United States Railroad Retirement Board

2026 Annual Report

U.S. Railroad Retirement Board

Mission Statement

The Railroad Retirement Board's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during retirement and in the event of disability, death or temporary unemployment and sickness. The Railroad Retirement Board also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the Railroad Retirement Board will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The Railroad Retirement Board will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

If you have comments or suggestions regarding the information in this report, please let us know. You can call us at 312-751-4777, email us at opa@rrb.gov or write us at the following address:

Public Affairs
U.S. Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611-1275

The cover photo is by Kyle Apuzzo, a freight conductor with the Vermont Rail System, who captured Amtrak's Vermonter exiting the Bellows Falls Tunnel as it approaches the nearby station in Bellows Falls, Vermont. Other examples of his photos can be found on Facebook, including the Vertical Railroad Photography page, and on Instagram at RI_PICTURE_GUY.

UNITED STATES
RAILROAD RETIREMENT BOARD

2026 Annual Report

For Fiscal Year Ended September 30, 2025

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THE REPORT IN BRIEF

The Railroad Retirement Board (RRB) paid benefits totaling approximately $14.7 billion, net of recoveries and offsetting collections, to about 501,000 beneficiaries in fiscal year 2025. Financial reports issued in 2026 on the solvency of the railroad retirement and railroad unemployment insurance systems were both favorable. Total railroad retirement system assets equaled $31.0 billion as of September 30, 2025.

Benefits and Beneficiaries

Benefits paid by the RRB totaled approximately $14.7 billion in the fiscal year ending September 30, 2025. Retirement and survivor annuities were paid by the RRB to about 475,000 beneficiaries during the fiscal year, of whom 450,000 were on the rolls at the end of the year. Approximately 26,000 railroad employees were paid unemployment and/or sickness insurance benefits; this total beneficiary count includes employees who only received payments of previously sequestered benefit amounts under the Railroad Employee Equity and Fairness (REEF) Act. About 1,000 beneficiaries received payments under both the Railroad Retirement Act (RRA) and the Railroad Unemployment Insurance Act (RUIA).

Retirement and survivor annuity payments of just under $14.6 billion during fiscal year 2025 were $284.8 million more than payments in the prior year. Employee and spouse annuitants were paid about $12.2 billion, accounting for 83 percent of the total payments. Employees received more than $9.2 billion in age annuities (including $1.8 billion to annuitants, full retirement age and over, originally awarded a disability annuity), $720 million in disability annuities, and $47.3 million in supplemental annuities. Spouses and divorced spouses received about $2.2 billion.[1] In addition, survivors received $2.4 billion in annuities and nearly $1.2 million in lump-sum benefits. Annuitants receiving retirement and survivor benefits declined by about 8,000 from fiscal year 2024.

[1] Prior to the 2015 Annual Report, annuitants who were full retirement age and over and originally awarded a disability annuity were included in the disability counts. Effective with the 2015 Annual Report, they were included in the employee age and service counts because a disability annuity converts to an age and service annuity when the annuitant attains full retirement age.

Note: Statistics are primarily presented on a cash basis of accounting, rather than an accrual basis. The primary difference is that the cash basis recognizes revenue and expenditures when cash is actually received/paid, while the accrual basis recognizes them when earned/incurred. Except for income tax transfers and gross unemployment and sickness benefits, the information on pages 2, 6-14 (top section), and 26-28 is presented on an accrual basis.

The REEF Act, enacted December 23, 2024, resulted in processing repayments of sequestered benefits starting in January 2025 and continuing through September 2025. These repayments restored the 5.7 percent previously sequestered benefits for each day claimed. As a result, unemployment and sickness numbers include REEF cases where the beneficiary did not otherwise have active claims in fiscal year 2025. Gross unemployment and sickness benefits paid in fiscal year 2025 totaled nearly $122 million, including benefits paid retroactively under the REEF Act. Total gross benefit payments increased by almost $29.8 million.

Gross unemployment benefits totaling about $36 million on a cash basis were paid to more than 8,600 claimants, and the amount increased by 3.0 percent compared to the previous year. Gross sickness benefits totaling $86 million on a cash basis were paid to almost 18,900 claimants, and the amount increased by 24 percent compared to the previous year, which is partially due to the inclusion of repayments under the REEF Act in the total benefits paid. Net benefits totaled about $79.5 million on an accrual basis after adjustment for recovery of benefit payments, including injury settlements, some of which occurred in prior years.

Financial Reports

The RRB's 2026 railroad retirement financial report to Congress, which covered the period 2026-2050, was generally favorable, with no cash-flow problems anticipated during the 25-year projection period. However, the long-term stability of the system is not guaranteed. Developments such as a sudden, unanticipated decrease in railroad employment or sudden investment losses could have a material impact on projection results and the financial status of the system. In addition, changes in benefit provisions and applicable laws could have an impact on cash flows.

The RRB's 2026 railroad unemployment insurance financial report was also generally favorable, with balances expected to be above the indexed $100 million surcharge threshold of $100 million in 2027, with a projected balance in 2028 and 2029 above $50 million but below $100 million under the optimistic and intermediate employment assumptions, which would trigger a 1.5 percent surcharge. Under the pessimistic employment assumption, the balance in those years would be less than $50 million, resulting in a 2.5 percent surcharge. During the 11-year projection period, 1.5 percent surcharges will occur intermittently thereafter.

The National Railroad Retirement Investment Trust's annual management report for fiscal year 2025 showed that, as of September 30, 2025, the net asset value of the Trust-managed assets was $28.9 billion. This represented an increase from $27.6 billion in the previous year, with a net investment return for the year of 10.35 percent. The ending balance also reflects a transfer of $1.4 billion to the U.S. Treasury for the payment of railroad retirement annuities. Total railroad retirement system assets, including those maintained at the Treasury, equaled $30.9 billion at the end of fiscal year 2025.

The 2025 railroad retirement and railroad unemployment insurance financial reports and the National Railroad Retirement Investment Trust's 2024 annual management report are available by clicking on the *Financial & Reporting* tab at **RRB.gov**.

Service Delivery

Customer Service Plan

In fiscal year 2025, the RRB Customer Service Plan promotes the principles and objectives of customer-driven quality service. The RRB met the timeliness standards for benefits under the RUIA program and the RRA program, with the exception of disability claims. This is directly related to inadequate budget appropriations and loss of experienced staff.

Service Accomplishments and Enhancements

In addition to the REEF Act, the agency implemented the Social Security Fairness Act (SSFA) enacted on January 5, 2025, which provided for retroactive payments to individuals whose railroad retirement benefits had been reduced due to receipt of public pensions. In fiscal years 2025 and 2026, the agency adjusted more than 162,000 claimants under the REEF Act and more than 12,300 annuitants under the SSFA.

The RRB also continued to expand use of **Login.gov**, which provides identity verification and secure access to online services across the government, with more than 175,000 verified accounts in December 2025, a 30 percent increase over the prior year. The agency also processed a cost-of-living adjustment for retirement and survivor annuities, and continued to modernize its information technology systems, including expansion of online self-service options.

Office of Inspector General

During fiscal year 2025, the Office of Inspector General (OIG) continued its independent oversight of agency operations and its efforts to combat fraud, waste, and abuse. This work included the issuance of eight total reports, including six audit reports and two management information reports, with 82 audit recommendations. In addition to the completion of one risk assessment, the Office of Audit also completed one peer review.

Investigative activities resulted in 14 indictments and/or informations, 20 criminal convictions, eight civil judgments, and approximately $9.2 million in financial accomplishments. This reflects monetary amounts related to programs administered exclusively by the RRB and monetary amounts from other federal programs, such as Medicare, which may have been included in the disposition resulting from joint casework. Results associated with joint casework are sometimes prescribed in an aggregate amount and not necessarily delineated by individual agencies. If delineated, the RRB's amount, and not the aggregate amount, will be reflected in the OIG's financial accomplishments.

Selected Data on Benefit Operations

Retirement-Survivor[1]	Fiscal Year 2025	Fiscal Year 2024
Employee age annuities		
Number awarded	5,700	5,400
Awarded Age Annuity		
Number being paid at end of period	171,000	173,300
Average being paid at end of period	$3,638	$3,552
Disability converted to age annuity[2]		
Number being paid at end of period	45,200	46,200
Average being paid at end of period	$3,245	$3,160
Employee disability annuities		
Number of total disability annuities awarded	600	500
Number of occupational disability annuities awarded	1,000	900
Number of total disability annuities being paid at end of period	6,700	6,900
Number of occupational disability annuities being paid at end of period	7,700	8,000
Average total disability annuity being paid at end of period	$2,873	$2,770
Average occupational disability annuity being paid at end of period	$4,171	$4,051
Supplemental employee annuities[3]		
Number awarded	600	700
Number being paid at end of period	92,000	96,300
Average being paid at end of period	$41	$41
Spouse and divorced spouse annuities		
Number awarded, total	6,500	6,100
Number being paid to divorced spouses at end of period	4,600	4,600
Number being paid at end of period, total	133,700	135,800
Average being paid to divorced spouses at end of period	$893	$859
Average being paid at end of period, total	$1,306	$1,261
Survivor annuities		
Number awarded to aged widow(er)s	4,600	4,800
Number awarded, total	5,800	6,000
Number being paid to aged widow(er)s at end of period	69,800	71,400
Number being paid at end of period, total	91,100	93,100
Average being paid at end of period to		
Aged widow(er)s	$2,330	$2,200
Disabled widow(er)s[4]	$1,738	$1,685
Widowed mothers (fathers)	$2,356	$2,329
Remarried widow(er)s	$1,591	$1,510
Divorced widow(er)s	$1,607	$1,526
Children	$1,562	$1,510
Partition payments[5]		
Number being paid at end of period	3,200	3,100
Average being paid at end of period	$356	$350
Lump-sum survivor benefits awarded		
Number of lump-sum death benefits	1,200	1,200
Average lump-sum death benefit	$937	$940
Number of residual payments	▪▪	6/
Average residual payment	▪▪	1,910

Selected Data on Benefit Operations (Continued)

Employees and Earnings[7]	Fiscal Year 2025	Fiscal Year 2024
Average employment	198,000	201,000
Creditable earnings, Railroad Retirement Act (billions):		
Tier I	$22.62	$21.22
Tier II	$21.09	$19.53
Creditable earnings, Railroad Unemployment Insurance Act (billions)	$4.81	$4.71

Unemployment-Sickness[8]	Benefit Year 2024-2025		Benefit Year 2023-2024
Qualified employees	208,600		199,400
Unemployment benefits			
Gross amount paid (millions)[9]	$32.3	($36.0)[9]	$21.5
Beneficiaries	7,400	(8,600)[9]	4,200
Number of payments	33,900		25,500
Normal benefit accounts exhausted	1,200		800
Average payment per 2-week registration period	10/		$737
Sickness benefits			
Gross amount paid (millions)	$79.4	($86.0)[9]	$66.6
Beneficiaries	15,300	(18,900)[9]	10,900
Number of payments	84,700		81,500
Normal benefit accounts exhausted	2,500		2,500
Average payment per 2-week registration period	10/		$726

[1] Benefits are through September 30 for the associated years.

[2] A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age is age 65 for those born before 1938 and gradually increases to age 67 for those born in 1960 and later.

[3] Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

[4] Average in current-payment status includes annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

[5] Limited to partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Partition payments from employees on the rolls are included with the employees' annuities.

[6] Fewer than 50.

[7] Except for fiscal year 2024 employment, all figures in this section are preliminary.

[8] In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 5.7% due to sequestration for days after September 30, 2020, and before January 3, 2021. Beginning January 3, 2021, the Continued Assistance to Rail Workers Act (CARWA) temporarily suspended sequestration through May 9, 2023. The REEF Act, enacted December 23, 2024, ended sequestration retroactively to May 10, 2023, but benefit amounts reflect the provisions in place at the time of payment. Processing of REEF Act repayments began in January 2025 and continued into the next benefit year.

[9] Data in parentheses are for fiscal year (October 1, 2024 - September 30, 2025).

[10] The repayments under the REEF Act restored the 5.7% of previously sequestered benefits for each day claimed (see footnote 8). This affected data used to calculate the average amount of benefits paid per claimant in each 2-week registration period, limiting the availability of meaningful information for benefit year 2024-2025.

A REVIEW OF OPERATIONS

At the end of fiscal year 2025, total railroad retirement system assets equaled $31.0 billion. During fiscal year 2025, benefit payments totaled approximately $14.7 billion, net of recoveries and offsetting collections. Of this amount, annuity payments totaled $14.6 billion for the railroad retirement and survivor program, $82.0 million for the railroad unemployment and sickness insurance benefits program, and negative $2.9 million due to recoveries under coronavirus relief legislation.

Railroad Retirement and Survivor Program

As of September 30, 2025, total railroad retirement system assets, including those maintained in U.S. Treasury accounts and those maintained by the National Railroad Retirement Investment Trust (the "Trust" or NRRIT), equaled $31.0 billion. Amounts in the Railroad Retirement (RR) Account not needed to pay current administrative expenses and amounts in the Social Security Equivalent Benefit (SSEB) Account not needed to pay current benefits and administrative expenses are transferred to the NRRIT, whose Board of seven trustees is empowered to invest Trust assets in non-governmental assets, such as equities and debt, as well as in governmental securities.

Financial Operations - U.S. Treasury Accounts

During fiscal year 2025 railroad retirement and survivor annuity payments were financed through four U.S. Treasury accounts.

The SSEB Account, established in fiscal year 1985, pays the portion of railroad retirement equivalent to a social security benefit from various income sources related to these amounts. The RR Account funds retirement, survivor, and disability annuities in excess of social security equivalent benefits from payroll taxes on employers and employees and other income sources. Supplemental annuities payments are also paid from the RR Account. The Dual Benefits Payments (DBP) Account and Federal Payments (FP) Account, funded by congressional appropriations from general revenues, finance the phase-out costs of certain vested dual benefits and interest on unnegotiated checks, respectively. The four accounts together incurred $14.6 billion in benefit obligations (including $185.0 million interest on financial interchange advances and excluding $2.7 billion in social security benefits which were reimbursed by the Social Security Administration) during fiscal year 2025, with the DBP and FP accounts representing just $8.1 million of the total.

Financing Sources

Payroll Taxes

The primary source of income to the railroad retirement and survivor program is payroll taxes levied on covered employers and their employees. Payroll taxes amounted to $7.2 billion, representing 48.6 percent of total financing sources (excluding a loss of $9.0 million due to other financing sources).

Railroad employees and employers pay tier I taxes which, by law, are the same as social security taxes. The 2025 rate of 7.65 percent was split between 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of earnings subject to the 6.20 percent rate in calendar year 2025 was $176,100, with all earnings subject to the 1.45 percent Medicare tax. Since 2013, employees pay an additional 0.9 percent Medicare tax on earnings above $200,000 (for those who file an individual tax return) or $250,000 (for those who file a joint return). This additional tax rate is not reflected in the tax rates shown above.

Both employees and employers also pay a tier II tax to finance railroad retirement annuity payments over and above social security levels. This tax, on earnings up to $130,800 in 2025, was 4.9 percent on employees and 13.1 percent on employers.

Tier I and tier II taxes for fiscal year 2025 amounted to $3.4 billion and $3.9 billion, respectively.

Financial Interchange Transfers

The second major source of income to the railroad retirement and survivor program consists of transfers from the social security trust funds under a financial interchange between the two systems. The financial interchange is intended to place the Social Security Old-Age, Survivors and Disability Insurance and Hospital Insurance Trust Funds in the same position in which they would have been had railroad employment been covered by the Social Security and Federal Insurance Contributions Acts. This involves computing the amount of social security taxes that would have been collected on railroad employment and calculating the amount of additional benefits which social security would have paid to railroad retirement beneficiaries during the same fiscal year.

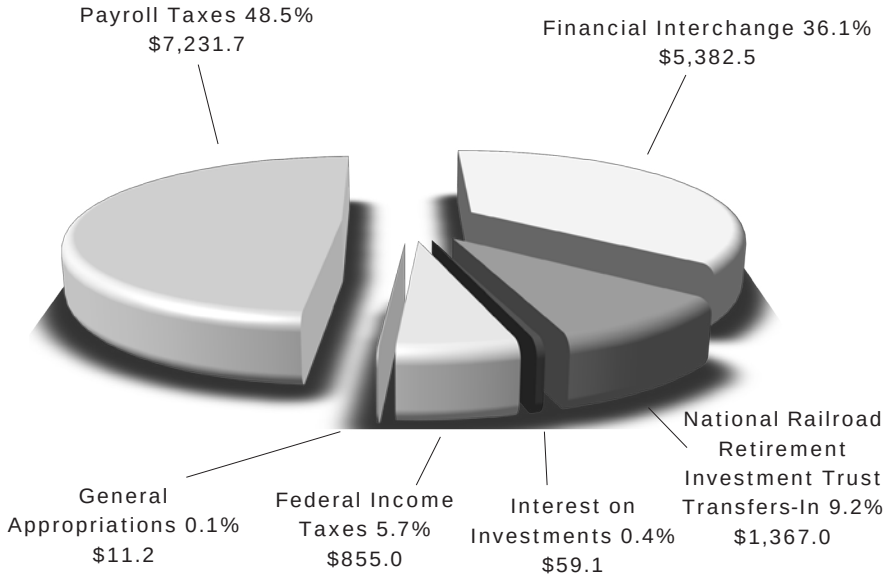
In computing the latter amount, credit is given for any social security benefits actually paid to railroad retirement beneficiaries. When benefit reimbursements exceed payroll taxes, the difference, with an allowance for interest and administrative expenses, is transferred from the Social Security Trust Funds to the SSEB Account. If taxes exceed benefit reimbursements (this has not happened since 1951), a transfer would be made in favor of the Social Security Trust Funds. The net financial interchange transfer to the SSEB Account during fiscal year 2025 amounted to $5.4 billion.

(text continued on page 9)

Retirement and Survivor Program

Financing Sources - Fiscal Year 2025 (In Millions)

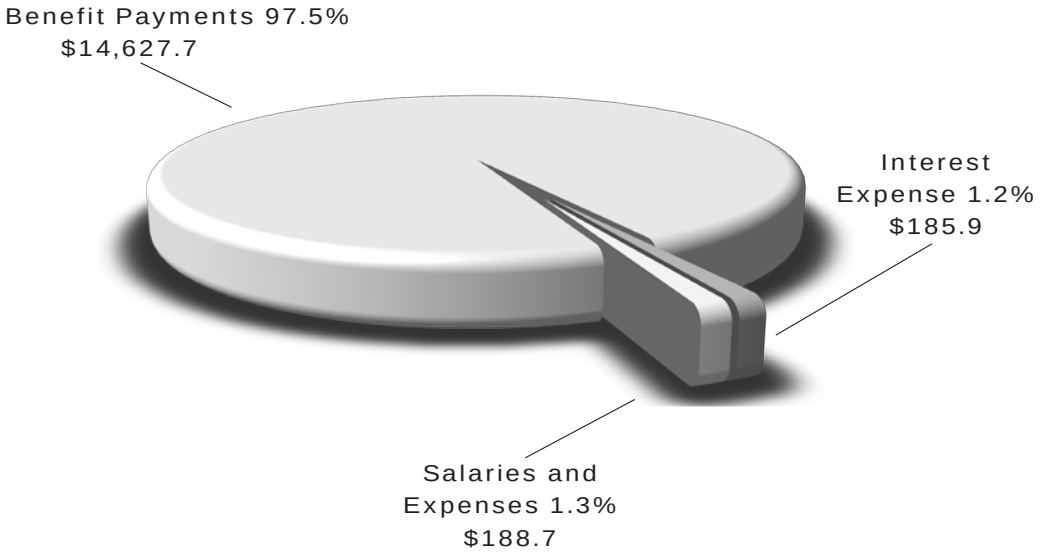
GROSS TOTAL: $14,906.5[1]



[1]Excludes ($9.0) million as shown under Other Financing Sources on page 11.

Costs - Fiscal Year 2025 (In Millions)

TOTAL: $15,002.3[1]



[1]Excludes ($26.4) million as shown under Other Costs on page 11

Note – Percentages may not add to 100 due to rounding.

Interest on Investments and Other Revenue

Interest revenue was $59.1 million in fiscal year 2025. Interest revenue was also earned from financial interchange advances.

Federal Income Tax Transfers

Legislation enacted in 1983 subjecting social security and railroad retirement payments to federal income taxes also provided for a transfer of the tax revenues to the social security and railroad retirement systems for continued payments. Most of the revenue from income taxes on social security equivalent railroad retirement amounts is transferred to the SSEB Account, although a portion attributable to higher-income taxpayers is transferred to the Federal Hospital Insurance Trust Fund. Revenue derived from taxing regular railroad retirement payments in excess of social security equivalent benefits is transferred to the RR Account. Revenue from taxing the vested dual benefits funded by the general revenue appropriations previously described is transferred to the DBP Account.

At the beginning of each quarter, income tax transfers are made from Treasury general funds to the SSEB, RR, and DBP Accounts. These transfers are estimates of expected tax revenues for the quarter. Adjustments are made later to reconcile the estimates for a taxable year with actual tax revenues for the year. On a cash basis, original tax transfers for fiscal year 2025 amounted to $852 million during the year. Original transfers for fiscal year 2024 totaled $837 million. Net income tax transfers after adjustments were $855 million for fiscal year 2025, including a $3 million adjustment for calendar year 2021. Net transfers in fiscal year 2024 were $953 million, including adjustments of $52 million for calendar year 2018, $60 million for calendar year 2019, and $4 million for calendar year 2020.

The information in the preceding paragraph is on a fiscal year basis, while the table on page 10 shows income tax transfers to the accounts for taxable (calendar) years 2016 through 2025, including reconciliation adjustments through 2021.

General Appropriations

General revenue appropriations were provided by the Railroad Retirement Act of 1974 to fund the phase-out costs of certain dual railroad retirement/social security benefits considered vested prior to 1975, and by the Railroad Retirement Solvency Act of 1983 to fund interest on unnegotiated checks. The total amount appropriated by the Congress for vested dual benefits for fiscal year 2025 was $8.0 million. This amount includes federal income tax transfers for 2025. The total amount appropriated by the Congress for interest on unnegotiated checks was $150,000 in fiscal year 2025.

(text continued on page 13)

Federal Income Tax Transfers by Recipient Account and Benefit Component, Taxable Years 2016-2025 (Millions)

Taxable year	Revenue from taxes on		
	RRA benefits treated as SSA benefits	RRA benefits treated as private or public pensions	
	SSEB tier I amounts	Tier II and non-SSEB tier I amounts[1]	Vested dual benefits
	SSEB Account[2]	RR Account	DBP Account[3]
Original transfers during the year			
2016	$281	$412	$2
2017	292	422	2
2018	255	393	1
2019	267	401	2
2020	289	405	1
2021	327	423	1
2022	356	425	1
2023	375	451	1
2024	382	456	0
2025	369	458	0
Reconciliation adjustments[4]			
2016 (2021)	−16	34	▪▪
2017 (2023)	−5	46	▪▪
2018 (2024)	20	32	▪▪
2019 (2024)	24	37	−1
2020 (2024)	−11	15	▪▪
2021 (2025)	−18	21	▪▪

[1] Includes non-SSEB portion of tier I.
[2] Receives taxes on social security equivalent benefit (SSEB) portion of tier I.
[3] Receives taxes on vested dual benefit component beginning October 1, 1988.
[4] The year in parentheses is the year the adjustments were made.

Railroad Retirement and Survivor Program

Financing Sources, Costs and Net Position (Millions)[1]

For the Fiscal Year Ended September 30, 2025

Financing Sources:	
Payroll Taxes	$7,231.7
Financial Interchange	5,382.5
Interest on Investments and Other Revenue	59.1
Federal Income Taxes	855.0
General Appropriations	11.2
Other	(9.0)
Transfers to the National Railroad Retirement Investment Trust	0.0
Transfers from the National Railroad Retirement Investment Trust	1,367.0
Total Financing Sources	14,897.5
Costs:	
Benefit Payments	14,627.7
Interest Expense	185.9
Administrative Expenses[2,3]	188.7
Other	(26.4)
Total Costs	14,975.9
Financing Sources over Costs	(78.4)
Net Position - Beginning of Period[4]	950.7
Net Position - End of Period[5]	$872.3

[1] Source of data is the RRB's Performance and Accountability Report.

[2] Includes unemployment and sickness insurance salaries and expenses of approximately $27.3 million.

[3] Includes amounts expensed during fiscal year 2025 from prior year obligations, no-year accounts, and Office of Inspector General accounts, as well as Medicare transfers and reimbursements.

[4] Effective for the fiscal year 2025 Financial Report of the United States Government (Financial Report), the assets held by the NRRIT were no longer consolidated in the RRB's financial statement. Instead, the NRRIT is a separate standalone consolidation entity, and its assets will be consolidated directly in the governmentwide reporting for the purposes of the Financial Report.

[5] Total may not sum due to rounding.

NRRIT Fiscal Year 2025 Summary

Market value of assets managed by NRRIT on September 30, 2025	$28.9 billion
Rate of return of investment portfolio managed by NRRIT for full year ended September 30, 2025	10.35%

Source: *NRRIT*

All NRRIT annual management reports and quarterly updates are available at **RRB.gov**.

Other Financing Sources

Other financing sources consisted of $12.8 million to be provided by the Office of Personnel Management (OPM) to pay future retirement benefits to RRB employees. These financing sources were accompanied by a loss on contingent liability of $21.8 million and a $3.4 million increase in unexpended appropriations.

Costs

The RRB pays all salaries and expenses for both the railroad retirement and survivor program and the unemployment and sickness insurance program. Consequently, of the $188.7 million on page 11 for salaries and expenses in fiscal year 2025, approximately $27.3 million were for the unemployment and sickness insurance program. In addition, about $1.8 million in other costs for fiscal year 2025 were for the unemployment and sickness insurance program.

The total costs for the railroad retirement and survivor program in fiscal year 2025 were $15.0 billion.

Benefit Payments

In fiscal year 2025, railroad retirement payments were $14.6 billion on an accrual basis, including $5.0 million in vested dual benefits.

Interest Expense

Interest expense of $185.9 million represents interest on the financial interchange advances made by the U.S. Treasury during the fiscal year.

Salaries and Expenses

Excluding unemployment and sickness insurance salaries and expenses of $27.3 million for fiscal year 2025, salaries and expenses for the railroad retirement and survivor program were about $161.4 million for fiscal year 2025. Adjusting for the salaries and expenses of $27.3 million and $1.8 million in other costs for the unemployment and sickness insurance program, fiscal year 2025 administrative expenses for the railroad retirement and survivor program were about 1.07 percent of total costs.

Other Costs

Other costs consisted primarily of post-retirement benefits (pensions, health, and life insurance) for RRB employees of $10.9 million for the railroad retirement and survivor program and $1.8 million for the unemployment and sickness insurance program. In addition, carrier refunds of $26.1 million were incurred. These costs were offset by approximately $13.4 million in reimbursements from the Centers for Medicare & Medicaid Services for Part B Medicare costs and various other revenues of approximately $76,000.

National Railroad Retirement Investment Trust operations

Funds not needed immediately for benefit payments or administrative expenses are invested through the NRRIT. The Trust was established pursuant to section 105 of the Railroad Retirement and Survivors' Improvement Act of 2001 for the sole purpose of investing railroad retirement assets. The Act authorizes the Trust to invest the assets of the RR Account in a diversified investment portfolio in the same manner as those of private sector retirement plans. Prior to the Act, investment of RR Account assets was limited to U.S. Government securities. Although the Trust was created by Congress to hold and invest federal assets, it is not an agency or instrumentality of the federal government. It is a tax-exempt entity governed by a seven-member Board, three selected by rail management, three selected by rail labor and one independent trustee selected by the six rail trustees.

During fiscal year 2025, $1.4 billion was transferred to the U.S. Treasury for the payment of railroad retirement benefits during the year. The rate of return on Trust-managed assets for the year (net of fees) was 10.35 percent.

Total railroad retirement system assets (Trust-managed assets and reserves held in Treasury accounts) grew from $20.7 billion in 2002 to $30.9 billion as of the end of fiscal year 2025, after net transfers for benefit payments of approximately $35.7 billion over the same timeframe.

Trust operations are described in detail in the NRRIT Annual Management Report for fiscal year 2025 and previous years, as well as reports issued on a quarterly basis, which are available by clicking on the *Financial & Reporting* tab at **RRB.gov**.

Benefit Operations

Retirement and survivor amounts paid, including vested dual benefits and supplemental employee annuities, totaled $14.6 billion in fiscal year 2025, $285 million more than in fiscal year 2024. Payments were made to about 474,900 annuitants in fiscal year 2025, and approximately 450,200 annuitants were being paid at the end of the year.

The table shown on the next page presents retirement and survivor benefit payments for fiscal years 2025 and 2024, by type of benefit, and the percent changes in payments between the 2 years.

Under the two-tier railroad retirement formulas, the tier I annuity portion approximates a social security benefit and increases by the cost-of-living percentage applied to social security benefits. The tier II portion, which is comparable to retirement benefits paid over and above social security benefits to workers in other industries, increases by 32.5 percent of the social security percentage.

Effective December 2023, tier I annuities increased by 3.2 percent due to a cost-of-living adjustment, while tier II amounts increased by 1.0 percent. Increases of 2.5 percent for tier I and 0.8 percent for tier II were effective December 2024.

These cost-of-living increases provided additional annuity payments of approximately $270 million in fiscal year 2025 compared to fiscal year 2024.

Monthly retirement and survivor annuities being paid numbered about 550,600 at the end of the 2025 fiscal year, about 12,100 less than at the end of the prior year. Monthly annuitants on the rolls declined by nearly 7,600 over the year, from 457,800 to 450,200. The number of monthly payments is always greater than the number of recipients on the rolls, since many annuitants receive more than one type of payment. Although the second type is usually a supplemental employee annuity, some employees also receive a spouse or widow(er)'s annuity.

Type of benefit	Amount (in millions)[1] Fiscal year 2025	Fiscal year 2024	Percent change
Retirement benefits			
Employee annuities			
Age[2]	$9,248.7	$9,161.4	+1.0
Disability	720.4	707.9	+1.8
Supplemental[3]	47.3	49.5	−4.5
Spouse and divorced spouse annuities	2,167.3	2,088.6	+3.8
Total	12,183.6	12,007.5	+1.5
Survivor benefits			
Annuities	2,398.4	2,290.9	+4.7
Lump-sum benefits	1.2	1.2	+0.9
Total	2,399.6	2,292.0	+4.7
Partition payments[4]	13.6	12.5	+8.3
Grand total	$14,596.8	$14,312.0	+2.0

[1]Data is from the Monthly Treasury Statement.

[2]A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. FY 2025 and FY 2024 include $1,770.6 million and $1,764.2 million, respectively, in payments to annuitants full retirement age and over originally awarded a disability annuity.

[3]Excludes partition payments to spouses and divorced spouses where the employee is deceased.

[4]Limited to partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Partition payments from employees on the rolls are included with the employees' annuities.

Note – Detail may not add to total due to rounding.

Regular employee annuities in payment status at the end of fiscal year 2025 numbered 230,700, about 3,800 less than at the end of the previous fiscal year. The number of age annuities being paid, including 45,200 disability annuities converted to age, decreased from 219,600 to 216,200 over the year, while disability annuities decreased from 14,900 to 14,500. Supplemental annuities being paid to employees declined by approximately 4,400, numbering 92,000 at the end of the year. The number of divorced spouse annuities being paid remained the same as last year, about 4,600. Spouse and divorced spouse annuities together decreased by approximately 2,200, totaling 133,700 at year-end. Fewer than 91,100 monthly survivor annuities were being paid at the end of fiscal year 2025, a decrease of 2,000 from the previous year. Approximately 3,200 partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity were being paid at the end of fiscal year 2025, an increase of almost 200 from the prior year.

Retirement

Regular Employee Annuities

Awards of regular employee annuities numbered 7,300 in fiscal year 2025, about 500 more than in fiscal year 2024. Data by type of annuity awarded during the year are given in the table shown on this page.

Railroad employees with 10 to 29 years of creditable service, or 5 to 9 years of service if at least 5 years were after 1995, are eligible for annuities based on age and service at age 62. Early retirement annuity reductions are applied to annuities awarded before full retirement age (the age at which an employee can receive the full amount with no reduction for early retirement). This varies, depending on an individual's year of birth and is 67 for those born in 1960 or later, the same as under social security. If an employee had any creditable railroad service before August 12, 1983, the retirement age for tier II purposes is age 65. The reduction for early retirement is 1/180 for each of the first 36 months the employee is under full retirement age when his or her annuity begins and 1/240 for each additional month.

Employee annuities awarded in fiscal year 2025	Number	Percent	Average		
			Monthly amount	Years of service	Age at retirement
Age					
Beginning at full retirement age or over	1,600	21	$3,252	18.7	68.3
Unreduced, beginning at age 60 to under full retirement age	2,000	27	5,165	33.1	61.9
Reduced, beginning at age 62 to under full retirement age	2,100	29	2,754	16.7	63.8
Disability	1,600	22	3,770	20.0	55.1
Total	7,300	100	$3,742	22.3	62.3

Note – Detail may not add to total due to rounding.

Rail employees with 30 or more years of service are eligible for regular annuities based on age and service at age 60. Certain early retirement reductions were applied if the employee first became eligible for a 60/30 annuity July 1, 1984, or later and retired at ages 60 or 61 *before* 2002. Employees who retire at 60 or older with at least 30 years of railroad service are referred to as 60/30 retirees.

Disability awards are based either on total disability or on occupational disability. A *total disability* annuity is based on disability for all employment and is payable at any age to employees with at least 10 years of railroad service. Employees with 5-9 years of service, if at least 5 years were after 1995, may qualify for tier I only before retirement age on the basis of total disability if they also meet certain social security earnings requirements. An employee is considered totally disabled if medical evidence shows that a permanent physical or mental condition exists which prevents the performance of any regular work. A condition is considered to be permanent if it has lasted or may be expected to last for at least 12 months.

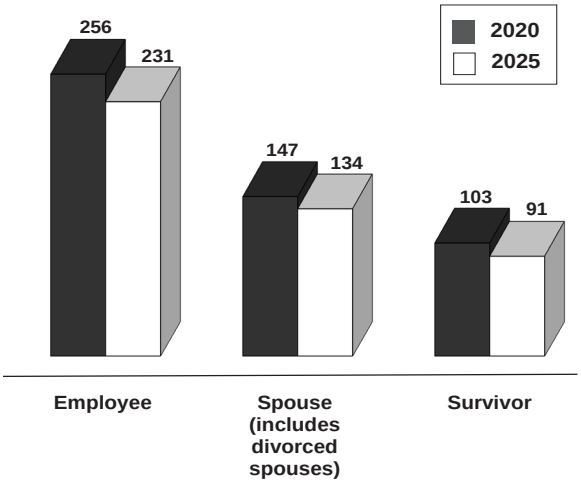
An *occupational disability* annuity is based on disability for the employee's regular railroad occupation and is payable to employees with a current connection with the rail industry at age 60 if the employee has 10 years of service, or at any age if the employee has at least 20 years of service. An employee is considered occupationally disabled if the physical or mental condition is such that the employee is permanently disabled for work in his or her regular railroad occupation, even though the employee may be able to perform other kinds of work.

Of the year's 1,600 disability annuity awards, 600 averaging $2,958 per month were for total disability and 1,000 averaging $4,243 were for occupational disability. Many employees who are disabled for all employment but are otherwise qualified for an occupational disability annuity are initially awarded occupational disability annuities in order to expedite payment.

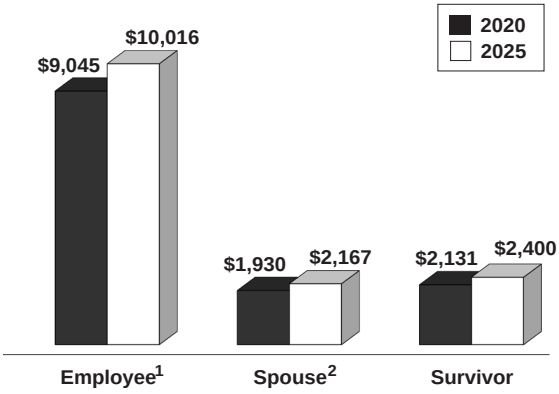
Based on fully adjudicated freeze determinations, an estimated 87 percent of employees awarded a disability annuity will meet the criteria for a disability freeze. The standards for freeze determinations follow social security law and are comparable to the criteria for granting total disability. Also, an employee granted a disability freeze may qualify for early Medicare coverage and lower federal income taxes on his or her annuity.

Of the employees who were awarded regular annuities in fiscal year 2025, approximately 4,900, or 68 percent, last worked for a railroad either in the calendar year their annuity began or in

Number of monthly beneficiaries, September 30, 2020, and 2025 (thousands)



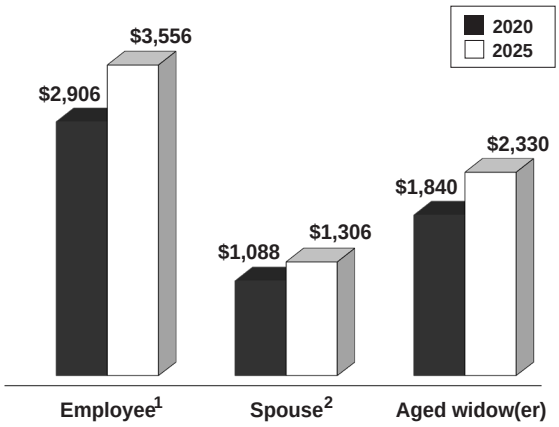
Amount of benefits paid, fiscal years 2020 and 2025 (millions)



[1]Includes $57.9 million in fiscal year 2020 and $47.3 million in fiscal year 2025 for supplemental annuities.

[2]Includes divorced spouses.

Average monthly amount, September 30, 2020, and 2025



[1]Without supplemental annuity.

[2]Includes divorced spouses.

the preceding year. Such retirements are termed "immediate," while those that occur two or more calendar years after the year of last railroad employment are "deferred." As a group, immediate retirees represent career railroad employees who worked in the industry until retirement. Awards based on immediate retirement averaged $4,261 per month, compared to $2,655 for the 2,400 awards based on deferred retirement. Immediate retirees averaged 25.7 years of railroad service, or 67 percent more than the average of 15.4 years for deferred retirees. Of the year's awards, 52 percent of normal age retirements were immediate. While 90 percent of all 60/30 retirements were immediate, only 51 percent of the reduced age awards to employees with less than 30 years of service were immediate. Immediate retirements accounted for 77 percent of the year's disability annuity awards.

The 230,700 retired employees on the rolls as of September 30, 2025, were being paid regular monthly annuities averaging $3,556. The table shown here presents data by type of annuity for these benefits.

Of the 14,500 disability annuities being paid, 6,700 were for total disability and 7,700 for occupational disability. The two types of disability annuities averaged $2,873 and $4,171, respectively. In fiscal year 2025, payments of about $269 million were for total disability annuities and $452 million for occupational disability annuities.

Employee annuities in current-payment status on September 30, 2025	Number	Percent	Average monthly amount	Percent immediate retirements
Age				
Beginning at full retirement age or over	25,400	11	$2,993	51
Unreduced, beginning at age 60 to under full retirement age	96,400	42	4,582	92
Reduced, beginning at age 60 to under full retirement age	49,200	21	2,119	30
Disability converted to age annuity[1]	45,200	20	3,245	83
Disability	14,500	6	3,568	81
Total	230,700	100	$3,556	72

[1]A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age is 65 for those born before 1938 and gradually increases to 67 for those born in 1960 and later.

Note – Detail may not add to total due to rounding.

About 165,300 employees on the rolls at the end of fiscal year 2025 were immediate retirees and their regular annuities averaged $4,057 per month. Annuities of the 65,300 deferred retirees averaged $2,289. Although their average railroad retirement annuity was much lower, a greater proportion of the deferred annuitants also received social security benefits – 28 percent compared to 8 percent for the immediate retirees. Moreover, the average social security benefit paid to deferred retirees was higher than that paid to immediate retirees. Combined railroad retirement and social security benefits to deferred retirees who were dual beneficiaries averaged $2,841, while combined benefits to immediate retirees averaged $3,987. The table on the next page presents numbers of beneficiaries and average benefit amounts for employees on the rolls who were receiving social security benefits, and for those who were not, by type of retirement.

Regular employee annuities consist of as many as three components: tier I, tier II, and a vested dual benefit. Reductions for early age retirement are made in all components in cases where the employee retired before full retirement age with less than 30 years of railroad service. The tier I component is based on the employee's combined railroad and social security covered earnings and is reduced by the amount of any social security benefit that the employee receives. The gross tier I amounts of employees on the rolls at the end of fiscal year 2025 averaged $2,843 per month. Tier I amounts of fewer than 8,200 employees were completely offset by social security benefits. Tier I amounts being paid averaged $2,602.

The employee tier II component is based solely on railroad earnings. Tier II amounts being paid at the end of fiscal year 2025 averaged $1,070. Employees are eligible for vested dual benefits if, based on their own earnings, they met certain vesting requirements and qualified for both railroad retirement and social security benefits at the end of 1974, or, in some cases, at the end of an earlier year of last railroad service. Some 2,300 retirees were receiving vested dual benefits averaging $153 at the end of the fiscal year.

		Type of retirement	
Dual benefit status	**Total**	**Immediate**	**Deferred**
Receiving social security benefit			
Number	30,800	12,400	18,400
Average monthly amount:			
Railroad retirement (regular)	$1,392	$2,314	$ 769
Social security	1,911	1,673	2,073
Combined benefit	3,304	3,987	2,841
Not receiving social security benefit			
Number	199,800	152,900	46,900
Average monthly amount	$3,890	$4,199	$2,884

Note – Detail may not add to total due to rounding.

Supplemental Employee Annuities

A supplemental annuity is payable to employees with a current connection with the rail industry at age 60 if the employee has at least 30 years of service, or at age 65 if the employee has 25-29 years of service. The employee must also have had some rail service before October 1981.

Approximately 600 supplemental annuities were awarded in fiscal year 2025, about 100 less than in fiscal year 2024. Nearly 300 of the awards (52 percent) began concurrently with the employee's regular annuity, while the remaining 300 were to employees already receiving a regular annuity. Supplemental annuity awards averaged some $36 per month after court-ordered partitions; 48 percent were at the current maximum rate of $43.

Supplemental annuities are reduced for any part of a private railroad pension attributable to employer contributions. During the fiscal year, 100 supplemental annuities were not awarded because they were entirely offset by private pensions. There were no cases in which the supplemental annuity was partially offset by the pension, or the supplemental annuity was not offset because the pension was reduced.

Supplemental annuities averaged $41 and were being paid to nearly 92,000, or 40 percent, of the retired employees on the rolls at the end of the 2025 fiscal year.

Spouse and Divorced Spouse Annuities

Annuity awards to spouses and divorced spouses of retired employees numbered 6,500 in fiscal year 2025, 400 more than in the previous year. The table on page 21 presents numbers and average amounts of spouse and divorced spouse annuities awarded during the year and being paid at year end by type and whether subject to age reduction.

If an employee is at least age 62 and retires with 10-29 years of railroad service or has 5-9 years of service and at least 5 years were after 1995, the employee's spouse is eligible for an annuity at age 62. Full retirement age for a spouse varies depending on the year of birth. Early retirement reductions are applied to the spouse annuity if the spouse retires before full retirement age. The reduction for early retirement is 1/144 for each of the first 36 months the spouse is under full retirement age when her or his annuity begins and 1/240 for each month (if any) over 36.

If an employee retires with at least 30 years of service and is at least age 60, the employee's spouse is eligible for an annuity at age 60. Early retirement reductions do not apply to the tier I component of such a spouse annuity if the employee retired in 2002 or later. If the employee retired before 2002 and was younger than 62, reductions apply to the spouse annuity unless the employee attained age 60 and completed 30 years of service prior to July 1, 1984. A spouse of an employee qualified for an age and service annuity is eligible for a spouse annuity at any age if caring for the employee's unmarried child, and the child is under age 18 or the child became disabled before age 22.

At the end of fiscal year 2025, about 129,100 spouse annuities averaging $1,320 per month were being paid. Approximately 4,600 divorced spouse annuities averaging $893 per month were also being paid. These included fewer than 80, averaging $1,020, where the employee was not yet entitled to an annuity. Families with an employee and spouse on the rolls were paid a combined railroad retirement amount averaging $5,174. This included $3,854 in regular and supplemental employee annuities and $1,320 in spouse annuities.

Over 60,500, or 45 percent, of the spouses and divorced spouses on the rolls were also receiving social security benefits. Combined railroad retirement and social security benefits to these annuitants averaged $2,334 per month, including $523 in railroad retirement amounts and $1,812 in social security benefits. Railroad retirement annuities to the 70,500 spouses not receiving social security benefits averaged $1,981, while railroad retirement annuities to the 2,600 divorced spouses not receiving social security benefits averaged $1,226.

Like regular employee annuities, spouse annuities consist of up to three components: tier I, tier II, and vested dual benefits. Early retirement reductions can apply in certain cases. The tier I component equals one-half of the employee's tier I amount before any reduction for the employee's social security benefit. The spouse tier I amount is reduced for the spouse's receipt of a social security benefit. The tier I portion may also be reduced if the spouse receives a railroad retirement employee annuity, but this reduction may be restored through an addition to the spouse tier II amount. Divorced spouses receive only a tier I amount.

The spouse tier II component equals 45 percent of the employee's tier II amount. Railroad retirement amendments in 1981 precluded further awards of vested dual benefits to spouses. The last payments of vested dual benefits to spouses occurred in fiscal year 2019.

Monthly spouse benefits	Awarded in fiscal year 2025		In current-payment status on September 30, 2025	
	Number	Average amount	Number	Average amount
Beginning at full retirement age or over	1,600	$696	19,200	$762
With minor or disabled child in care	100	1,684	800	1,754
Unreduced, beginning at age 60 to under full retirement age	2,200	1,803	72,600	1,815
Reduced rate	2,000	867	36,400	619
Total	6,000	1,182	129,100	1,320
Divorced spouse annuities	600	968	4,600	893
Grand total	6,500	$1,164	133,700	$1,306

Note – Detail may not add to total due to rounding.

Of the 129,100 spouses on the rolls at the end of fiscal year 2025, 81,600 were being paid tier I amounts averaging $1,246 per month. The tier I amounts of 47,500 spouses were completely offset by other benefits also due. Spouse tier II amounts averaged $566. The 4,600 divorced spouses on the rolls at the end of the year received monthly tier I amounts averaging $899, not reflecting all annuity adjustments.

Lump-Sum Retirement Benefits

A lump-sum benefit may be payable at retirement to employees who received separation or severance payments after 1984. This benefit approximates the tier II payroll taxes deducted from separation or severance payments that did not yield additional service credits for retirement. About $0.1 million was paid in separation/severance lump-sum benefits during fiscal year 2025.

Employees who have at least 10 years of railroad service and are not entitled to a vested dual benefit may be eligible for a dual retirement tax refund if they had concurrent railroad retirement and social security earnings within the period 1951-74. The refund is equal to the social security taxes that the employee paid on the combined railroad and social security earnings in excess of the annual railroad retirement creditable earnings maximum. During the 2025 fiscal year, the RRB paid approximately 10 dual retirement tax refunds averaging $285. Most of the payments were to employees retiring during the year. Fewer than 10 refunds were to survivors, mostly widows, of employees who died before receiving the refund. Employees entitled to dual retirement tax refunds for years after 1974 may claim them on their federal income tax returns.

Survivor

Monthly Benefits

Annuity awards to survivors of deceased railroad employees numbered 5,800 during fiscal year 2025, almost 200 less than the previous year. Nearly 91,100 survivor annuities were being paid at the end of the fiscal year, including 300 temporarily paid at spouse or divorced spouse annuity rates pending recomputations to widow(er)s' rates. Approximately 69,800, or 77 percent, of the survivor annuities were to aged widows and widowers.[1]

The table on page 23 presents numbers and average monthly amounts of survivor annuities, by type, awarded in the year and being paid at the end of the year.

Survivor annuities, like regular employee and spouse annuities, consist of as many as three components: tier I, tier II and, for widows and widowers only, a vested dual benefit. As with spouses, legislation in 1981 precluded new awards of vested dual benefits to widow(er)s. The tier I component is computed according to social security formulas and is based on the deceased employee's combined railroad and social security earnings. A reduction is made for the survivor's receipt of a social security benefit. There may also be a tier I reduction if the survivor receives a railroad retirement employee annuity. Remarried and divorced widow(er)s receive a tier I benefit only. A dependent parent receives just a tier I amount if another family member is also receiving benefits or if the parent remarried.

Survivor tier II amounts are calculated as a percentage of an employee tier II amount. Prior to 2002, the percentages were 50 percent for a widow(er), 15 percent for a child, and 35 percent for a parent. The total tier II amount for a survivor family was subject to a minimum of 35 percent and a maximum of 80 percent of the employee tier II amount, and all survivor tier II amounts were proportionately adjusted when either limit applied. December 2001 legislation established an "initial minimum amount" for widow(er)s which provides a tier II payment equal to 100 percent of the deceased employee's tier II amount. The maximum tier II amount payable to a family rose to 130 percent of the employee's tier II amount. Widows and widowers are guaranteed a total tier I and tier II amount not less than what they were paid as a spouse, any necessary increase being added to tier II.

Aged widow(er)s, who are eligible for annuities at age 60, have their tier I and tier II amounts reduced if the annuity begins before full retirement age. The eligibility age for unreduced annuities varies. The maximum age reduction also varies, depending on the widow(er)'s date of birth, and is 20.36 percent for those born in 1962 or later. Excluding fewer than 300 annuities temporarily paid at spouse or divorced spouse rates, aged widow(er)s' annuities being paid at the end of the 2025 fiscal year included 32,900 which were reduced for age. Aged widow(er)s' tier I amounts being paid averaged $1,938 per month. In about 5,500 cases, the tier I amount was wholly offset by reductions for other benefits. Fewer than 25,400 aged widow(er)s were also receiving social security benefits, and these averaged $1,646. Tier II amounts averaged $546. Less than five vested dual benefits, averaging $60, were being paid to aged widow(er)s.

[1]Aged widow(er) statistics in the Survivor section exclude payments to disabled widow(er)s age 60 and over now payable as aged widow(er)'s annuities, as disability annuities convert to age and service annuities at full retirement age.

The tier I and tier II amounts of disabled widow(er)s' annuities, which begin at ages 50-59, are reduced 28.5 percent for age. At the end of fiscal year 2025, tier I amounts being paid to disabled widow(er)s on the rolls averaged $1,505. (In about 100 cases, the tier I amount was wholly offset by reductions.) Social security benefits being paid to more than 1,100 disabled widow(er)s averaged $1,304. Tier II amounts averaged $292, while the less than five vested dual benefits being paid averaged $148.

Monthly survivor benefits	Awarded in fiscal year 2025		In current-payment status on September 30, 2025	
	Number	Average amount	Number	Average amount
Aged widow(er)s	4,600	$2,969	69,800	$2,330
Disabled widow(er)s[1]	*	2,062	2,500	1,738
Widowed mothers (fathers)	100	2,088	500	2,356
Remarried widow(er)s	100	1,998	2,000	1,591
Divorced widow(er)s	700	1,739	9,800	1,607
Children:				
Under age 18	200	2,040	1,600	1,942
Student	*	2,331	*	2,114
Disabled	100	1,837	4,900	1,433
Parents	*	1,400	*	1,212
Total	5,800	▪▪	91,100	▪▪

[1]Number and average in current-payment status include annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

*Fewer than 50.

Note – Detail may not add to total due to rounding.

Tier I amounts paid to widowed mothers and fathers (widows and widowers caring for children) generally equal 75 percent of the full amount payable to an aged widow(er) before any reductions, similar to a social security mother's/father's benefit. Eligible children and grandchildren are paid this same tier I amount. However, if the sum of the tier I amounts of all members of a survivor family exceeds the social security family maximum, then tier I amounts are proportionately reduced so that the total equals the maximum. Reductions for the family maximum usually occur when the family includes three or more beneficiaries. Tier I amounts being paid as of the end of fiscal year 2025 averaged $1,869 for widowed mothers and fathers and $1,499 for children. Fewer than 50 mothers/fathers and approximately 1,500 children received social security benefits averaging $1,429 and $864, respectively. Tier II amounts paid mothers/fathers and children averaged, respectively, $527 and $146.

Survivor Lump-Sum Benefits

A lump-sum death payment (LSDP) can be payable at the time of an employee's death only if there are no survivors immediately eligible for monthly benefits. For survivors of employees who had at least 10 years of railroad service before 1975, the LSDP is based on the employee's earnings through 1974, with a maximum amount of approximately $1,200. If the employee completed the 10th year of service after 1974, the LSDP is limited to $255, the maximum benefit payable under social security law, and only the widow or widower living in the same household is eligible for the benefit. Lump-sum benefits may also be

payable to survivors of employees with less than 10 years of service, but at least 5 years after 1995, if the employee met the social security insured status requirements. Over 1,200 LSDPs averaging $937 were awarded during fiscal year 2025. About 200 benefits were to widow(er)s, while nearly 1,100 were to other individuals who paid the funeral expenses.

Another survivor lump-sum benefit, the residual payment, can be made if no other benefits based at least in part on an employee's railroad service will be payable in the future, and the total of prior benefit payments is less than what the employee paid in pre-1975 railroad retirement taxes. No residual payments were awarded in fiscal year 2025.

Partition Payments

The Pension Protection Act of 2006, as amended, continues the court-ordered partitioned portion of the tier II, vested dual and supplemental benefit payments to former spouses after the death of the employee. It also allows for payment of court-ordered partitioned payments where the employee is not entitled to an annuity if (1) the employee has 120 months of railroad service or 60 months of service after 1995, and (2) both the employee and spouse or divorced spouse are 62 for a full month, or, if the employee is deceased, the employee would be 62 for a full month.

At the end of fiscal year 2025, there were about 3,200 spouses and divorced spouses receiving payments averaging $356 where the employee was deceased or not otherwise entitled to an annuity. While all but two received a partitioned tier II amount, only 2 percent received a partitioned vested dual benefit, and 40 percent received a partitioned supplemental payment.

Medicare Enrollments

The Medicare program provides health insurance to people aged 65 and older, as well as persons under age 65 who have been entitled to monthly benefits based on total disability for at least 24 months. In the case of some disability diagnoses, the waiting period is waived.

Medicare has several parts to its program. Basic hospital insurance, or Medicare Part A, is financed through payroll taxes. There is also an elective supplementary medical insurance, or Medicare Part B, plan for which monthly premiums are charged. Medicare also offers Medicare Part C (Medicare Advantage) plans that include both Parts A and B coverage and additional benefits, sometimes at an additional cost. Finally, Medicare Part D provides optional prescription drug coverage for an additional premium. Medicare Parts C and D are offered through private insurance companies approved by Medicare.

Eligible railroad retirement annuitants and social security beneficiaries whose benefits are payable by the RRB are automatically enrolled under Part A and Part B; however, Part B may be declined by the annuitant or beneficiary. Eligible nonretired persons must apply to obtain Medicare coverage.

The RRB automatically enrolled about 16,200 beneficiaries for Medicare during fiscal year 2025. As of the end of the fiscal year, about 435,900 persons were enrolled in the Part A plan, and over 419,300 (96 percent) of them were also enrolled in Part B.

Except for benefits for services in Canada, which are paid from the Railroad Retirement Account, Part A benefits for railroad enrollees are paid from the Federal Hospital Insurance Trust Fund, the same as for persons covered under the social security system. Part B benefits are paid from the Federal Supplementary Medical Insurance (SMI) Trust Funds. The carrier for Part B claims of railroad Medicare enrollees made payments totaling $996 million in the 2025 fiscal year.

The regular monthly premium for Part B during fiscal year 2025 was $174.70 for coverage through December 2024, and $185.00 thereafter. Beneficiaries with modified adjusted gross incomes above certain thresholds pay higher Part B and Part D premiums under the Income Related Monthly Adjustment Amount (IRMAA) provisions of law. At the end of fiscal year 2025, approximately 18,900 Part B premiums and about 16,400 Part D premiums were increased by an IRMAA amount.

The RRB generally withholds Part B premiums from the annuitant's benefit payments, and at the end of fiscal year 2025, about 403,800 annuitants were having their premiums withheld. Of the remaining Part B enrollees, more than 2,600 were paying premiums to the RRB, either directly or through an intermediary, and 12,900 had their premiums paid by state agencies. The RRB periodically transfers premiums to the SMI Trust Funds.

The agency is also able to collect Part C and Part D premiums from monthly benefits through an exchange process. While this option has grown in popularity, many annuitants pay their Part C and Part D premiums directly to their plan. At the end of fiscal year 2025, about 7,500 Part C premiums and approximately 52,500 Part D premiums were deducted from benefits paid by the RRB.

Railroad Unemployment and Sickness Insurance Program

Financial Operations

Costs for the railroad unemployment and sickness insurance program during fiscal year 2025 exceeded financing sources by $15.8 million. For fiscal year 2025, total financing sources for the railroad unemployment and sickness insurance program were $63.7 million.

(text continued on page 28)

Unemployment and Sickness Insurance Program

Financing Sources, Costs and Net Position (Millions)[1]

For the Fiscal Year Ended September 30, 2025

Financing Sources:	
Employer Payroll Taxes	$47.5
Interest Income	12.8
General Appropriations	3.4
Total Financing Sources	63.7
Costs:	
Benefit payments:	
Unemployment[2]	27.6
Sickness	53.0
Other	(1.1)
Total Costs	79.5
Financing Sources over Costs	(15.8)
Net Position - Beginning of Period	795.5
Net Position - End of Period[3]	$779.7

[1] Source of data is the RRB's Performance and Accountability Report.

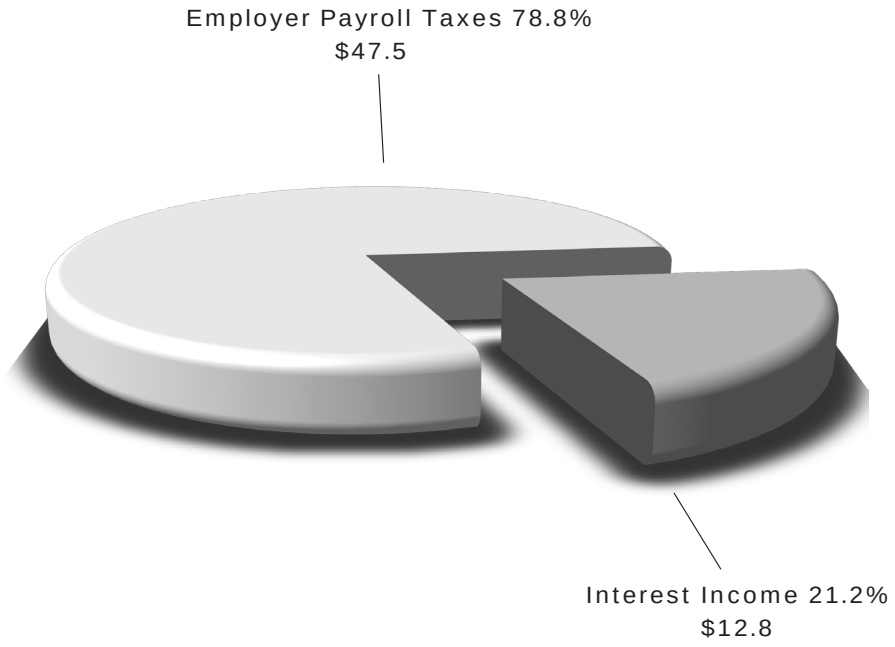
[2] Unemployment benefit payments include recoveries of benefit overpayments of $2.9 million for Coronavirus Aid, Relief, and Economic Security (CARES) Act activity.

[3] Total may not sum due to rounding.

Unemployment and Sickness Insurance Program

Financing Sources - Fiscal Year 2025 (In Millions)

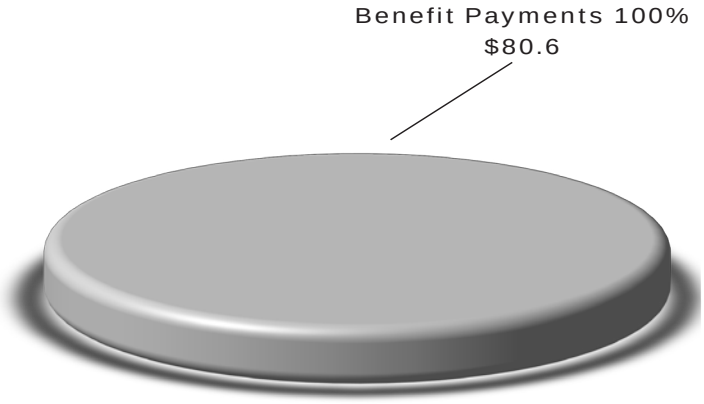
GROSS TOTAL $60.3[1]



[1]Excludes $3.4 million as shown under General Appropriations on page 26.

Costs - Fiscal Year 2025 (In Millions)

TOTAL $80.6[1]



[1]Excludes ($1.1) million as shown under Other Costs on page 26.

Financing Sources

The primary ongoing financing source of the railroad unemployment and sickness insurance program is a payroll tax on railroad employers, based on the taxable earnings of their employees. The employees themselves are not taxed.

Each employer pays taxes at a rate which takes into consideration its employees' actual incidence of benefit usage. Under experience rating, employers whose employees have low incidences of unemployment and sickness pay taxes at a lower rate than those with higher levels of benefit usage. Each employer's rate also has a component for administrative expenses and a component to cover costs shared by all employers. The rate applies to monthly earnings up to an indexed maximum. In calendar year 2025, the taxable earnings base was the first $2,065 of each employee's monthly earnings. The earnings base is indexed each year by a rate which is equal to approximately two-thirds of the annual rate of increase in the maximum base for railroad retirement tier I taxes.

In 2025, the basic tax rates on railroad employers, including covered commuter railroads, ranged from a minimum of 0.65 percent to a maximum of 12.0 percent. There was a pooled credit of 0.83 percent in 2025. Most employers were assessed the minimum rate in 2025. New employers in 2025 paid an initial rate of 6.45 percent.

Employer Payroll Taxes

Payroll taxes by employers totaled $47.5 million during fiscal year 2025.

Interest

Cash not needed immediately for unemployment and sickness insurance benefits or operating expenses is held in the Federal Unemployment Insurance Trust Fund and invested by the Secretary of the Treasury. The fund earned an average rate of return of 3.2 percent in fiscal year 2025, of which the RRB earned $12.8 million as its pro rata share.

Costs

Total costs for the railroad unemployment and sickness insurance program amounted to $79.5 million.

Benefit Payments

Net unemployment insurance benefit payments totaled $27.6 million during fiscal year 2025. Net sickness insurance benefits totaled $53.0 million.

Benefit Operations

Net unemployment and sickness benefits totaling about $74.9 million were paid in the 2024-2025 benefit year. Coronavirus relief legislation accounted for $0.1 million in recoveries of the $28.0 million in unemployment benefits. The Budget Control Act of 2011, and subsequent sequestration orders to implement mandated budget cuts, required that RUIA 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, with benefits reduced by 5.7 percent since that time. The REEF Act, enacted December 23, 2024, ended sequestration retroactive to May 10, 2023.

Manual payments of previously sequestered claims began in January 2025, restoring the previously sequestered amounts for each day claimed, which affected benefit claimants and payments during the latter half of benefit year 2024-2025. Numbers for benefit year 2023-2024 reflect the provisions in place at the time they were paid and therefore are not impacted by REEF repayments.

Unemployment and sickness beneficiaries, including those who only received a REEF repayment for prior benefit years, numbered 22,000 compared to the prior year's total of 14,900. Fewer than 700 employees received both unemployment and sickness benefits during the 2024-2025 benefit year. The number of unemployment benefit claimants increased by 79 percent, and sickness benefit claimants increased by 40 percent, due to the impacts of REEF. The number of employees qualified for benefits under the RUIA increased five percent to 208,600.

Benefits are payable for each day of unemployment or sickness in excess of 7 during the first 14-day registration period in a benefit year. During benefit year 2024-2025, there were 7,500 and 14,300 unemployment and sickness benefit waiting period claims, respectively. These numbers represent a significant increase from the prior year numbers of 3,600 and 9,300, due to the inclusion of prior years' waiting-period claims redetermined under REEF.

Unemployment

Approximately 7,400 railroad workers were paid $32.3 million in gross unemployment benefits during the 2024-2025 benefit year. The number of benefit claimants increased by about 3,200 from the prior year total of 4,200, while the gross benefit amount paid increased by $10.8 million from the prior year's total of $21.5 million. The average number of compensable days per unemployment benefit claimant was 47 in benefit year 2024-2025, 16 days fewer than the previous year. This decline in average days per claimant was due to the inclusion of REEF repayment claims not associated with any additional days paid.

(text continued on page 32)

Note – Railroad unemployment and sickness benefits are paid on the basis of benefit years beginning July 1 and ending June 30 of the following year. Consequently, operational data in this "Benefit Operations" section are generally presented for this time span, rather than fiscal years beginning October 1 and ending September 30.

Major Unemployment and Sickness Benefit Operations, Benefit Years 2024-2025 and 2023-2024

Item	Benefit year 2024-2025			Benefit year 2023-2024		
	Total	Unemployment	Sickness	Total	Unemployment	Sickness
Applications	23,800	9,200	14,600	22,100	7,700	14,400
Claims	139,700	40,200	99,500	128,000	31,300	96,700
Claimants	22,000[1]	7,400	15,300	14,900[1]	4,200	10,900
Gross amount of benefits[2]	$111,675,400	$32,314,300	$79,361,200	$88,081,700	$21,480,100	$66,601,600
Number of payments[3]						
Normal	104,000	30,700	73,200	92,600	23,000	69,700
Extended	14,700	3,200	11,400	14,400	2,600	11,900
Total	118,600	33,900	84,700	107,100	25,500	81,500
Average amount per 2-week registration period[2]						
Normal	[4]	[4]	[4]	$735	$741	$733
Extended	[4]	[4]	[4]	682	699	678
Total	[4]	[4]	[4]	729	737	726

[1] Benefits for both unemployment and sickness were paid to fewer than 200 employees in benefit year 2023-2024 and 700 employees in benefit year 2024-2025. Those claimants who had only a non-compensable waiting period are not included in the beneficiary counts since no benefits were paid.

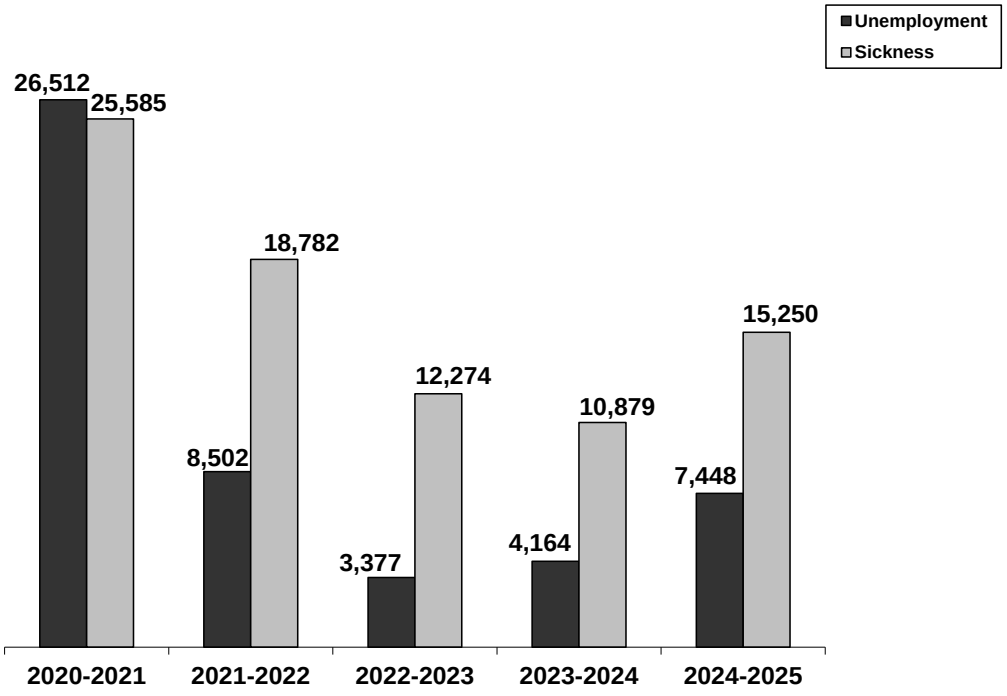
[2] In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 5.7% due to sequestration for days after September 30, 2020, and before January 3, 2021. Beginning January 3, 2021, the 2020 CARWA legislation temporarily suspended sequestration through May 9, 2023. The REEF Act, enacted December 23,2024, ended sequestration retroactively to May 9, 2023, but benefit amounts reflect the provisions in place at the time of payment. Processing of REEF Act payments began in January 2025 and continued into the next benefit year.

[3] Payments can include more than one claim or registration period.

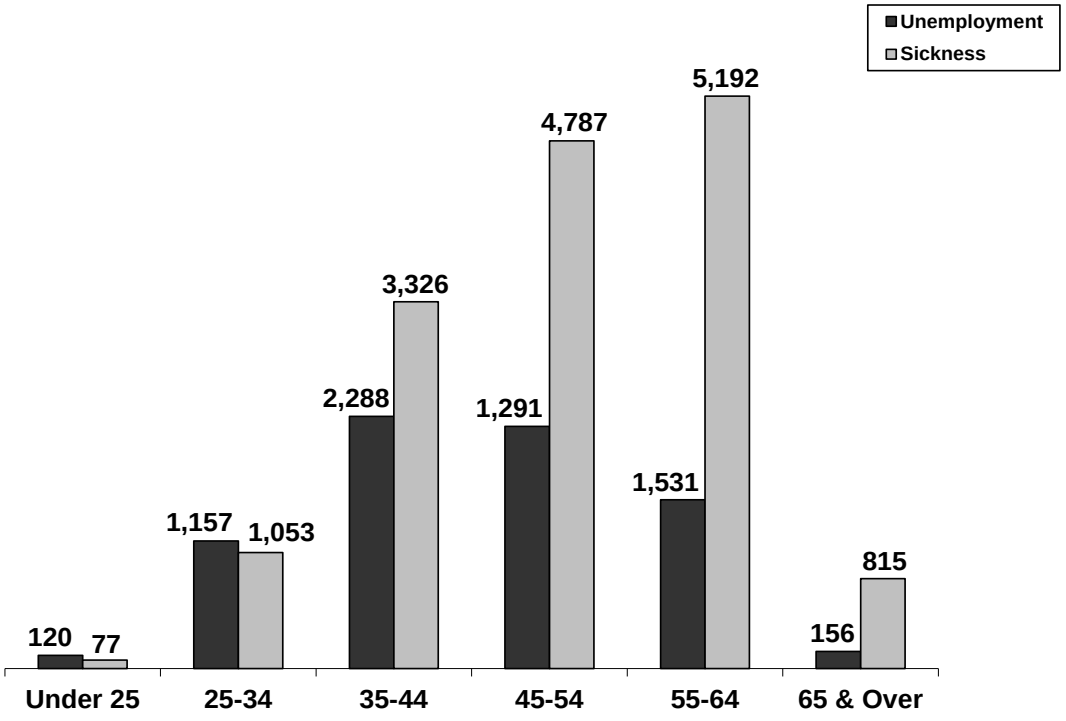
[4] The repayments under the REEF Act restored the 5.7% of previously sequestered benefits for each day claimed (see footnote 2). This affected the data used to calculate the average amount of benefits paid per claimant in each 2-week registration period, limiting the availability of meaningful information for benefit year 2024-2025.

Note – Detail may not add to totals due to rounding.

Claimants Under the Railroad Unemployment Insurance Act, Benefit Years 2020-2021 through 2024-2025



Unemployment and Sickness Benefit Claimants by Age, Benefit Year 2024-2025



Note: In both tables, benefit year 2024-2025 claimants include those who only received repayments under the REEF Act for claims in prior benefit years.

The mid-month unemployment count in the 2024-2025 benefit year started with a July count of 1,400 claimants. The count steadily increased to a high of 1,700 in January 2025, before then decreasing to the benefit year low of 1,200 in June. For the 2024-2025 benefit year, the weekly number of claimants averaged 1,400 compared to 1,100 in the previous benefit year. The overall unemployment benefit claimant rate, measured in relation to the number of employees qualified to receive benefits under the RUIA during a particular time period, increased 71 percent to 3.6 per 100 qualified, including REEF Act recipients, from the previous year's 2.1 per 100 qualified. The median age for all unemployment benefit claimants was 45 years, compared to 40 years the prior benefit year. The benefit year 2024-2025 median age included the current age of REEF Act beneficiaries receiving payments for prior benefit years.

Sickness

The number of sickness benefit claimants, including REEF Act recipients, during the 2024-2025 benefit year was 15,250, almost 4,400 more than the record low set the prior year. Gross sickness benefits of $79.4 million were paid, an increase of $12.8 million from the previous year's total of $66.6 million.

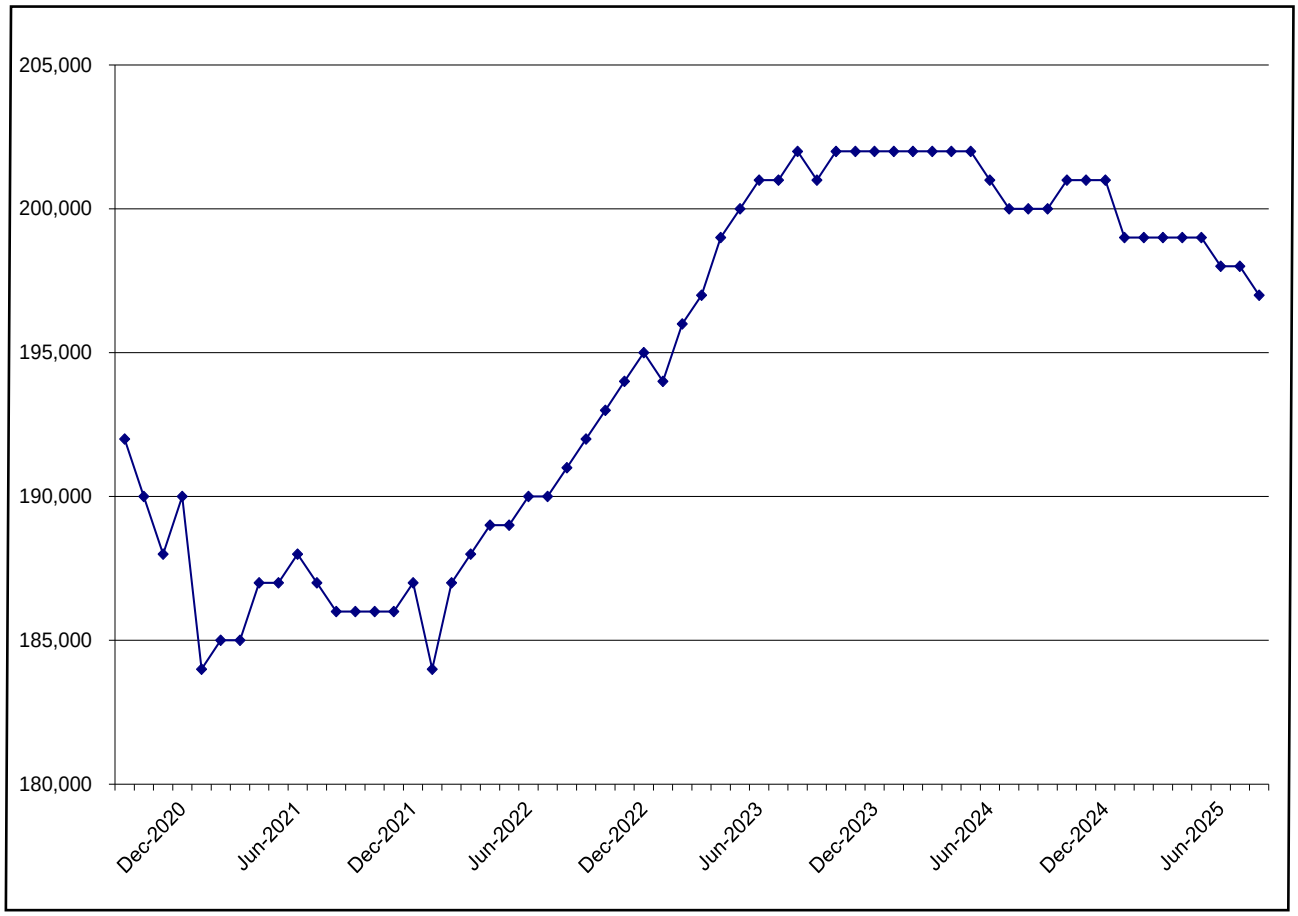
The utilization rate for sickness benefits was 7.3 percent of qualified employees, including REEF beneficiaries, 33 percent higher than the previous benefit year's rate of 5.5 percent. The average duration of sickness was 57 days, down from 74 days in the previous benefit year. This decline in average days per sickness benefit claimant was due to the inclusion of REEF repayment claims not associated with any additional days paid.

Among the most common causes of sickness were injuries that included fractures or wounds (affecting 32 percent of beneficiaries), diseases of the musculoskeletal system and connective tissue (18 percent), mental disorders, including drug and alcohol addictions (12 percent), diseases of the circulatory system (7 percent), and diseases of the digestive system (7 percent). The median age of all sickness benefit claimants was 51 years, compared with 46 years the previous benefit year.

Railroad Employment

The preliminary average monthly railroad employment in fiscal year 2025 decreased one percent to 199,000 from the 201,000 average of the previous year. The coronavirus pandemic began to affect the railroad industry in April 2020, and the decline in employment, which had started in 2019, accelerated. Employment stabilized towards the beginning of 2021 and rose to a steady state of 202,000 employees in August 2023, where it remained through much of 2024 before declining to 197,000 by the end of fiscal year 2025.

Average Railroad Employment
Fiscal Years 2021 through 2025



Note – Numbers for 2025 are preliminary.

ADMINISTRATIVE DEVELOPMENTS

The following describes major activities and issues addressed in 2025 and 2026 with regard to the RRB's efforts to improve operations and customer service.

Performance Management

Customer Service Plan

The RRB's Customer Service Plan promotes the principles and objectives of customer-driven quality service. An important part of the plan is to keep customers informed of RRB timeliness standards and how well the agency is meeting those standards. The RRB publicizes the Customer Service Plan and performance results by posting them to the agency website and in every field office. The plan is reviewed and updated periodically based on agency experience, customer feedback, and comparison with similar best-in business models, and it is also shared with the Office of Management and Budget (OMB) in the Executive Office of the President.

The agency uses an index to measure the overall timeliness of customer service in four benefit areas: retirement applications; survivor applications; disability applications and payments; and railroad unemployment and sickness benefit applications and claims. The timeliness index for retirement applications and survivor applications was 98.8 percent and 98.4 percent, respectively. The timeliness index for railroad unemployment and sickness benefit applications, a highly automated process, was 99.8 percent. Finally, the timeliness index for disability applications and payments was 58.3 percent, an 11-percent improvement over the previous year. The agency continues to experience unprecedented delays in processing disability claims, post awards, and rate adjustments directly related to inadequate budget appropriations and loss of experienced staff. Although the RRB met or exceeded eight of its ten customer performance goals in its Fiscal Year 2025 Annual Performance Plan, agency constituents continue to experience delays in disability decisions, payment adjustments, and telephone service.

Payment Integrity

The RRB's estimated improper payment rates for its benefit payment programs – the RRA and RUIA – have consistently fallen below the statutory thresholds for "significant improper payments" under the Payment Integrity Information Act of 2019. As a result,

both programs operate under "Phase 1" guidance per OMB Circular A-123, Appendix C (M-21-19), which places them in a three-year risk assessment cycle unless there are major changes to the program that would require an earlier assessment.

The RRB conducted a risk assessment for the RUIA program in fiscal year 2025, and results concluded that the program is still below the statutory thresholds for significant improper payments. However, due to passage of the REEF Act in December 2024, another risk assessment will be conducted for the RUIA program in fiscal year 2026. Additionally, the RRA program is scheduled to conduct a risk assessment in fiscal year 2026.

The agency also responded to OMB's annual data call survey, providing information concerning outlays, risk assessments, payment recapture information, and confirmed fraud (per the RRB's Office of Inspector General), for the RRA and RUIA programs. This information was submitted through OMB's online payment-integrity data collection tool and incorporated into the website **PaymentAccuracy.gov**, where the public can access it.

Service Enhancements

Login.gov

The RRB continued integration and promotion of the General Services Administration (GSA) identity-proofing solution, **Login.gov**, for access to online benefits through the **myRRB** application on the agency website. By using the Login.gov portal, claimants can verify their identity online and immediately apply for unemployment benefits without calling, mailing forms, or visiting an RRB field office. As of July 1, 2025, RRB customers needed to have a Login.gov account to access secure services through myRRB as previously established PIN/password accounts were disabled.

Through the end of December 2025, the RRB had over 175,635 ID-verified accounts with Login.gov, a 30-percent increase over the prior year. With additional agencies using and promoting accounts with Login.gov, most notably the Social Security Administration (SSA), the RRB anticipates savings through economies of scale, but also a better customer experience with a single username and password for interactions with multiple agencies. At the end of 2025, Login.gov had over 100 million user accounts, handling more than 500 million sign-ins annually, at 54 federal and state agencies.

Cost-of-Living Adjustment

In December 2025, the tier I portion of railroad retirement annuities increased by 2.8 percent while the tier II portion rose by 0.9 percent, due to a cost-of-living adjustment (COLA). The increases were effective with the January 2026 payments, with income tax withholding calculated using updated tax tables. The increase was paid to 459,919 RRA annuitants and was also included in the social security benefits the RRB paid to 129,125

beneficiaries. The total amount of the COLA was more than $24.5 million in railroad retirement annuities and almost $6.4 million in social security benefits. In addition, the standard Medicare Part B premium for 2026 increased from $185.00 a month to $202.90 a month, with higher premiums for some high-income beneficiaries.

Imaging

The RRB continues to pursue workload modernization and is prioritizing the conversion of paper workloads to electronic versions. The RRB has been using an outside contractor since 2022 to scan documents returned to the agency's physical locations to decrease reliance on paper. The contractor signs high-volume sickness benefit forms and correspondence, as well as disability medical evidence. The RRB continues to refine and develop processes for handling the resulting electronic documents, eliminating manual intervention whenever possible in the imaging process.

Legislation

In 2025, the RRB took action to implement two major pieces of legislation: the REEF Act and the SSFA. The REEF Act was signed into law on December 23, 2024, as part of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, while the SSFA became law on January 5, 2025. The REEF Act impacted claimants receiving unemployment and sickness benefits under the RUIA, while the SSFA applied to annuitants receiving retirement and survivor benefits under the RRA.

Under the REEF Act, unemployment and sickness benefits are no longer subject to reduction due to a budget sequestration requirement. The Budget Control Act of 2011, and subsequent sequestration orders to implement mandated budget cuts, required that RUIA benefits be reduced by a set percentage. The requirement was temporarily paused at the beginning of 2021 due to the coronavirus pandemic but resumed on May 10, 2023. Since that time, railroad unemployment and sickness benefits had been reduced by 5.7 percent. Starting December 26, 2024, the RRB resumed paying the full biweekly benefit amount of $940. However, the bill also applied retroactively to May 10, 2023, when sequestration resumed, which required significant system programming changes to calculate and pay the retroactive amount.

The SSFA ended two statutory reductions for railroad retirees, their spouses, and survivors who are receiving public pensions from work not covered by social security. In cases where the reductions applied, the RRB reduced the tier I amount of the individual's railroad retirement annuity, which is a social security equivalent benefit, due to receipt of such a pension. The two repealed provisions are known as the non-covered service pension reduction, which affected railroad employees, and the public service pension

offset, which applied to spouses, divorced spouses, and widows/widowers. In the new law, these reductions are known as the windfall elimination provision and the government pension offset. The repeal of these provisions meant that individuals affected by these reductions would retroactively have their full tier I amount restored for months after December 2023, the effective date of the repeal, and for future monthly benefit payments.

Upon enactment of these laws, the RRB undertook the necessary system changes to implement the changes for current benefit payments as well as reviewing cases for any retroactive payments. During fiscal years 2025 and 2026, staff successfully completed the adjustment of over 162,000 RUIA claimants and completed over 19,000 referrals. For SSFA, the agency completed the adjustment of over 12,300 annuitants.

Executive Guidance

The RRB continued to comply with relevant executive orders issued by the President and related directives from OMB, GSA, and OPM. As part of these efforts, the agency worked with GSA to vacate rented space in commercial buildings for its field offices in Cincinnati, St. Paul, and Wichita, as well as its Office of Legislative Affairs in Washington, relocating them to vacant space in nearby federal buildings.

Officials

Erhard Chorlé continues to serve as Chairman of the Railroad Retirement Board, John Bragg as the Labor Member, and Thomas Jayne as the Management Member. All three first assumed office in February 2019. The RRB's Inspector General has been vacant since October 25, 2024. Shanon Holman, the Assistant Inspector General for Audit, has been the Principal Deputy Performing the Duties of the Inspector General since that time. A government auditor and U.S. Army veteran, she joined the RRB's OIG in May 2014, assuming her present position in December 2023.

The Board appointed Jebby Rasputnis as the agency's Director of Programs effective November 16, 2025. In this position, she oversees the operations and organizational units that process and pay benefits administered by the RRB. At the time of her appointment, she had been Acting Director since June 2025, and Deputy Director since March 2024. Before joining the RRB, she was the Executive Director of the Office of Appellate Operations and Chair of the Appeals Council at the SSA from 2019 to 2024, with over 10 years of prior service with the Board of Veterans' Appeals at the Department of Veterans Affairs.

In January 2025, the Board named April Bass as the Director of Disability Benefits. In that position, she is responsible for supervising claims examiners who process applications for retirement benefits based on total-and-permanent and occupational disability and

determine continued eligibility for such benefits. At the time of her appointment, she served as the Division Director for Disability Determination Services Automation Support at SSA. She initially joined SSA's Office of Disability Determinations in October 2009.

Human Capital Management

Given an aging workforce, automation, information technology modernization, and effective and efficient process review and redesign, the RRB has decreased its human capital by more than 17 percent since 2019. While a high percentage of the attrition was due to retirements, other factors also contributed to the high attrition rate. These include limited budgets that resulted in imposition of a hiring and promotion freeze, precluding the RRB from filling needed positions in 2025 and forcing remaining employees to absorb the work of departed colleagues, and the inability to pay performance awards to high-achieving employees since December 2023.

To ensure the agency achieves its mission and supports the railroad public it serves, the RRB continues to place emphasis on strategic management of human capital, particularly in the areas of development and workforce succession planning. Through its annual strategic management processes conducted by all agency components, the RRB continues to update and refine its Human Capital Plan (HCP). The HCP aligns with the agency's strategic plan, mission, values, customer service standards, and goals. It also forecasts the RRB's needs in terms of hiring, workforce succession, training, and development to achieve its mission and serve the railroad public.

The RRB's Bureau of Human Resources (BHR) continues to update dated policies and programs and automate and streamline antiquated personnel procedures. In fiscal year 2025, BHR focused on updating and automating its performance management system and successfully transitioned to the electronic platform for official personnel folders. In addition, BHR worked with its payroll provider to modernize the capabilities and functions of its payroll system. BHR continued to utilize technology to automate and streamline its processes to ensure timely, efficient operations and services to RRB employees, which translates into meeting the demands of the railroad population served by the agency.

Staffing

The RRB continued to experience a hiring freeze throughout fiscal year 2025 and was approved to recruit externally for less than 10 new employees during this period. While severely restricted from hiring externally, BHR's staffing group continued to evaluate, automate, and update its recruitment and selection strategies, processes, and procedures to incorporate several OPM audit recommendations from 2024 into its staffing program and procedures to ensure effective and efficient recruitment and hiring processes and

procedures. In addition, BHR drafted the RRB's strategic hiring plan and updated its merit hiring processes and procedures in alignment with federal guidance.

The agency's Office of Programs (OP), which adjudicates claims for benefits and processes resulting payments, is the epitome of the negative impact of the inability to hire new employees. In fiscal year 2025, OP experienced an overall attrition rate of just under 13 percent, driven primarily by retirements. The highest rate was in the disability benefits unit, at just under 29 percent. In addition, almost two-thirds of the losses were positions responsible for claims adjudication covering retirement/survivor benefits, unemployment/sickness claims, disability determinations, and reconsideration/eligibility actions. During fiscal year 2025, OP had only one external new hire and one internal new hire. In addition, stagnant funding levels in recent years exacerbated the impact of the hiring freeze, resulting in decreased customer service, particularly in the disability area.

Training

The RRB continues to maximize the use of its automated learning management system, *RRB University*. This platform affords the RRB the ability to streamline and automate the delivery of automated, and/or hybrid training to the agency's 50-plus work locations throughout the country. The agency's cloud-based platform has enabled the RRB to bolster and focus its training program by offering curricula covering a range from mandatory yearly employee training to leadership and management development. While in-office and classroom training increased dramatically in fiscal year 2025, the training and development team continues to work with the agency units to create and deliver online training content, although options and opportunities for in-person and hybrid learning have increased and will continue to do so. In fiscal year 2025, RRB employees recorded 54,112 course completions on *RRB University*. This encompasses both mandatory and individual employee training, including but not limited to general and disability fraud awareness, information security awareness, active shooter response, veterans employment training, and various IT role-based training curricula, with an average completion rate of 98 percent. Moreover, these training initiatives aligned with and responded to various Executive Orders issued throughout the fiscal year.

Electronic Official Personnel Folder (eOPF)

In accordance with mandates by OPM and the National Archives and Records Administration (NARA) regarding electronic recordkeeping, BHR began the large-scale conversion of legacy paper-based records to the eOPF system in January 2025. The transition from physical to electronic folders requires a thorough, multi-phase approach to ensure data integrity and legal compliance, including: comprehensive record audits, employee file scanning and indexing, and system integration with the RRB's automated

HR information system for real-time document transmission. To save administrative costs and expenses, BHR took on the task of converting more than 600 hardcopy files of the RRB and the agency's OIG to electronic folders. This project will remain an ongoing project for BHR through 2026, with over 120 employees fully converted and automated in eOPF.

Payroll Modernization

The RRB achieved a significant automation milestone by collaborating with GSA to migrate its core payroll function from the 2004 base legacy platform to a commercial off-the-shelf fully automated payroll system. The implementation was ongoing for more than a year and required intensive data cleansing and cross-system validation to ensure data integrity. The initiative modernized the payroll functionality and the RRB employee experience, offering a single interface for employees when managing their time and attendance, pay, and benefits.

Information Technology

Enhanced and Modernized Online Services

In the past year, the RRB advanced its digital modernization strategy with the launch of new online self-service features for retired railroad workers. Through the enhanced **myRRB** portal, retirees can now update their mailing address and direct deposit information securely online, reducing processing time and improving service efficiency. Access to these services requires a **Login.gov** account, supporting the agency's efforts to strengthen identity verification and cybersecurity across all platforms. Beyond these new capabilities, myRRB continues to provide its suite of digital resources, enabling users to apply for and claim unemployment benefits, access account statements and tax documents, review service and compensation history, and obtain retirement benefit estimates. These services underscore the RRB's ongoing commitment to improve performance, broaden service access, and build a secure, modern digital infrastructure that meets the evolving needs of the railroad community.

Information Security

The RRB remains strongly committed to safeguarding annuitants' information and continually enhancing the agency's security posture. In fiscal year 2025, the information security team delivered all required security-awareness training to employees and contractors, ensuring continued compliance with statutory mandates. Personnel with elevated security responsibilities completed advanced, role-based training to further strengthen the agency's cybersecurity capabilities.

Additionally, the RRB's privacy team developed and administered comprehensive training on the protection of controlled unclassified information, federal tax information,

and Privacy Act data for all employees and applicable contractors. The efforts collectively reinforce the RRB's commitment to maintaining a secure and compliant information environment.

The RRB is advancing its "zero trust" architecture in alignment with OMB Memorandum M-22-09. Key accomplishments include strengthened network defenses in partnership with the Cybersecurity and Infrastructure Security Agency. Zero Trust principles are also embedded in the agency's governance processes and continuous monitoring activities. Continued investment in automation and data-protection capabilities will further accelerate this modernization. These efforts collectively reduce risk and enhance the security of beneficiary information.

Information Resources Management

In fiscal year 2025, the RRB advanced its information governance and compliance posture through significant coordination with state and federal partners. The agency secured computer-matching agreements with 25 states and two agreements with SSA, strengthening data integrity and program oversight.

To support implementation of Executive Order 14249, "Protecting America's Bank Account Against Waste, Fraud, and Abuse," the RRB obtained OMB approval for seven revised system of records notices, all of which were published in the Federal Register. (Publication of the remaining 31 system of records notices is temporarily deferred due to budget constraints.) The OMB review process plays a critical role in ensuring agencies collect the information necessary to fulfill statutory duties while minimizing unnecessary or duplicative burdens on the public.

Additionally, the agency coordinated and secured OMB approval for 16 information collections requests covering 45 internal forms and two common federal forms, ensuring continued compliance with the Paperwork Reduction Act and supporting the RRB's operational and mission-related activities.

Equal Opportunity

The RRB is committed to be a model workplace where all employees have the right to work and advance on the basis of merit and ability. As an agency, we are committed to ensuring that the RRB provides employees and applicants for employment equal employment opportunities across all personnel and employment programs, and terms, conditions, and privileges of employment, including, but not limited to, recruitment, hiring, merit promotion, training, and career development. Consistent with this commitment, the RRB also provides reasonable accommodations to employees and

applicants with disabilities and for sincerely held religious beliefs, observances, and practices.

The agency's Office of Equal Opportunity (OEO) carries out functions statutorily required by Section 717 of Title VII of the Civil Rights Act of 1964 (and related laws) and the Equal Employment Opportunity Commission (EEOC) federal-sector regulations at 29 C.F.R. 1614, as well as EEOC management directives (MD-110 and MD-715). OEO, as RRB's equal employment opportunity (EEO) office, safeguards employment-related civil rights throughout the agency. Given this legal mandate, OEO champions RRB efforts to foster a fair workplace based on equal employment opportunities and merit systems principles – one where employment decisions are based on individual merit, and where everyone has an equal chance to succeed as far as their talents will take them.

OEO works to integrate EEO into the RRB's everyday business by:

- Helping to de-escalate and resolve specific workplace conflicts and repair relationships, including through alternative dispute resolution and mediation;
- Proactively reviewing workforce data to ensure equal opportunity;
- Contributing subject-matter expertise to aid the RRB pragmatically with strategic thinking, problem-solving, policy development, and workforce planning; and
- Providing a neutral and fair forum (outside the RRB's Office of General Counsel and Office of Administration/Bureau of Human Resources) for the discussion, investigation, adjudication, and resolution of EEO matters under Part 1614 of the EEOC regulations and related executive orders.

The OEO Director reports directly to the three-member board on all issues related to the agency's EEO Program, as statutorily required. The OEO Director acts with the greatest degree of independence and is the final decision maker over EEO complaint matters. During fiscal year 2025, the reporting structure for the OEO Director was compliant with the Elijah E. Cummings Federal Employee Antidiscrimination Act of 2020.

To comply with the requirements of Part 1614 of the EEOC regulations and MD-715, OEO remains neutral and impartial, and safeguards its organizational autonomy. This helps to prevent institutional conflicts of interest that otherwise could arise, and to instill confidence in the integrity of the RRB's EEO program. For example, the OEO Director exercises full authority to carry out OEO's Part 1614 functions without Office of General Counsel (OGC) involvement.

The OGC defends the RRB in EEO matters and is therefore firewalled from all activities within OEO. OGC only participates during adversarial portions of the EEO process (hearings and appeals), during settlement negotiations (to include discussions occurring as a result of a request for mediation made through RRB's alternative dispute resolution program), and/or to provide appropriate legal advice or assistance when a manager or supervisor requests it during the course of an EEO investigation (consistent with EEOC guidance and case law setting forth parameters for agency counsel involvement and professional responsibility rules governing attorney conduct).

Other agency offices, such as BHR, are similarly firewalled and kept separate as necessary and appropriate to avoid conflicting or competing interests. As such, the OEO Director is firewalled from the agency's reasonable accommodation coordination unit in BHR and any involvement in disability reasonable accommodation requests. This mitigates actual and perceived conflicts between OEO and BHR. OEO is similarly firewalled from the agency's anti-harassment program in the Office of Administration.

OEO staff is solely responsible for conducting legal-sufficiency reviews of EEO matters in accordance with EEOC MD-110. Such reviews include preparing and issuing "Accept/Dismiss" legal determinations addressing jurisdiction over, and the scope of, legal claims set forth in formal complaints; conducting an impartial and appropriate legal investigation of accepted formal complaints; conducting substantive reviews of the reports of investigations to ensure compliance with laws and regulations; and drafting of final agency decisions and final agency orders determining whether a law has been violated (as required by 29 C.F.R. 1614.110).

In fiscal year 2025, OEO met all regulatory requirements to submit an annual EEOC Form 462 Report on processing of discrimination complaints and an MD-715 report, along with quarterly and annual reports under the Notification and Federal Employee Antidiscrimination and Retaliation (No FEAR) Act of 2002. In fiscal year 2025, all annual reports were submitted timely. OEO also posted all four quarterly No FEAR Act data reports in a timely manner (i.e., within 30 days of the end of each fiscal year quarter) on the agency website at **RRB.gov/Resources/OfficeOfEqualOpportunity/NoFearAct**.

Public Information Activities

The RRB maintains direct contact with railroad retirement beneficiaries through its field offices located across the country. Field personnel explain benefit rights and responsibilities on an individual basis, assist railroad employees in applying for benefits, and answer any questions related to the benefit programs. The RRB also relies on railroad labor groups and employers for assistance in keeping railroad personnel informed about its benefit programs.

The Office of the Labor Member has proactively helped educate rail union officials about the benefits available to members and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts since 1957. At pre-retirement seminars sponsored by the Labor Member of the Board, RRB employees describe and discuss the benefits available under the railroad retirement-survivor, unemployment-sickness, and Medicare programs, and provide attendees with comprehensive informational materials. These meetings are attended by officials and members of rail labor unions, as well as railroad employees and spouses nearing retirement. In addition, railroad labor unions frequently request that RRB representatives speak before their meetings and conventions.

At seminars for railroad executives and managers, agency representatives review programs, financing, and administration, with special emphasis on those areas which require cooperation between railroads and RRB offices. The Management Member's Office conducts these seminars for railroad officials, as well as other benefit update presentations and pre-retirement counseling seminars for railroad employees and their spouses.

Office of Inspector General

The OIG for the RRB focuses its audit and investigative efforts on protecting the integrity of the agency's trust funds by providing comprehensive program and operational oversight. Audit reports and other related documents issued by the OIG can be found at **RRB.gov/OurAgency/InspectorGeneral/Library**.

Office of Audit

During fiscal year 2025, the Office of Audit (OA) published eight reports, including mandated audits pertaining to the RRB's compliance with the Federal Information Security Modernization Act of 2014, the agency's compliance with the Payment Integrity Information Act of 2019, and the agency's financial statements. OA also issued a mandated risk assessment pertaining to the RRB's purchase and travel card programs.

Pursuant to the Reports Consolidation Act of 2000 and the requirements of OMB Circular A-136, the most serious management and performance challenges facing the RRB were identified and their progress addressed, with OA providing RRB management a letter regarding these challenges for inclusion in the agency's Performance and Accountability Report. The OIG identified the following challenges in fiscal year 2025: improvement of disability program integrity; improvement of information technology security; completion of information technology systems modernization; strengthening controls over representative payees; assurance of reliable financial statements and internal controls over financial reporting; and improvement of human capital management.

The eight reports issued by OA in fiscal year 2025 included one focused on management and performance chalenges, four discretionary reports concering interagency agreements, two reports on representative payee monitoring, and one examining compliance with retirement benefit eligibility requirements. In total, OA issued 82 audit recommendations in fiscal year 2025.

Office of Investigations

The Office of Investigations (OI) focuses on identifying, investigating, and presenting RRB fraud cases for prosecution or monetary recovery action. It also seeks to prevent and deter RRB program fraud by reporting systemic weaknesses in agency operations and processes identified through investigative work. To maximize the impact of its resources, OI pursues cooperative investigative activities in coordination with other Inspectors General, such as the Office of Inspector General for the Department of Health and Human Services, and other law enforcement agencies, such as the Federal Bureau of Investigation.

During fiscal year 2025, OI secured 14 indictments and/or informations, 20 criminal convictions, eight civil judgments, and approximately $9.2 million in financial accomplishments. This reflects monetary amounts related to programs administered exclusively by the RRB, as well as monetary amounts from other federal programs, such as Medicare, which may have been included in the disposition resulting from joint casework. Results associated with joint casework are sometimes prescribed in an aggregate amount and not necessarily delineated by individual agencies. If delineated, the RRB's share, and not the aggregate amount, will be reflected in the OIG's financial accomplishments. As of September 30, 2025, OI's investigative caseload totaled 326 ongoing matters.

LEGAL RULINGS

In fiscal year 2025, two cases involving the RRB filed in federal appeals courts and another before a district court were dismissed during the year. Four other cases – two filed in appellate courts and two in district courts – remained pending at the end of the year. Two cases pending at the beginning of the fiscal year were dismissed, with another appeal still pending at the end of the year. The agency also issued 267 decisions on claimant appeals of previous agency decisions.

Court Cases

One case filed in the U.S. District Court for the Middle District of Alabama that was pending at the end of fiscal year 2024 was dismissed in fiscal year 2025. In addition, a petition for review that was filed in the U.S. Court of Appeals for the Ninth Circuit that was pending at the end of fiscal year 2024 was also brought to conclusion in fiscal year 2025.

Two separate petitions for review filed in the U.S. Court of Appeals for the Second and Fifth Circuits were filed and dismissed during fiscal year 2025. One case that was filed during fiscal year 2025 in the U.S. District Court for the Central District of California was also dismissed during the fiscal year.

One case was filed in the U.S. District Court for the Northern District of Texas during fiscal year 2025 and remained pending at the end of the fiscal year. Another case was filed in the U.S. District Court for the Central District of California during fiscal year 2025 and also remained pending at the end of the fiscal year. In addition, two separate petitions for review filed in fiscal year 2025 in the U.S. Court of Appeals for the Second and D.C. Circuits remained pending at the end of the fiscal year. Finally, an appeal from a U.S. District Court for the District of Nebraska decision that was filed in the U.S. Court of Appeals for the Eighth Circuit that was pending at the end of fiscal year 2024 remained pending at the end of fiscal year 2025.

Appeals

Any claimant for benefits under the RRA or the RUIA may appeal a determination he or she feels is not justified. This appeal must be filed within certain time frames. Appeals are heard and decided by the RRB's Bureau of Hearings and Appeals. An appellant who is dissatisfied with the decision on his or her appeal may further appeal the case to the agency's three-member Board within a prescribed timeframe.

RRA

During fiscal year 2025, 235 appeals were filed with the Bureau of Hearings and Appeals under the RRA, and the Bureau rendered decisions in 241 appeals, which included appeals pending at the beginning of the year. The Bureau rendered decisions favorable in whole or in part to the claimant in 112 appeals. The Bureau issued denials in 96 appeals, affirming the previous decision, and dismissed 33 appeals.

Twenty-nine appeals were filed with the Board in fiscal year 2025, and the Board issued 18 decisions, which included appeals pending at the beginning of the year. In 12 cases the previous ruling of the hearings officer was affirmed, in three the decision was fully favorable to the appellant, and in two cases the decision was partially favorable. One appeal was dismissed. At the end of the year, 26 appeals were pending before the Board.

RUIA

During fiscal year 2025, 14 appeals were filed with the Bureau of Hearings and Appeals under the RUIA, and the Bureau rendered decisions in eight appeals. The Bureau issued decisions that were fully or partially favorable to the claimant in one appeal, issued denials in two appeals, and dismissed five appeals.

During fiscal year 2025, no appeals under the RUIA were filed with the Board, and no decisions were issued. At the end of the year, no appeals were pending before the Board.

STATISTICAL TABLES

Table 1.--Beneficiaries and benefits paid under the Railroad Retirement Act and the Railroad Unemployment Insurance Act, by fiscal year, 2016-2025, cash basis

Fiscal year	Total[1]	Retirement[2]	Survivor[2]	Unemployment[3]	Sickness[3]
BENEFICIARIES (in thousands)					
2016	583	428	131	17	17
2017	574	427	127	12	16
2018	563	423	123	9	16
2019	557	422	119	9	15
2020	568	418	116	26	18
2021	558	412	113	17	25
2022	528	402	110	6	17
2023	508	392	106	3	12
2024	498	385	103	5	11
2025	500[4]	379	101	9[6]	19[7]
BENEFIT PAYMENTS (in millions)					
2016	$12,497.4	$10,202.4	$2,139.2	$80.2	$75.6
2017	12,593.3	10,341.4	2,121.9	53.8	76.3
2018	12,803.5	10,567.2	2,118.8	40.7	76.8
2019	13,077.9	10,836.8	2,125.0	42.3	73.8
2020	13,470.3	10,975.4	2,131.4	282.3[5]	81.2[5]
2021	13,436.6	11,001.0	2,140.0	198.0[5]	97.7[5]
2022	13,546.3	11,255.2	2,169.6	34.0[5]	87.5[5]
2023	14,113.9	11,769.8	2,239.7	19.1	73.8
2024	14,404.4	12,007.5	2,292.0	24.3	68.1
2025	14,718.8	12,183.6	2,399.6	36.0[8]	86.0[8]

[1] Beneficiaries and benefit payments include partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Benefit payments also include a small amount of payments for hospital insurance benefits for services in Canada. The number of beneficiaries represents all individuals paid benefits in year. In the total number for each year, beneficiaries are counted only once, even though they may have received more than one type of benefit.

[2] Retirement benefits include vested dual benefit and supplemental annuity payments. Survivor benefits include vested dual benefit payments but exclude partition payments.

[3] In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 7.2% under sequestration for days of unemployment and sickness after September 30, 2013, 7.3% for days after September 30, 2014, 6.8% for days after September 30, 2015, 6.9% for days after September 30, 2016, 6.6% for days after September 30, 2017, 6.2% for days after September 30, 2018, 5.9% for days after September 30, 2019 and 5.7% for days after September 30, 2020 and before January 3, 2021. Beginning January 3, 2021, the CARWA legislation temporarily suspended sequestration through May 9, 2023, 30 days after the Presidential declaration of an end to the national emergency concerning the COVID pandemic. The REEF Act, enacted December 23, 2024, ended sequestration retroactively to May 9, 2023, but benefit amounts reflect the provisions in place at the time of payment. Repayment of benefits is included in fiscal year 2025.

[4] In fiscal year 2025, 6,300 individuals received both retirement and survivor benefits, 1,000 employees received both unemployment and sickness benefits, and 1,100 employees received benefits under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act.

[5] Beginning in May 2020, RUIA claimants were also paid under the CARES Act of 2020, CARWA, and the American Rescue Plan Act (ARPA) of 2021, with no benefits payable under these acts for registration periods beginning after September 6, 2021. In fiscal years 2020, 2021, and 2022, gross unemployment benefits for these temporary payments were $151.2 million, $105.2 million, and $0.8 million, respectively. Gross sickness benefits were $1.7 million, $4.8 million, and $0.1 million, respectively.

[6] Includes beneficiaries of the REEF Act who did not claim other unemployment insurance benefits during fiscal year 2025.

[7] Includes beneficiaries of the REEF Act who did not claim other sickness insurance benefits during fiscal year 2025.

[8] Includes payments made under the REEF Act.

NOTE.-- In Annual Reports through 2019, information in this table, with respect to unemployment and sickness benefits paid, was reported on a net basis. Beginning with the 2020 report, these amounts are shown on a gross basis.

Table 2--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 2016-2025 (in millions), cash basis

Item	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
RAILROAD RETIREMENT ACCOUNT										
Receipts										
Tax transfers[1]	$3,586.7	$3,562.9	$3,822.9	$3,730.4	$3,120.0	$3,373.6	$3,675.3	$4,204.3	$4,224.8	$4,339.1
Interest and profit on investments[2]	16.8	16.4	15.8	11.0	(18.6)	9.2	15.9	21.0	23.8	23.0
Transfers from the National RR Investment Trust[3]	1,410.0	1,821.0	1,809.0	1,794.0	2,280.0	2,838.0	1,964.0	1,415.0	1,180.0	1,367.0
Transfers from the SSEB Account[3]	.....	(296.0)	91.0	191.0	(83.0)	103.0	(120.0)	507.0	137.0	311.0
Loan repayments from RUI Account[4]	.....	.....	.....	.....	.....	17.5	107.4	.....	.....	.....
Expenditures										
Benefit payments[5]	$5,229.0	$5,321.4	$5,446.1	$5,548.2	$5,591.5	$5,607.2	$5,636.7	$5,719.7	$5,775.3	$5,837.0
Financial Interchange adjustment[6]	(146.5)	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net transfers to administration	72.3	76.7	85.7	84.1	88.4	91.0	91.7	100.0	95.8	96.8
Loans to RUI Account	.....	.....	.....	.....	22.0	98.0	.....	.....	.....	.....
SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT[7]										
Receipts										
Tax transfers[1]	$3,097.5	$3,113.8	$3,267.3	$3,129.8	$2,594.0	$3,226.5	$3,109.7	$3,528.2	$3,631.8	$3,747.7
Interest and profit on investments[2]	18.6	14.9	24.4	23.4	(9.4)	19.6	24.3	52.9	34.7	40.1
Transfers under financial interchange[8]	4,662.7	4,522.5	4,942.4	4,946.4	4,987.7	4,899.6	5,471.3	5,636.2	5,933.5	5,995.0
Advances against financial interchange[9]	3,926.1	4,095.4	4,109.1	4,306.4	4,793.0	5,040.6	4,849.6	5,082.4	5,071.1	5,223.9
Expenditures										
Benefit payments	$7,090.4	$7,124.5	$7,226.7	$7,403.8	$7,509.8	$7,531.7	$7,789.3	$8,293.9	$8,530.7	$8,754.9
Financial Interchange adjustment[6]	146.5	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net transfers to administration	30.0	30.5	29.8	33.4	29.4	26.5	24.0	22.2	21.9	23.9
Transfers under financial interchange[8]	656.8	637.4	596.5	570.3	606.4	568.2	515.9	588.4	670.5	716.3
Repayment of advances against financial interchange[4]	3,940.1	4,054.5	4,194.3	4,202.4	4,458.2	4,951.6	5,085.9	4,953.1	5,234.8	5,257.2
Transfers to the National RR Investment Trust/RR Account[3]	.....	(296.0)	91.0	191.0	(83.0)	103.0	(120.0)	507.0	137.0	311.0

See footnotes at end of table.

Table 2.--Status of the Railroad Retirement Act accounts and trust funds, by fiscal year, 2016-2025 (In millions), cash basis - Continued

Item	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST [10]										
Cash and investment balance at end of period [11]	$25,007.7	$26,389.6	$26,468.7	$25,332.4	$24,468.6	$28,289.6	$23,002.3	$24,241.3	$27,481.7	$28,803.4
DUAL BENEFITS PAYMENTS ACCOUNT [12]										
Benefit payments	$27.5	$23.6	$20.2	$17.1	$14.0	$11.3	$9.1	$7.4	$6.0	$4.8

[1] Net of U.S. Treasury adjustments for payroll tax refunds to certain carriers and their employees for prior periods. Includes Federal income tax transfers under section 72(r) of the Internal Revenue Code as amended. In fiscal years 2021 through 2023, SSEB Account includes general revenue transfers under the CARES Act of 2020 and other associated 2020 COVID-19 related legislation.
[2] Net of interest on U.S. Treasury adjustments for payroll tax refunds (see footnote 1).
[3] Under the Railroad Retirement and Survivors' Improvement Act of 2001, as amended, the portion of the Railroad Retirement (RR) Account not needed to pay current administrative expenses is to be transferred to the NRRIT. The Trust may transfer funds back to the RR Account for payment of benefits. The balance of the SSEB Account not needed to pay current benefits and administrative expenses is to be transferred to the Trust or to the RR Account. The SSEB Account transferred funds to the Trust in fiscal year 2003 and to the RR Account thereafter. In fiscal years 2017, 2020, and 2022, the RR Account transferred funds to the SSEB Account to pay benefits.
[4] Includes interest.
[5] Effective January 1, 2002, supplemental benefits are paid from the RR Account.
[6] Adjustments in benefit payments charged to the SSEB Account as compared to actual financial interchange benefits, with interest. This adjustment was discontinued in fiscal year 2017.
[7] Established October 1, 1984, to keep track of the financing and payment of social security level portions of railroad retirement benefits.
[8] Transfers to or from OASDHI Trust Funds under section 7(c)(2) of the 1974 Railroad Retirement Act.
[9] Advances, including interest, from U.S. Treasury to offset lag in receipt of financial interchange funds under section 7(c)(4) of the 1974 Railroad Retirement Act as amended.
[10] Established February 1, 2002, for investment of railroad retirement assets.
[11] Source: National Railroad Retirement Investment Trust.
[12] Established October 1, 1981, to keep track of the financing and payment of vested dual benefits.

NOTE.--This Table has been revised to only include information from the U.S. Department of the Treasury's Monthly Treasury Statements and other resources within the U.S. Railroad Retirement Board's Bureau of the Actuary and Research.

Table 3--Status of the Railroad Unemployment Insurance Account, by fiscal year, 2021-2025 (in thousands), cash basis

Item	Fiscal year 2021	2022	2023	2024	2025
RECEIPTS					
Taxes	$88,385	$251,329	$302,601	$128,337	$3,361
Interest	1,020	1,913	5,560	11,308	13,304
Transfer from Administration fund under sec. 11(d) of the RUI Act	11,403	6,255	7,469	9,244	12,530
Undistributed recoveries of benefit payments[1]	1,275	663	898	1,042	(615)
Loans from the RR Account	98,000	0	0	0	0
Total	$200,083	$260,160	$316,528	$149,931	$28,580
EXPENDITURES					
Benefit payments[2]	$163,789	$93,789	$61,972	$60,324	$86,459
Funding for Office of Inspector General	1,461	1,699	1,860	1,852	1,851
Total	$182,751	$202,847	$63,832	$62,176	$88,310
Cash balance end of period	$44,001	$101,314	$354,008	$441,763	$382,033
LOANS DUE RAILROAD RETIREMENT ACCOUNT					
Loans	$120,000,000	$105,131,210	--	--	--
Interest Accrued	267,875	--	--	--	--
Repayment from RUI Account[3]	(14,868,790)	(105,131,210)	--	--	--
Due RR Account end of period	$105,399,085	$0	--	--	--

[1] Net of distributed payments.

[2] In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, amounts reflect a reduction of 5.9% under sequestration for days of unemployment and sickness after September 30, 2019, and 5.7% for days after September 30, 2020. Beginning January 3, 2021, the CARWA legislation temporarily suspended sequestration through May 9, 2023, at which time it resumed at a rate of 5.7%. The REEF Act, enacted December 23, 2024, ended sequestration retroactively to May 9, 2023. Benefit amounts reflect the provisions in place at the time of payment.

[3] Loans from the RR Account to the Railroad Unemployment Insurance (RUI) Account were processed in fiscal year 2021 and paid off in fiscal year 2022.

Table 4--Status of the RUIA Administration Fund, by fiscal year, 2016-2025 (in thousands), cash basis

Fiscal year	Taxes and interest	Administrative expenditures[1]	Transfer to Railroad Unemployment Insurance Account under Sec. 11d [2]	Balance at end of period
2016	$ 27,146	$ 15,498	$ 13,375	$ 12,132
2017	$ 26,551	$ 14,842	$ 12,357	$ 11,483
2018	$ 25,621	$ 17,429	$ 11,208	$ 8,467
2019	$ 26,203	$ 16,066	$ 9,674	$ 8,930
2020	$ 27,186	$ 15,253	$ 9,401	$ 11,463
2021	$ 22,581	$ 16,025	$ 11,403	$ 6,615
2022	$ 25,071	$ 19,126	$ 6,302	$ 6,257
2023	$ 27,888	$ 18,341	$ 7,469	$ 8,837
2024	$ 30,333	$ 19,083	$ 9,244	$ 9,807
2025	$ 30,377	$ 17,249	$ 12,530	$ 10,406

[1] Expenditures for each year included encumbrances as of end of year. Fiscal years 2016-2025 reflect reallocation of prior period administrative expenses between the RRA and RUIA programs.

[2] Transfers to the RUI Account are based on the excess of the accrual balance on the prior September 30 over $6,000,000.

Table 5--Number and average amount of retirement and survivor annuities in current-payment status at end of year, by type of annuitant and fiscal year, 2016-2025

Fiscal year	Total[1]	Retired employees: Awarded age annuity	Retired employees: Disability converted to age[2]	Retired employees: Disability	Retired employees: Supple-mental[3]	Spouses and divorced spouses	Aged widow(er)s[4]	Disabled widow(er)s[5]	Widowed mothers (fathers)[4]	Children	Remarried widow(er)s	Divorced widow(er)s[4]
NUMBER AT END OF YEAR												
2016	654,127	190,835	44,744	31,308	122,966	145,891	90,919	3,660	652	8,695	3,187	9,709
2017	648,277	190,301	46,180	27,990	122,050	146,850	87,817	3,528	623	8,478	3,037	9,708
2018	641,470	189,571	47,436	25,059	120,222	147,708	84,710	3,378	604	8,232	2,903	9,760
2019	633,742	188,372	48,475	22,552	117,831	148,163	81,959	3,277	576	7,957	2,743	9,764
2020	622,932	186,357	49,278	19,996	114,444	147,412	79,406	3,176	570	7,726	2,566	9,746
2021	606,960	182,672	48,572	18,554	109,827	144,389	77,214	3,043	586	7,469	2,413	9,773
2022	591,464	179,295	47,765	17,110	105,171	141,566	75,064	2,892	587	7,306	2,303	9,749
2023	576,621	176,138	47,122	15,753	100,761	138,772	72,994	2,741	567	6,974	2,183	9,747
2024	562,758	173,324	46,229	14,910	96,331	135,835	71,356	2,576	551	6,763	2,058	9,746
2025	550,625	171,002	45,185	14,465	91,954	133,685	69,808	2,468	524	6,514	1,970	9,792
AVERAGE AMOUNT												
2016	.....	$2,675	$2,358	$2,675	$42	$991	$1,618	$1,307	$1,883	$1,066	$1,050	$1,055
2017	.....	2,731	2,401	2,691	42	1,008	1,664	1,326	1,878	1,078	1,071	1,078
2018	.....	2,817	2,474	2,746	42	1,035	1,721	1,367	1,902	1,110	1,114	1,118
2019	.....	2,912	2,564	2,822	42	1,065	1,780	1,401	1,942	1,157	1,152	1,168
2020	.....	2,985	2,625	2,871	42	1,088	1,840	1,437	1,992	1,195	1,192	1,203
2021	.....	3,047	2,678	2,926	42	1,108	1,904	1,472	2,049	1,236	1,223	1,237
2022	.....	3,211	2,832	3,094	41	1,160	1,987	1,532	2,129	1,331	1,314	1,337
2023	.....	3,448	3,058	3,349	41	1,233	2,102	1,636	2,245	1,448	1,442	1,472
2024	.....	3,552	3,160	3,459	41	1,261	2,196	1,685	2,329	1,510	1,510	1,526
2025	.....	3,638	3,245	3,568	41	1,306	2,325	1,738	2,355	1,562	1,591	1,607

[1] Includes annuities to parents and, beginning in fiscal year 2008, partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. On September 30, 2025, there were 10 parents' annuities in current-payment status averaging $1,212 and 3,248 partition payments averaging $356.

[2] A disability annuity ends when the retiree attains full retirement age, at which time the annuity converts to an age and service annuity. Consequently, these annuitants are receiving age and service annuities. Full retirement age gradually increases, from age 65 to 67, for those born between 1937 and 1960. It is age 67 for those born after 1959 and age 65 for those born before 1938.

[3] Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

[4] Numbers include annuities temporarily being paid at spouse annuity rates, pending final adjudication of survivor annuities.

[5] Includes annuities to disabled widow(er)s age 60 and over now payable as aged widow(er)s' annuities.

Table 6--Number and average amount of retirement and survivor annuities awarded during year, by type of annuitant and fiscal year, 2016-2025

Fiscal year	Total[1]	Retired employees			Spouses and divorced spouses	Aged widow(er)s	Disabled widow(er)s	Widowed mothers (fathers)	Children	Remarried widow(er)s	Divorced widow(er)s
		Age	Disability	Supple-mental[2]							
NUMBER AWARDED											
2016	35,950	10,236	1,682	5,910	11,373	5,319	123	94	380	116	715
2017	33,540	9,121	1,562	5,178	10,758	5,484	86	86	390	127	746
2018	31,795	8,665	1,662	4,155	10,459	5,411	78	94	379	123	766
2019	28,997	7,663	1,767	3,294	9,799	5,036	100	88	394	107	748
2020	26,493	7,203	1,713	2,386	8,748	5,153	87	90	379	79	655
2021	24,619	6,244	1,756	1,721	7,591	5,752	92	117	471	92	781
2022	22,791	5,947	1,425	1,102	7,293	5,504	43	130	466	94	787
2023	19,347	5,059	1,271	598	6,295	4,868	37	76	342	81	720
2024	19,619	5,407	1,416	670	6,106	4,798	33	77	361	71	678
2025	20,224	5,671	1,630	566	6,535	4,621	48	56	313	82	700
Cumulative 1937-2025	5,463,972	1,583,928	541,169	542,210	1,294,717	1,098,063	19,652	86,321	242,677	16,952	34,719
AVERAGE AMOUNT											
2016	.....	$3,124	$2,667	$41	$1,062	$2,096	$1,677	$2,034	$1,371	$1,166	$1,174
2017	.....	3,159	2,723	41	1,047	2,113	1,752	1,806	1,368	1,189	1,209
2018	.....	3,188	2,775	41	1,054	2,188	1,864	1,864	1,386	1,270	1,222
2019	.....	3,173	2,880	41	1,057	2,299	1,563	1,940	1,487	1,249	1,271
2020	.....	3,256	2,937	41	1,105	2,349	1,681	2,053	1,549	1,334	1,297
2021	.....	3,221	3,128	40	1,090	2,429	1,874	2,090	1,588	1,418	1,393
2022	.....	3,233	3,315	39	1,114	2,527	1,892	2,257	1,719	1,378	1,456
2023	.....	3,417	3,611	39	1,148	2,734	1,844	1,977	1,796	1,617	1,625
2024	.....	3,551	3,665	37	1,139	2,860	1,982	2,460	1,839	1,935	1,534
2025	.....	3,734	3,770	36	1,164	2,969	2,062	2,088	1,984	1,998	1,739

[1] Excludes partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity. Includes annuities to parents. Fiscal year 2025 total includes two annuities to parents. Cumulative total includes 3,564 annuities to parents.

[2] Excludes partition payments to spouses and divorced spouses where the employee is deceased. Averages are after court-ordered partitions.

NOTE.--Cumulative figures reflect adjustments not made in yearly data, but average amounts for each year include effects of changes in rates made by the end of the year.

Table 7.--Retirement and survivor benefits in current-payment status on September 30, 2025, by class and state (Amounts in thousands)

State[3]	Total[1]		Retirement benefits[2]		Survivor benefits	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Alabama	9,900	$21,136	8,000	$17,031	1,900	$4,097
Alaska	200	371	200	318	[4]	52
Arizona	10,900	23,619	9,000	19,695	1,800	3,892
Arkansas	10,600	22,047	8,700	18,168	1,800	3,843
California	25,100	52,237	20,700	43,235	4,300	8,957
Colorado	9,300	20,486	8,000	17,647	1,300	2,820
Connecticut	3,000	7,846	2,500	6,748	500	1,094
Delaware	3,100	7,142	2,700	6,316	400	822
Washington DC	400	780	300	714	[4]	66
Florida	31,600	68,810	26,400	58,392	5,000	10,362
Georgia	18,400	40,137	15,300	33,435	3,100	6,681
Hawaii	200	384	100	301	[4]	82
Idaho	5,000	10,694	4,200	9,049	700	1,630
Illinois	32,700	70,416	27,200	58,691	5,300	11,635
Indiana	16,000	34,144	13,100	28,064	2,800	6,041
Iowa	9,600	20,302	8,000	17,012	1,500	3,252
Kansas	14,200	31,293	11,900	26,179	2,300	5,090
Kentucky	13,900	28,636	11,200	22,853	2,600	5,761
Louisiana	7,700	16,764	6,300	13,551	1,400	3,198
Maine	2,200	4,337	1,800	3,569	400	765
Maryland	9,000	19,226	7,600	16,566	1,300	2,647
Massachusetts	4,300	9,581	3,700	8,294	600	1,283
Michigan	12,500	26,046	10,100	21,128	2,300	4,881
Minnesota	13,400	27,853	11,300	23,603	2,000	4,222
Mississippi	5,600	11,613	4,400	9,244	1,100	2,362
Missouri	20,100	42,864	16,800	35,948	3,100	6,868
Montana	6,800	14,822	5,800	12,738	900	2,069
Nebraska	18,100	42,554	15,900	37,372	2,100	5,137
Nevada	3,300	7,053	2,700	5,877	500	1,163
New Hampshire	1,000	2,297	800	1,917	200	377
New Jersey	9,700	24,239	8,100	20,975	1,500	3,256
New Mexico	4,200	9,135	3,500	7,576	700	1,548
New York	21,700	51,801	18,100	44,647	3,500	7,130
North Carolina	10,500	21,816	8,400	17,726	2,000	4,072
North Dakota	3,600	7,966	3,000	6,694	500	1,267

See footnotes at end of table.

Table 7.--Retirement and survivor benefits in current-payment status on September 30, 2025, by class and state (Amounts in thousands) - Continued

State[3]	Total[1]		Retirement benefits[2]		Survivor benefits	
	Number	Monthly amount	Number	Monthly amount	Number	Monthly amount
Ohio	21,700	$45,146	17,300	$35,626	4,300	$9,479
Oklahoma	5,200	11,114	4,200	9,026	1,000	2,074
Oregon	7,500	15,585	6,200	12,677	1,300	2,882
Pennsylvania	29,800	64,361	24,600	53,720	5,000	10,606
Rhode Island	800	1,716	700	1,531	100	184
South Carolina	8,200	17,749	6,700	14,799	1,400	2,936
South Dakota	2,100	4,569	1,800	3,982	200	580
Tennessee	12,800	27,259	10,500	22,434	2,300	4,800
Texas	38,400	87,634	31,600	72,824	6,400	14,682
Utah	5,100	11,452	4,300	9,552	800	1,887
Vermont	600	1,247	500	1,052	100	194
Virginia	16,000	35,095	13,100	29,323	2,800	5,751
Washington	10,700	23,093	8,800	19,152	1,800	3,914
West Virginia	7,600	16,391	6,100	13,295	1,400	3,081
Wisconsin	10,000	20,549	8,400	17,326	1,500	3,205
Wyoming	4,700	11,088	4,100	9,722	500	1,350
Outside United States:						
Canada	1,500	1,204	1,100	728	400	477
Mexico	100	133	[4]	42	100	92
Other	500	824	300	561	100	262
Total[5]	550,600	$1,196,665	456,300	$998,649	91,100	$196,859

[1] Includes 3,200 partition payments to spouses and divorced spouses where the employee is deceased or not otherwise entitled to an annuity.
[2] Includes 92,000 supplemental annuities to employees receiving regular annuities. In a relatively small number of cases, employees were also receiving spouse or widow(er) benefits.
[3] State of residence of beneficiary on September 30, 2025.
[4] Less than 50.
[5] Includes beneficiaries whose state of residence was unknown.

NOTE.--Retirement benefits include regular and supplemental employee annuities, spouse annuities and divorced spouse annuities. Survivor benefits include annuities to aged and disabled widow(er)s, widowed mothers and fathers, remarried and divorced widow(er)s, children, and parents, and widow(er)s' annuities temporarily being paid at spouse annuity rates pending final adjudication of survivor annuities. Benefit amounts exclude social security payments to dual beneficiaries.

Table 8-- Principal administrative data for the unemployment and sickness benefit programs, benefit years 2020-2021 through 2024-2025, cash basis

Item	2020-2021[1]	2021-2022[1]	2022-2023	2023-2024	2024-2025
Qualified employees	228,400	208,400	197,400	199,400	208,600
Maximum daily benefit rate	$80	$82	$85	$87	$94
UNEMPLOYMENT BENEFITS[2]					
Gross amount of benefits paid (thousands)[3]	$273,066	$66,268	$19,420	$21,480	$32,314
Payments[4]:					
Number	379,700	95,100	22,900	25,500	33,900
Average amount per two week claim period	$656[5]	$732[5]	$752	$737	N/A[7]
Beneficiaries	26,500	8,500	3,400	4,200	7,400
Applications received	26,000	11,700	6,000	7,700	9,200
Claims received	241,400	73,100	27,400	31,300	40,200
Normal benefit accounts exhausted	5,900	1,800	800	800	1,200
SICKNESS BENEFITS[2]					
Gross amount of benefits paid (thousands)[3]	$95,392	$91,893	$78,617	$66,602	$79,361
Payments:					
Number	164,300	136,400	93,800	81,500	84,700
Average amount per two week claim period	$580[6]	$674[6]	$746	$726	N/A[7]
Beneficiaries	25,600	18,800	12,300	10,900	15,300
Applications received	34,100	24,900	16,000	14,400	14,600
Claims received	149,200	138,300	109,400	96,700	99,500
Normal benefit accounts exhausted	3,800	3,500	2,900	2,500	2,500

[1] Starting in May 2020, includes unemployment and sickness waiting period waiver benefits, special extended unemployment benefits and enhanced unemployment benefits authorized by the CARES Act of 2020, the CARWA of 2020, and the ARPA of 2021. Gross benefits for these temporary payments were $148,292,000 for 2020-2021 and $30,453,000 for 2021-2022.

[2] In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 6.6% under sequestration for days of unemployment and sickness after September 30, 2017, 6.2% for days after September 30, 2018, 5.9% for days after September 30, 2019, and 5.7% for days after September 30, 2020. Beginning January 3, 2021, the CARWA law temporarily suspended sequestration through May 9, 2023, 30 days after the Presidential declaration of an end to the national emergency concerning the COVID-19 pandemic, after which sequestration resumed at 5.7%. The REEF Act, enacted December 23, 2024, ended sequestration retroactively to May 9, 2023. The benefit amounts in this table reflect the provisions in place at time of payment. Processing of REEF Act payments to restore the 5.7% of previously sequestered benefits for each day claimed began in January of 2025 and continued into the next benefit year.

[3] In Statistical Tables through FY 2018, information on this table, with respect to benefits paid, was reported on a net basis. Beginning with the FY 2019 Statistical Tables, these amounts are now shown on a gross basis.

[4] Payments can include more than one claim or registration period.

[5] Average unemployment payment includes special extended and waiting period waiver unemployment benefits but does not include enhanced unemployment benefit payments made under the CARES Act, CARWA, and ARPA, with no benefits payable under these acts for registration periods beginning after September 6, 2021.

[6] Average sickness payment includes the waiting period waiver sickness benefit payments made under the CARES Act, CARWA, and ARPA, with no benefits payable under these acts for registration periods beginning after September 6, 2021.

[7] Mass repayments under the REEF Act affected benefit amounts and compensable day counts, limiting the availability of meaningful information for the benefit year.

Table 9--All employees, new entrants, employees qualified for RUIA benefits, and related data, by employer, 2024

Type or name of employer	All employees				New entrants		Creditable Compensation (thousands)		
	Total	With 12 months of service in 2024	With sufficient service for RRA annuity	Qualified for RUIA benefits	Total	Qualified for RUIA benefits	Tier I	Tier II	RUIA
TYPE OF EMPLOYER									
Class I line-haul railroads	133,185	109,302	103,493	127,804	6,954	3,818	$13,627,346	$12,867,946	$2,905,098
Non-Class I line-haul railroads and switching & terminal companies	22,129	16,043	13,915	19,646	2,634	1,334	1,595,077	1,548,860	436,087
Commuter railroads[1]	55,866	44,868	37,949	53,542	4,418	2,745	5,552,779	5,141,587	1,215,636
Car-loan companies	2,359	1,755	1,522	2,185	333	200	186,478	179,415	48,827
Labor organizations	2,215	1,697	1,513	1,872	218	89	226,143	193,315	41,850
Miscellaneous employers[2]	4,652	3,708	3,104	4,339	504	287	453,969	407,148	98,222
Total	220,406	177,373	161,496	209,388	15,061	8,473	$21,641,791	$20,338,270	$4,745,719
SELECTED EMPLOYERS									
BNSF Railway Co.	40,192	33,778	32,929	39,192	1,499	932	$4,518,311	$4,150,762	$892,214
Canadian National, U.S. Operations									
Bessemer and Lake Erie Railroad Co.	55	50	48	54	2	1	4,920	4,904	1,244
Chicago Central and Pacific Railroad Co.	301	246	215	284	25	13	30,237	28,695	6,592
Grand Trunk Western Railroad Co.	780	651	625	760	28	16	85,888	80,149	17,346
Illinois Central Railroad Co.	3,809	3,244	3,068	3,706	183	111	407,007	383,048	84,982
Pittsburgh and Conneaut Dock Co.	32	26	21	32	3	3	2,597	2,597	719
Wisconsin Central Transportation Corp.	2,177	1,804	1,715	2,111	117	78	226,229	218,644	47,998
Canadian Pacific, Soo Line Corporation									
Dakota, Minnesota & Eastern Railroad Corp.	885	693	500	801	106	41	78,367	76,193	17,866
Delaware and Hudson Railway Co. Inc.	168	135	127	165	6	5	14,561	14,061	3,662
Soo Line Railroad Co.	2,197	1,670	1,568	2,076	190	118	221,696	205,966	46,020
CSX Transportation Inc.	21,566	17,733	15,948	20,511	1,277	651	2,126,513	2,040,718	469,302
Kansas City Southern Railway Co.	2,830	2,241	2,204	2,741	130	85	280,682	267,491	60,996
Texas Mexican Railway Co.	311	257	256	307	3	2	33,215	32,068	6,938
National Railroad Passenger Corp. (Amtrak)	24,627	19,590	15,095	23,661	1,912	1,192	2,413,723	2,233,603	536,729
Norfolk Southern Corp.	22,326	18,219	15,918	21,256	1,292	703	2,123,730	2,035,933	482,172
Union Pacific Railroad Co.	35,556	28,555	28,351	33,808	2,093	1,059	3,473,393	3,326,718	767,045

[1] Includes National Railroad Passenger Corp. (Amtrak).
[2] Includes lessor companies, employer associations and miscellaneous carrier affiliates.

NOTE.--Tier I compensation excludes miscellaneous compensation taxable at the tier I tax rate.

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