



FROM THE DESK OF

JOHN BRAGG
LABOR MEMBER



U.S. Railroad Retirement Board

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The Social Security Fairness Act and its Impact on Railroad Retirement Annuities

The Social Security Fairness Act (SSFA), which was signed into law on January 5, 2025, eliminates the reduction previously applied to the railroad retirement annuities or social security benefits of individuals who also receive pensions from work not covered by social security.

The following questions and answers describe how the SSFA impacts the computation of railroad retirement annuities and provide information related to the law's implementation.

1. What is the purpose of the SSFA?

Beginning with the months after December 2023, the SSFA repeals earlier legislation that applied a reduction to the railroad retirement annuities or social security benefits of **railroad workers, their spouses, or survivors** who also receive a public service pension based on work that is **not** covered by social security. In addition, the SSFA removes the reduction applied to the annuities of railroad employees who also receive certain nonprofit or foreign pensions.

It is important to note that the receipt of military service pensions, payments by the Department of Veterans Affairs, and certain benefits payable by a foreign government covered by a totalization agreement with the United States does **not** reduce railroad retirement annuity rates. Consequently, recipients of these payments will not see any change to their railroad retirement annuities because of the repeal of the earlier law.

While the SSFA refers to the annuity reduction as the windfall elimination provision or government pension offset reduction, the Railroad Retirement Board (RRB) respectively uses the terms noncovered service pension (NCSP) reduction when it is applied to a railroad retirement employee annuity or a public service pension (PSP) offset when it pertains to a railroad retirement spouse or survivor annuity. While both designations cover public service pension-related deductions, NCSP reduction also includes deductions caused by certain non-profit or foreign pensions.

2. What type of work is considered “not covered by social security?”

Work not covered by social security in this context may include employment with a federal, state, or local government unit and is the basis of the public service pensions paid, for example, to teachers, police officers, and other civil servants who did not pay into social security while employed in these positions. It may also include work for a nonprofit organization or foreign entity.

(More)

3. How does the enactment of the SSFA affect the computation of a railroad retirement annuity?

Under the SSFA, the tier I component of a railroad retirement employee, spouse, or survivor annuity is no longer reduced, as applicable, for that individual's receipt of a public, nonprofit, or foreign pension. (NCSP reductions and PSP offsets were not applied to the tier II component of a railroad retirement annuity.) As a result, an annuitant's gross tier I component is restored to its full amount for future monthly annuity payments.

For example, prior to the enactment of the SSFA, an employee who was entitled to a gross tier I amount of \$1,256 and a NCSP of \$800 would have their gross tier I amount decreased to \$669 after the application of the NCSP reduction. However, after the enactment of the SSFA, the NCSP reduction would be removed and the employee's gross tier I amount would be restored to \$1,256.

4. Is the restoration of an annuitant's tier I component applied retroactively?

Yes. Railroad retirement annuitants whose tier I components were decreased by a NCSP reduction or PSP offset will have their full tier I component amount restored retroactively for **months after December 2023**, the effective date of the SSFA.

5. When will annuitants receive any retroactive payment due?

The calculation and issuance of any retroactive payments, in addition to the processing of new railroad retirement annuity applications, will be delayed by the RRB's need to significantly reprogram its computer systems to implement the SSFA. Annuitants should monitor the agency's website, RRB.gov, for news on the agency's progress in implementing the SSFA and related updates and information.

6. The SSFA affects my railroad retirement annuity. What do I have to do to have my full tier I component restored?

Railroad retirement annuitants who are affected by the SSFA do not have to do anything to have their full tier I component restored - unless they have changed their address or banking information. In those cases, please notify the RRB via its toll-free number 1-877-772-5772 so that the agency can update its records.

7. My railroad retirement annuity is reduced for my entitlement to a social security benefit. Does the SSFA remove the social security benefit reduction applied to my annuity?

No. The SSFA does not change any of the existing laws that require the reduction of a railroad retirement annuity due to the receipt of any social security benefit. Consequently, if an annuitant is receiving both a railroad retirement annuity and a social security benefit, the railroad retirement tier I component will continue to be offset by the amount of the social security benefit. In addition, the SSFA does not remove the reduction applied to the railroad retirement annuities of persons who also receive workers' compensation or a public disability benefit.

8. Where can I get additional information on how the SSFA affects railroad retirement annuities?

More information is available by visiting the RRB's website, **RRB.gov**, clicking on **FAQ**, and then selecting **Public Service Pensions**, or by calling an RRB office toll-free at 1-877-772-5772. RRB field offices also offer in-person service. While persons seeking in-office assistance are encouraged to schedule an appointment with their local field office by calling the agency's toll-free number, those without appointments will not be refused service. However, they may be asked to schedule an appointment for a later time if there is no immediate availability. Individuals should bring a photo ID when visiting a field office. RRB field offices are generally open Monday through Friday from 9:00 a.m. to 3:00 p.m., except for federal holidays. Individuals can also **send a secure message** to their local RRB field office by accessing Field Office Locator and clicking on the link at the bottom of their local office's page.

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