



FROM THE DESK OF

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## **Railroad Retirement Spouse and Widow(er)s' Annuities and Public Service Pensions**

Unless certain exemption requirements are met, Railroad Retirement Act spouse and widow(er)s' annuities (including divorced spouse, surviving divorced spouse and remarried widow(er)s' annuities) must be reduced when a spouse or widow(er) is also entitled to a public service pension. Such dual entitlement, if not reported to the Railroad Retirement Board (RRB), can result in benefit overpayments which have to be repaid, sometimes with interest and penalties. The following questions and answers describe how payments are adjusted by the RRB for spouse and widow(er) annuitants entitled to public service pensions.

### **1. What is considered a public service pension for social security or railroad retirement purposes?**

A public service pension is any periodic benefit payment, as well as lump-sum payments made in lieu of periodic payments, based on an individual's employment with a Federal, State, or local government unit. Some examples include pensions paid on the basis of age or disability to teachers, police officers, and civil service personnel. Full salary benefits paid to a judge who has retired or resigned under the Federal judiciary retirement system are also considered public service pensions.

Most military service pensions and payments from the Department of Veterans Affairs will not cause a reduction. A pension paid by a foreign government or an interstate instrumentality also has no effect on a spouse or widow(er)'s annuity.

### **2. How is the public service pension reduction applied to railroad retirement spouse or widow(er)s' annuities?**

Under current law, the tier I portion of the annuity is reduced by an amount equal to 2/3 of the amount of the public pension. The amount of the public service pension is the current gross amount, before any deductions for income tax withholding, Medicare premiums, health insurance or other benefits.

*(More)*

**3. What is the background of the public service pension reduction in spouse and widow(er)s' annuities?**

The public service pension reduction in social security and railroad retirement spouse and widow(er)s' benefits was created by social security legislation enacted in 1977 which also applied to the tier I benefits of railroad retirement spouses and widow(er)s. The tier I portion of a railroad retirement annuity is based on railroad retirement credits and any social security credits the railroad employee has acquired. It is computed under social security formulas and approximates what social security would pay if railroad work were also covered by that system. Tier I benefits are, therefore, reduced in the same manner as social security benefits when certain other benefits are also payable.

**4. Are there any provisions that would exempt railroad retirement spouse or widow(er) annuitants from the public service pension offsets?**

Generally, in order to be exempt from a public service pension reduction, Federal, State and local government workers must be covered by social security throughout their last 60 months of employment with the pension-paying governmental entity, or be receiving a public service pension that is **not** based on her or his own earnings.

**5. Where can more specific information on how these pension offsets affect railroad retirement benefits be obtained?**

More information is available on **RRB.gov**, or by contacting an RRB field office. It is important to know that while most of the RRB's 53 field offices are physically closed to the public until further notice because of the COVID-19 virus outbreak, all offices remain accessible by e-mail and phone. Customers are encouraged to send a secure e-mail to their local office by accessing **Field Office Locator** and clicking on the link at the bottom of their local office's page. Customers who prefer talking to an RRB employee can call the agency's toll-free number (1-877-772-5772). However, they should be aware that they may experience lengthy wait times due to increased call volume caused by office closures.

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