

Program Letter

United States
Railroad Retirement Board
Office of Programs



Quality Reporting Service Center

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Date: January 16, 2025

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

SUBJECT: **REEF Act Ends Reduction of Railroad Unemployment and Sickness Benefits**

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

A recently approved law ended the reduction of unemployment and sickness benefits paid to railroad employees due to a budget sequestration requirement. The Railroad Employee Equity and Fairness (REEF) Act was incorporated into the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, which the President signed on December 23, 2024.

The Budget Control Act of 2011, and subsequent sequestration orders to implement mandated cuts, required that railroad unemployment and sickness insurance benefits be reduced by a set percentage. This requirement was temporarily paused at the beginning of 2021 due to the coronavirus pandemic, but resumed on May 10, 2023. Since then, unemployment and sickness benefit amounts paid by the U.S. Railroad Retirement Board (RRB) have been reduced by 5.7 percent. The REEF Act eliminates that reduction and exempts railroad unemployment and sickness insurance benefits from sequestration.

The current daily benefit rate for unemployment and sickness insurance benefits is \$94.00. Applying the sequestration reduction of 5.7 percent reduced the maximum benefit in a 2-week period from \$940.00 to \$886.42. Starting December 26, 2024, the full amount is being paid, except for any required income/payroll tax withholding or garnishment orders.

In addition, the new law applies retroactively to May 10, 2023, when sequestration resumed after the pandemic. Due to significant system programming required, there will be a delay in calculating and issuing retroactive payments. Claimants should monitor the agency website at **RRB.gov** for up-to-date information on progress related to retroactive payments. No action is required by claimants affected by this provision unless they have moved or changed banking information, in which case they can report the new information by calling the agency's toll-free number at (877) 772-5772. Please direct any of your employees with questions to the REEF Act FAQ available on the rrb.gov website at www.RRB.gov/REEFActFAQ.