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RRB Financial Reports

As required by law, the Railroad Retirement Board (RRB) submits annual reports and triennial actuarial valuations on the financial condition of the railroad retirement system and annual reports on the fiscal health of the railroad unemployment insurance system to Congress. These reports must also recommend any financing changes needed to ensure each system's respective solvency. In June, the RRB submitted its 2026 financial reports on the railroad retirement and railroad unemployment insurance systems to Congress.

The following questions and answers summarize the findings of both reports.

1. What were the assets of the railroad retirement and railroad unemployment insurance systems last year?

As of September 30, 2025, total railroad retirement system assets, comprising assets managed by the National Railroad Retirement Investment Trust (NRRIT) and the railroad retirement system accounts at the Treasury, equaled $30.9 billion. The Railroad Retirement and Survivors' Improvement Act of 2001 established the NRRIT to manage and invest railroad retirement assets. The cash balance of the railroad unemployment insurance system was $392.4 million at the end of fiscal year 2025.

2. How did the RRB predict the financial condition of the railroad retirement system?

In the 2026 report, the RRB projected the various components of income and outgo of the railroad retirement system under optimistic, moderate, and pessimistic employment assumptions for the 25 calendar years 2026-2050 (projection period). The RRB combined the projections of these components and calculated anticipated investment income to project balances in the railroad retirement accounts at the end of each year of the projection period.

3. What did the RRB conclude in the 2026 report regarding the railroad retirement system's financial condition?

The RRB found that the railroad retirement system remains financially solvent and stable. Barring a sudden, unanticipated, large decrease in railroad employment, substantial investment losses, or changes in benefit provisions and applicable laws, the railroad retirement system will experience no cash flow problems throughout the 25-year projection period under any employment assumption.

(More)

Under the current financing structure, actual levels of railroad employment and investment return over the coming years will largely determine whether corrective action is necessary.

4. How do the results of the 2026 report compare with the results of the 2025 report?

The conclusion of the 2026 report that the railroad retirement system will experience no cash flow problems for the next 25 years is comparable to the results of the 2025 annual report. However, the actual investment return in 2025 was 13.4 percent, which was 6.4 percent higher than expected. In addition, the year-end 2025 combined account balances were about $1.8 billion higher than expected in last year's report because of strong investment performance during 2025. The projected combined account balances also remain higher over the 25-year projection period under all three employment assumptions than in last year's report.

5. Did the RRB recommend any railroad retirement payroll tax rate changes in the 2026 report of the railroad retirement system?

No. The RRB's report did not recommend any changes to employer or employee tax rates under current law.

6. How did the RRB evaluate the financial condition of the railroad unemployment insurance system?

The economic and employment assumptions that the RRB used in the unemployment insurance report correspond to those used in the 2026 report of the retirement system. The report includes projections under optimistic, moderate, and pessimistic employment scenarios for 2026-2036.

7. What were the RRB's findings in the 2026 report on the financial condition of the railroad unemployment insurance system?

Overall, the unemployment insurance system is expected to remain financially stable. Even as maximum benefit rates increase 61 percent (from $99 to $159) from 2025 to 2036, the RRB projected that the unemployment insurance system's experience-based contribution rates will respond to fluctuating employment and unemployment levels and maintain fund solvency. While under the pessimistic assumption, there is the possibility of loans in fiscal year 2029 that will be repaid in fiscal year 2030, nevertheless, the average employer contribution rate remains below the maximum throughout the projection period. (Under experience-rating provisions, the RRB determines each employer's contribution rate based on changing benefit levels.)

Unemployment levels are the main factor affecting the financial status of the railroad unemployment insurance system. However, the system's experience-rating provisions and its surcharge triggers help maintain solvency during periods of adverse economic conditions.

For calendar year 2027, no surcharge or pooled credit is predicted under all assumptions, with an expected 1.5 percent surcharge in 2028 under the optimistic and moderate assumptions, and a 2.5 percent surcharge under the pessimistic assumption. There is a possibility of these surcharges continuing into 2029 under the respective assumptions.

8. Did the RRB recommend any financing changes in the 2026 report on the railroad unemployment insurance system?

No. The RRB did not recommend any changes to unemployment insurance financing.

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The RRB's 2026 financial reports on the retirement and unemployment insurance systems are available in their entirety at **RRB.gov** under the **Financial and Reporting** tab (**Financial, Actuarial and Statistical**), as is information on the National Railroad Retirement Investment Trust, including its quarterly and annual reports.