

How Earnings Affect Payment of Survivor Annuities

You can work for a nonrailroad employer and still receive survivor benefits from the Railroad Retirement Board. However, your benefits will be reduced if you are under full retirement age and earn over the annual exempt amount. Once you attain full retirement age, no benefits are withheld because of nonrailroad work, no matter how much you earn. Full retirement age extends from age 65 for survivor beneficiaries born before 1940, to age 67 for those born in 1962 and later.

A railroad retirement annuity is not payable for any month in which you work for a railroad or railroad labor organization. This rule applies to all beneficiaries, regardless of age or amount of earnings.

What Earnings Count?

If you work for someone else, we count your gross earnings to calculate earnings deductions. Gross earnings from employment (normally shown in Item 3 or Item 5 on your Form W-2) are all salaries, wages, commissions, bonuses and other payments, before deductions, including deductions for income taxes, social security taxes, insurance premiums, and contributions to 401k plans.

If you are self-employed, we count only your net earnings from self-employment. Net earnings from self-employment (Item 4 on Form 1040, Schedule SE) are gross earnings minus expenses, less one-half of your self-employment tax.

We do not count non-work income such as investment earnings, interest, pensions, gifts, inheritances, and capital gains.

Year 2025 Annual Earnings Amounts

If you attain full retirement age (FRA) in 2025, you can earn up to \$62,160 through the month preceding FRA and not lose benefits. For every \$3 earned over \$62,160, you lose \$1 of benefits.

If you are under FRA for the entire year 2025, you can earn up to \$23,400 and not lose benefits. For every \$2 earned over \$23,400 you lose \$1 of benefits.

Special One-Year Rule – Non-Work Months

No annuity payments are lost for any month in the first year you are entitled to an annuity and have “non-work months.” A “non-work month” is a month in which you do not earn over a prescribed monthly limit, and do not perform substantial services in self-employment. The monthly limits in 2025 are \$1,950 for those under FRA, and \$5,180 for individuals who have attained FRA. The monthly limit for individuals who have attained FRA applies only to months in the year prior to the month in which FRA is attained. Different rules apply to self-employed individuals subject to the monthly test. The amount of time spent in self-employment during a month, as well as the nature of work performed, is considered in determining whether the special one-year rule applies.

Special One-Year Rule *(Continued)*

Here's an example of the special one-year rule. Ann Smith retires at age 62 on August 26, 2025. She made \$25,000 through August. She begins a part-time job in October and earns \$600 per month. Although her earnings for the year exceed the year 2025 limit of \$23,400, Ms. Smith will receive her full railroad retirement annuity for September through December because her earnings in those months are less than \$1,950, the monthly exempt amount. Beginning in 2026, only the yearly limits will apply to Ms. Smith because she will have already used her special one-year rule eligibility.

Summary of Earnings Limits 2023-2025				
A summary of the annual earnings exempt amounts and the special one-year monthly exempt amounts is shown below.				
Year	Under Full Retirement Age		Full Retirement Age	
	Yearly Amount	Monthly Amount	Yearly Amount	Monthly Amount
2025	\$23,400	\$1,950	\$62,160	\$5,180
2024	\$22,320	\$1,860	\$59,520	\$4,960
2023	\$21,240	\$1,770	\$56,520	\$4,710

An earnings test applies in the calendar year in which a beneficiary attains full retirement age, but only to the months prior to the month the beneficiary reaches full retirement age.

Reporting Your Earnings

In most cases, we calculate how much to reduce your annuity because of your earnings based on either the earnings estimate you gave us when you applied for benefits, or on reports submitted by employers to the Social Security Administration. You do not have to report your earnings to us unless:

- ▶ You stop working;
- ▶ You start working and expect to earn more than the annual exempt amount;
- ▶ Your employment is not covered under the Social Security Act (i.e. FICA taxes are not deducted from your pay) and you expect to earn over the annual exempt amount;
- ▶ Your earnings are from work outside of the United States;
- ▶ You work for a railroad or railroad labor organization; or
- ▶ We ask for a report of your earnings.

Contact the nearest RRB office at any time during the year if you think we are either withholding too much or too little from your benefits because of your earnings.