



Trigger of Surcharge in RUIA Tax Rate October 17, 2024

U.S. Railroad Retirement Board Phone: (312) 751-7139
844 North Rush Street TTY: (312) 751-4701
Chicago Illinois, 60611-1275 Web: <http://www.rrb.gov>

We have recently determined that no surcharge will be added to the basic RUIA contribution rate for each established employer beginning January 1, 2025. There was also no surcharge for 2024. New employers are not affected, as their rate will be the average rate for all employers from 2021 through 2023.

The RUIA Experience Rating System provides for the addition of a surcharge to the RUIA contribution rate if the accrual balance in the RUI Account falls below certain levels as of June 30 of each year. On June 30, 2024, that account had an accrual balance of \$454.8 million. The 1.5 percent threshold is the higher of \$100 million or \$100 million indexed to changes in the system compensation base. The current thresholds are \$166.5 million for the 1.5 percent surcharge and \$83.2 million for the 2.5 percent surcharge. Since the RUI Account balance is greater than the indexed amount for \$100 million, there is no surcharge for calendar year 2025. There is a pooled credit of .83% for calendar year 2025, the first since 1994.

Official notice of the surcharge was included in the annual rate notices sent out to individual employers on October 15, 2024.

Rev. 11/04/24