Railroad Retirement Board § 229.49

or other benefits. The spouse and child(ren)’s benefits are computed as follows:

1. The Overall Minimum PIA is subtracted from the family maximum amount.
2. The result from paragraph (d)(1) of this section is divided by the total number of auxiliary beneficiaries (spouse and children).
3. If the amount of each benefit from paragraph (d)(2) of this section is not a multiple of $0.10, it is rounded to the next lower multiple of $0.10. After determining the beneficiary’s share (the amount after reduction for other benefits) the amount is rounded to the next lowest multiple of $1.00, if it is not already a multiple of $1.00.

(e) Combined family maximum. If a child is eligible to be included in the computation of the overall minimum on more than one railroad retirement annuity, a combined family maximum may apply, if it results in higher annuity rates. The combined family maximum is the smaller of:

1. The sum of the individual family maximums on each earnings record; or
2. 1.75 times the highest primary insurance amount possible in a year using average indexed monthly earnings equal to one-twelfth of the contribution and benefit base for that year. Average indexed monthly earnings and contribution and benefit base are explained in § 229.2 of this part.

(f) This section may be illustrated by the following examples:

1. An employee, age 62, applies for an age and service annuity under the Railroad Retirement Act (RRA). His annuity rate is $700. The employee has a son who was disabled for all regular employment prior to his attaining age 18. The RRA does not provide an annuity for a disabled child of a living employee. If the employee had been covered under the Social Security Act he would have received a benefit of $500 (the Overall Minimum PIA) and his child would have received a benefit of $250 (50 percent of $500), which produces a total family benefit of $750. The family maximum is $804.90. Under the O/M guarantee, the employee would receive $750 since it is higher than his annuity rate of $700. Since $750 is less than the family maximum computed for this employee, there is no reduction for the family maximum.
2. It is determined that a disabled employee is entitled to a DIB O/M computed as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Minimum PIA</td>
<td>$600.00</td>
</tr>
<tr>
<td>Spouse (50% × 600)</td>
<td>300.00</td>
</tr>
<tr>
<td>Child (50% × 600)</td>
<td>300.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1200.00</strong></td>
</tr>
</tbody>
</table>

However, the employee’s family maximum is $900 (150 percent of $600). Consequently, the DIB O/M will be paid as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>$600.00</td>
</tr>
<tr>
<td>Spouse</td>
<td>150.00</td>
</tr>
<tr>
<td>Child</td>
<td>150.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>900.00</strong></td>
</tr>
</tbody>
</table>

§ 229.49 Adjustment of benefits under family maximum for change in family group.

(a) Increase in family group. If an overall minimum rate is adjusted for the family maximum and an additional family member can be included, the benefits payable to previous auxiliary beneficiaries (spouse and children) are reduced to provide a share for the new family member. The difference between the Overall Minimum PIA (see §225.15 of this part) and the family maximum amount is divided by the increased number of auxiliary beneficiaries. If the amount of each benefit is not a multiple of $0.10, it is rounded to the next lower multiple of $1.00.

(b) Decrease in family group. If an overall minimum rate is adjusted for the family maximum and there is a decrease in the number of eligible family members, the benefits for the remaining auxiliary beneficiaries (spouse and children) are increased. If the family maximum still applies, the difference between the Overall Minimum PIA and the family maximum amount is divided by the number of remaining auxiliary beneficiaries. If the amount of each benefit is not a multiple of $0.10, it is rounded to the next lower multiple of $1.00.
§ 229.50 Age reduction in employee or spouse benefit.

(a) When age reduction applies. The employee overall minimum benefit is reduced for each month the employee is under retirement age on the date the employee becomes eligible for an increase under the overall minimum, as shown in §229.22 of this part, unless the employee has a period of disability and §229.52 of this part does not apply, in which case no age reduction is applied. The employee overall minimum benefit is reduced for each month a spouse, who is not a spouse with the employee’s child under 16 years old or disabled before attaining age 22 in his or her care, is under retirement age on the date the spouse is eligible for an increase under the overall minimum (see §229.21 of this part). If a spouse’s overall minimum benefit is reduced for age and he or she later begins caring for an eligible child, no age reduction will apply for the months the child is in his or her care.

(b) Employee age reduction. The Overall Minimum PIA plus any delayed retirement credits is reduced by $0.10 for the same number of months used to compute the initial age reduction.

(c) Spouse age reduction. The amount of the spouse overall minimum benefit, after any adjustment for the family maximum, is reduced by $0.10 for each month the spouse is under retirement age on the date when he or she becomes eligible under the overall minimum. When the spouse benefit increases, the amount of the increase is reduced by $0.10 for the next lowest multiple of $1.00, if it is not already a multiple of $1.00.

(c) Effective date of rate change. The overall minimum rate changes described in paragraphs (a) and (b) of this section are effective the month in which the number of auxiliary beneficiaries changes.

§ 229.51 Adjustment of age reduction.

(a) General. If an age reduced employee or spouse overall minimum benefit is not paid for certain months before the employee or spouse attains retirement age, or the employee becomes entitled to a DIB O/M, the age reduction may be adjusted to drop the months for which no payment was made or the overall minimum rate was not reduced for age.

(b) Employee adjusted age reduction. The following months are deducted from the months used to determine the age reduction in the Overall Minimum PIA amount, effective the month in which the employee attains retirement age or becomes entitled to a DIB O/M:

(1) Months in which the increase under the overall minimum is completely or partially deducted because of the employee’s excess earnings; and

(2) Months in which the employee becomes entitled to a DIB O/M as well as a reduced O/M.

(c) Spouse adjusted age reduction. The following months are deducted from the months used to determine the age reduction in the spouse overall minimum benefit, effective the month in which the spouse attains retirement age:

(1) Months in which the spouse O/M benefit is completely or partially deducted because of the employee’s or spouse’s excess earnings;

(2) Months after entitlement to a spouse O/M benefit ends for any reason;

(3) Months in which a spouse has in her care the employee’s child who is