



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 the RRB adjusts the benefit payments of spouse and widow(er) annuitants who are 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 a lump-sum payment 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 service 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.

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

The public service pension reduction applied to social security and railroad retirement spouse and widow(er)s' benefits was created by social security legislation 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

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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 exemptions for railroad retirement spouse or widow(er) annuitants from the public service pension offsets?**

Generally, 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 their own earnings to be exempt from a public service pension reduction.

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

More information is available by visiting the RRB's website, **RRB.gov**, or by calling an RRB office toll-free at 1-877-772-5772. Persons can find the address of the RRB office serving their area by clicking on the **Field Office Locator** tab at RRB.gov or by calling the agency's toll-free number. RRB field offices currently offer **limited in-person service by appointment**. To schedule an appointment, call 1-877-772-5772. Individuals should bring a photo ID when visiting a field office, and, depending on guidance from the Centers for Disease Control and Prevention for the county in which the field office is located, may be required to wear an appropriate face mask. In such circumstances, if visitors do not have a mask, one will be provided for them.

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