

Program Letter

United States
Railroad Retirement Board
Office of Programs



Quality Reporting Service Center

Phone: (312) 751-4992

Email: QRSC@rrb.gov

Fax: (312) 751-7123

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TO: **Certification Registration, Retirement and Unemployment Contact Officials**

SUBJECT: **Calculating An Employee's Daily Pay Rate to Report on Form BA-3**

Please distribute this notice to all individuals within your organization who may need the information in connection with their work.

An employee's Daily Pay Rate (DPR) is the basic rate of pay for the last regular job worked during the compensation year. The DPR is a required reporting field on Form BA-3, Annual Report of Credible Compensation. The DPR is used to determine the employee's Daily Benefit Rate when they apply for unemployment or sickness benefits.

The RRB has noted an increase in incorrect or omitted DPR amounts in BA-3 reports. Incorrectly reported DPR amounts can result in employees receiving substantially lower benefits until the actual DPR is verified, which involves additional work by the RRB and employers.

Calculating an Employee's Daily Pay Rate

The DPR is an employee's straight-time rate of pay including any cost-of-living allowances, but excludes overtime pay, arbitrary payments, or special allowances. The DPR is currently subject to a reporting maximum of \$200.00. If an employee's computed DPR exceeds \$200.00, employers should only report \$200.00 on Form BA-3.

Compute the DPR for employees paid on various schedules as follows:

- **Hourly** – Multiply the hourly rate by 8.
- **Daily** – Report the daily rate as-is.
- **Monthly** – Divide the monthly rate by 21.75.
- **Annual** – Divide the annual rate by the number of months employed, then divide by 21.75.
- **Mileage Rated Employees** – The rate of pay for the number of miles constituting a basic day as prescribed by the agreement.

Daily Pay Rate vs Daily Benefit Rate

The RRB often sees employers confuse the Daily Pay Rate and the Daily Benefit Rate. As was stated above, Daily Pay Rate is the value employers must calculate and report for all employees on Form BA-3. The reporting maximum for Daily Pay is \$200.00 and does not change annually. Daily Benefit Rate is the maximum daily benefit amount available to unemployment and sickness claimants. The current maximum Daily Benefit Rate available to claimants is \$87.00. Daily Benefit Rate is adjusted annually and the RRB releases the updated amount each December. Employers need to ensure they are using the correct \$200.00 maximum when calculating and reporting Daily Pay Rate.