and social security earnings in excess of the annual railroad retirement creditable earnings maximum. During the 2018 fiscal year, the RRB paid nearly 100 dual retirement tax refunds averaging \$75. Most of the payments were to employees retiring during the year. Fewer than 50 refunds were to survivors, mostly widows, of employees who died before receiving the refund. Employees entitled to dual retirement tax refunds for years after 1974 may claim them on their Federal income tax returns.

Survivor

Monthly benefits

Annuity awards to survivors of deceased railroad employees numbered 6,900 during fiscal year 2018, about 100 less than the previous year. Some 109,600 survivor annuities were being paid at the end of the fiscal year, including 300 temporarily paid at spouse or divorced spouse annuity rates pending recomputation to widow(er)s' rates. Approximately 84,700, or 77 percent, of the survivor annuities were to aged widows and widowers.¹

The table on page 23 presents numbers and average monthly amounts of survivor annuities, by type, for those awarded in the year and those being paid at the end of the year.

Survivor annuities, like regular employee and spouse annuities, consist of as many as three components: tier I, tier II and, for widows and widowers only, a vested dual benefit. As with spouses, legislation in 1981 precluded new awards of vested dual benefits to widow(er)s. The tier I component is computed according to social security formulas and is based on the deceased employee's combined railroad and social security earnings. A reduction is made for the survivor's receipt of a social security benefit. There may also be a tier I reduction if the survivor receives a railroad retirement employee annuity or public pension. Remarried and divorced widow(er)s receive a tier I benefit only. A dependent parent receives only a tier I amount if another family member is also receiving benefits or if the parent has remarried.

Survivor tier II amounts are figured as a percentage of an employee tier II benefit. Prior to 2002, the percentages were 50 percent for a widow(er), 15 percent for a child, and 35 percent for a parent. The total tier II amount for a survivor family was subject to a minimum of 35 percent and a maximum of 80 percent of the employee tier II benefit, and all survivor tier II amounts were proportionately adjusted when either limit applied. December 2001 legislation established an "initial minimum amount" for widow(er)s which provides a tier II benefit equal to 100 percent of the tier II amount of the deceased employee. The maximum tier II amount payable to a family rose to 130 percent of the employee's tier II amount.

¹Aged widower statistics in the Survivor section exclude benefits to disabled widow(er)s age 60 and over now payable as aged widow(er)'s annuities.

Widows and widowers are guaranteed a total tier I and tier II amount not less than what they were paid as a spouse, any necessary increase being added to tier II.

Aged widow(er)s, who are eligible for benefits at age 60, have their tier I and tier II amounts reduced if the annuity begins before full retirement age. The eligibility age for unreduced annuities is gradually rising from age 65 to age 67. The maximum age reductions range from 17.1 percent to 20.36 percent, depending on the widow(er)'s date of birth. Excluding nearly 300 annuities temporarily paid at spouse or divorced spouse rates, aged widow(er)s' annuities

Monthly survivor benefits	Awarded in fiscal year 2018		In current-payment status on September 30, 2018	
	Number	Average amount	Number	Average amount
Aged widow(er)s	5,400	\$2,188	84,700	\$1,721
Disabled widow(er)s ¹	100	1,864	3,400	1,367
Widowed mothers (fathers)	100	1,864	600	1,902
Remarried widow(er)s	100	1,270	2,900	1,114
Divorced widow(er)s	800	1,222	9,800	1,118
Children:				
Under age 18	300	1,415	1,600	1,409
Student	*	1,493	100	1,626
Disabled	100	1,292	6,500	1,031
Parents	*	1,097	*	962
Total	6,900	...	109,600	...

¹Number and average in current-payment status include annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

*Fewer than 50.

Note.--Detail may not add to total due to rounding.

being paid at the end of the 2018 fiscal year included 43,500 which were reduced for age. Aged widow(er)s' tier I amounts being paid averaged \$1,361 per month. In nearly 6,600 cases, the tier I amount was wholly offset by reductions for other benefits. Approximately 27,700 aged widow(er)s were also receiving social security benefits, and these averaged \$1,103. Tier II amounts averaged \$467. About 100 vested dual benefits, averaging \$69, were being paid to aged widow(er)s.

The tier I and tier II amounts of disabled widow(er)s' annuities, which begin at ages 50-59, are reduced 28.5 percent for age. At the end of fiscal year 2018, tier I amounts being paid to disabled widow(er)s on the rolls averaged \$1,120. (In about 100 cases, the tier I amount was wholly offset by reductions.) Social security benefits being paid to nearly 1,400 disabled widow(er)s averaged \$964. Tier II amounts averaged \$292, while the less than 50 vested dual benefits being paid averaged \$106.

Tier I amounts paid to widowed mothers and fathers (widows and widowers caring for children) generally equal 75 percent of the full amount payable to an aged widow(er) before any reductions, similar to a social security mother's or father's benefit. Eligible children and grandchildren are paid this same tier I amount. However, if the sum of the tier I amounts of all members of a survivor family exceeds the social security family maximum, then tier I amounts are proportionately reduced so that the total equals the maximum. Reductions for the family maximum usually occur when the family includes three or more

beneficiaries. Tier I amounts being paid as of the end of fiscal year 2018 averaged \$1,371 for widowed mothers and fathers and \$1,027 for children. Fewer than 50 mothers/fathers and over 2,000 children received social security benefits averaging \$1,085 and \$649, respectively. Tier II amounts paid mothers/fathers and children averaged, respectively, \$560 and \$115.

Lump-sum survivor benefits

A lump-sum death benefit can be payable at the time of an employee's death only if there are no survivors immediately eligible for monthly benefits. For survivors of employees who had at least 10 years of railroad service before 1975, the lump-sum death benefit is based on the employee's earnings through 1974, with a maximum amount of approximately \$1,200. If the employee completed the 10th year of service after 1974, the lump-sum death benefit is limited to \$255, the maximum benefit payable under social security law, and only the widow or widower living in the same household is eligible for the benefit. Lump-sum benefits may also be payable to survivors of employees with less than 10 years of service, but at least 5 years after 1995, if the employee met the social security insured status requirements. Nearly 2,500 lump-sum death benefits averaging \$936 were awarded during fiscal year 2018. Approximately 300 benefits were to widow(er)s, while almost 2,200 were to other individuals who paid the funeral expenses.

Another lump-sum survivor benefit, the residual payment, can be made if no other benefits based at least in part on an employee's railroad service will be payable in the future, and the total of prior benefit payments is less than what the employee paid in pre-1975 railroad retirement taxes. Fewer than 10 residual payments were awarded in the 2018 fiscal year, and they averaged \$2,077.

Partition Payments

The Pension Protection Act of 2006, as amended, continues the court-ordered partitioned portion of the tier II, vested dual and supplemental benefit payments to former spouses after the death of the employee. It also allows for payment of court-ordered partitioned payments where the employee is not entitled to an annuity if (1) the employee has 120 months of railroad service or 60 months of service after 1995, and (2) both the employee and spouse or divorced spouse are 62 for a full month, or, if the employee is deceased, the employee would be 62 for a full month.

At the end of fiscal year 2018, there were nearly 1,900 spouses and divorced spouses receiving payments averaging \$317 where the employee was deceased or not otherwise entitled to an annuity. While all but 1 received a partitioned tier II benefit, only 3 percent received a partitioned vested dual benefit and 38 percent received a partitioned supplemental benefit.

Medicare Enrollments

The Medicare program provides health insurance to persons ages 65 and older, as well as persons under age 65 who have been entitled to monthly benefits based on total disability for at least 24 months. In the case of some disability diagnoses, the waiting period is waived.

Medicare has several parts to its program. Basic hospital insurance, or Medicare Part A, is financed through payroll taxes. There is also an elective supplementary medical insurance, or Medicare Part B, plan for which monthly premiums are charged. Medicare also offers Medicare Part C (Medicare Advantage) plans that include both Parts A and B coverage and additional benefits, sometimes at an additional cost. Finally, Medicare Part D provides optional prescription drug coverage for an additional premium. Medicare Parts C and D are offered through private insurance companies approved by Medicare.

Eligible railroad retirement annuitants and social security beneficiaries whose benefits are payable by the RRB are automatically enrolled under Part A and Part B; however, Part B may be declined by the annuitant or beneficiary. Eligible nonretired persons must apply in order to obtain Medicare coverage. The RRB automatically enrolled more than 26,600 beneficiaries for Medicare during fiscal year 2018. As of the end of the fiscal year, about 465,400 persons were enrolled in the Part A plan, and approximately 446,100 (96 percent) of them were also enrolled in Part B.

Except for benefits for services in Canada, which are paid from the Railroad Retirement Account, Part A benefits for railroad enrollees are paid from the Federal Hospital Insurance Trust Fund, the same as for persons covered under the social security system. Part B benefits are paid from the Federal Supplementary Medical Insurance (SMI) Trust Funds. The carrier for Part B claims of railroad Medicare enrollees made payments totaling \$868 million in the 2018 fiscal year.

The regular monthly premium for Part B during fiscal year 2018 was \$134.00. Beneficiaries with modified adjusted gross incomes above certain thresholds pay higher Part B and Part D premiums under the Income Related Monthly Adjustment Amount (IRMAA) provisions of law. At the end of fiscal year 2018, approximately 14,500 Part B premiums and about 11,600 Part D premiums were increased by an IRMAA amount.

The RRB generally withholds Part B premiums from the annuitant's benefit payments, and at the end of fiscal year 2018 about 427,700 annuitants were having their premiums withheld. Of the remaining Part B enrollees, nearly 2,700 were paying premiums to the RRB, either directly or through an intermediary, and 15,800 had their premiums paid by state agencies. The RRB periodically transfers premiums to the SMI Trust Funds.

The agency is also able to collect Part C and Part D premiums from monthly benefits through an exchange process. While this option has grown in popularity, many annuitants pay their Part C and Part D premiums directly to their plan. At the end of fiscal year 2018, about 12,800 Part C premiums and approximately 54,900 Part D premiums were deducted from benefits paid by the RRB.

RAILROAD UNEMPLOYMENT AND SICKNESS INSURANCE PROGRAM

FINANCIAL OPERATIONS

Costs for the railroad unemployment and sickness insurance program during fiscal year 2018 were less than financing sources by \$24.4 million and the net position increased by \$24.4 million from \$224.6 million at the end of fiscal year 2017 to \$249.0 million at the end of fiscal year 2018. For fiscal year 2018, as compared to fiscal year 2017, total financing sources for the railroad unemployment and sickness insurance program decreased by \$0.7 million (0.6 percent) to \$114.5 million.

(text continued on page 28)

Unemployment and Sickness Insurance Program **Consolidated Financing Sources, Costs and Net Position (Millions)**

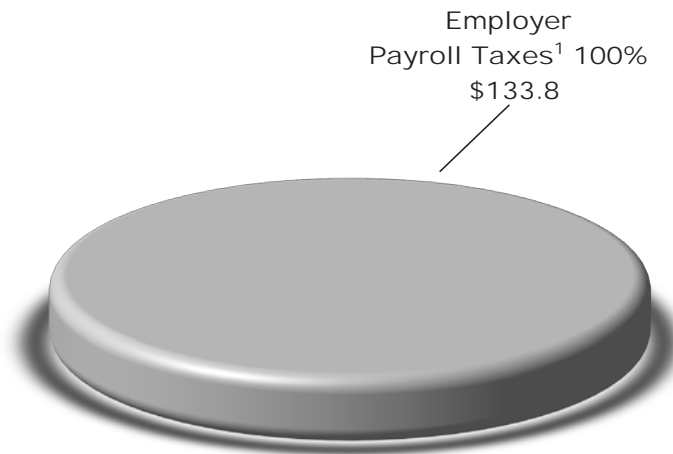
For the Fiscal Year Ended September 30	2018	2017
Financing Sources:		
Employer Payroll Taxes	\$133.8	\$126.4
Interest Income ¹	0.0	4.0
General Appropriations	0.0	0.0
Other	(19.3)	(15.2)
Total Financing Sources	114.5	115.2
Costs:		
Benefit Payments:		
Unemployment	28.1	47.6
Sickness	67.0	56.8
Other	(5.0)	0.8
Total Costs	90.1	105.2
Financing Sources over Costs	24.4	10.0
Net Position - Beginning of Period	224.6	214.6
Net Position - End of Period ²	\$249.0	\$224.6

¹ Interest income of \$2.5 million was offset by a similar amount in account receivables adjustments in fiscal year 2018.

² Includes funds from the American Recovery and Reinvestment Act of 2009, and the Worker, Homeownership, and Business Assistance Act of 2009, as amended.

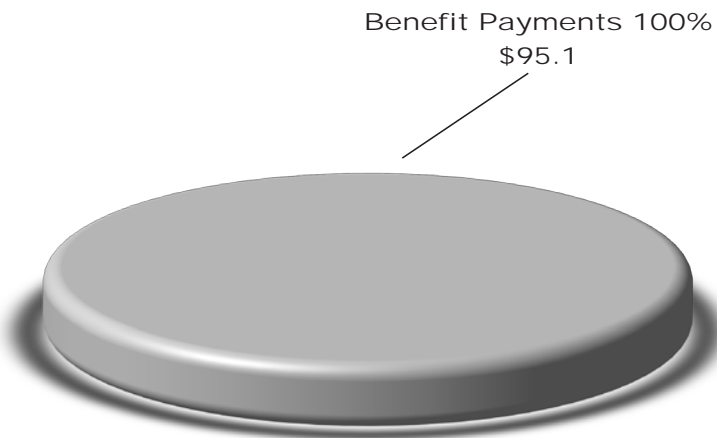
**UNEMPLOYMENT AND SICKNESS
INSURANCE PROGRAM**

Financing Sources - Fiscal Year 2018 (In Millions)
GROSS TOTAL \$133.8



¹Less Transfers-Out and carriers' refunds of \$19.3 million.

Costs - Fiscal Year 2018 (In Millions)
TOTAL \$95.1



Financing Sources

The primary ongoing financing source of the railroad unemployment and sickness insurance program is a payroll tax on railroad employers, based on the taxable earnings of their employees. The employees themselves are not taxed.

Each employer pays taxes at a rate which takes into consideration its employees' actual incidence of benefit usage. Under experience rating, employers whose employees have low incidences of unemployment and sickness pay taxes at a lower rate than those with higher levels of benefit usage. Each employer's rate also has a component for administrative expenses and a component to cover costs shared by all employers. The rate applies to monthly earnings up to an indexed maximum. In calendar year 2018, the taxable earnings base was the first \$1,560 of each employee's monthly earnings. The earnings base is indexed each year by a rate which is equal to approximately two-thirds of the annual rate of increase in the maximum base for railroad retirement tier I taxes.

In 2018, the basic tax rates on railroad employers, including covered commuter railroads, ranged from a minimum of 2.15 percent to a maximum of 12.0 percent. There was also a surcharge of 1.5 percent in 2018. Most employers were assessed the minimum rate in 2018. New employers in 2018 paid an initial rate of 1.97 percent.

Employer Payroll Taxes

Payroll taxes by employers totaled \$133.8 million during fiscal year 2018. This was an increase of 5.9 percent or \$7.4 million more than the previous year.

Interest

Cash not needed immediately for unemployment and sickness insurance benefits or operating expenses is held in the Federal Unemployment Insurance Trust Fund and invested by the Secretary of the Treasury. The fund earned an average rate of return of 2.3 percent in fiscal year 2018, of which the RRB earned \$2.5 million as its pro rata share. (The interest income of \$2.5 million was offset by a similar amount in accounts receivables adjustments.)

Costs

Total costs for the railroad unemployment and sickness insurance program decreased by \$15.1 million (14.4 percent) to \$90.1 million.

Benefit Payments

During fiscal year 2018, unemployment insurance benefit payments decreased by \$19.5 million (41.0 percent) to \$28.1 million. Sickness insurance benefit payments increased by \$10.2 million (18.0 percent) to \$67.0 million.

BENEFIT OPERATIONS

Net unemployment and sickness benefits totaling about \$97.1 million were paid in the 2017-2018 benefit year, \$16.6 million less than in the prior year. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 7.3 percent for days of unemployment and sickness after September 30, 2014, 6.8 percent for days after September 30, 2015, 6.9 percent for days after September 30, 2016, and 6.6 percent for days after September 30, 2017. Beneficiaries numbered 24,500, in comparison to the previous year's total of 28,500. Over 500 employees received both unemployment and sickness benefits during the 2017-2018 benefit year. The number of unemployment benefit claimants decreased by 29 percent, while sickness benefit claimants decreased by 2 percent. Total net unemployment benefit payments decreased by 24 percent, while net sickness benefits decreased by 6 percent. The number of employees qualified for benefits under the Railroad Unemployment Insurance Act decreased 7 percent to 242,100.

Benefits are payable for each day of unemployment or sickness in excess of 7 during the first 14-day registration period in a benefit year. During benefit year 2017-2018, there were 7,800 and 13,200 unemployment and sickness benefit waiting period claims, respectively.

Unemployment

Some 9,300 railroad workers were paid \$40.9 million in net unemployment benefits during the 2017-2018 benefit year, including \$0.2 million in recovered temporary extended benefits under the American Recovery and Reinvestment Act of 2009 and the Worker, Homeownership, and Business Assistance Act of 2009, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. The number of benefit claimants decreased by approximately 3,900 from the prior year total of 13,200, and the benefit amount decreased \$13.0 million from the prior year's total of \$53.9 million. The average number of compensable days per unemployment benefit claimant was 68 in benefit year 2017-2018, the same as the previous benefit year.

The mid-month unemployment count in the 2017-2018 benefit year began with a July count of 2,500 claimants. The count fluctuated before reaching a peak of 3,700 in January 2018. The count began to decline in February before reaching a low of 1,600 in May 2018. For the 2017-2018 benefit year as a whole, the weekly number of claimants averaged 2,600 in comparison to an average of 3,800 in the previous benefit year. The overall unemployment benefit claimant rate, measured in relation to the number of employees qualified to receive benefits under the Railroad Unemployment Insurance Act during a particular time period, fell 24 percent to 3.8 per 100 qualified, from the previous year's 5.1

NOTE.—Railroad unemployment and sickness benefits are paid on the basis of benefit years beginning July 1 and ending June 30 of the following year. Consequently, operational data in this “Benefit Operations” section are generally presented for this time span, rather than fiscal years beginning October 1 and ending September 30.

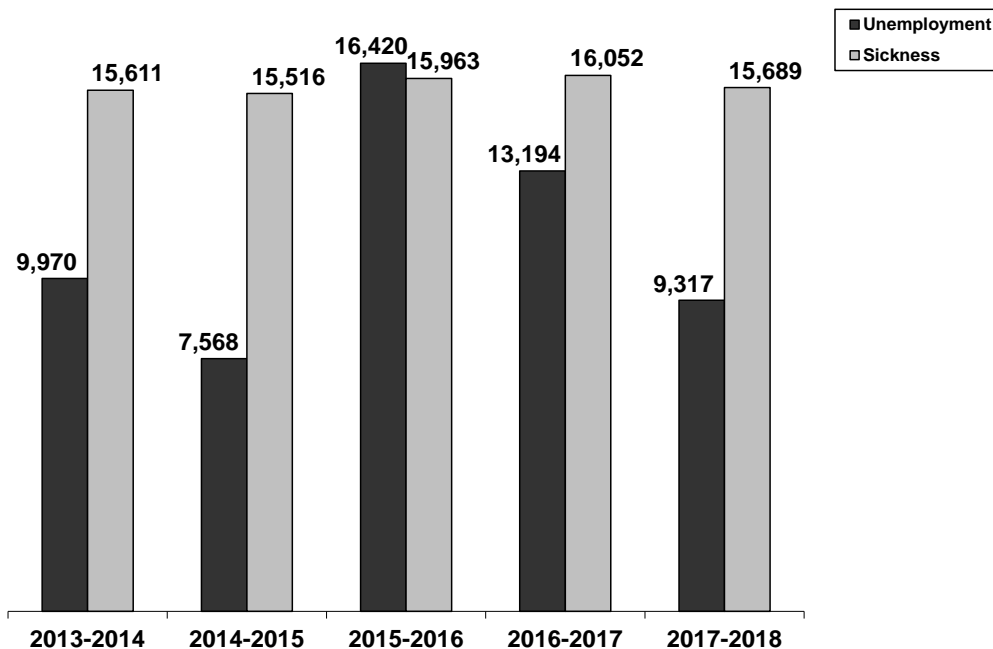
**Major unemployment and sickness benefit operations,
benefit years 2017-2018 and 2016-2017**

Item	Benefit year 2017-2018			Benefit year 2016-2017		
	Total	Unemployment ¹	Sickness	Total	Unemployment ¹	Sickness
Applications	32,100	12,500	19,600	36,900	16,800	20,100
Claims	209,200	75,500	133,700	242,000	108,100	133,800
Claimants	² 24,500	9,300	15,700	² 28,500	13,200	16,100
Net amount of benefits ³	\$97,053,600	\$40,879,500	\$56,174,100	\$113,683,200	\$53,859,100	\$59,824,100
Number of payments						
Normal	157,100	56,600	100,500	184,600	83,500	101,100
Extended	20,800	6,400	14,500	19,800	6,500	13,300
Total	177,900	63,000	115,000	204,400	90,000	114,400
Average amount per 2-week registration period ³						
Normal	\$603	\$604	\$602	\$599	\$596	\$601
Extended	563	569	560	564	566	563
Total	598	601	597	596	594	597
<p>¹ Starting in June 2009, includes temporary extended unemployment benefits authorized by the American Recovery and Reinvestment Act of 2009. Benefits had to begin by December 31, 2009. Beginning in November 2009, temporary extended unemployment benefits are also being paid under the Worker, Homeownership, and Business Assistance Act of 2009, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. Benefits had to begin by December 31, 2013. The amount for benefit years 2016-2017 and 2017-2018 each totaled –\$0.2 million. Current activity reflects recoveries.</p> <p>² Benefits for both unemployment and sickness were paid to approximately 700 employees in benefit year 2016-2017 and 500 employees in benefit year 2017-2018. Those claimants who had only a non-compensable waiting period are not included in the beneficiary counts since no benefits were paid.</p> <p>³ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 7.2% for days after September 30, 2013, 7.3% for days after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, and 6.6% for days after September 30, 2017.</p>						

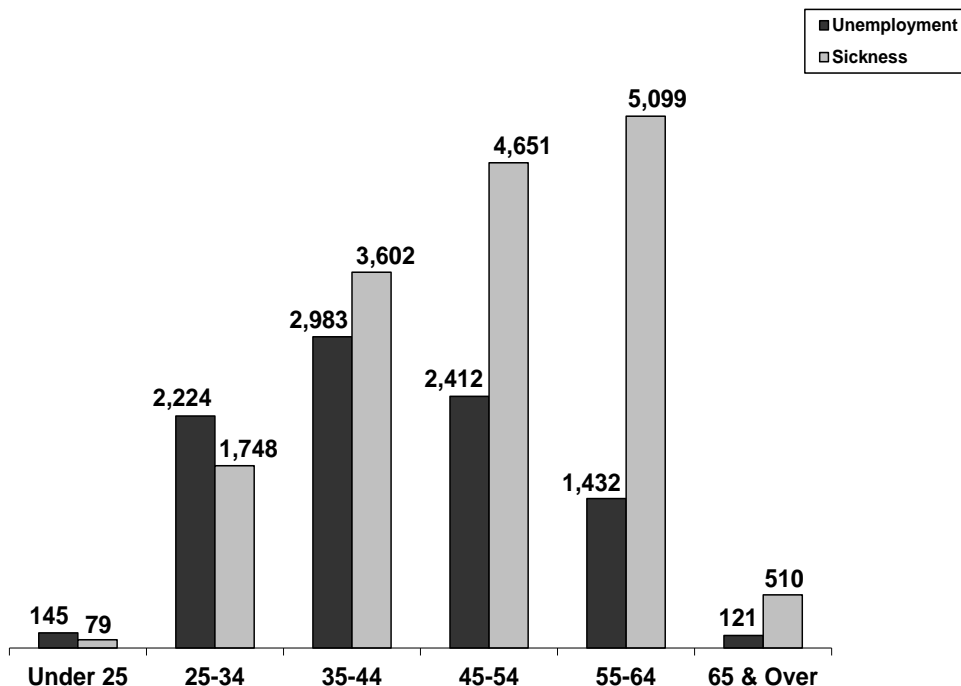
per 100 qualified. The median age for all unemployment benefit claimants was 42 years, as compared to 39 in the previous benefit year.

(text continued on page 32)

**Claimants under the Railroad Unemployment Insurance Act,
Benefit Years 2013-2014 through 2017-2018**



**Unemployment and Sickness Benefit Claimants by Age,
Benefit Year 2017-2018**



Sickness

The number of sickness benefit claimants during the 2017-2018 benefit year was 15,700, nearly 400 less than the previous year. Gross sickness benefits of \$77.3 million were paid, \$0.3 million more than in the prior benefit year. Net sickness benefits totaled \$56.2 million, reflecting repayment of a large amount of benefits following settlements of suits for injuries. Benefits payable for an injury are recoverable if the claimant is awarded damages or receives a settlement for the injury. Net benefits decreased by approximately \$3.7 million in comparison with the previous year.

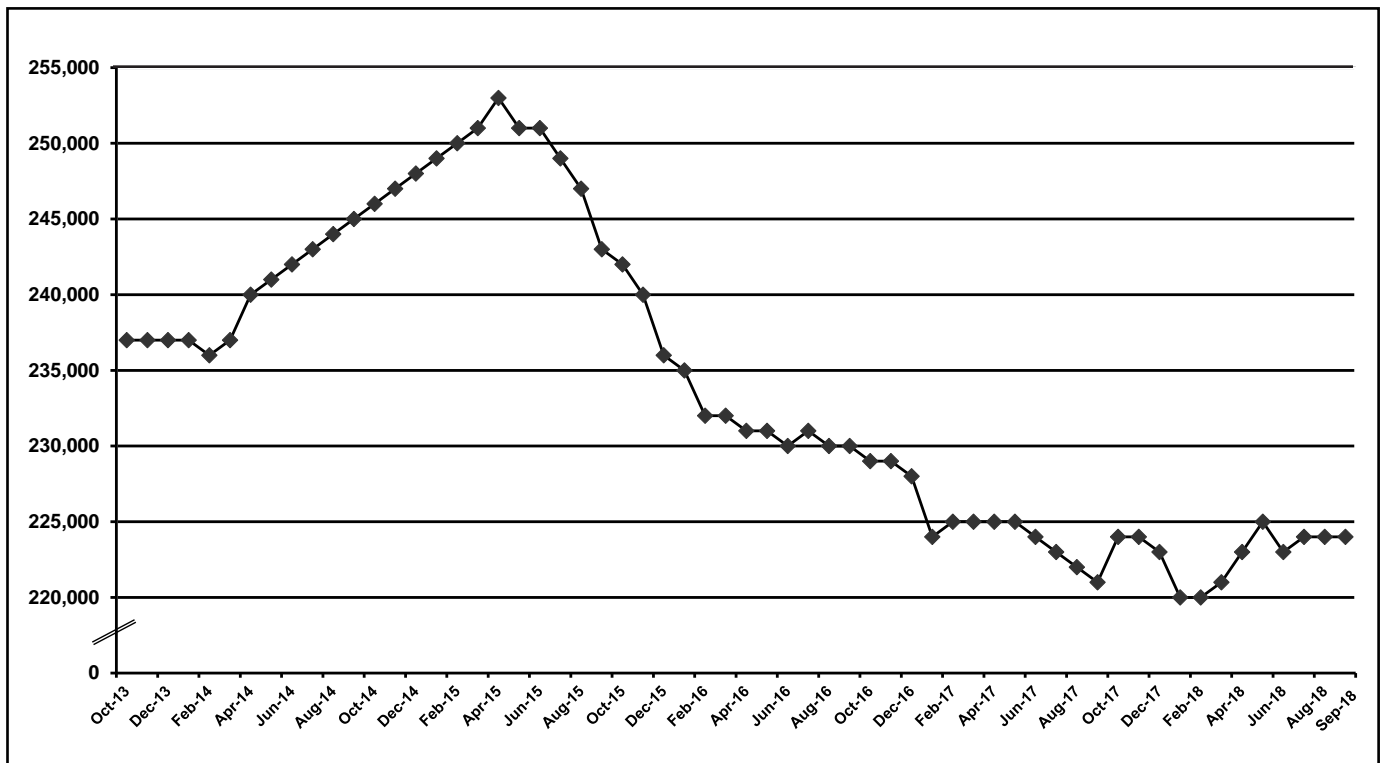
The utilization rate for sickness benefits was 6.5 percent of qualified employees, higher than the previous benefit year's rate of 6.2 percent, which was the lowest figure since the program's inception. The average duration of sickness was 73 days in benefit year 2017-2018, up from 71 in the previous benefit year.

Among the most common causes of sickness were injuries that included fractures or wounds (affecting 27 percent of beneficiaries), arthritis and disk disorders (23 percent), mental disorders, including drug and alcohol addictions (12 percent), circulatory and heart disease (7 percent), and symptoms, signs and all ill-defined conditions (7 percent). The median age of all sickness benefit claimants was 50 years, as compared to 49 years in the previous benefit year.

RAILROAD EMPLOYMENT

The preliminary average monthly railroad employment in fiscal year 2018 fell 1.3 percent to 223,000 from the 226,000 average of the previous fiscal year. After a period of sustained growth, recent railroad employment peaked in April 2015 at 253,000, the highest level since November 1999. Employment then declined 11.5 percent through September 2018. January 2018 had the lowest employment level of fiscal year 2018 at 220,000, while May 2018 had the highest employment level of 225,000.

**Average Railroad Employment
Fiscal Years 2014 through 2018**



Note.--Numbers for 2018 are preliminary.

ADMINISTRATIVE DEVELOPMENTS

The following describes some major activities and issues addressed in 2017 and 2018 as part of the RRB's efforts to improve operations and customer service.

Performance Management

Customer Service Plan

The RRB's Customer Service Plan promotes the principles and objectives of customer-driven quality service agency-wide. An important part of the plan is to keep customers informed of how well the RRB is meeting timeliness standards. The RRB publicizes the Customer Service Plan and performance results and posts them in every field office. The plan is reviewed and updated periodically based on agency experience, customer feedback and comparison with similar best-in-business models.

The agency uses an index to measure the overall timeliness of customer service in four benefit areas: retirement applications; survivor applications; disability applications and payments; and railroad unemployment and sickness benefit applications and claims. In addition, this composite indicator, based on a weighted average, allows for a more concise and meaningful presentation of its customer service efforts in these four areas. During fiscal year 2018, the overall benefit timeliness index was 98.8 percent. This means that the RRB provided benefit services within the timeframes promised in the Customer Service Plan 98.8 percent of the time. The timeliness index for retirement applications, survivor applications, disability applications and payments only, the processing of which includes considerable manual intervention, is 91.4 percent, whereas the timeliness index for railroad unemployment and sickness benefit applications and claims only, a highly automated process, is 99.9 percent. Overall timeliness was virtually the same as the previous fiscal year, declining by just a tenth of a percentage point. The RRB also met or exceeded eight out of ten of its customer service performance goals for the year in its Annual Performance Plan.

Reducing Improper Payments

The RRB prepares risk assessments in response to provisions of the Improper Payments Elimination and Recovery Act (IPERA) and Office of Management and Budget (OMB) guidance. The objective is to evaluate payment outlays susceptible to improper payments by assessing risk for all of the benefit and non-benefit programs that the agency administers. Risk assessments for the Railroad Retirement Act (RRA), Railroad Unemployment Insurance Act (RUIA), and railroad Medicare programs were

previously included in the Fiscal Year 2016 Performance and Accountability Report. Per OMB guidance, if the RRA or RUIA programs undergo any significant legislative or programmatic changes, significant funding increases, and/or changes that would result in a substantial impact, the agency will perform a new risk assessment of the affected program. The railroad Medicare risk assessment will be conducted again following the prescribed risk assessment schedule from OMB.

The RRB's estimated improper payment rate for the RRA and RUIA programs has consistently fallen below the statutory threshold for "significant improper payments." Therefore, the RRB requested reporting relief for these two programs following the guidance in OMB Circular A-123, Appendix C, Part II.A.3. OMB granted the RRB reporting relief for the RRA and RUIA programs in July 2018. Medicare was the only program with payment integrity data reported in fiscal year 2018. Medicare data included analysis of the Medicare fee-for-service payment data from the Centers for Medicare and Medicaid Services' comprehensive error rate testing (CERT) program issued in November 2017. This included claims sampled between July 1, 2015, and June 30, 2016. The reporting requirements of IPERA were incorporated into the Medicare portion of the payment integrity report.

In addition, pursuant to a request from OMB, the RRB provided the railroad Medicare improper payment amount and percentage, reduction outlook, root cause breakdown, and overpayments recaptured outside payment recapture audits, as well as the dollar amounts of confirmed fraud per the agency's Office of Inspector General. Information provided to OMB was incorporated into their website, **PaymentAccuracy.gov**, which features current and historical improper payment data for all government agencies and is available to the public for viewing. The RRB subsequently validated the agency's information on this website to ensure its accuracy.

Disability Benefits

The RRB continued to make improvements in its disability claims processes.

- Access to *The Work Number* (TWN) system was expanded to include field office managers, hearings officers, and program evaluation staff. The TWN system allows authorized RRB employees to obtain income verification reports that contain basic employment information about an individual's job title, employment status, and income. TWN access was first made available to the RRB's disability claims examiners in fiscal year 2017.
- In August 2018, the RRB decided to no longer release the RL-8A, Occupational Disability Certification, to disabled annuitants meeting certain criteria. The RRB had first implemented the RL-8A in August 2017, and released the forms to 152 disability annuitants. The decision to no longer release nor conduct continuing disability reviews (CDRs) for this specific group of disabled annuitants was based on the findings and recommendations of the Government Accountability Office

in its report issued on February 21, 2018, *Railroad Retirement Board, Actions Needed to Improve the Effectiveness and Oversight of Continuing Disability Reviews* (GAO-18- 287). As a result, form RL- 8A was declared obsolete.

- The conversion of disability paper records to electronic imaging includes all initial claims types (employees, widow(er)s, and children). In 2019, the “Disability to Imaging” project team will attempt to add additional workloads to the paperless process, such as CDRs. Also, plans are underway to improve the electronic document routing process. The reengineering of other business processes will further ease the migration from a paper-based system to an electronic environment.

Service Enhancements

Employer Reporting System

The Employer Reporting System (ERSNet) is a web-based platform that enables railroad employers to submit information to the RRB through a secure and efficient electronic process instead of mailing paper forms. In fiscal year 2018, the agency added an electronic version of forms GL-4, *Discrepancies on Service/Compensation Report*, and GL-4a, *Discrepancies on Service/Compensation Report Tracer* to ERSNet. Employers now have the ability to receive both notices electronically and on-demand via the internet.

Cost-of-Living Adjustment

In December 2018, tier I benefits increased by 2.8 percent while tier II benefits rose by 0.9 percent, due to a cost-of-living adjustment (COLA). The increases were effective with the January 2019 payments, with income tax withholding calculated using updated tax tables. The increase was paid to 523,161 annuitants, and was also included in RRB-paid social security benefits to 125,041 beneficiaries. The total amount of the COLA was almost \$20.3 million in railroad retirement annuities and \$4.3 million in social security benefits. The standard Medicare Part B premium for 2019 increased from \$134 per month to \$135.50, with increased premiums for some high-income beneficiaries.

New Medicare Cards

Section 501 of the Medicare Access and CHIP Reauthorization Act of 2015 provided for removal of social security numbers on Medicare cards and replacement with a unique Medicare-specific number. While this effort was led by the Centers for Medicare and Medicaid Services (CMS), the RRB had responsibility for issuing the replacement cards to its 475,226 Medicare beneficiaries. With contractor support, the cards were printed and released on June 21, 2018. By replacing the social security number with a unique Medicare identifier, beneficiaries will be less susceptible to identity theft.

Officials

For the first time since 1934, three new Board Members simultaneously assumed office. In February 2019, Erhard Chorlé was sworn in as the Chairman, John Bragg as the Labor Member, and Thomas Jayne as the Management Member. At the time of his appointment, Mr. Chorlé was a partner with the Chicago law firm of Pedersen & Houpt, following a long career as a senior official in Illinois state government. Mr. Bragg was a vice president with the Brotherhood of Railroad Signalmen and, in that capacity, also a permanent member of the National Railroad Adjustment Board. Mr. Jayne was a senior general attorney for the BNSF Railway Company and, before that, a partner with the St. Louis law firm of Thompson Coburn LLP. Mr. Bragg replaced Walter Barrows, and Mr. Jayne replaced Steven Anthony, both of whom retired. The Board's previous Chairman, Michael Schwartz, retired in August 2015. Martin Dickman continues to serve as the Inspector General for the RRB, a position he has held since 1994.

Human Capital Management

Staffing

More than half of the RRB's employees have 20 or more years of service, and almost 34 percent of the current workforce will be eligible for retirement by fiscal year 2020. To help cope with the loss of experience and bridge the knowledge gap, the agency is placing increased emphasis on strategic management of human capital, particularly in the areas of training, development and succession planning. The RRB continues to work on developing a new methodology to identify potential areas of skill and knowledge gaps which it plans to implement through the agency's Learning Management System (LMS). The LMS is an information system that assists the agency in managing and planning its training program. This new methodology will incorporate job analysis of agency positions to identify critical competencies and skill gaps within the current employee base, which the LMS can be used to address.

The RRB also continues to work on improving its assessment and hiring processes. With assistance from the Office of Personnel Management (OPM), the agency has developed online assessment tools for entry-level claims examiners and claims representative positions. In fiscal year 2018, the RRB posted openings for claims examiner positions (Medicare and unemployment/sickness insurance), in addition to claims assistant and claims representative positions. All of these openings drew a high volume of applicants. The agency also announced a number of priority information technology and security jobs for the Bureau of Information Services.

From the above announcements, 130 internal and 35 external candidates were selected for positions including claims assistant, claims representative, equal employment opportunity specialist, actuary, accountant, and one position (chief financial officer) in the Senior Executive Service.

Several training classes for new claims examiners were initiated or completed in 2018, including examiners in the areas of initial disability adjudication, as well as initial and post-entitlement retirement and survivor benefits. Training classes for initial adjudication of unemployment and sickness benefits, as well as Medicare-related actions, started in February 2019, with projected completion dates in late fall or early winter. The Office of Programs projects a continuing need for numerous initial and post training classes for employees who are responsible for customer service, adjudication, and policy and systems for both the RRA and RUIA through fiscal year 2021.

Training

The training section in the RRB's Bureau of Human Resources continues to create, implement and modify an overall training program with the goal of creating opportunities to assist employees in building the knowledge, skills and abilities needed to achieve the agency's strategic goals. In 2018, they coordinated and hosted the RRB Employee Fair for headquarters employees. About 200 employees participated in the 2-day event that included workshops and informational booths for different RRB-provided services and topics. In addition, the training team conducted workshops on individual development plans throughout the year. They also implemented an onboarding program for new employees; created and published 12 online courses to the agency's LMS to satisfy mandatory federal training requirements, as well as online training for new policies and procedures implemented during the year; and, coordinated the delivery of more than 34 in-person, instructor-led training sessions on soft-skill courses.

The agency continues to use its LMS, also known as *RRB University*, as the cornerstone of its training and development activities. This platform allows the agency to accurately track, document and deliver training opportunities to employees throughout the RRB, and has been incorporated into mandatory technical training for employees in the agency's Bureau of Field Service and Office of Programs. In 2018, more than 1,010 employees and contractors completed 1,339 individual learning objects (i.e. online courses, instructor-led training, form requirements, course curricula, etc.) managed through the LMS, for a total of 22,370 learning-object completions.

Employee Survey

The Federal Employee Viewpoint Survey, developed by OPM, is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. Similar to prior years, the responses by RRB employees to the 2018 survey were positive. Of the 861 employees invited to complete the survey, 413 did so, for a response rate of 48 percent. Scoring for 39 survey items were identified as strengths (65 percent or more positive) while only 2 survey items were identified as a challenge (35 percent or more negative). The agency's "engagement index" score met OPM's goal for 2018 of 68 percent, and met or exceeded the governmentwide benchmarks in all areas.

Based on OPM guidelines for determining notable results, the RRB scored especially high (greater than 65 percent favorable) on the majority of items measuring personal work experiences. About 94 percent of the RRB respondents think the work they do is important, 87 percent know how their work relates to the agency's goals and priorities, and 75 percent feel their work gives them a feeling of personal accomplishment. Almost 82 percent like the kind of work they do, and 83 percent feel they are held accountable for achieving results. Also, 81 percent of agency employees feel supported by their supervisors in balancing work and other life issues.

The lowest scores were on items gauging performance culture and talent management, although these scores still represent a minority of the employees that responded. For example, only 34 percent agree that steps are taken to deal with poor performers, while 39 percent feel creativity and innovation are rewarded. Almost 40 percent feel they do not have sufficient resources to get their jobs done. As a result, this is an area the agency intends to concentrate on improving in the coming years.

Employee Recognition

The RRB recognizes its employees for their contributions to the agency, and service to the railroad public, as part of its annual "Award for Excellence" program. All agency employees, supervisors and work teams have the opportunity to be recognized for their accomplishments, with the nominees, finalists and winners honored at an annual awards ceremony. The 31st awards ceremony was held in July 2018 at Kasbeer Hall on Loyola University Chicago's neighboring Water Tower campus. The program honored eight individual nominations and two team nominations.

Information Technology

Information Security

The RRB is committed to protecting its annuitants' information from unauthorized use or disclosure, and continues to work on improving its security capabilities. In 2018, the RRB's information security team administered statutorily required security-awareness training for agency employees and contractors. Staff members identified as having more significant information security responsibilities participated in enhanced role-based security training. In addition, the RRB's privacy team prepared and coordinated training for all employees and necessary contractors on safeguarding controlled unclassified information, federal tax information, and Privacy Act information.

Information Resources Management

In fiscal year 2018, the RRB received approval from the National Archives and Records Administration (NARA) of NA-1005 for the management of email records under a “Capstone” approach. NARA established this approach for managing and scheduling email records with NARA Bulletin 2013-02. Retention periods are determined by the role or position of the individual, rather than by the content of each email message. All emails of specified senior (Capstone) officials are permanent, and all other agency employee accounts are temporary subject to a common disposal period, such as seven years. This approach is simpler and easier to automate.

Process Improvements

The RRB implemented several improvements to assist employees in the Office of Programs in effectively and efficiently processing benefit claims and payments.

- In June 2018, the new Automated Retirement Payments (ARP) program was successfully migrated into production. ARP is closely associated with the agency’s Application Express (APPLE) system, since the filing of an application for employee, spouse or divorced spouse retirement benefits on APPLE will initiate ARP. The new program evaluates and formats the information in the retirement application entered in APPLE, along with several other systems, in order to process initial retirement claims and Medicare applications, along with some other cases that required manual handling. This new program helps set the stage for the agency to replace its current legacy systems.
- The purpose of the latest version of the System to Process Excess Earnings Data (SPEED) is to automate permanent work deductions to retirement benefits by developing and implementing a mechanical process rather than applying them manually. In addition to processing the necessary work deductions, the new program generates and releases any overpayment letters, and posts the information to the RRB’s financial management system.
- A bar code was added to all RUIA mainframe-produced letters. The bar code is used to automatically index documents scanned to imaging without the need for manual intervention. Index means to assign the SSN, or claim number, form type, and sometimes the employee’s name to an individual document. By automatically indexing scanned documents, the items are immediately available for viewing. Changes were also made to use a bar-coded cover sheet for actionable documents scanned by field offices to benefit processing units at headquarters. The bar code is used to automatically index the document, making it immediately available and instantly routing it to an appropriate work queue for handling. Previously, the cover sheet was only used to scan non-actionable, file-only documents. Scanning applications were updated in each of the 53 field offices to handle the changes.

- The RRB implemented a new web application, the Electronic List of Managed Objectives (ELMO), to replace an older, non-supported dBase application known as TICKLER. Using the new ELMO application, RRB employees can create call-ups for future RRA and RUIA work items, as well as tracers for internal processes of existing work items.

Disaster Recovery Test

In August 2018, the RRB conducted a successful agencywide disaster recovery test, with no major issues or material weaknesses identified. Similar to past tests, all participating staff performed their activities from their alternate work-at-home site rather than onsite at agency headquarters.

Office of Equal Opportunity

Equal Opportunity Policies and Procedures

The agency's Equal Employment Opportunity complaint program has policies and procedures in place to address all forms of discrimination, including harassment. Training is provided to ensure employees know their rights and responsibilities under various federal laws and executive orders. The discrimination complaint process and the anti-harassment complaint process have the elements of impartiality, timeliness and credibility. Both the agency's website and its intranet include information to ensure the public and agency employees have access to information regarding the complaint programs.

Diversity Program

Throughout the year, the agency's Office of Equal Opportunity (OEO) sponsored many events and activities to foster an inclusive work environment and enhance the understanding of disability issues. These included a variety of cultural enrichment events to commemorate African American History Month, Women's History Month, Asian Pacific Heritage Month, and Hispanic Heritage Month, as well as National Disability in Employment Awareness Month. These events/programs are organized by the OEO's three employee committees: the Workplace Diversity Committee, the Federal Women's Program Committee and the Employee's with Disabilities Advisory Council.

Recruitment

The RRB is committed to maintaining a diverse workforce. The OEO worked cooperatively with the Bureau of Human Resources in 2018 to create a diverse pool of external job applicants by identifying sources for the recruitment of individuals with disabilities, various underrepresented groups, and disabled veterans.

Public Information Activities

The RRB maintains direct contact with railroad retirement beneficiaries through its field offices located across the country. Field personnel explain benefit rights and responsibilities on an individual basis, assist railroad employees in applying for benefits and answer any questions related to the benefit programs. The RRB also relies on railroad labor groups and employers for assistance in keeping railroad personnel informed about its benefit programs.

The Office of the Labor Member has proactively helped educate rail union officials about the benefits available to members and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts since 1957. At informational conferences sponsored by the Labor Member of the Board, RRB representatives described and discussed the benefits available under the railroad retirement-survivor, unemployment-sickness, and Medicare programs, and provided attendees with comprehensive informational materials. In 2018 a total of 600 individuals affiliated with rail labor attended 16 informational conferences. The office also sponsors a program of pre-retirement seminars designed for railroad employees and spouses nearing retirement. Mid-2018 the platform was reshaped to better align outreach efforts and agency resources with current needs and interests of the rail community. Beginning in September 2018, informational conferences and pre-retirement seminars sponsored by the Office of the Labor Member were combined into a single program, offered to those nearing retirement and local union officers. In 2018, 23 seminars were held in RRB-serviced cities throughout the country with 817 individuals in attendance. In addition, railroad labor unions frequently request that RRB representatives speak before their meetings, seminars and conventions. In 2018, the Labor Member's Office was represented at 19 union gatherings attended by 4,255 railroad labor officials. Field personnel addressed 32 local union meetings with 1,440 members in attendance.

Hosted by the Office of the Labor Member, RRB executives and staff helped conduct the National Reporting Officers (NRO) meeting. This took place at agency headquarters in October 2018, and included presentations by RRB staff and a representative of the Internal Revenue Service (IRS). An NRO is a rail union official responsible for reporting compensation and depositing railroad retirement and unemployment insurance taxes on behalf of his or her members, and 21 individuals attended the 2018 meeting. Topics covered included the following: RRB's strategic plan and information technology modernization; plans for improving the disability program; field service initiatives; online services and multi-factor authentication; unemployment and sickness benefits for participants in an employee-assistance program; RRB and IRS audits; recent court decisions; reporting and tax issues; and retirement annuities. Trustee William C. Walpert also gave a report on the status of the National Railroad Retirement Investment Trust.

At seminars for railroad executives and managers, agency representatives review programs, financing, and administration, with special emphasis on those areas which require cooperation between railroads and RRB offices. During 2018, the Management

Member's Office conducted 5 seminars/presentations for 260 railroad officials, as well as benefit update presentations and pre-retirement counseling seminars attended by railroad employees and their spouses.

The Management Member's Office also hosted the 10th annual National Rail Employer Training Seminar in Chicago in August 2018, attended by 153 reporting personnel from across the country. RRB executives and staff, along with guest speakers from the IRS and Social Security Administration, presented on a variety of topics, including: RRB and IRS audits; basic reporting and specific IRS reporting issues; employer coverage; the railroad unemployment insurance program's experience rating system; services and reporting forms available on the agency website or ERSNet; debt collection issues; cyber security; retirement and survivor annuities; and effects of recent courts decisions. The RRB's Office of Inspector General also conducted a session on efforts to protect the RRB trust funds. The Management Member's Office hosts the seminar every three years, in addition to other meetings and seminars during the year for rail executives and managers.

Office of Inspector General

The Office of Inspector General (OIG) for the RRB focuses its audit and investigative efforts on protecting the integrity of the agency's trust funds by providing comprehensive program and operational oversight. Reports issued by the OIG and other documents referenced here can be found at [RRB.gov/OurAgency/InspectorGeneral/Library](https://www.rrb.gov/OurAgency/InspectorGeneral/Library).

Office of Audit

During fiscal year 2018, the Office of Audit published six reports, including mandated audits and assessments such as the annual information security audit, the annual Improper Payments Elimination and Recovery Act (IPERA) of 2010 compliance audit, the annual financial statement audit, and an assessment of the RRB's compliance with the Digital Accountability and Transparency Act of 2014. The OIG also issued an audit of the RRB's enterprise risk management process. In total, the Office of Audit issued 50 recommendations to agency management and identified more than \$408 million in questioned costs.

Pursuant to the Reports Consolidation Act of 2000 and the requirements of OMB Circular A-136, the OIG issued a document that identified the most serious management challenges facing the RRB and its progress in addressing them. The OIG identified the following challenges: program integrity to strengthen the RRB's disability program; information technology security and systems modernization; management of railroad Medicare; the RRB's continued noncompliance with IPERA and assessing payment accuracy; human capital management; material weaknesses related to financial statement reporting; and lack of RRB oversight of the National Railroad Retirement Investment Trust.

Office of Investigations

The Office of Investigations focuses on identifying, investigating, and presenting RRB fraud cases for prosecution or monetary recovery action. It also seeks to prevent and deter RRB program fraud by reporting systemic weaknesses in agency operations and processes identified through investigative work. In order to maximize the impact of its resources, the office pursues cooperative investigative activities in coordination with other Inspectors General, such as the Office of Inspector General for the Department of Health and Human Services, and other law enforcement agencies, such as the Federal Bureau of Investigation and the U.S. Secret Service.

As of September 30, 2018, the Office of Investigations' caseload totaled 273 matters, which represents more than \$558 million in potential fraud losses.¹ During fiscal year 2018, the office secured 19 arrests, 48 indictments and/or informations, 42 convictions, 22 civil judgments, and more than \$147 million in financial accomplishments.²

¹ This reflects potential fraud amounts related to programs administered exclusively by the RRB and potential fraud amounts from other Federal programs such as Medicare or social security which have been identified by Office of Investigations' joint investigative work.

² The total amount of financial accomplishments reflects fraud amounts related to programs administered exclusively by the RRB and fraud amounts from other Federal programs such as Medicare or social security which were included in the disposition resulting from the investigation.

LEGAL RULINGS

Three cases involving the RRB were filed with federal courts and the RRB's Office of General Counsel issued eight legal opinions during fiscal year 2018.

Court Cases

Two petitions for review were filed during the fiscal year in the U.S. Circuit Courts of Appeal, with no rulings issued and both cases still pending at the end of the year. In addition, one case was opened in the U.S. District Court for the Southern District of Texas but it was subsequently dismissed.

Legal Opinions

The RRB's Office of General Counsel issued eight formal legal opinions in fiscal year 2018. The following are of special interest.

Development of Current Medical Evidence

L-2017-59

The opinion clarifies that under section 220.45(b) of the RRB's regulations, the development of additional medical evidence covering the preceding 12 months may not be required when finding a claimant disabled, provided that the record is complete and detailed enough to allow the RRB to make a disability determination. The decision as to whether or not to develop medical evidence covering the preceding 12 months should be made on a case-by-case basis.

In-Home Support Services

L-2017-60, L-2017-61

Two opinions addressed the topic of whether or not earnings by annuitants providing in-home support services should be counted as earnings for work deduction purposes. The opinions analyzed the work deduction rules for in-home services in the states of Washington and Virginia. Both opinions found that the annuitants' earnings were to be considered wages, and that work deductions were appropriate.

Restated MOU between Treasury and RRB

L-2018-2

The General Counsel provided historical background on the memorandums of understanding (MOUs) between the Secretary of the Treasury and the RRB regarding advances the RRB receives from the U.S. Treasury in order to pay Social Security Equivalent Benefits (SSEB) to certain annuitants. The opinion explained that the Department of the Treasury provided a "Restatement" of all prior MOUs to allow for one consolidated review, which makes for easier tracking of the current terms of the MOU.

The opinion reviewed the Restated MOU and provided recommendations for action by the three-member Board.

Appeals

Any claimant for benefits under the Railroad Retirement Act (RRA) or the Railroad Unemployment Insurance Act (RUIA) may appeal a determination he or she feels is not justified. This appeal must be filed within certain time frames. Appeals are heard and decided by the RRB's Bureau of Hearings and Appeals. An appellant who is dissatisfied with the decision on his or her appeal may further appeal the case to the three-member Board within a prescribed period of time.

RRA

During fiscal year 2018, 220 appeals were filed with the Bureau of Hearings and Appeals under the RRA, and the Bureau rendered decisions in 262 appeals. The reconsideration decision was sustained in 149 cases. In 113 appeals the decision was favorable to the claimant in whole or in part.

Seventy-eight appeals were filed with the Board in fiscal year 2018, and the Board issued 60 decisions. In 44 cases the previous ruling of the hearings officer was affirmed, in 4 cases the decision was fully favorable to the appellant, and in 2 cases the decision was partially favorable. The Board remanded 8 cases to the Bureau of Hearings and Appeals. Two appeals were dismissed. At the end of the year, 131 appeals were pending before the Board.

RUIA

During fiscal year 2018, 43 appeals were filed with the Bureau of Hearings and Appeals under the RUIA, and the Bureau rendered decisions in 43 appeals. The reconsideration decision was sustained in 23 cases. In 20 appeals the decision was favorable to the claimant in whole or in part.

Eight appeals were filed with the Board in fiscal year 2018. The Board rendered decisions in 2 appeals affirming the decision of the hearings officer, and in 1 appeal the decision was favorable to the appellant. At the end of the year 9 appeals were pending before the Board.

STATISTICAL TABLES

Table 1.--Beneficiaries and benefits paid under the Railroad Retirement Act and the Railroad Unemployment Insurance Act, by fiscal year, 2009-2018, cash basis

Fiscal year	Total ¹	Retirement ²	Survivor ²	Unemployment ^{3, 4}	Sickness ⁴
BENEFICIARIES (in thousands)					
2009.....	626	430	167	24	18
2010.....	617	428	161	22	18
2011.....	603	429	156	11	18
2012.....	595	429	150	10	17
2013.....	592	429	146	11	16
2014.....	585	428	141	10	16
2015.....	581	428	136	9	16
2016.....	583	428	131	17	17
2017.....	574	427	127	12	16
2018.....	563	423	123	9	16
BENEFIT PAYMENTS (in millions)					
2009.....	\$10,663.8	\$8,311.0	\$2,192.0	\$111.7	\$48.1
2010.....	10,939.8	8,588.6	2,187.1	109.6	50.0
2011.....	11,047.2	8,778.5	2,165.3	48.3	52.3
2012.....	11,418.8	9,155.4	2,171.7	41.1	47.5
2013.....	11,726.4	9,456.5	2,175.5	47.8	42.9
2014.....	11,980.9	9,724.9	2,167.2	37.7	46.7
2015.....	12,257.3	10,012.2	2,156.9	34.0	49.2
2016.....	12,480.4	10,202.4	2,139.2	77.6	55.7
2017.....	12,574.9	10,341.4	2,121.9	46.6	58.8
2018.....	12,785.7	10,567.2	2,118.8	37.8	54.9

¹ Beginning in fiscal year 2008, beneficiaries and benefit payments include partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Benefit payments also include a small amount of payments for hospital insurance benefits for services in Canada.

² Retirement benefits include vested dual benefit and supplemental annuity payments. Survivor benefits include vested dual benefit payments.

³ Includes temporary extended unemployment benefits under the American Recovery and Reinvestment Act of 2009 and Worker, Homeownership, and Business Assistance Act of 2009, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. Benefits had to begin by December 31, 2013.

⁴ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 9.2% under sequestration for days of unemployment and sickness after February 28, 2013, 7.2% for days after September 30, 2013, 7.3% for days after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, and 6.6% for days after September 30, 2017.

NOTE.--Number of beneficiaries represents all individuals paid benefits in year. In total number for each year, beneficiaries are counted only once, even though they may have received more than one type of benefit. In fiscal year 2018, 6,700 individuals received both retirement and survivor benefits, 500 employees received both unemployment and sickness benefits, and 1,900 employees received benefits under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These figures are partly estimated, and totals for earlier years are similarly adjusted.

Table 2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 2009-2018 (in millions), cash basis

Item	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
RAILROAD RETIREMENT ACCOUNT										
Receipts										
Tax transfers ¹	\$2,501.2	\$2,599.0	\$2,712.7	\$2,659.8	\$3,140.2	\$3,392.2	\$3,760.8	\$3,586.7	\$3,562.9	\$3,822.9
Interest and profit on investments ²	12.0	11.0	12.3	11.4	9.0	14.0	17.2	16.8	16.4	15.8
Transfers from the National RR Investment Trust ³	1,553.0	1,989.0	1,744.0	2,026.0	1,581.0	1,429.0	1,191.0	1,410.0	1,821.0	1,809.0
Transfers from the SSEB Account ³ .....	.....	81.0	255.0	19.0	171.0	93.0	129.0	.....	(296.0)	91.0
Loan repayments from RUI Account ⁴ .....	.....	.....	48.4	.....	.....	.....	.....	.....	.....	.....
Loan repayments from DBP Account ⁴ .....	.....	.....	.....	.....	.....	4.5	.....	.....	.....	.....
Expenditures										
Benefit payments ⁵	\$4,326.9	\$4,474.4	\$4,600.3	\$4,775.0	\$4,906.2	\$5,044.0	\$5,106.8	\$5,229.0	\$5,321.4	\$5,446.1
Financial Interchange adjustment ⁶	(104.6)	(13.1)	(88.5)	(141.9)	(166.6)	(164.0)	(162.3)	(146.5)	.....	.....
Net transfers to administration	63.4	68.7	73.6	69.6	70.2	69.3	72.1	72.3	76.7	85.7
Loans to RUI Account .....	.....	46.5	.....	.....	.....	.....	.....	.....	.....	.....
Loans to DBP Account ⁷ .....	.....	.....	.....	.....	.....	4.5	.....	.....	.....	.....
Balance at end of period ⁸	\$418.2	\$519.0	\$706.5	\$720.2	\$811.7	\$791.8	\$877.3	\$739.6	\$446.7	\$656.1
SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT⁹										
Receipts										
Tax transfers ¹	\$2,528.9	\$2,514.9	\$2,675.3	\$2,878.5	\$2,954.1	\$3,163.1	\$3,389.3	\$3,097.5	\$3,113.8	\$3,267.3
Interest and profit on investments ²	19.0	18.9	21.9	20.1	22.4	21.9	24.3	18.6	14.9	24.4
Transfers under financial interchange ¹⁰	4,137.3	4,391.6	4,574.3	4,651.0	4,499.0	4,700.8	4,676.6	4,662.7	4,522.5	4,942.4
Advances against financial interchange ¹¹	3,661.1	3,819.0	3,820.4	3,738.6	3,943.0	3,886.1	3,849.9	3,926.1	4,095.4	4,109.1
Expenditures										
Benefit payments	\$6,107.6	\$6,243.7	\$6,291.1	\$6,506.7	\$6,686.9	\$6,815.2	\$7,035.4	\$7,090.4	\$7,124.5	\$7,226.7
Financial Interchange adjustment ⁶	104.6	13.1	88.5	141.9	166.6	164.0	162.3	146.5	.....	.....
Net transfers to administration	32.5	33.6	29.6	31.4	30.1	32.3	32.9	30.0	30.5	29.8
Transfers under financial interchange ¹⁰	524.3	535.1	477.2	510.9	576.6	611.6	594.7	656.8	637.4	596.5
Repayment of advances against financial interchange ⁴	3,564.8	3,837.6	3,946.6	3,946.3	3,863.1	4,041.9	3,982.7	3,940.1	4,054.5	4,194.3
Transfers to the National RR Investment Trust/RR Account ³ .....	.....	81.0	255.0	19.0	171.0	93.0	129.0	.....	(296.0)	91.0
Balance at end of period	\$803.8	\$804.0	\$807.9	\$939.8	\$863.9	\$877.8	\$880.8	\$721.9	\$917.6	\$1,122.4

See footnotes at end of table.

Table 2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 2009-2018 (in millions), cash basis - Continued

Item	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST¹²										
Cash and investment balance at end of period ¹³	\$23,330.8	\$23,770.4	\$22,119.0	\$23,586.2	\$24,963.7	\$26,039.9	\$24,483.9	\$25,007.7	\$26,389.6	\$26,468.7
DUAL BENEFITS PAYMENTS ACCOUNT¹⁴										
Dual benefit transfers ¹⁵	\$72.0	\$64.0	\$56.9	\$50.9	\$44.9	\$39.0	\$34.0	\$29.0	\$25.0	\$22.0
Loans from Railroad Retirement Account ⁷	69.5	62.1	55.2	48.6	42.6	4.5	31.9	27.5	23.6	20.2
Benefit payments	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Repayment of loans from Railroad Retirement Account ⁴	.....	.....	.....	.....	.....	4.5	.....	.....	.....	.....
Balance at end of period ⁸	\$2.5	\$1.9	\$1.7	\$2.3	\$2.3	\$1.8	\$2.1	\$1.5	\$1.4	\$1.8

1 Net of U.S. Treasury adjustments for payroll tax refunds to certain carriers and their employees for prior periods. Includes Federal income tax transfers under section 72(r) of the Internal Revenue Code as amended. In calendar years 2011-2012, Social Security Equivalent Benefit Account includes general revenue transfers under the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 and the Middle Class Tax Relief and Job Creation Act of 2012, respectively. The final reconciliation for calendar years 2011-2012 occurred in June 2015. In fiscal year 2012, Social Security Equivalent Benefit Account includes a one-time general revenue transfer under the Hiring Incentives to Restore Employment Act of 2010.

2 Net of interest on U.S. Treasury adjustments for payroll tax refunds (see note 1).

3 Under the Railroad Retirement and Survivors' Improvement Act of 2001, as amended, the portion of the Railroad Retirement Account not needed to pay current administrative expenses is to be transferred to the National Railroad Retirement Investment Trust (Trust). The Trust may transfer funds back to the Railroad Retirement Account for payment of benefits. The balance of the Social Security Equivalent Benefit (SSEB) Account not needed to pay current benefits and administrative expenses is to be transferred to the Trust or to the Railroad Retirement Account. The SSEB Account transferred funds to the Trust in fiscal year 2003 and to the Railroad Retirement Account thereafter. In fiscal year 2017 the Railroad Retirement Account transferred funds to the SSEB Account to pay benefits. In fiscal year 2018 the SSEB Account transferred funds to the Railroad Retirement Account to pay benefits.

4 Includes interest.

5 Effective January 1, 2002, supplemental benefits are paid from the Railroad Retirement Account.

6 Adjustments in benefit payments charged to the Social Security Equivalent Benefit Account as compared to actual financial interchange benefits, with interest. This adjustment was discontinued in fiscal year 2017.

7 Due to delay in enactment of a continuing resolution, the Dual Benefits Payments Account borrowed \$4,500,000 from the Railroad Retirement Account in October 2013 in order to pay vested dual benefits. The loan was repaid in entirety in December 2013.

8 The Railroad Retirement Account balance reflects (a) the current net difference between Railroad Retirement Board payments of social security benefits and the receipt of reimbursements for such payments, (b) liabilities for uncashed check credits received from U.S. Treasury, and (c) credits for undistributed payment returns and recoveries. The Dual Benefits Payments Account balance does not carry over to the following year.

9 Established October 1, 1984, to keep track of the financing and payment of social security level portions of railroad retirement benefits.

10 Transfers to or from OASDHI Trust Funds under section 7(c)(2) of the 1974 Railroad Retirement Act.

11 Advances, including interest, from U.S. Treasury to offset lag in receipt of financial interchange funds under section 7(c)(4) of the 1974 Railroad Retirement Act as amended.

12 Established February 1, 2002, for investment of railroad retirement assets.

13 Source: National Railroad Retirement Investment Trust.

14 Established October 1, 1981, to keep track of the financing and payment of vested dual benefits.

15 Transfers from U.S. Treasury under section 15(d) of the Railroad Retirement Act of 1974 and Federal income tax transfers under section 72(r) of the Internal Revenue Code as amended.

Table 3.—Status of the Railroad Unemployment Insurance Account, by fiscal year, 2014-2018 (in thousands), cash basis

Item	Fiscal year				
	2014	2015	2016	2017	2018
RECEIPTS					
Taxes.....	\$6,248	\$46,672	\$90,241	\$100,030	\$108,255
Interest.....	4,415	3,165	2,514	1,945	2,480
Transfer from Administration fund under sec. 11(d) of the RUI Act.....	12,257	11,339	13,375	12,357	11,208
Undistributed recoveries of benefit payments ¹	(271)	368	2,458	(2,866)	(439)
Total.....	\$22,649	\$61,544	\$108,588	\$111,466	\$121,504
EXPENDITURES					
Benefit payments ^{2, 3}	\$83,823	\$83,501	\$133,492	\$105,614	\$92,750
Funding for Office of Inspector General.....	1,037	1,053	1,080	1,260	1,522
Total.....	\$84,860	\$84,554	\$134,572	\$106,875	\$94,272
Cash balance end of period.....	\$118,012	\$95,002	\$69,019	\$73,610	\$100,843

¹ Net of distributed payments.

² Excludes temporary extended unemployment benefits authorized by the American Recovery and Reinvestment Act of 2009, the Worker, Homeownership, and Business Assistance Act of 2009, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012, and the American Taxpayer Relief Act of 2012. Benefits had to begin by December 31, 2013. Current activity primarily reflects recoveries. FY 2014: \$619,000, FY 2015: -\$308,000, FY 2016: -\$154,000, FY 2017: -\$229,000, and FY 2018: -\$101,000.

³ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 9.2% under sequestration for days of unemployment and sickness after February 28, 2013, 7.2% for days after September 30, 2013, 7.3% for days after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, and 6.6% for days after September 30, 2017.

Table 4.--Status of the RUJA Administration Fund, by fiscal year, 2009-2018 (in thousands), cash basis

Fiscal year	Taxes and interest	Administrative expenditures ¹	Transfer to Railroad Unemployment Insurance Account under Sec. 11d ²	Balance at end of period
2009.....	\$23,151	\$14,305	\$9,808	\$9,465
2010.....	22,990	15,729	8,305	8,421
2011.....	23,722	12,442	7,918	11,783
2012.....	25,463	14,608	11,219	11,419
2013.....	26,202	14,591	10,706	12,324
2014.....	25,225	15,172	12,257	10,120
2015.....	28,063	12,987	11,339	13,858
2016.....	27,146	15,498	13,375	12,132
2017.....	26,551	14,842	12,357	11,483
2018.....	25,621	17,429	11,208	8,467

¹ Expenditures for each year included encumbrances as of end of year. Fiscal years 2009 and 2011-2017 reflect reallocation of prior period administrative expenses between the Railroad Retirement Act and Railroad Unemployment Insurance Act programs.

² Transfers to the Railroad Unemployment Insurance Account are based on the excess of the accrual balance on the prior September 30 over \$6,000,000.

Table 5.--Number and average amount of retirement and survivor annuities in current-payment status at end of year, by type of annuitant and fiscal year, 2009-2018

Fiscal year	Retired employees											
	Total ¹	Awarded age annuity	Disability converted to age ²	Disability	Supple- mental ³	Spouses and divorced spouses	Aged widow(er)s ⁴	Disabled widow(er)s ⁵	Widowed mothers (fathers) ⁴	Children	Remarried widow(er)s	Divorced widow(er)s ⁴
NUMBER AT END OF YEAR												
2009	680,534	190,302	34,688	49,116	120,778	136,467	119,459	4,323	814	10,417	4,361	9,520
2010	676,653	190,236	35,557	47,960	121,166	137,112	114,929	4,251	776	10,168	4,161	9,595
2011	672,484	190,100	36,259	46,850	121,422	138,253	110,372	4,136	745	9,881	4,003	9,598
2012	668,957	189,909	37,370	45,066	121,614	139,741	106,268	4,081	739	9,687	3,824	9,660
2013	664,055	189,569	39,506	41,745	121,530	140,894	102,186	3,965	703	9,463	3,666	9,710
2014	661,069	190,224	41,554	37,891	122,086	142,626	98,435	3,868	688	9,164	3,506	9,747
2015	656,847	190,114	43,141	34,514	123,037	143,920	94,279	3,741	665	8,978	3,344	9,704
2016	654,127	190,835	44,744	31,308	122,966	145,891	90,919	3,660	652	8,695	3,187	9,709
2017	648,277	190,301	46,180	27,990	122,050	146,850	87,817	3,528	623	8,478	3,037	9,708
2018	641,470	189,571	47,436	25,059	120,222	147,708	84,710	3,378	604	8,232	2,903	9,760
AVERAGE AMOUNT												
2009	.....	\$2,126	\$1,909	\$2,400	\$42	\$795	\$1,294	\$1,084	\$1,597	\$935	\$879	\$867
2010	.....	2,186	1,954	2,419	42	817	1,329	1,108	1,643	937	896	880
2011	.....	2,244	1,995	2,437	42	839	1,366	1,133	1,663	941	907	892
2012	.....	2,363	2,098	2,526	42	882	1,426	1,181	1,700	980	956	938
2013	.....	2,451	2,180	2,574	42	915	1,476	1,217	1,757	1,006	986	974
2014	.....	2,536	2,252	2,613	42	946	1,525	1,250	1,798	1,027	1,005	1,005
2015	.....	2,625	2,322	2,663	42	975	1,576	1,285	1,835	1,055	1,036	1,040
2016	.....	2,675	2,358	2,675	42	991	1,618	1,307	1,883	1,066	1,050	1,055
2017	.....	2,731	2,401	2,691	42	1,008	1,664	1,326	1,878	1,078	1,071	1,078
2018	.....	2,817	2,474	2,746	42	1,035	1,721	1,367	1,902	1,110	1,114	1,118

¹ Includes annuities to parents and, beginning in fiscal year 2008, partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. On September 30, 2018, there were 22 parents' annuities in current-payment status averaging \$962 and 1,865 partition payments averaging \$317.

² A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age is 65 for those born before 1938, and gradually increases to age 67 for those born in 1960 and later.

³ Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

⁴ Numbers include annuities temporarily being paid at spouse annuity rates, pending final adjudication of survivor annuities.

⁵ Includes annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

Table 6.--Number and average amount of retirement and survivor annuities awarded during year, by type of annuitant and fiscal year, 2009-2018

Fiscal year	Retired employees										Spouses and divorced spouses		Widowed mothers (fathers)	Children	Remarried widow(er)s	Divorced widow(er)s
	Total ¹	Age	Disability	Supple- mental ²	Spouses and divorced spouses	Aged widow(er)s	Disabled widow(er)s	Widowed mothers (fathers)	Children	Remarried widow(er)s	Divorced widow(er)s					
NUMBER AWARDED																
2009.....	39,317	10,310	3,213	7,015	10,919	6,283	181	142	463	166	622					
2010.....	40,191	10,712	3,161	7,319	11,256	6,163	189	99	429	157	702					
2011.....	39,647	10,542	3,086	7,087	11,301	6,053	173	110	417	158	718					
2012.....	38,649	10,054	2,858	6,778	11,479	5,828	181	115	454	164	734					
2013.....	38,094	10,211	2,324	6,502	11,444	5,995	164	111	456	146	739					
2014.....	37,294	10,210	1,800	6,673	11,495	5,582	133	111	398	144	745					
2015 ³	36,316	10,059	1,686	6,194	11,300	5,546	120	99	462	151	696					
2016.....	35,950	10,236	1,682	5,910	11,373	5,319	123	94	380	116	715					
2017.....	33,540	9,121	1,562	5,178	10,758	5,484	86	86	390	127	746					
2018.....	31,795	8,665	1,662	4,155	10,459	5,411	78	94	379	123	766					
Cumulative 1937-2018	5,303,956	1,541,222	530,357	532,080	1,243,560	1,062,335	19,212	85,691	239,951	16,345	29,646					
AVERAGE AMOUNT																
2009.....	.....	\$2,685	\$2,558	\$41	\$931	\$1,708	\$1,443	\$1,709	\$1,233	\$1,030	\$996					
2010.....	.....	2,786	2,509	41	950	1,740	1,536	1,778	1,203	1,064	963					
2011.....	.....	2,814	2,524	41	958	1,789	1,531	1,779	1,194	1,077	991					
2012.....	.....	2,888	2,585	41	981	1,859	1,515	1,647	1,220	1,130	1,049					
2013.....	.....	2,921	2,565	41	1,003	1,911	1,503	1,916	1,332	1,161	1,104					
2014.....	.....	3,041	2,624	41	1,024	1,985	1,615	1,874	1,294	1,151	1,095					
2015.....	.....	3,114	2,611	41	1,055	2,031	1,685	1,728	1,302	1,153	1,175					
2016.....	.....	3,124	2,667	41	1,062	2,096	1,677	2,034	1,371	1,166	1,174					
2017.....	.....	3,159	2,723	41	1,047	2,113	1,752	1,806	1,368	1,189	1,209					
2018.....	.....	3,188	2,775	41	1,054	2,188	1,864	1,864	1,386	1,270	1,222					

¹ Excludes partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Includes annuities to parents. Fiscal year 2018 total includes 3 annuities to parents averaging \$1,097. Cumulative total includes 3,557 annuities to parents.

² Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

³ Supplemental annuity awards exclude more than 1,000 restorations due to Legal Opinion 2014-2, Reductions to Supplemental Annuities for 401(k) Distributions.

NOTE.--Cumulative figures reflect adjustments not made in yearly data, but average amounts for each year include effects of changes in rates made by the end of the year.

Table 7.-- Retirement and survivor benefits in current-payment status on September 30, 2018, by class and state (amounts in thousands)

State ³	Total ¹		Retirement benefits ²		Survivor benefits	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Alabama.....	11,700	\$19,195	9,600	\$15,829	2,100	\$3,363
Alaska.....	200	305	200	247	(4)	57
Arizona.....	11,900	19,385	9,900	16,173	2,000	3,195
Arkansas.....	12,300	19,968	10,400	16,900	1,900	3,053
California.....	31,200	48,891	25,500	40,336	5,600	8,529
Colorado.....	10,500	17,899	9,000	15,496	1,500	2,395
Connecticut.....	2,900	5,773	2,400	4,880	500	892
Delaware.....	2,900	5,205	2,600	4,588	400	616
Washington DC.....	400	629	300	551	100	78
Florida.....	35,800	59,003	30,100	50,356	5,600	8,616
Georgia.....	21,100	35,018	17,800	29,735	3,300	5,274
Hawaii.....	200	266	200	223	(4)	42
Idaho.....	5,700	9,420	4,800	7,934	900	1,476
Illinois.....	39,300	63,196	32,400	52,474	6,700	10,674
Indiana.....	18,700	30,697	15,400	25,278	3,300	5,395
Iowa.....	11,200	18,389	9,300	15,344	1,800	3,027
Kansas.....	16,800	28,284	14,200	23,992	2,600	4,278
Kentucky.....	17,300	27,320	14,100	22,281	3,100	5,024
Louisiana.....	9,000	14,475	7,400	11,934	1,600	2,536
Maine.....	2,800	4,109	2,200	3,277	600	831
Maryland.....	10,300	16,832	8,500	14,200	1,700	2,625
Massachusetts.....	4,600	7,601	3,800	6,408	800	1,191
Michigan.....	15,800	25,160	12,800	20,442	2,900	4,698
Minnesota.....	16,800	26,995	13,800	22,487	2,900	4,488
Mississippi.....	6,900	10,908	5,600	8,861	1,300	2,045
Missouri.....	23,300	37,613	19,600	31,782	3,600	5,806
Montana.....	7,500	12,426	6,400	10,649	1,000	1,769
Nebraska.....	18,700	33,891	16,500	30,050	2,200	3,823
Nevada.....	4,000	6,391	3,300	5,380	600	1,007
New Hampshire.....	1,100	1,749	900	1,457	200	291
New Jersey.....	10,000	18,186	8,100	15,310	1,800	2,875
New Mexico.....	5,000	8,052	4,000	6,605	900	1,441
New York.....	23,700	42,191	19,300	35,494	4,400	6,687
North Carolina.....	12,100	18,889	9,800	15,536	2,300	3,346
North Dakota.....	4,000	6,687	3,300	5,541	700	1,141

See footnotes at end of table.

Table 7.-- Retirement and survivor benefits in current-payment status on September 30, 2018, by class and state (amounts in thousands) - Continued

State ³	Total ¹		Retirement benefits ²		Survivor benefits	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Ohio.....	28,400	\$44,371	22,600	\$35,319	5,700	\$9,032
Oklahoma.....	5,900	9,558	4,800	7,765	1,100	1,787
Oregon.....	9,300	14,740	7,600	12,168	1,600	2,555
Pennsylvania.....	36,500	60,035	29,200	48,624	7,200	11,394
Rhode Island.....	700	1,243	600	1,053	100	190
South Carolina.....	8,400	13,762	7,000	11,601	1,400	2,154
South Dakota.....	2,200	3,692	1,900	3,211	300	478
Tennessee.....	14,900	24,254	12,400	20,289	2,500	3,952
Texas.....	42,300	72,000	35,200	60,617	6,900	11,311
Utah.....	6,000	10,257	5,000	8,583	1,000	1,666
Vermont.....	800	1,173	700	925	200	247
Virginia.....	19,100	31,555	15,600	26,119	3,500	5,425
Washington.....	13,000	21,229	10,700	17,530	2,200	3,688
West Virginia.....	9,300	15,185	7,400	12,068	1,900	3,111
Wisconsin.....	11,700	18,460	9,700	15,341	1,900	3,106
Wyoming.....	4,700	8,491	4,200	7,537	500	946
Outside United States:						
Canada.....	2,000	1,311	1,400	684	700	627
Mexico.....	200	179	100	67	100	112
Other.....	600	702	400	480	200	222
Total⁵.....	641,500	\$1,053,213	530,000	\$878,029	109,600	\$174,592

¹ Includes 1,900 partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity.
² Includes 120,200 supplemental annuities to employees receiving regular annuities. In a relatively small number of cases, employees were also receiving spouse or widow(er)'s benefits.
³ State of residence of beneficiary on September 30, 2018.
⁴ Less than 50.
⁵ Includes beneficiaries whose state of residence was unknown.

NOTE.--Retirement benefits include regular and supplemental employee annuities, spouse annuities and divorced spouse annuities. Survivor benefits include annuities to aged and disabled widow(er)s, widowed mothers and fathers, remarried and divorced widow(er)s, children, parents, and widow(er)s annuities temporarily being paid at spouse annuity rates pending final adjudication of survivor annuities. Benefit amounts exclude social security payments to dual beneficiaries.

Table 8.-- Principal administrative data for the unemployment and sickness benefit programs, benefit years 2013-2014 through 2017-2018, cash basis

Item	2013-2014 ¹	2014-2015 ¹	2015-2016 ¹	2016-2017 ¹	2017-2018 ¹
Qualified employees.....	247,600	248,200	254,200	260,700	242,100
Maximum daily benefit rate.....	\$68	\$70	\$72	\$72	\$72
UNEMPLOYMENT BENEFITS					
Net amount of benefits paid (thousands)	\$39,867	\$30,752	\$71,655	\$53,859	\$40,880
Payments: ²					
Number.....	69,700	52,100	112,300	90,000	63,000
Average amount per two week claim period.....	\$550	\$578	\$591	\$594	\$601
Beneficiaries.....	10,000	7,600	16,400	13,200	9,300
Applications received.....	13,100	11,500	24,100	16,800	12,500
Claims received.....	82,900	62,500	137,000	108,100	75,500
Normal benefit accounts exhausted.....	2,300	1,900	3,300	3,100	2,100
Non-compensable waiting period only ³ ..	(4)	(4)	(4)	(4)	(4)
SICKNESS BENEFITS					
Net amount of benefits paid (thousands)	\$45,316	\$48,428	\$54,511	\$59,824	\$56,174
Payments: ²					
Number.....	101,100	102,700	109,700	114,400	115,000
Average amount per two week claim period.....	\$555	\$572	\$592	\$597	\$597
Beneficiaries.....	15,600	15,500	16,000	16,100	15,700
Applications received.....	19,100	19,400	19,800	20,100	19,600
Claims received.....	119,900	121,300	129,200	133,800	133,700
Normal benefit accounts exhausted.....	2,600	2,800	3,100	3,400	3,500
Non-compensable waiting period only ³ ..	(4)	100	(4)	(4)	(4)

¹ In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 9.2% under sequestration for days of unemployment and sickness after February 28, 2013, 7.2% for days after September 30, 2013, 7.3% for days after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, and 6.6% for days after September 30, 2017.

² Not adjusted for recoveries or settlements of underpayments.

³ Benefits are payable for each day of unemployment or sickness in excess of 7 during the first 14-day registration period in a benefit year.

⁴ Less than 50.

NOTE.--Data covered program activities during the year, regardless of when unemployment or sickness occurred. Starting in June 2009, includes temporary extended unemployment benefits authorized by the American Recovery and Reinvestment Act of 2009, the Worker, Homeownership, and Business Assistance Act of 2009, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, the Temporary Payroll Tax Cut Continuation Act of 2011, the Middle Class Tax Relief and Job Creation Act of 2012 and the American Taxpayer Relief Act of 2012. Benefits had to begin by December 31, 2013. Net benefits for these temporary payments were \$2,391,000 in 2013-2014, -\$327,000 in 2014-2015, -\$212,000 in 2015-2016, -\$167,000 in 2016-2017, and -\$169,000 in 2017-2018. Current activity primarily reflects recoveries.

Table 9.--All employees, new entrants, employees qualified for RUIA benefits, and related data, by employer, 2017

Type or name of employer	All employees			New entrants		Creditable Compensation (thousands)			
	Total	With 12 months of service in 2017	With sufficient service for RRA annuity benefits	Qualified for RUIA benefits	Total	Qualified for RUIA benefits	Tier I	Tier II	RUIA
TYPE OF EMPLOYER									
Class I line-haul railroads.....	163,363	131,797	127,318	157,033	6,161	2,983	\$12,247,383	\$11,607,963	\$2,762,824
Non-Class I line-haul railroads and switching & terminal companies.....	22,935	17,188	14,909	20,732	1,995	1,047	1,335,285	1,287,753	358,148
Commuter railroads	50,430	41,142	36,221	48,694	2,988	1,853	3,952,341	3,623,086	860,180
Car-loan companies.....	2,270	1,760	1,236	2,149	179	113	143,268	136,499	37,694
Labor organizations.....	2,402	1,804	1,729	2,024	186	78	185,224	157,840	34,564
Miscellaneous employers ²	5,176	3,667	2,948	4,785	679	411	382,180	338,957	81,203
Total	246,576	197,358	184,361	235,417	12,188	6,485	\$18,245,681	\$17,152,098	\$4,134,612
SELECTED EMPLOYERS									
BNSF Railway Co.	45,047	37,726	33,674	43,813	1,072	468	\$3,655,408	\$3,427,744	\$780,613
Canadian National, U.S. Operations									
Bessemer and Lake Erie Railroad Co.....	68	61	47	68	.....	.....	4,775	4,728	1,225
Chicago Central and Pacific Railroad Co.....	298	233	210	288	24	18	23,900	21,844	4,958
Grand Trunk Western Railroad Co.....	801	625	589	771	36	13	66,008	60,763	13,393
Illinois Central Railroad Co.....	4,078	3,262	3,007	3,914	308	197	338,461	308,030	68,689
Pittsburgh and Conneaut Dock Co.....	35	26	17	35	.....	.....	1,778	1,778	596
Wisconsin Central Transportation Corp.....	2,323	1,737	1,529	2,147	288	142	184,118	170,453	37,735
Canadian Pacific, Soo Line Corporation									
Dakota, Minnesota & Eastern Railroad Corp.....	706	557	536	661	58	41	50,419	48,322	11,389
Delaware and Hudson Railway Co. Inc.....	232	170	186	221	9	2	15,138	14,642	3,828
Soo Line Railroad Co.....	2,247	1,755	1,759	2,119	104	52	181,190	165,504	36,778
CSX Transportation Inc.	26,015	20,107	22,024	25,193	84	58	1,967,959	1,865,243	433,657
Kansas City Southern Railway Co.	3,049	2,541	2,198	2,899	216	109	228,388	214,704	51,748
Gateway Eastern Railway Co.....	12	8	11	10	1	.....	651	643	168
Texas Mexican Railway Co.....	231	169	164	223	3	1	18,246	17,471	3,825
National Railroad Passenger Corp. (Amtrak)	21,923	17,468	15,387	21,097	1,251	741	1,521,215	1,438,481	369,937
Norfolk Southern Corp.	29,544	23,954	23,188	28,148	1,666	823	1,990,882	1,924,946	496,589
Union Pacific Railroad Co.	48,677	38,866	38,179	46,523	2,292	1,059	3,520,064	3,361,148	817,633

¹ Includes National Railroad Passenger Corp. (Amtrak).

² Includes lessor companies, employer associations and miscellaneous carrier affiliates.

NOTE:--Tier I compensation excludes miscellaneous compensation taxable at the tier I tax rate.



U.S. Railroad Retirement Board

844 North Rush Street
Chicago, IL 60611-1275

Toll Free: (877) 772-5772

TTY: (312) 751-4701

Directory: (312) 751-4300

RRB.gov