1.1.1 Eligibility Requirements

A. Age and Service Requirement

The age requirement for an age and service annuity depends on the employee's years of creditable railroad service. The earliest age at which the employees can receive an age and service annuity is shown below. The RRB considers employees to have attained their age on the day before their birthday, as explained in FOM-I-111.3.2

Determining Employees' Earliest Retirement Age	
If the employees have:	**Their annuity can begin the first full month they attain:**
at least 360 months of railroad service,	Age 60.
120-359 months of railroad service,	Age 62.
60-119 months of railroad service with at least 60 months of railroad service after 1995.	Age 62.

B. Requirements for Employee Previously Awarded a Disability Annuity

Employees who were previously awarded disability annuities can qualify for age and service annuities only if their disability annuity terminated because they recovered medically from their disability before attaining *Full Retirement Age* (FRA) or if they cancel their disability annuity application and refund any amount paid by the RRB based on the disability annuity application.

Former disability annuitants were not required to have 120 months of creditable railroad service to be eligible for an annuity at age 62 if their disability annuities were payable on 10-29-51. A new award may have been made to them if they reapplied for an annuity and had met the other eligibility and entitlement requirements.

C. Full Retirement Age

The term *Full Retirement Age* (FRA) means the age at which an employee with less than 360 months of railroad service can receive a full annuity (not reduced for early retirement). FRA is attained the first day of the month in which that age is attained.

If employees have less than 360 months of railroad service, FRA for their Tier 1 age reduction is age 65 if they were born before January 2, 1938. The FRA for persons

born after January 1, 1938, will gradually increase over a 20-year period to age 67, as illustrated in the following chart.

Determining Employees' Full Retirement Age (FRA)

If employees were born:	then their FRA is:	If employees were born:	then their FRA is:
Before 1-2-1938	65	1-2-1955 thru 1-1-1956	66 and 2 months
1-2-1938 thru 1-1-1939	65 and 2 months	1-2-1956 thru 1-1-1957	66 and 4 months
1-2-1939 thru 1-1-1940	65 and 4 months	1-2-1957 thru 1-1-1958	66 and 6 months
1-2-1940 thru 1-1-1941	65 and 6 months	1-2-1958 thru 1-1-1959	66 and 8 months
1-2-1941 thru 1-1-1942	65 and 8 months	1-2-1959 thru 1-1-1960	66 and 10 months
1-2-1942 thru 1-1-1943	65 and 10 months	1-2-1960 and later	67
1-2-1943 thru 1-1-1955	66		

(*Full Retirement Age* also affects Tier 1 annuity deductions due to earnings as described in RCM 5.7, regardless of the employee's total years of railroad service.)

D. Employee Age Reductions

1. General 60/30

Employee 60/30 cases never have a tier 1 age reduction if the employees are at least age 62 on their employee ABD.

In addition, the Railroad Retirement and Survivor Improvement Act of 2001 (RRSIA) removed the Tier 1 age reduction for 60/30 employees retiring at age 60-61 who have an annuity beginning date of January 1, 2002, or later.

However, some 60/30 cases still have Tier 1 age reductions if the employees retired at age 60-61 and have annuity beginning dates before January 1, 2002 as explained in RCM 8.6.

2. Employee Has Less than 360 Months of Service but at Least 120 Months of Service

a. ***Tier 1 Age Reductions -*** If the employee has less than 360 months of railroad service, the employee's Tier 1 will be reduced by 1/180 for each of the first 36 months they are under FRA and 1/240 for each additional month they are under FRA on the annuity beginning date.

b. ***Tier 2 Age Reductions -*** The age reduction is based on age 65 or FRA, depending on the employee's railroad service.

- If the employees began railroad service before August 12, 1983, their Tier 2 will be reduced by 1/180 for each month they are under age 65 on their annuity beginning date.

- If the employee began railroad service after August 11, 1983, their Tier 2 will be reduced by 1/180 for each of the first 36 months they are under FRA and 1/240 for each additional month they are under FRA on their annuity beginning date.

3. Employee Has Less than 120 Months of Service but at Least 60 Months of Service after 1995

a. ***Tier 1 Age Reductions -*** If the employee has less than 120 months of railroad service, the employee's Tier 1 will be reduced by 1/180 for each of the first 36 months they are under FRA and 1/240 for each additional month they are under FRA on the earlier of their RRA annuity beginning date or social security benefit date of entitlement.

b. ***Tier 2 Age Reductions -*** The age reduction is based on age 65 or FRA, depending on the employee's railroad service.

- If the employee should happen to have some service before 8/12/83, their Tier 2 will be reduced by 1/180 for each month they are under age 65 on their annuity beginning date.

- If the employee began railroad service after August 11, 1983, their Tier 2 will be reduced by 1/180 for each of the first 36 months they are under FRA and 1/240 for each additional month they are under FRA on their annuity beginning date.

4. Summary Chart

The conditions for employee annuity age reductions are explained in the following chart.

Employee Annuity Age Reductions

If the employees have:	**The employees' Tier 1 will have an age reduction if:**	**The employees' Tier 2 will:**
At least 360 or more months of railroad service.	all of the following apply: the employees first met the age or service requirements in a month after June 1984 and before January 2002; the employees had an annuity beginning date before January 1, 2002; and, the employees' ABDs are before the month they attain age 62.	not have an age reduction
120 - 359 months of railroad service, with railroad service before 8/12/1983.	the employees' ABDs are before the month they attain their FRA.	have an age reduction if the employees' ABDs are before the month they attain age 65.
120 - 359 months of railroad service, without railroad service before 8/12/1983.	the employees' ABDs are before the month they attain their FRA.	have an age reduction if the employees' ABDs are before the month they attain their FRA.
Less than 120 months of railroad service, but at least 60 months of railroad service after 1995 and some railroad service before 8/12/1983.	the employees' ABDs or SSA dates of entitlement are before the month they attain their FRA. (The employee must have an SSA Fully Insured Status to receive a Tier 1 component.)	have an age reduction if the employees' ABDs are before the month they attain age 65.
Less than 120 months of railroad service, but at least 60 months of railroad service after 1995, without railroad service before 8/12/1983.	the employees' ABDs or SSA dates of entitlement are before the month they attain their FRA. (The employee must have an SSA Fully Insured Status to receive a Tier 1 component.)	have an age reduction if the employees' ABDs are before the month they attain their FRA.

1.1.2 Entitlement Requirements

A. Entire Age and Service Benefit

The employees must meet the age and service requirements for eligibility explained in RCM 1.1.1 and must file an annuity application. Also:

1. The employees must stop all railroad work for pay before their annuity can begin. Also note that, after the annuity is awarded, payment cannot be made for any month in which the employees return to work for a railroad employer.

2. Before an age and service annuity can be paid, employees must relinquish all seniority or other rights to return to work for any railroad employer. While an age and service annuity can begin to accrue as early as the day after they stop working for the railroad, it cannot be awarded until they relinquish rights to railroad employment. (See RCM 1.6.)

3. Before December 1, 1988, employees must have stopped work for their last non-railroad employer as explained in RCM 1.6.

B. Insured Status Requirement for Tier 1 Component

Age and service employee annuitants must have an SSA *Fully Insured Status* based on combined SSA wages and railroad earnings to receive a Tier 1 component.

The Quarter of Coverage (QC) requirement for *Fully Insured Status* for employees born after 1928 is 40 QCs. Therefore, if employees have at least 120 months of railroad service, they are assumed to have at least 40 quarters of coverage.

If employees have less than 120 months of railroad service, but at least 60 months of railroad service after 1995, their SSA wages must provide the additional quarters of coverage needed for an SSA *Fully Insured Status* to qualify them for the Tier 1 component. Refer to RCM 5.6.5 for more information about a *Fully Insured Status*.

1.1.3 Annuity Beginning Date

When an employee meets the requirements for entitlement to an A&SA, the annuity can begin on the latest of the earliest date permitted by law, or the day designated by the employee.

To determine the correct ABD for a particular age and service annuity see the instructions in FOM-I-111.10.1

1.1.4 When an Age and Service Annuity Is Suspended or Terminated

A. Entire Age and Service Employee Annuity Is Suspended

An age and service annuity is not payable for any month in which the annuitant works for an RR Act employer or other suspension events as explained in RCM 6.3.6 - RCM 6.3.7.

NOTE: Before 12/1/88, an age and service annuity was not payable for any month in which the employee returned to last person service employment as explained in RCM 1.6.

B. Tier 1 Component Only is Suspended

1. Alien Nonpayment Cases - The employee tier 1 is exempt from the alien nonpayment provisions as explained in RCM 4.9.21.

2. Deportation cases - Effective with tier I components payable for December 1, 1988, an employee tier I is suspended when:

    a. a final order of deportation has been issued against such individual on the basis of association with the NAZI government of Germany during World War II, and

    b. the final orders of deportation are issued on or after November 10. 1988.

The suspension is effective with the first full month after the final orders of deportation are issued. The Tier I becomes payable, only when the individual is lawfully admitted to the United States for permanent residence.

C. Age and Service Annuity Is Terminated.

An age and service annuity terminates with the first day of the month in which the employee dies. This means that the last month that the annuity is payable is the month prior to the month in which the death occurs.

1.1.5 Public Service Pension Reduction

A reduction to the employee's annuity for his or her own public service pension is built into the computation of the PIA #1 and PIA #9 as explained in RCM 1.1.15 - 1.1.18

1.1.6 Reduction For Worker's Compensation Or Public Disability

If the employee is receiving worker's compensation or other public disability benefits, his or her annuity may be subject to a reduction as explained in RCM 8.5.

1.1.7 Employee Age Reductions

A. Employee Has Less Than 30 Years Service - When the non-disability employee with 120-359 months railroad service has an annuity beginning date before (s)he attains full retirement age (FRA), the employee's railroad formula tier I, tier II and vested dual benefit are reduced by 1/180 for each month up to 36 months plus 1/240 for each additional month beyond 36 that the employee is under FRA when the employee annuity begins.

EXCEPTION: The number of months used for the Tier 2 reduction is as follows:

1. If the employee has railroad service before 8/12/1983, tier 2 will be reduced by the number of months the employee is under age 65.

2. If the employee does not have railroad service before 8/12/1983, tier 2 will be reduced by the number of months the employee is under FRA.

NOTE: For those with an ABD earlier than 1-1-2001 and born prior to 1938, FRA is 65. For those born in 1960 or later, FRA is 67. For those born 1938-1959, the age varies. See RCM 8.3.92 for FRA chart.

B. Employee Has 30 or More Years RR Service.--When the age and service employee has 30 or more years of railroad service and age reduction may apply to the tier I portion of his or her annuity as follows:

1. Employee Attained 60/30 Before 7-1-84 or Has an ABD of 1-1-2002 or Later.--If the employee attained age 60 and acquired 30 or more years of railroad service before 7-1-84, or has an ABD of 1-1-2002 or later, his or her annuity is not subject to an age reduction.

2. Employee Attains 60/30 7-1-84 or Later and Has an ABD Before 1-1-2002 But Delays Retirement to Age 62.--If the employee either attains age 60 or acquires 30 or more years of railroad service 7-1-84 or later and has an ABD before 1-1-2002 and delays his or her retirement until the month in which (s)he attains age 62, his or her annuity is not subject to an age reduction.

3. Employee Attains 60/30 7-1-84 through 12-31-85 and has an ABD before 1-1-2002 and Retires Before Age 62.--If the employer attains age 60 and acquires 30 or more years of railroad service before 1-1-86, but did not meet both requirements before 7-1-84 and has an ABD before the month in which (s)he attains age 62 and before 1-1-2002, his or her tier I is subject to a fixed age reduction of 36/180 divided by 2 (or .1000) effective on the ABD. The tier I benefit is recalculated effective with the first full month the employee is age 62. The employee's age reduction for the recalculated tier I changes to 35/180 divided by 2 (or .0972) as of the month the tier I recalculation is effective unless the employee was born on

the second day of the month. In that case the age reduction remains the same (36/180 divided by 2). The employee's tier II or vested dual benefit is not subject to an age reduction.

4. Employee Attains 60/30 1-1-86 or Later and Has an ABD Before 1-1-2002 and Retires Before Age 62.--If the employee either attains age 60 or acquires 30 or more years of railroad service 1-1-86 or later and has an ABD before the month in which (s)he attains age 62 and before 1-1-2002, his or her tier I is subject to an age reduction based on the number of months between age 62 and his FRA month. The tier I benefit is recalculated effective the first full month the employee is age 62. The number of months used for the employee's age reduction in the recalculation is changed to reflect the number of full months under FRA. However, there would be no change in the number of months used in the age reduction if the employee was born on the second day of the month. In that case, the age reduction remains the same (1/180 for each of the first 36 months under FRA, plus 1/240 for each additional month beyond 36.). The employees tier II or vested dual benefit is not subject to an age reduction.

C. Employee Benefit Under the Special Guaranty Rate.--The age reduction to the employee's special guaranty rate is explained in RCM 8.3.85-8.3.88.

D. Employee Has 5 – 9 Years of Service--Effective January 2002, the **R**ailroad **R**etirement and **S**urvivor's **I**mprovement **A**ct (RRSIA) established entitlement for employees with 5 – 9 years of railroad service. To be eligible for benefits, an employee with less than 120 months of service must have at least 60 months of service after 1995. RRSIA provides for full age and service annuities; reduced age and service annuities; and total and permanent disability annuities. There is no provision for occupational disability annuities under RRSIA. No employee, spouse or divorced spouse can be eligible for a 5-9 year annuity before the employee has earned the 60th month of railroad service after 1995. No entitlement under RRSIA can be effective before 01-2002, the effective date of the RRSIA provision.

NOTE: The employee may have service months prior to 1995. All railroad service will be used to compute the annuity, but only railroad service after 1995 will be used to determine eligibility under RRSIA.

WHAT RRSIA DID NOT CHANGE

All evidence requirements remain the same. All rules for setting an ABD, for determining a total and permanent disability, for determining spouse, divorced spouse, and widow entitlements are the same. For a retirement annuity, the employee must stop all compensated work in the railroad industry and relinquish rights. The computation of PIAs and the basic tier 2 will not change. The

reductions to tier 1 for SSA benefits, NCSP, PSP, etc., still apply. The reductions made for excess earnings and LPE earnings remain the same.

WHAT RRSIA CHANGED

RRSIA made significant changes in how the RRB pays annuities.

1. Beginning in January 2002, an employee with less than 120 months of railroad service can be eligible for an RRB annuity provided that at least 60 months of service were acquired after 1995. Creditable military service after 1995 may be used to compute the 60 months of service.

2. The employee must have a social security insured status (SSIS) to be entitled to the tier 1. The SSIS is determined by counting the quarters of coverage (QCs) earned by the employee in combined railroad and social security earnings. The required number of QCs is determined by the employee's year of birth. This information will be on the G-90. If there is no SSIS, the employee will not be entitled to a tier 1. The employee could still be entitled to a tier 2 on the ABD.

3. The tier 1 or tier 2 date of eligibility may be different from the ABD. The tier 1 and tier 2 age reduction months will be counted from their respective dates of eligibility through the month before FRA.

4. The tier 1 date of eligibility for payment and computation of reduction factors will be the later of: 01-2002, the RRSIA effective date; the date the 60th month of railroad service is earned; the date the employee's social security insured status (SSIS) is acquired; the first full month of age 62; or the date of entitlement (DOE) to social security retirement benefits. Additionally, rules related to retroactivity and the date the claim was filed remain the same.

5 Delayed retirement credits (DRCs) will be counted from the SSIS if it occurs after FRA. DRCs are also limited if the SSA DOE to a retirement (RIB) or disability (DIB) benefit is prior to the ABD. The basis of the disability provision is that under SSA regulation, Section 404.310, an SSA DIB automatically becomes an old-age benefit at FRA. See L-2009-05 for details. Example 1: Employee is initially entitled to a full age annuity at the age of 68, having less than 10 years of railroad service, but more than 60 months after 1995. He has a social security insured status since 1984, and has been in receipt of a reduced RIB from SSA since age 62. DRC's are **not** payable to this employee.

Example 2: Employee is initially entitled to a full age annuity at the age of 73, having less than 10 years of railroad service, but more than 60 months after 1995. She has a social security insured status since 1962, and has

been in receipt of a DIB from SSA since age 55. DRC's are **not** payable to this employee.

6. Total and permanent disability annuitants will be paid an unreduced tier 1on the ABD. The tier 2 is not payable until the annuitant is age 62 for a full month and then it will be age reduced.

All the rules for computing RRSIA age reductions have been built into the estimate program (REAP) and the payment programs (ROC and PC programs). An overview of the rules is provided below.

SSA CONSIDERATIONS

Under RRSIA, entitlement to SSA benefits is important not only for subtracting the SSA benefit from the tier 1, but also for computing the age reduction in tier 1. There are several factors to consider when determining whether or not the SSA entitlement will affect the age reduction in the tier 1.

1. The SSA benefit must not be terminated or withdrawn.

2. The SSA DOE must precede the ABD.

3. The amendments limit consideration to SSA benefits under section 202(a), (b), or (c): old age, wife's and husband's benefits. This would include the following bics: A (Primary Claimant); B, B3, B8, BA, and BD (Wife 62 and over); B1, B4, BG, BH, BJ (Husband 62 and over); B6, B9, BN, BP, BQ (Divorced Wife 62 and over); and BR, BT (Divorced Husband 62 and over). Notice that disability benefits, children, widows and a spouse with child in care are not included.

FULL AGE AND SERVICE ANNUITY

Just like 10 year cases, annuitants will have to attain FRA in order to be entitled to a retirement annuity without an age reduction. Also, rules related to retroactivity and the date claim filed remain the same.

- The tier 1 eligibility date will be the later of: 01-2002, the RRSIA effective date; the date the employee acquires the 60th month of railroad service; the date the employee's SSIS is acquired; or the DOE to social security retirement benefits.

- If the SSIS is before the ABD, the tier 1 date of entitlement will be the ABD. If the SSIS is after the ABD, the tier 1 date of entitlement will be the SSIS date.

- If the employee has a date of entitlement to an age reduced social security retirement benefit, age reduction months for tier 1 are counted from the

SSA DOE through the month before FRA. This is true even though the employee has applied for the railroad annuity at or after FRA.

- Age DRCs are counted from the SSIS attainment to the ABD if the SSIS attainment is later than FRA.

- If the employee is entitled to a social security retirement benefit, and the SSA DOE is before the ABD, count DRCs from FRA through the month before the SSA DOE. (In other words, don't give an employee credit for age DRCs at RRB for months he receives an SSA retirement or disability benefit.)

- The tier 2 eligibility date cannot be before the employee has acquired the 60th month of railroad service. The employee will receive a full tier 2 on the ABD.

  EXAMPLE 1: The employee files for a full age annuity under the 5-9 year rules. His date of birth is 06-04-1937. He acquired his 60th month of railroad service in 03-2001. His SSA DOE for a reduced retirement benefit is 01-2002. In 06-2002, he files for a full age retirement benefit at RRB. His date last worked is 05-31-2002. His ABD is set at 06-2002. The tier 1 will have 5 age reduction factors because of his DOE to SSA retirement benefits.

  EXAMPLE 2: The employee files for a full age annuity under the 5-9 year rules. His date of birth is 06-04-1937. His SSA DOE for a full retirement benefit is 06-2002. He acquires his 60th month of railroad service in 08-2002. In 09-2002, he files for a full age retirement benefit at RRB. His date last worked is 08-31-2002. His ABD is set at 09-2002. The tier 1 will not receive DRCs for 6, 7, or 8-2002 because he was entitled to an SSA retirement benefit for those months.

REDUCED AGE AND SERVICE ANNUITY

Just like 10 year cases, annuitants paid under RRSIA will have to be age 62 for a full month to receive an annuity with an age reduction. The reduction per month will be the same (i.e., 20% reduction over the first 3 years for employees, and 25% reduction over the first 3 years for spouses; and for those born in 1938 or later, an additional 10% reduction over the next 2 years for employees and spouses). As with full age annuities, how we count those reduction months may differ.

- If the SSIS is before the ABD, the tier 1 date of entitlement will be the ABD. Count age reduction months from the ABD through the month before FRA. If the SSIS is after the ABD, the tier 1 date of entitlement will be the SSIS date. Count the age reduction months from the SSIS through the month before FRA.

- If the employee is over age 62, and has a date of entitlement to SSA retirement benefits, count the age reduction months for the tier 1 from the SSA DOE to the month before FRA.

- If the employee is over age 62, but does not attain his 60th month of railroad service until after age 62, the ABD can not be earlier than the 60th month of service. Count age reduction months from the 60th month of service to the month before FRA.

- Reduce the tier 2 by the number of months between the ABD and FRA (or between the ABD and age 65 if the employee has a service month before 09-1983.)

  EXAMPLE: The employee files for a railroad annuity under the 5-9 year rules. His date of birth is 09-01-1940. His DOE at SSA is 09-2002. He acquires his 60th month of railroad service 06-2003. The date of filing at RRB is 09-03-2004. His ABD will be 09-2004. (No retroactivity for age reduced annuities.) However, tier 1 age reduction will be counted from the first date of eligibility, 06-2003. Tier 2 age reduction will be counted from his ABD to the month before FRA, or age 65 if there is a service month before 09-1983.

TOTAL AND PERMANENT DISABILITY ANNUITY

As with 10 year cases, the Disability section will make the rating determination. In order for an employee with 60 months of service after 1995 to be rated for a total and permanent disability, the employee will have to meet social security disability rules.

- The employee will have to have an SSIS.

- The employee will have to meet the 20 in 40 rule.

- The tier one will not be age reduced.

- The effective date of the tier 2 will be the later of: the ABD; the first full month the annuitant is 62; or the filing date. The age reduction will be computed from the effective date through the month before FRA. If the employee has a service month prior to 09-1983, count age reduction months up to age 65.

HOW TO PROCESS 5-9 YEAR CASES

All 5-9 year cases will be paid on ROC or the PC programs. For the PC programs, the SSIS and RIB DOE will be manually entered for any case which is designated as a 5-9 year case (TYPE COMP of 8). For ROC, this information is either filled in when the JADE connection is made or is entered manually by the examiner. Therefore, if the

JADE connection is not working and you don't have MBR data available, do not process a 5-9 year case until the JADE connection is restored. The DRC and age reduction computations will be processed by the programs. For disability cases, MAP referrals will be generated when the annuitant is 62 and eligible for the tier 2.

1.1.8 Reduction For Social Security Benefits

The employee's tier I is reduced but not below zero, by the full amount of any social security benefit (s)he is receiving. This is the amount before SSA applies work deductions, partial withholding or temporary withholding.

If the employee's social security benefit was subject to work deductions for a year 1975-1981, refer to RCM 5.7 Appendix E and RCM 5.7 Appendix F, "Form G-101a Instructions" for procedure to restore the tier I offset for SS benefits.

1.1.9 Reduction For Earnings

If the employee has a work deduction insured status, his or her annuity is adjusted for excess earnings. Effective 12-1-88, an employee's tier 2, supplemental annuity and spouse's tier 2 are subject to work deductions for last person service. Both types of work deductions are explained in RCM 5.7.

1.1.10 Requirements For Increasing An A&SA Under The O/M

In order to have his A&SA increased under the O/M, this annuitant must meet the requirements of the SS Act as explained in RCM 8.3.8.

1.1.11 When The O/M Is Applicable

An A&SA can be increased under the O/M as explained in RCM 8.3.11 through 8.3.13.

1.1.12 Referral For O/M And WF Test

The Monthly Attainment Processing (MAP) program will release a diary card in cases on the rolls where the spouse's date of birth has been entered into PREH to alert the examiner of the possible need for an adjustment when the following events occur:

- A spouse who is receiving an annuity that is not based on the O/M formula attains age 62; or
- (A spouse who is receiving an annuity that is not based on the O/M formula attains full retirement age or)
- A spouse who is not receiving an annuity and is not included as an IPI in an annuity based on the O/M formula attains full retirement age.

The referral message will read "ANN-SP 62 OR SP FRA TEST FOR O/M AND VDB." Upon receipt of this referral, examine the folder to determine if the annuity could be paid under the O/M formula is explained in RCM Chapter 8.3 or to determine if the spouse is eligible for a regular spouse's annuity (see RCM Chapter 1.3).

A diary card will also be released when the employee attains age 62 and a PIA #4 amount has been entered into the record to alert the examiner to pay the employee a RIB VDB as explained in Section 1.1.33. Prior to the 1981 amendments, diary cards were also used to determine if the spouse annuitant was entitled to a VDB (see RCM Chapter 1.3. Appendix D).

1.1.13 Development

There should be sufficient information on recently filed applications to identify potentially eligible auxiliary beneficiaries. When complete SS benefit information is not in file or the SS benefit amount stated in file would not preclude application of the O/M, release Form G-60 to obtain or verify SS benefit information. Develop any required evidence (see RCM 1.1.21) or additional information through the field.

If Forms G-319, and/or G-320 were developed but it is determined that the O/M is not applicable, release Form Letter RL-300 to the employee (see RCM Part 11.)

1.1.14 Earnings Restrictions

When an A&SA is increased under the O/M, the amount of the increase is affected if the annuitant earns more than the annual exempt amount while he is under full retirement age, (age 70 prior to January 1, 2000), or (age 72 prior to 1-1-83). The annuitant's increase under the O/M is also affected if he works outside the U.S for 45 or more hours in a month before he attains full retirement age, (age 70 prior to January 1, 2000), or (72 prior to 1-1-83). See RCM 8.3.135 - 8.3.143 for a complete discussion of how work deductions apply to an A&SA increased under the O/M.

1.1.15 Non-covered Service Pension (NCSP) Provision

Except as explained in RCM 1.1.17, the 1983 Social Security Act Amendments (PL 98-21) establish a reduction in PIA #1, PIA #9, PIA #17 and SSEB PIA for the following annuities:

1) Employees who attain age 62 after 1985 (including employees receiving a reduced 60/30 annuity who attain age 62 after 1985); or

Become entitled to a disability annuity after 1985; and

Become entitled to a pension based in whole or in part on non-covered service 1-1986 or later (See RCM 1.1.116)

2) Spouses/divorced spouses (including independently-entitled divorced spouses) who become eligible for an annuity on the wage record of an employee who is entitled to a pension based in whole or in part on non-covered service 1/1986 or later (see RCM 1.1.116). The NCSP reduction is factored into the PIA calculation, whereby spouses/divorced spouses receive one-half of the employee's NCSP-reduced tier 1.

1.1.16 Definition Of Non-covered Service Pension

For purposes of the employee non-covered service pension provision, a non-covered service pension (NCSP) is any payment based in whole or in part on earnings for services that are not covered as employment under section 210 of the Social Security Act.

A lump-sum payment that is actually a refund of the individual's contributions to an employee pension, including interest, is not a pension payment and does not affect the tier I or O/M benefit

Pensions that are paid in other than monthly amounts will be allocated to an equivalent monthly amount. Also, a lump sum payment that is made as a substitute for periodic payments qualifies as a pension under this provision. The lump sum will be prorated to a monthly amount.

Finally, the offset is the amount of the non-covered service pension before any reduction in the pension that the individual elects to provide a survivor's benefit.

Note: A public disability benefit may also be considered a NCSP. Examiners should consider this whenever a PDB offset applies. Form G-207 is used to determine if an annuity is subject to reduction due to a NCSP. Form G-207 also has a reminder to consider a reduction in the employee's annuity due to a Public Disability Benefit. If Form G-209 was not previously requested, the examiner should have the field service develop for this unless an exception applies.

1.1.17 Exceptions To The Non-covered Service Pension Provision

The non-covered service pension provision does not apply if the employee:

A. Becomes entitled to a disability annuity before 1986 and remains entitled to it in any of the 12 months immediately before he attains age 62 or has re-entitlement to a disability annuity; or

B. Has 30 years of coverage as explained in RCM 8.11 Appendix M. (The 30 years of coverage requirement should not be confused with 30 years of service. An individual with very low wages could have 12 months of service in a calendar year but not a year of coverage.)

C. Is a newly hired federal employee (hired after 12-1983).

D. Is an employee of a non-profit organization which did not have Social Security coverage for any of its employees on 12/31/83 and who became covered under the SS Act for the first time as an employee of that organization under the compulsory coverage provisions in P.L. 98-21.

E. Meets the age and service requirements for his/her non-covered employment pension prior to 1986, even if (s)he does not elect to receive the pension until after 1985. In determining if this exemption applies, the individual must meet all the requirements for the pension (e.g., years of service, attainment of age, amount of contributions, etc.) prior to 1986.

F. Is entitled to the pension based entirely on non-covered employment prior to 1957. (This includes military service pensions based wholly on military service performed before 1957.)

G. Is receiving pension payments based on earnings as a minister from a church.

H. Beginning January 1995, a foreign pension that is payable by another country based on a totalization agreement with the United States will cause an exemption to the non-covered service pension. A foreign pension is based on a totalization agreement if entitlement to the pension is established as the result of the agreement between the U.S. and the foreign country.

A foreign pension is not based on an agreement if the beneficiary met the normal benefit eligibility requirements of the other country and did **NOT** rely on the agreement to establish entitlement.

While most U.S. agreements provide for adding U.S. and foreign credits together, if necessary, to establish entitlement to a foreign benefit, not all do. Certain agreements establish alternative eligibility requirements. When entitlement to the foreign benefit is established in accordance with such alternative requirements, the foreign pension is considered to be a pension based on an agreement with the U.S.

Example: Under Swiss law, a non-Swiss citizen would normally need 10 years of Swiss coverage to qualify for a retirement pension. The U.S.- Swiss social security agreement modifies Swiss law so that a U.S. citizen can qualify for a Swiss retirement pension with as little as one year of Swiss coverage. Thus, a U.S. citizen who qualifies for a Swiss retirement pension with less than 10 years of Swiss coverage would receive a Swiss pension based on the agreement with the U.S.

Conversely, a U.S. citizen who receives a Swiss retirement pension with 10 years or more of Swiss coverage would not receive a pension based on the agreement with the United States.

The following types of pensions paid by agreement countries always allow for an exemption from the NCSP provision:

Country	**Type of Pension**
Canada	Old Age Security (OAS)
Finland	National Pension Scheme (NPS)
Netherlands	National Insurance Scheme (AOW)
Norway	Basic Pension Program
Sweden	Basic Pension Program

The following types of pensions paid by agreement countries do **NOT** allow for an exemption from the NCSP provision **unless** the applicant claims an exemption under the totalization agreement:

Country	**Type of Pension**
Australia	Effective – October 1, 2002
Austria	All
Belgium	All
Canada	Canada Pension Plan (CPP) (a) Retirement (b) Disability Quebec Pension Plan (QPP) (a) Retirement (b) Disability
Chile	Effective - December 1, 2001
Finland	Employment Pension Scheme (EPS)
France	All
Germany	All
Greece	All
Ireland	All
Italy	All
Japan	All – Effective October 1, 2005
Luxembourg	All
Netherlands	Employed Persons Insurance Scheme (EPIS)
Norway	Supplementary Pension Program
Portugal	All
Republic of Korea	All - Effective April 1, 2001
Spain	All
Sweden	Supplementary Pension
Switzerland	All

	NOTE: Swiss retirement pensions paid to U.S. citizens with less than 10 years of Swiss coverage are always based on the agreement.
United Kingdom	All

If the applicant wishes to claim an exemption from the NCSP provision based on a totalization agreement, the field office will secure a statement that authorizes RRB to request verification of the receipt of the totalization benefit. Send the statement to P&S-RAC to determine if the offset can be removed.

I. Prior to January 1995, military reservists who received a pension based in whole or in part on reserve service before 1988 were subject to the NCSP provision. Effective January 1995 and later, the PIA's 1, 9 and 17 are exempt from the NCSP provision if the pension is based, in whole or in part, on non-covered reserve duty before 1988, but after 1956.

NOTE: After removal of the NCSP provision caused by military reserve service, the NCSP may still apply because of receipt of another pension based on non-covered employment.

1.1.18 Adjustment To The PIA #1, PIA #9, PIA #17 or SSEB

The adjustment to the amount of the PIA #1, PIA #9, PIA #17 or SSEB is explained in RCM 8.11.76 - 8.11.79.

The reduced PIA's are based on the PIA's in effect on the ABD. The amount of the non-covered service pension used is the monthly rate effective on the later of the ABD or beginning date of the non-covered service pension. If the employee becomes entitled to the NCSP based on non-covered service after the ABD month, the PIA #1, PIA #9,PIA #17, or SSEB is computed as if the NCSP were payable in the ABD month. However, the reduced PIA's are not used in the tier I or Retirement O/M benefit until the first month that the employee is entitled to both the NCSP and the RRB annuity.

The reduced PIA #1 is used to compute the employee and spouse tier I benefit. The reduced PIA #9 is used to compute the Retirement O/M benefit for the spouse or children. The reduced PIA #17 is used to compute the work deduction amount. These reduced PIA's are effective until entitlement to the non-covered service pension ceases or the employee dies. The full employee tier I PIA is used to compute a survivor annuity.

The **highest** of three PIA computations for the gross tier 1 amount for the employee annuity is used when the employee is subject to a non-covered service pension reduction:

- the NCSP reduced regular PIA: based on the employee's "year of coverage" total and reduced bend point percentage; or
- the unreduced special minimum PIA, or

- the special guaranty rate: based on the regular unreduced PIA minus ½ the employee's pension amount attributable to post-1956 non-covered earnings.

See the G-563 instructions for requesting the manual calculation of these PIA's from RIS-CCU.

1.1.19 Future Entitlement

If the employee indicates that he has future entitlement to a NCSP, enter a call-up for the month before the expected date of entitlement (item 6 on the G-209) or the Non-Covered Service Pension screen of APPLE. Upon receipt of the case, initiate development action through the F/O. Do not suspend or reduce the annuity until development has been completed and a determination has been made.

1.1.20 Evidence Requirements For Age And Service Annuity

Evidence	**When Required**
Application (AA-1)	Always.
Age	Always.
Service and Compensation Report After 1936	Always.
Cessation of Service and Relinquishment of Rights	Always.
Service and Compensation Before 1937	If claimed and employee has less than 360 months subsequent service.
Current Connection	If a current connection is required.
Military Service	If military service is to be included in the annuity computation.
Non-covered Service Pension (G-209)	If the employee's date of birth is January 2, 1924 or later and (s)he is receiving a pension or annuity based on any work after 1956 not covered by social security or Railroad Retirement that begins January 1, 1986 or later.
VA Benefits (G-432 series)	If annuity rate prior to 9-1-83 is based in part on military service.

Joint and Survivor Annuity	If joint and survivor election made before 7-31-46 is operative.
Incompetency (G-253a, G-478, or G-479)	If incompetency is alleged or employee is in a mental institution.
Self-Employment Questionnaire - AA-4	If the employee was self-employed in the prescribed interval.
Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.
Marriage	If joint and survivor election is operative.
Citizenship and Residency	Foreign case.
Verification statement from the government service employer.	If the employee qualifies for an indexed tier 2 based on federal employment.

1.1.21 Evidence Requirements For O/M

Additional evidence is required to increase an age and service annuity under the Retirement O/M (see RCM 8.3.12).

Use Form G-230 to request the required forms.

Evidence	**When Required**
G-319, Statement Regarding Family and Earnings For Special Guaranty Computation	Always request this form from the employee. Request a second Form G-319 from the spouse if spouse alone or spouse with minor or disabled child in care could be included in the O/M.
G-320, Statement by Employee Regarding Student Age 18-19	If an elementary or secondary school student age 18-19 could be included in the O/M.
AA-19a, Application For Determination of Child Disability	If disabled child could be included in the O/M.
G-315a, Statement of School Official of Student's Full Time Attendance	If an elementary or secondary school student age 18-19 could be included in the O/M.

Also request the following:

Evidence	When Required
Marriage	If spouse could be included in O/M.
Age and Relationship of child(ren)	If children could be included in O/M.
Proof of Termination of Marriage of Child	If a child could be included in the O/M, is currently unmarried but was previously married, and the marriage terminated before the initial application was filed.
Social Security Benefit Data	If file indicates that spouse or children to be included in the O/M computation are receiving SS benefits.
Form G-208, Public Service Pension Questionnaire	When PSP of the spouse affects the computation.
NOTE 1: If the employee's annuity is increased under the "Spouse Election Procedure," refer to RCM 1.3 Appendix C.	
NOTE 2: If Forms G-319 and/or G-320 are developed but it is then determined that the retirement O/M is not payable, release Form Letter RL-300 as explained in RCM Part 11.	

If the forms requested above are not returned within 60 days, request the status of the Retirement O/M development from the RRB field office.

1.1.25 Eligibility For An Employee Annuity And A Spouse Annuity Or A Divorced Spouse Annuity

An individual may be simultaneously "entitled" to an employee annuity on his or her own earnings record and a spouse/divorced spouse annuity on a different railroad earnings record. The individual must file an annuity application on each RRB claim number to become "entitled" to each of these annuities. Further instructions for headquarters processing are contained in RCM 8.1 Appendix H, "Handling of Dual Entitlement Cases."

There is no reduction in the employee annuity for simultaneous entitlement to a spouse annuity or a divorced spouse annuity on the different RRB claim number. However, the spouse annuity or divorced spouse annuity will need to be adjusted for the simultaneous entitlement to an employee annuity.

A. RASI Processing of Annuity - The field is instructed to enter an IMPACT rate for the employee annuity or a SPAR rate for the spouse annuity as follows:

1. Simultaneous Filing - If the applicant is simultaneously filing for both the employee annuity on his own RRB earnings record and the spouse annuity on a different RRB claim number and:

   a. Railroad Service Before 1975 - If either earnings record has railroad service before 1975, the RRB field office is instructed to enter an IMPACT rate and a SPAR rate (adjusted for the own employee annuity).

   b. No Railroad Service Before 1975 - If neither earnings record has railroad service before 1975, the RRB field office is instructed to enter an IMPACT rate, but not to enter a SPAR rate.

   For either a. or b. above, RASI will establish a manual OP code "034" for the employee annuity. This will prevent final payment of the employee annuity until the manual OP code is cleared, as explained in RCM 9.2, but will not zero out any IMPACT rate entered by the RRB field office. RASI will establish a 953 call-up #407 for the spouse annuity. This will prevent final payment of the spouse annuity until the call-up is cleared as explained in RCM 9.2, but will not zero out any SPAR rate entered by the RRB field office. BRB should process the case at Headquarters under procedures for “Handling of Dual Entitlement Cases” in RCM 8.1 Appendix H.

2. Spouse/Divorced Spouse Annuity in Pay Status - If the spouse/divorced spouse annuity on a different RRB claim number is in pay status when the applicant files for the employee annuity on his or her own earnings record, the RRB field office is instructed not to enter an IMPACT rate.

   RASI will set a manual OP "034". This will prevent final payment of the employee annuity until the call-up is cleared as explained in RCM 9.2, but will not zero out any IMPACT rate erroneously entered by the RRB field office. BRB should process the case at Headquarters under procedures for " Handling of Dual Entitlement Cases" in RCM 8.1 Appendix H.

   If any overpayment in the spouse annuity is to be recovered from the accrual for the employee annuity, the case must be dumped from RASI and paid on the Retirement On-line Calculation (ROC) program.

B. Reduction to Spouse Annuity - The reduction to the spouse annuity for the dual entitlement is explained in RCM 1.3.11.

C. Reduction to Divorced Spouse Annuity - A divorced spouse annuity on the different RRB claim number (which is Tier 1 only) is reduced by the full amount of

the employee annuity on his or her own earnings record, as explained in RCM 1.3.91. There is no restoration of the reduction amount.

1.1.26 Eligibility For A Survivor Annuity And An Employee Annuity

An individual may be simultaneously "entitled" to an employee annuity on his or her own earnings record and a survivor annuity on a different railroad earnings record. The individual must file an annuity application on each claim number to become "entitled" to each of these annuities. Further instructions regarding headquarters processing are contained in RCM 8.1 Appendix H, "Handling of Dual Entitlement Cases."

There is no reduction in the employee annuity for simultaneous entitlement to a survivor annuity on the different RRB claim number. However, the survivor annuity will need to be adjusted for the simultaneous entitlement to an employee annuity.

A. RASI Processing of Employee Annuity - The field is instructed to enter an IMPACT rate for the employee annuity as follows:

1. Simultaneous Filing - If the applicant is simultaneously filing for both the employee annuity on his own RRB earnings record and the survivor annuity on a different RRB claim number, the RRB field office is instructed to enter an IMPACT rate.

2. Survivor Annuity in Pay Status - If the survivor annuity on a different RRB claim number is in pay status when the applicant files for the employee annuity on his own earnings record, the RRB field office is instructed not to enter an IMPACT rate.

For either 1 or 2 above, RASI will set a manual OP "034." This will prevent final payment of the employee annuity until the call-up is cleared as explained in RCM 9.2, but will not zero out any IMPACT rate entered by the RRB field office. BRB should process the case at Headquarters under procedures for "Handling of Dual Entitlement Cases" in RCM 8.1 Appendix H.

If any overpayment in the survivor annuity is to be recovered from the accrual for the employee annuity, the employee annuity application must be dumped from RASI and paid on the Retirement On-line Calculation (ROC) program.

B. Reduction to Survivor Annuity - There is a reduction in the survivor annuity on the different RRB claim number for "entitlement" to an employee annuity on his own earnings record:

1. Railroad Service Before 1975 - If either the survivor annuity on the different RRB claim number or the employee annuity on his or her own earnings record is based on any railroad service before 1975, the tier 1 portion of a widow(er)'s annuity or WCIA is reduced for the net tier 1 of an employee annuity. If either the employee or survivor had 10 or more years

of railroad service before 1975, a restoration amount may be included in the survivor tier 2 portion.

2. No Railroad Service Before 1975 - If neither the survivor annuity on the different RRB claim number nor the employee annuity on his or her own earnings record is based on any railroad service before 1975, (i.e., both annuities are based solely on service after 1974), the survivor total net annuity rate (tier 1 and tier 2) is reduced, but not below zero, by the amount of the employee annuity (tier 1 and tier 2). There is no restoration of the reduction amount:

   a. If the employee annuity is higher, entitlement continues on the earnings record for the survivor annuity, even though the survivor annuity rate is zero. BSB will not deny the survivor annuity application. The survivor annuity must remain in a "suspended" or "constructive award" status with an annuity rate of "zero."

   b. If the survivor annuity is higher, the survivor annuity rate will be the amount of the difference between the survivor annuity before adjustment for the employee annuity and the amount of the employee annuity.

1.1.30 Windfall Benefit Entitlement

Unlike the RR Act of 1937, the 1974 RR Act restricts the receipt of RR and SS benefits (dual benefits) by annuitants. Under the new law even though annuitants may be insured and entitled under both systems, they can qualify for the full amount of the dual benefits only if they are also "dually vested" as of 12-31-74 (or earlier in some cases). The vested annuitant will receive an additional annuity amount called a "windfall dual benefit" which is computed and added to the annuity computation. It is designed to simulate the additional amount that the employee would receive because of entitlement to both RR and SS benefits. Although it is not necessary for the employee to be on the rolls on 12-31-74 to be vested, more stringent vesting requirements must be met by employees who come on the rolls after that date.

Prior to the 1981 RR Act Amendments, annuitants could be vested for windfall benefits under their own wage record or they could be vested for auxiliary windfall benefits based on other than their own wage records.

However, the 1981 RR Act Amendments eliminated the auxiliary windfall benefits except when:

- the employee is awarded an annuity before August 13, 1981; and
- the employee meets all windfall requirements (including the attainment of age 62) before August 13, 1981; and

- the primary beneficiary, on whose record the auxiliary windfall is based, is insured and has filed at SSA before August 13, 1981.

(Based on L82-134, if an auxiliary windfall was erroneously denied prior to 8-13-81, it cannot be paid after 8-12-81, even if the error is discovered later.)

For example, if a female employee attains age 60 in April 1979, is awarded a 60/30 annuity in the same month, meets all entitlement requirements for an requirements for an SS benefit before August 13, 1981, the auxiliary windfall is effective beginning April 1981, the month she attains age 62. This holds true regardless of when the Board actually pays the windfall benefit.

1.1.31 Employee On The Rolls On 12-31-74 And Fully Insured On Own Wage Record

An employee on the rolls as of 12-31-74 who is either receiving SS benefits on that date, or who is fully insured under the SS Act as of that date, is considered vested, thereby preserving his rights to dual benefits.

An annuitant on the rolls of 12-31-74 who is transitionally insured under the SS Act is also entitled to a windfall dual benefit. This transitional benefit (is) treated in the same manner as an RIB based on a regular SS Act insured status.

An annuitant is transitionally insured if he attained age 72 prior to 1969 and is not insured at SSA under the regular rules, but has at least 3 quarters of coverage.

1.1.32 Employee On The Rolls After 12-31-74 And Fully Insured On Own Wage Record

An employee who was not on the rolls before 1-1-75 can only receive windfall dual benefits if he is vested under both the RR and SS Act on 12-31-74 (or earlier in some cases). An employee who has sufficient service and compensation to be fully insured under both systems, including a transitionally insured status, but who was not on the rolls before 1-1-75 can be vested in two different ways:

A. The employee is vested if he has:

1. A fully insured status under the SS Act as of 12-31-74 (or a transitionally insured status under the SS Act as of 12-31-74);

   AND

2. At least 10 years of RR service as of 12-31-74.

   AND EITHER HAS:

   - Some RR service in 1974;

OR

- A C/C on 12-31-74 or on his ABD;

  OR

- At least 25 years of RR service as of 12-31-74.

EXAMPLE 1: The employee (DOB 6-13-13) last worked in the RR industry in 1962. At the time he had 27 years of RR service, but no insured status under the SS Act. He worked for an SS employer form 1962 to June 1975, when he retired and filed for both benefits. (He was insured for SS benefits by 12-31-74).

This employee is vested and, therefore, entitled to the windfall dual benefit because he had over 25 years of RR service and was insured under the SS Act as of 12-31-74.

EXAMPLE 2: The employee's DOB is 2-3-15. He retired under the 60/30 provision of the RR Act on 2-1-75 but need 26 QC's for a fully insured status under the SS Act at age 62. Therefore, he worked for an SS employer in April 1975 and became insured. However, because he was not insured under the SS Act on 12-31-74 he is not vested for windfall dual benefits.

B. If the employee has at least 10 years of RR service but less than 25 years of RR service as of 12-31-74, no RR service in 1974 and no C/C on 12-31-74 or on his ABD, he is vested if he has:

1. At least 10 years of RR service as of 12-31-74;

   AND

2. A fully insured status under the SS Act by the end of the year before 1974 in which RR service was last performed by the employee.

EXAMPLE: The employee (DOB 7-14-14) last worked in the RR industry in 1964. At the time he had 23 years of RR service, but no insured status under the SS Act. He has been working for an SS employer since 1964 and plans to retire and file for both benefits in July 1969. (He was insured for SS benefits by 12-31-74.) He would not be vested since he had less than 25 years of RR service as of 12-31-74 he had no C/C on 12-31-74 or his ABD, he did not perform RR service in 1974 and he did not have an SS insured status in 1964, the last year in which he performed RR service.

(NOTE: If an employee was previously entitled to a 1937 Act disability annuity which terminated after January 1975 due to his recovery, met the RRB/DIB WF requirements at conversion, and was entitled to an annuity in December 1974 and January 1975, his RIB/DIB WF entitlement may be preserved. See RCM 1.2.406 for an explanation of preservation of WF entitlement.)

1.1.33 When The Windfall Benefit Is Payable

The windfall amount becomes payable to the annuitant at the earliest point at which he would be eligible for an SS benefit or on his ABD, whichever is later.

The earliest point at which the annuitant would be eligible for an SS benefit is:

A. (Any age if he is eligible for DIB at SSA (See RCM 1.2.404A.)

B. (Age 62 if he is eligible for a reduced RIB (since 60/30 cases are deemed age 65 on the ABD, they are eligible for a full RIB at age 62.)

Effective September 1, 1981, the earliest date a reduced RIB can begin is the first day of the month after the month in which the employee's 62nd birthday falls, unless his birthday is either the first or second day of the month. If his birthday is on the first or second day of the month the RIB will be payable from the first day of that month.

EXAMPLE 1: Mr. Smith was born October 10, 1919. He files on October 10, 1981 for his RIB and meets all eligibility requirements. His RIB date of entitlement is November 1, 1981.

EXAMPLE 2: Mr. Jones was born October 2, 1919. He files on October 10, 1981 for his RIB and meets all eligibility requirements. His RIB date of entitlement is October 1, 1981.

(The Monthly Attainment Processing (MAP) program will release a diary card in cases on the rolls where the employee's RIB windfall date of entitlement has been entered into the Research record to alert the examiner to the need to pay the employee a RIB windfall when the employee attains age 62 and:

- Is receiving a 60/30 annuity; or
- Is receiving a disability annuity and was not entitled to a DIB windfall.

The referral message will read "ANN-SP 62 OR SP 65 TEST FOR O/M AND WF." Upon receipt of this referral, examine the folder to determine if the RIB windfall is payable and/or if the annuity could be paid under the O/M formula as explained in section 1.1.12.)

1.1.34 When Entitlement Ends

When dual benefit payments end with the earlier of the following dates:

- The last day of the month before the month in which the employee dies; or

- The last day of the month before the month of termination of entitlement to a DIB or a wife's, husband's, mother's or window(er)'s benefit under the SS Act.

1.1.35 1974 RR Act Work Deductions Applied To The Windfall Dual Benefit

In most cases, the entire windfall dual benefit is subject to work deductions for excess earnings. However, the only work deduction amount that will be applied to the windfall benefit is the amount that cannot be recovered from tier I.

1.1.36 Cost-Of-Living Increases

Windfall dual benefits will be frozen at the 1974 benefit levels. However, they will be increased by any SS Act cost-of-living increases effective between 12-31-74 and the employee's ABD. Windfalls that begin to accrue June 1, 1981 or later will have a cost-of-living increase frozen at 81%.

Appendices

Appendix A - Age and Service Annuity Legislative History

Effective Date	Age and Service Employee Provisions
06-24-1937	Full age and service annuity (A&S) at age 65 with any amount of service. Reduced A&SA at age 60 with 30 years of service.
01-01-1947	Full A&SA at age 60 for female employees with 30 years service.
11-01-1951	10-year minimum service requirement. Retirement O/M computation at age 62 for female employees.
11-01-1956	Reduced Retirement O/M computation at age 62 for female employees.
06-01-1959	Reduced A&SA at age 62 for female employees with less than 30 years of service.
08-01-1961	Reduced O/M computation at age 62 for male employees.
10-01-1961	Reduced A&SA at age 62 for male employees with less than 30 years of service.
07-01-1974	Full A&SA at age 60 for men with 30 years of service.
01-01-1975	Tiered annuity computation under the 1974 Railroad Retirement Act. Work deductions applied to portions of an A&SA if there is a

Effective Date	**Age and Service Employee Provisions**
	work deduction insured status and excess earnings. Work deductions no longer apply when the annuitant attains age 72.
01-01-1978	In work deduction computations, non-work months are considered only in the first year after 1977 in which the beneficiary is entitled to an annuity.
08-13-1981	Elimination of employee auxiliary vested dual benefits.
09-01-1981	Tier I and the VDB may not begin before the first full month the employee is age 62.
06-01-1982	Retroactivity of application limited for tier I.
01-01-1983	Work deductions no longer apply when the annuitant attains age 70.
09-01-1983	Retroactivity of tier I, tier 2, and the VDB is limited for applications filed 9-1-83 or later.
07-01-1984	Employees who receive a 60/30 annuity with an ABD at age 60-61 will have an age reduction if they either attained age 60 or acquired their 360 month of railroad service after June 30, 1984.
01-01-1986	Noncovered service pension reduction in PIA 1 and PIA 9.
12-01-1988	Last pre-retirement non-railroad employment (LPE) permitted after ABD with earnings deductions in tier 2 and supplemental annuity.
12-01-1988	RRA credit for voluntary military service between 6-15-48 and 12-15-50.
1-01-2001	Definition of “full retirement age” gradually changes from age 65 to age 67 for employees born after 1937.
1-1-2002	Age reduction no longer applies for an employee who receives a 60/30 annuity with an ABD at age 60-61, provided the ABD is January 1, 2002, or later.
1-1-2002	Railroad Retirement and Survivor’s Improvement Act of 2001 removed the Railroad Retirement Maximum provision from the Railroad Retirement Act. Any reductions to the employee annuities in pay status were removed effective from 1-1-2002.
1-1-2002	Employee may qualify for an annuity at age 62 based on less than 120 months of railroad service, but at least 60 months of railroad service after 1995.

Effective Date	Age and Service Employee Provisions
	Tier 1 is payable only when the age and service employee has sufficient quarters of coverage based on combined railroad compensation and SSA wages for an insured status under the SS Act.
1-1-2002	Employer tier 2 tax based on Account Benefits Ratio. Amendments also expanded investment options for the Railroad Retirement Account.

Appendix C - Aux VDB Benefit Entitlement Prior to 1981 Amendments

C1. Auxiliary Vested Dual Benefit (VDB) Entitlement Prior To 1981 Amendments (P.L. 97-35)

Public Law 97-35 eliminated the payment of auxiliary vested dual benefits to employees if the benefit was not authorized for payment as of Aug 13, 1981. This appendix explains entitlement requirements to auxiliary vested dual benefits as they were prior to the enactment of P.L. 97-35.

C2. Employee On The Rolls On 12-31-74

An employee who is entitled to a wife's,husband's, widow's or widower's, or parent's benefit at SSA on December 31, 1974 or is the wife, widow, dependent husband, or dependent widower of a person who was fully insured under the Social Security Act on December 31, 1974 is also vested for a vested dual benefit. However, if the employee is the wife or dependent husband of an insured person, that person must have filed for an RIB/DIB before a vested dual benefit amount can be computed for the employee.

See sec. C3 for a definition of the terms wife, husband, widow and widower and for instruction on developing proofs.

NOTE 1: If an employee filed an application before 1-1-75 and had a beginning date before 1-1-75 he is considered to be on the rolls on 12-31-74, even though his annuity may not have been awarded until after that date.

NOTE 2: A non-dependent male employee is not entitled to a vested dual benefit on his wife's wage record.

A female employee who is entitled to a wife's transitional benefit under the SS Act is also entitled to a vested dual benefit. This transitional wife's benefit is treated in the same manner as a wife's benefit based on the wage record of her husband who is insured under the regular provisions.

A female employee annuitant can get a wife's transitional benefit if her husband is transitionally insured and she also attained age 72 before 1969.

C3. Employee On The Rolls After 12-31-74 And Eligible For An SS Benefit On Other Than Own Wage Record

An employee who was not on the rolls before 1-1-75 and who was not fully insured under the SS Act as of 12-31-74 based on his own wage record can only receive vested dual benefits if (s)he meets the RR requirements and is the wife, widow, dependent husband, or dependent widower of a person who was fully insured under the SS Act as of 12-31-74. In addition, if the employee is the wife or dependent husband of the fully insured person, that person must have filed for an SS benefit for the employee to be eligible for an SS benefit on that wage record. Therefore, the vested dual benefit cannot be paid prior to the beginning date of the wage earner's RIB/DIB benefit.

NOTE: A non-dependent male employee cannot be vested based on his wife's wage record. The terms "wife" and "husband" are used as defined in RCM 1.3.1 - 1.3.3 and "widow" or "widower" as defined in RCM 2.1.1 - 2.1.3. The terms "wife" and "widow" under the SS Act also include divorced wives (except when eligibility for a transitional wife's benefit is involved) and surviving divorced wives, respectively. To be eligible as of 12-31-74 the "wife" or "widow" must be finally divorced from the WE or deceased WE and have been married to him for a period of at least 20 years immediately before the date the divorce became final.

Before paying the VDB based on the employee's status as the spouse or widow(er) of an insured person, it is necessary to develop proof of marriage, proof of death, and any other evidence needed to award a spouse or widow(er) SS benefit. Living-with is not a requirement for the payment of a spouse SS benefit.

Normally, if an SS benefit is being paid, it is safe to assume that the necessary proofs were developed at SSA. The VDB can be paid from the SS DOE without further development action. However, if a divorced wife's or widow's SS benefit is being paid from 1-1-79 or later, develop evidence showing the date of marriage and date the divorce became final. Although a divorced wife's or widow's SS benefit can be paid effective 1-1-79 or later if she was married to the WE or deceased WE for only 10 years, the marriage must have lasted for 20 years in order to pay a divorced wife's or widow's vested dual benefit. This is because 20 years of marriage was a requirement for paying a divorced wife's or widow's benefit on 12/31/74.

The employee can be entitled to a vested dual benefit in 2 different ways:

A. The employee is entitled to a vested dual benefit if (s)he:

1. Is the wife, widow, dependent husband, or dependent widower of a person who is fully insured under the SS Act as of 12-31-74;

OR

Is eligible for a transitional wife's benefit under the SS Act as of 12-31-74;

2. Has at least 10 years of RR service as of 12-31-74.

AND EITHER HAS:

- Some RR service in 1974;

  OR

- A C/C on 12-31-74 or on his ABD;

  OR

- At least 25 years of RR service as of 12-31-74.

B. If the employee has at least 10 years of RR service but less than 25 years of RR service as of 12-31-74, no RR service in 1974 and no C/C on 12-31-74 or on his ABD, the employee is vested if (s)he:

1. Has at least 10 years of service as of 12-31-74;

AND

2. Is the wife, widow or dependent husband or widower of a person who was fully insured under the SS Act by the end of the year before 1974 in which RR service was last performed by the employee.

If the annuitant is entitled to a vested dual benefit because (s)he is the wife or dependent husband of a person who is fully insured under the SS Act as of 12-31-74 (or earlier in some cases), that person must be entitled to an RIB or DIB for the annuitant to be eligible for an SS benefit. Therefore, the vested dual benefit cannot be paid prior to the DOE of the wage earner's SS benefit.

The earliest point at which the annuitant would be eligible for an SS benefit based on someone else's wage record is:

- Age 62 if (s)he is eligible for a wife's or husband's benefit at SSA.
- Age 60 if (s)he is eligible for a widow(er) or remarried widow(er)'s benefit at SSA.
- Age 50 if (s)he is eligible for a disabled widow(er)'s benefit at SSA.

- Any age if she is eligible for a mother's insurance benefit based on having in her care a child entitled to child's insurance benefit on her husband's or deceased husband's E/R at SSA.

NOTE: If the wage earner is a deceased RR employee and RRB has jurisdiction of survivor benefits, SSA would not pay a benefit on the same wage record. Therefore, no widow(er)'s VDB is payable to the employee based on that wage record.

C4. One-Half Support Requirement For Husbands And Widowers

A male employee can receive a vested dual benefit as the husband or widower of person insured under SSA Act only if he meets the one-half support requirement under SS Act rules (see SSCM 2628). DO NOT use the one-half support rules outlined in RCM Chapter 4.7 since those rules are not the same as SS Act rules.

The vested dual benefit is calculated using the benefit to which the husband or widower would have been entitled under the SS Act on 12-31-74. Since 1/2 support was a requirement for paying husband's and widower's benefits as of December 31, 1974 the vested dual benefit cannot be paid to employees who do not meet the one-half support requirement.

The point at which the one-half support requirement must be met is:

- At the beginning of the wage earner's period of disability, or
- At the time the wage earner became entitled to an RIB, or
- At the time the wage earner became entitled to a DIB, or
- At the time the wage earner died.

Proof of support must be filed within two years after the point at which the support requirement must be met unless "good cause" can be established per SSCM 2634.

When SSA is paying the employee a husband/widower benefit, ask SSA if dependency was established. If so, request copies of SSA's proof(s) used to establish one-half support and handle the case accordingly.

Establish the DOE of a husband/widower VDB as shown in sec. 1.1.33. However, the DOE cannot be prior to the date the one-half support requirement is met.

EXAMPLE: The employee's wife is entitled to a DIB effective 11-1-73 based on a period of disability beginning 5-1-73. She attains age 65 in 2-1978. In this case, the support requirement can be met on 5-1-73, 11-1-73, or 2-1-78 (when the DIB is switched to an RIB.) If the employee has not filed proof of support by 11-1975 (two years after the DIB entitlement date), he can still become entitled to a VDB effective

2-1-78 if the one-half support requiremnt is met on that date and the employee files proof of support by 2-1-80.

NOTE: If the employee submits proof that is not sufficient to establish one-half support under SS Act rules, prepare a formal denial letter on an AB-25 back. The decision that he does not meet the support requirement is an initial decision, and therefore, may be appealed.

C5. When Entitlement Ends

Vested dual benefit payments end with the earliest of the following dates:

- The last day of the month before the month in which the employee dies;
- The last day of the month before the month of termination of entitlement to a wife's, husband's, mother's, or widow(er)'s benefit under the SS Act.*

*Note: The vested dual benefit is not terminated when one SS benefit is terminated because the annuitant becomes entitled to a new type of SS benefit (e.g., from a wife's to a widow's benefit, from a widow's to a remarried widow's benefit, etc.) since the annuitant is still eligible for an SS benefit. However, if there is a change in the type of SS benefit, the vested dual benefit must be recomputed if the SS benefit rate changes.

1.2.1 Requirements for Annuity Entitlement

A. Occupational disability annuity – See FOM 310.5.1

B. Total and permanent disability annuity – See FOM 310.5.2

1.2.2 Definition of Work Under The RR Act

A. Regular railroad occupation – See FOM 1305.10.1

B. Regular employment – See FOM 1305.15.1

1.2.3 Definition Of Disability Under The RR Act

See DCM 3.2.3

1.2.4 Annuity Beginning Date

See FOM 310.15

1.2.5 Suspension Of D/A

A. Non-Payment Months - FOM 310.40.1

B. Administrative Suspension - See FOM 310.40.2

1.2.6 Termination of Entitlement

See FOM 310.45

1.2.7 Handling Cases Previously Denied

See DCM 1310.25

1.2.8 Disability Waiting Period

See FOM 1305.40.1

1.2.9 Constructive Award To Disability Annuitant Due To Work Deductions

See DCM 3.5.1

1.2.10 Evidence Requirements

See FOM 310.10

1.2.15 Development Of Medical And Non-Medical Evidence

See FOM 1310

1.2.21 Adjudication Unit Actions After Formal Rating

See DCM 3.4.1

1.2.22 Awarding D/A Prior To Establishing DOB

See DCM 3.4.6

1.2.30 When Applicant Returns To Work, SE, Or Alleges Recovery

See FOM 310.60

1.2.32 When Annuitant Returns To Employer Service

See FOM 310.60.1

1.2.33 When Annuitant Has Or Will Have Non-Employer Earnings

See FOM 310.60.2

1.2.39 Deductions Required When Annuitant Earns More Than $730 In A Month

See FOM 310.50

1.2.100 Period Of Disability (Disability Freeze)

See DCM 6.1.1

1.2.101 Requirements For A Freeze

See DCM 6.2.1

1.2.102 Effect Of Disability Freeze

See RCM 5.6.11

1.2.103 Relationship Of Freeze To DIB

See DCM 6.3.2

1.2.105 Agency Authority To Make Freeze Determination

See DCM 6.1.2

1.2.106 Exchange Of Information

See DCM 6.5.1

1.2.110 Length Of Freeze Period

See DCM 6.4.1

1.2.115 Definition Of Substantial Gainful Activity (SGA)

See FOM 310.65.1

1.2.116 Definition Of "Disability" (Under The SS Act)

See DCM 6.3.3

1.2.118 SS Act Application Requirements

See DCM 6.3.5

1.2.120 Waiting Period

See DCM 6.4.3

B. Waiting Period Not Required – See DCM 6.4.4

1.2.125 Using SS Disability Standards

See DCM 6.2.2

1.2.126 When A Simultaneous Decision Can Be Made

See DCM 6.6.1

1.2.127 When Simultaneous D/A And DF Decisions Cannot Be Made

See DCM 6.6.2

1.2.135 Wage Record Development

See DCM 6.3.4

1.2.141 Actions By DB To Determine Whether Applicant Has QC

See DCM 6.6.3

1.2.142 When Applicant Fails To Meet "20/40" Requirement Or An Alternate Freeze Insured Status Requirement

See DCM 6.6.3

1.2.145 Introduction To Single Coverage Freeze Cases

See DCM 6.6.1

1.2.150 Introduction To Joint Freeze Decision

See DCM 6.7.1

1.2.151 When A Joint Decision Is Required

See DCM 6.7.3

1.2.152 SS Definition Of "Career RR Employee"

See DCM 6.7.2

1.2.153 Making Joint Decisions

See DCM 6.7.4

1.2.154 Joint Freeze Decision Notices

See DCM 6.7.6

1.2.155 Receipt Of Freeze G-90 In The Adjudication Unit In Single Coverage Or Joint Freeze Allowance

See DCM 6.7.7

1.2.300 Investigation Of Continuance Of Disability (ICD)

See DCM 10.1.1

1.2.302 Work Activity - Trial Work Period

See DCM 10.5.4

1.2.303 Trial Work Period Definition Of Services - General

See DCM 10.5.4

1.2.304 Application Of SS Trial Work Period

See DCM 10.5.4

1.2.305 When Trial Work Period Begins

See DCM10.5.4

1.2.306 When Trial Work Period Ends

See DCM 10.5.4

1.2.307 Medical Development And Recovery

See DCM 10.5.4

1.2.308 Evaluation Of Disability After Trial Work Period

See DCM 10.5.4

1.2.315 Determining continuance or Cessation of Disability

See FOM 1335.5

1.2.316 Circumstances Which Raise A Question Of Continuing Disability

See DCM 10.1.4

1.2.317 "No Issue" Situations

See DCM 8.5.7

1.2.318 Use Of Form G-254, Continuing Disability Report, For Development Of Work Activities

See DCM 8.5.13

1.2.319 Cessation Of Disability

See FOM 1335.30.3

1.2.320 Coordinating Cessation Decisions With SSA

See FOM 1335.30.4

1.2.322 Freeze Termination Notice

See FOM 1335.35

1.2.331 Effect Of Work On Disability Status

See DCM 10.4.1

1.2.333 Earnings As A Measure Of SGA

See DCM 10.4.4

1.2.334 Nine-Month Trial Work Period

See DCM 10.5.4

1.2.335 Evaluation And Development Of Work Activities

See DCM 10.5.1

1.2.336 Unsuccessful Work Attempts

See DCM 10.5.3

1.2.337 Changes In Earnings Criteria

See DCM 10.4.4

1.2.338 Continuing Disability

See DCM 8.5.1

1.2.339 Work Activity

See DCM 10.4.3

1.2.340 Medical Improvement

See DCM 8.5.3

1.2.341 Effect Of Rehabilitation Or Retraining

See DCM 10.5.3

1.2.342 Employee Cannot Or Does Not Submit To Designated (Consultative) Examination

See DCM 4.4.3

1.2.400 Windfall Benefit Entitlement

See FOM 310.85

1.2.401 Entitlement Requirements

See FOM 310.85

1.2.402 Definition Of Permanently Insured Status - 1974 Act

See FOM 310.85

1.2.403 Definition Of Fully Insured Status

See FOM 310.85

1.2.404 When The Windfall Benefit Is Payable

See FOM 310.90

1.2.405 When 20/40 Wage QC'S Must Be Acquired At SSA

See FOM 310.90.1

1.2.406 Preservation Of Windfall Entitlement For Disability Annuitants Who Recover

See FOM 310.95

1.2.407 Disability Freeze Conflict Cases

See FOM 310.100

1.2.408 When Entitlement Ends

See FOM 310.105

1.2.409 1974 RR Act Work Deductions Applied To The Windfall Dual Benefit

See FOM 1105

Appendices

Appendix A – Employee Disability Annuity Legislative History

See DCM 3, Appendix D.

Appendix B - Employee Disability Freeze and DIB (O/M) Legislative History

See DCM 6, Appendix 4.

1.3.1 Spouse Defined

RCM 1.3.1 through 1.3.133 has been replaced by FOM-I-320.

1.3.150 Including Spouse/Divorced Spouse in Ret. O/M

Refer to RCM 8.3.

1.3.155 Dependency Requirements for Husband's Prior To 3-1-77

Refer to RCM 8.3.20.

1.3.165 Evidence Requirements

See RCM 1.1.21.

1.3.180 Public Service Pensions

The 1977 SS Act Amendments provided in part that individuals receiving both an SS spouse benefit and a pension based on their own public service (i.e. government) employment, may be subject to offset in their SS benefit for their public service pension. The purpose of the public pension offset was to ensure that these individuals would not receive a combined monthly benefit greater than the monthly benefit received by individuals getting both an SS spouse's benefit and a RIB/DIB based on their own employment.

The 1983 SS Act Amendments changed the public pension offset amount from the full amount of the public service pension to two thirds (.66667) of the pension amount effective December 1, 1984.

Because the spouse tier-one benefit and O/M benefit are computed like an SS Act benefit, we must reduce them for the public service pension just as SSA would.

1.3.181 When Public Service Pension Provisions Apply

Unless the conditions for exception to the public service pension offset as explained in RCM 1.3.192 through RCM 1.3.200 are met, tier 1 must be reduced for any public service pension (PSP) when a pension is payable based on the spouse, divorced spouse, or independently-entitled divorced spouse's own employment by a unit of the federal, state or local government and:

The individual becomes entitled to an RR Act spouse or divorced spouse, or independently-entitled divorced spouse annuity, based on an application filed on or after December 1, 1977; and,

FICA taxes were not deducted from the employment on which the pension is based as defined in RCM 1.3.190.

Note: If an annuity converts from one type to another and no application is required, an individual is not subject to offset if her prior entitlement was based on an application filed prior to December 1977.

1.3.182 Employee Receiving Public Service Pension

Effective 1-1986, a reduction for a pension based on non-covered service may be applied to the employee's PIA computation as explained in RCM 1.1.15-1.1.18. This PIA is then used to compute the spouse, divorced spouse, and independently-entitled divorced spouse Tier I benefit.

1.3.183 "Public Service" Defined

Public service means service performed for the U.S. government, a state government, or any political subdivision of a state, such as a city, county, town, township, village, school or sanitation district. Service for the government of a foreign country or any political subdivision is not included. The definition of "state" includes the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa.

Interstate instrumentalities (i.e., an instrumentality of two or more states organized as a body corporate) are not considered public service employers for reduction purposes.

1.3.184 "Pension" Defined

A public service pension means any periodic benefit or lump sum payment made in lieu of a periodic benefit, payable to an individual because of her employment with a Federal, State, or local government unit. A pension is a payment based on earnings from employment, and as such, includes both retirement pensions (based on age and service) and disability pensions. The program under which the pension is paid does not have to be administered by the government entity by which the individual was employed; it may be administered by a different government agency or a private insurance company.

Full salary benefits paid to a retired or resigned judge under the Federal Judiciary Retirement System are considered public service pensions.

1.3.185 Payments Not Considered A PSP

The following types of payments are not considered Public Service Pensions for offset purposes:

- Lump Sum Payments - A lump sum payment that is actually a refund of the individual's contributions plus interest to an employee pension fund, is not a pension for offset purposes.

- Periodic Benefits - Periodic benefits that are not considered pensions for reduction purposes are: payments under the Federal Employee's Act (Office of Worker's Compensation Programs); black lung benefits; Railroad Retirement annuities; Social Security benefits; and VA payments of any kind.

- Worker's Compensation Payments - Payments made under a specific Federal or State law which would cause an offset against disability benefits at SSA, are not considered pensions for reduction purposes. However periodic benefits made to State and local government employees because of work related injury or disease (i.e., payments in lieu of workmen's compensation) may not be exempt for reduction purposes. If such a case comes to your attention, refer it to RAC for handling.

- Military Service Pensions - Effective 1-95, military service pensions are also excluded from PSP offset. If a offset was deducted before January, 1995, it should have been removed effective January 1, 1995.

  Before January 1995, the PSP offset would not apply if the last day of employment in active military service was after 1956. However, if active duty after 1956 was not used to determine the pension or if the last day of service on which the pension is based was non-active duty reserve time, the PSP reduction will apply. All MS pensions which began before 1957 are subject to reduction, even though the individual may have received gratuitous SS wage credits for the pre-57 MS.

NOTE: Federal employment covered by Medicare only is not exempt from PSP offset.

1.3.190 Exemption Based on FICA Coverage

A Employed by Federal Government.--If, on the last day of employment, the spouse was employed by the federal government, use this chart to determine if the PSP offset applies.

FICA Deductions Claimed	**FERS Elected Before 7-1-1988**	**FERS Elected in 1998**	**Action to Be Taken**

Yes	No	No	The record should show that Federal employment began after 12/31/83. If the claim is supported, do not apply the PSP offset. If not, contact the F/O and have the spouse secure proof.
Yes	Yes	No	If the record shows that SS deductions were made on the date last worked, do not apply the offset. If the earnings are shown under MQGE-non-covered or Medicare Total, apply the reduction.
No	No	No	Apply the PSP reduction.
Yes	No	Yes	If the records show that SS deductions were made for 60 or more months after FERS was elected and before the ABD, do not apply the PSP offset.

Federal employees who are receiving a pension under the CSRS Offset retirement plan are in a unique category. In order to receive a CSRS Offset pension, the spouse must have been an employee of the federal government before 1983, had a break in service of at least 365 days and then returned to federal service after 12-1-83.

B. Employed by State or Local Government.--If, on the last day of employment, the spouse was employed by a state or local agency, determine if the PSP offset applies using the following instructions:

1. The spouse's exemption is determined under P,L,108-203. P.L.108-203, enacted on March 2, 2004, changed the requirements for exemption from the PSP offset.

   If the spouse's application is filed after March 2004 and the last day of public service employment is after June 30, 2004, FICA taxes must have been deducted from the public service wages for the last 60 months of employment. If not, the PSP offset applies.

   Grandfather Provision

   P.L.108-203 includes a grandfather provision to lessen the impact on public service employees who will retire within the next 5 years. Under this provision, any months before March 2004 in which FICA taxes were deducted from the public service wages are subtracted from the 60

months needed for exemption. They need not be continuous. A maximum of 59 months can be subtracted. The months of FICA covered service necessary to fulfill the 60-month period must be 1) continuous, 2) performed after March 2, 2004, and 3) include the last month of public service employment.

Example 1: Ms. Jones was working for a state agency in March 2004. FICA taxes were not being deducted from her wages. For 12 months in 1997 and 3 months in 2002, she worked under the same retirement plan and FICA taxes were deducted. Because FICA taxes were previously deducted for 15 months, the requirement that her last 60 months of public service employment have FICA deductions is reduced. Only the last 45 months of her public service employment must have FICA deductions.
Example 2: The spouse is working as a school teacher having been continuously employed paying FICA taxes on these earnings since September 2003, with an additional 12 months of FICA-covered employment with this employer from September 1989 through August 1990. Because FICA taxes were previously deducted for 18 months prior to March 2004, the requirement that her last 60 months of public service employment have FICA deductions is reduced by 18. Only the last 42 months of public service employment need have FICA deductions. Those 42 months must be after March 2, 2004 (March 2004 can be counted as one of those months). If she works continually, she'll be entitled to exemption from PSP offset in August 2007.

The grandfather provision cannot apply if the applicant's day last worked is after March 2, 2009.

NOTE: If a determination is being made in a case where there is continuous entitlement (i.e., spouse to divorced spouse or spouse with children to aged spouse), use the filing date of the initial application to determine if P.L.108-203 applies

2. If the spouse's application was filed before April 2004 or the last day of public service employment is before July 1, 2004, exemption is determined under the 1977 Social Security Act Amendments. Under these amendments, a spouse employed by a state or local agency was exempt from offset if FICA taxes were deducted on the last day of employment. Last day of employment is defined in the next section.

1.3.191 Last Day of Employment Defined

The last day of employment is usually the same as the "last day worked" or the "official termination date." It is not the same as the last day worked when the position held on the last day worked is not covered under the pension plan. Do not develop the last day of employment unless there is reason to believe that the date furnished is incorrect. These situations may require development:

- The individual terminates employment in a position covered by a pension plan but not covered under the SS Act, and then returns to work for the same employer in a position not covered by a pension plan, but covered under SSA (e.g., a part-time position). Since the pension would not be based on any of the employment covered under the SS Act, the individual would be subject to reduction; or

- The individual terminates employment in a position covered by a pension plan but not covered under the SS Act, and then returns to work for the same employer in a position covered by the same pension plan and covered under SSA. Since the pension is based on employment covered under the SS Act, the offset will not apply; or

- NOTE: This situation applies primarily to school teachers. Their teaching jobs were not covered under social security. On or after their last day of teaching, they worked at a non-teaching position that was covered under both the teacher retirement system and Social Security. The Office of the General Counsel has determined that if the last day of employment is covered under the SS Act and is used to compute the pension, the PSP offset will not apply. The length of employment in the second position does not matter.

- The individual is transferred by his or her employer from a position not covered by SS to a position which is covered by SS. If only the position not covered by SS was covered under the pension plan, the individual's last day of employment is the last day she held the non-covered position. Since that position was not covered under SS, the offset would apply.

- If however, in the same situation both positions were covered under the pension plan, the individual would be exempt from PSP offset because the position held was covered under SS on the last day of employment; or

- The individual holds a second job with the same employer for whom she is working full time in a position covered by a pension plan but not by SS. If the second job (i.e., a part-time position) is covered by SS but not by the pension plan and the individual ceases employment in both positions on the same day, she would still be subject to reduction for PSP since the pension was based on the full-time position.

1.3.192 Exceptions to the PSP Provision

Exceptions to the PSP provision were made to lessen the impact on individuals who were within a few years of eligibility to their public service pensions at the time of enactment.

Conditions for Exception - Annuities payable for any month after November 1977 will never be subject to reduction for a PSP if, at the time of filing, the applicant:

1. Could meet the entitlement requirements for an SS spouse benefit, as in effect and being administered in January 1977 (if the EE's RR earnings had been covered under the SS Act); and

2. Is entitled to or eligible for the PSP for any month in the period from December 1977 through November 1982. If the applicant would have been eligible for the PSP before December 1982 except for a requirement which postponed eligibility for the PSP until the month after the month in which all other requirements were met, the annuity will not be subject to a PSP reduction, effective December 1, 1984.

For the purpose of applying this exception, the RRB filing date and ABD are immaterial. The applicant need not file for or become entitled to any annuity prior to December 1982 for it to apply.

In addition, for annuities payable for any month after November 1982, the public service pension offset will not apply if the applicant:

1. Was dependent on the employee for at least one-half support at the time of the employee's tier-one beginning date, disability onset date, conversion date or date of death; and

2. Is entitled to or eligible for the PSP for any month prior to July 1983. If the applicant would have been eligible for a PSP before July 1983 except for a requirement which postponed eligibility for the PSP until the month after the month in which all other requirements were met, the annuity will not be subject to a PSP reduction, effective December 1, 1984.

1.3.193 SSA's January 1977 Requirements

To meet the first condition in 1.3.192 all of the requirements necessary for an SS Act spouse benefit that were in effect and being administered in January 1977, must be met at the time of filing for an RR Act spouse or divorced spouse annuity. The requirements need not have actually been met in January 1977 for this condition to apply. (For example, a reduced age spouse filing in 1981, must be age 62 in 1981, not 1977.)

Below is a list of spouse categories, who meet the SSA requirements in effect in January, 1977:

- Wives
- Young wives
- Divorced wives married at least 20 years
- Dependent husbands

Categories of SS beneficiaries who do not meet the January 1977 eligibility requirements and do not qualify for exception in the offset to their benefits are:

- Divorced wives married less than 20 years
- Non-dependent husbands
- Young husbands
- Divorced husbands

1.3.194 "Entitled To" Defined

"Entitled To" means that all of the requirements for the pension have been met, the application has been filed and the pension is either being paid or is due to be paid for the month, although payment may not yet have actually been made.

1.3.195 "Eligible For" Defined

"Eligible For" means that the pension would be payable (i.e., all age and service requirements have been met) but the spouse has not yet ceased employment and has not filed an application for the pension.

If the spouse's PSP was first payable after November 1982 or July 1983 and she meets the other condition for exception explained above, she must prove that she was eligible for a pension before December 1982 or July 1983 in order to qualify for that exception.

1.3.196 "Eligible for" Provision and Federal Employment

SSA has determined that the following types of federal employees may also qualify for exception under the "eligible for" provision:

- Those who meet the requirements for an "early-out" prior to December 1982 or July 1983, but continue to work after that date.
- Those eligible for a discontinued service annuity (involuntary separation not due to misconduct, at age 50 with 20 years, or any age with 25 years) prior to December 1982 or July 1983, regardless of whether they take advantage of it or not.
- Those who elected a deferred retirement annuity (stopped federal employment at an early age knowing they would not be eligible for their pension until age 62); provided age 62 is attained prior to December 1982 or July 1983. This is regardless of whether or not they begin to receive their pension prior to December 1982 or July 1983.

1.3.205 Timetable for Applying the Provision

The PSP reduction provision applies to RRB spouse annuitants payable for months after November 1977, based on applications filed December 1, 1977, or later. Specific categories of annuities are affected as follows:

PSP Eligibility/ Entitlement Date	Spouses Subject To PSP Offset	Spouses Exempt From PSP Offset
A. Before 12-1-82	Non-Dependent Males Divorced Female Married Less Than 20 Years Divorced Males	Females Divorced Female Married 20 or More Years Dependent Males
B. Before 7-1-83	All Non-dependent: Males Females Divorced Males Divorced Females Regardless of Length of Marriage	Beginning with Annuities Payable for months after November 1982, All Dependant: Males Females Divorced Males Divorced Females Regardless of Length of Marriage
C. After 6-30-83	All Categories Regardless of Dependency	Spouses who elected FERS during the Open Season which ended 7-1-1988. Spouses who elected FERS during the Open Season which ended 12-31-1998 and worked in covered Federal Employment for 60 months or more after the effective

		date of the election and before the ABD.

1.3.206 Examiner Action

In current cases the PSP information is entered on APPLE. Older cases in which a paper application was completed, the PSP information was entered on Form G-208. When working a case with PSP involvement, examiners should take the following actions:

Initial Cases - Upon receipt of an application for an annuity the examiner needs to:

1. Review the Application Express System – Public Service Pension Screens. In general, there are four screens that can be completed for PSP. The screens that are completed depend on the responses to the questions on the APPLE application. The four APPLE public service pension screens are:

   (a) Public Service Pension – This screen provides general information about a spouse or survivor applicant's entitlement to a public service pension.

   (b) PSP – Federal/State Employee – This screen is used to determine if the applicant is exempt from the PSP Offset due to FERS or FICA taxes being withheld. This screen will only be displayed if the applicant is receiving, or potentially entitled to, a PSP. If the applicant is exempt from the offset, the remaining screens will not be displayed.

   (c) PSP Information – This screen provides general information about the PSP. It is also used to determine if the applicant will be exempt from the offset.

   (d) PSP Rates – The rate information on this screen is only completed if the public service pension offset applies. All prefilled information should be verified.

2. Determine the effective date of reduction. If the pension has not been awarded, enter the date the applicant expects to begin receiving it. If the date is not known or the applicant will not provide a date, enter a logical date such as age 65.

3. Allow the case to process on RASI or pay it final on ROC.

Post Entitlement Cases - When an annuitant notifies the RRB of receipt of PSP after she has been receiving an annuity, it is necessary to secure a completed Form G-208 if none is in file Use the PREH on-line correction facility to keep the Research record up to date whenever a change in the PSP rate or entitlement

occurs and an award activity is not required. Enter the correct offset amount in 3210-PSP-AMT. PSP Offset Does Not Apply – Enter the appropriate code into the PREH record. Take one of the following actions to do this:

1. Using the PREH On-line Correction Facility, enter a “1” in 3200- PSP-RED-STAT-CD. If the PSP is paid by OPM, enter a “1” in 3200- PSP-SOURCE-CD. If the PSP is not paid by OPM, enter a “2”; OR

2. If an award action is necessary and the case will be paid on ROC, enter a “1” in PSP REDUCTION STATUS. Enter a “1” in PSP SOURCE if the pension is paid by OPM. Enter a “2” if it is not paid by OPM. The entries are found on the PUBLIC SERVICE PENSION screen in APPLE or paper form G-208.

1.3.207 PSP Information - Handle the receipt of PSP information as follows:

At the Time of Filing – If there is an indication that the annuitant is receiving a monthly PSP amount it is necessary for the field to complete the Public Service Pension information on APPLE. There are two exceptions:

1. The spouse received a lump-sum payment which was a refund of her contributions plus interest; and,

2. The spouse states on the application that she was an employee of a state or local government and FICA taxes were deducted from the last 60 months of employment. Refer to RCM 1.3.190 – Exemption Based on FICA Coverage for additional information.

See RCM 1.3.212 for handling cases with future entitlement.

Report of Pension Change - The annuitant is responsible for reporting any change in PSP entitlement or amount. Changes which will not result in a net tier I rate or spouse O/M benefit of zero must be verified. Otherwise the annuitant’s signed statement regarding the change will be sufficient.

Refusal to Furnish Information - When an individual refuses to furnish information about the receipt of a PSP or the pension amount, apply a total tier I offset high enough to zero out the net tier I.

1.3.208 Comparing PSP Information with SS Earnings

Use this table to determine the action to be taken in determining if a PSP offset should apply: When determining whether or not a case should be reduced for a PSP, always compare the applicant’s allegation regarding SS coverage with the SS earnings posted.

Employed by State or Local Government - If, on the last day of employment, the spouse was employed by a state or local government, use this chart to determine if the PSP offset applies.

SS Deductions Claimed	**Action to be Taken**
Yes	If the earnings record shows that SS deductions were made, do not apply the PSP reduction. If the earnings are shown under MQGE-Non-covered or Medicare Total, apply the offset.
Yes	If the wage record does not support the claim, have the F/O contact the spouse for verification of coverage.
No	Apply the PSP reduction

1.3.210 How to Determine the Pension Amount

For reduction purposes, the pension is the amount payable before deductions for health insurance, allotments, bonds, etc.; but after reduction for early retirement or survivor benefits. If the spouse is receiving a "Medicare Reimbursement," do not include it in the pension amount. If an individual receives more than one PSP, add the pensions together to determine the amount of reduction.

Periodic Payments - Because annuities are paid on a monthly basis, the PSP reduction should be based on the monthly rate. Multiply weekly pensions by 4.33 to find the monthly rate. Multiply biweekly pensions by 2.166 to find the monthly rate.

Pension Begins on Other than First Day of Month - If the pension begins on other than the first day of the month, the monthly pension rate should be prorated to equal the exact pension amount payable for that month. Subtract the day on which the pension begins from 31. Multiply the monthly rate by this figure and divide the product by 30. Prior to 12/84, use the prorated pension amount as the PSP reduction for that month. Beginning 12/84 and later, multiply the prorated pension amount by 2/3 to determine the PSP reduction amount for that month.

Example: The pension begins on 5/10/2005. Multiply the monthly pension rate by 21/30 (31 – 10 = 21 divided by 30) and then multiply this amount by 2/3. Use the result as the PSP reduction amount for the month of May (following normal rounding rules).

Only prorate the pension if it begins on a day other than the first of the month. If the pension increases, adjust tier 1 for the full amount of the increase from the

first day of the month in which it becomes payable regardless of the effective date of the increase or the date on which the increase is actually paid.

Lump-Sum Payments:

1) Full Lump Sum Payments: Defined as a lump sum payment in lieu of any periodic payment for a specific period of time (e.g., life), with no additional periodic payments being made. Determine the amount of the monthly pension for which the full lump sum was substituted and for the period of time that it covers. The PSP offset should begin with the month the periodic benefit would have been payable.

If the period of time is known, but the amount is not determinable, prorate the lump sum over that period of time, beginning with the month the pension would first have become payable.

If the only alternative to a lump sum is a life annuity, and the amount of the life annuity monthly benefit is known, use that amount for reduction purposes.

EXAMPLE: The spouse/widow elects a lump sum of $30,000.00 in lieu of periodic payments of $150.00 per month for life. The PSP reduction would be $100.00 (2/3 of $150.00).

If either the monthly reduction amount or period of time cannot be determined, refer to –RCM1.3 Appendix D.

A lump sum payment that is actually only a refund of the employee's contributions to a pension fund, plus interest, is not a PSP for offset purposes.

2) Partial Lump Sum Payments: Defined as a lump sum benefit made in lieu of some part of the periodic payment due for a specified period. These lump sum payments, also known as the partial lump sum option(PLOP), can be elected by the beneficiary and paid ***in addition*** to a reduced periodic benefit. Oftentimes, the beneficiary can choose from a number of PLOP's.

EXAMPLE 1: The spouse elected both a survivor option and a PLOP from her public service employer at the time of her retirement. Her periodic PSP would have been $1900 per month had she not chosen either option. Her survivor election reduced her periodic payment to $1700, while her election for a PLOP of $20,000 further reduced her periodic payment to $1500. Because PSP offset is based on a PSP ***after*** reduction for survivor benefits, but ***before*** the PLOP, the $1700 figure would be the basis of the PSP offset (2/3 of $1700 is the PSP offset amount = $1133.40), even though the spouse will be receiving a periodic payment of $1500.

Later increase in periodic rate where PLOP was paid: For the beneficiary who previously elected a PLOP and is now entitled to an increase in the periodic PSP

rate, add the amount of the PSP periodic rate increase to the amount of the PSP previously used to determine the PSP for offset purposes.

EXAMPLE 2: In the same example as example 1 above, the spouse's periodic payment is now increased the following year from $1500 to $1550. The basis for the new PSP rate for offset purposes is $50 plus the earlier amount used (which includes the amount relinquished for the PLOP). Add $50 to $1700 for the new PSP amount = $1750. 2/3 of $1750 = $1166.70 is the new PSP offset amount, effective with the month of the PSP increase.

3) Teachers Retirement System of Texas (TRS) January, 2008 Lump-Sum Payment: The TRS paid an extra check in January, 2008 to PSP recipients, who began receiving their PSP prior to January, 2007. The payment represented something of a substitute for a cost-of living increase for 2007, and was in the amount of the August, 2007 payment, but not to exceed $2400. This one-time payment is treated as a PSP partial lump sum for purposes of PSP offset, and must be prorated over the lifetime of the beneficiary for determining the new PSP offset amount effective January, 2008.

RBD/SBD will recompute the PSP offset factoring in the one-time payment prorating it based on the amount of the payment and the spouse/widow's age as of January 1, 2008. Actuarial tables for prorating the partial lump sum can be found in both RCM 1.3 Appendix D, and RCM 2.1 Appendix C. The factors to use for these cases will be those in the "Factors for Lump Sum Award Dates 6/1/2007 or Later" column.

Steps for determining the January 2008 PSP offset amount is as follows:

Step	***Action***
1	Determine the lump sum amount, which is equal to the August, 2007 PSP rate (use $2400 if the lump sum amount exceeds $2400)
2	Determine the spouse/widow age as of January 1, 2008.
3	Determine the actuarial value from the tables in RCM 1.3 Appendix D or RCM 2.1 Appendix C.
4	Divide the lump sum amount from step 1 by the actuarial value from step 3.
5	Multiply the result from step 4 by 2/3.
6	Round the result from step 5 up to the dime.
7	Add the result from step 6 to the existing PSP offset amount = **the new PSP offset amount.**

Example 1: The spouse is receiving a monthly PSP of $645.00 since January 2001 from TRS. The PSP offset is $430.00 (2/3 of $645.00). We assume the one-time payment is in the amount of $645.00 (still in effect August 2007), without evidence to the contrary. The spouse is 65 years of age (DOB 5/9/1942) as of January 1, 2008. Divide the pension lump sum amount ($645.00) by the actuarial value in the table corresponding to the spouse's age on the date of the lump sum payment (123.8), which equals $5.21. Multiply that result by 2/3, which equals $3.47, and round up to the dime ($3.50). Add that amount to the existing PSP offset amount, for a new PSP offset amount of $433.50 ($430.00 + $3.50) effective January, 2008.

Example 2: The spouse is receiving a monthly PSP of $2703.30 since February, 1998 from TRS. Her PSP offset is $1802.20 (2/3 of $2703.30). We assume the one-time payment is in the amount of $2400.00, the maximum. The spouse is 72 years of age (DOB 3/10/1935) as of January 1, 2008. Divide the pension lump sum amount ($2400.00) by the actuarial value in the table corresponding to the spouse's age on the date of the lump sum payment (101.2), which equals $23.72. Multiply that result by 2/3, which equals $15.81, rounded up to $15.90. Add that amount to the existing PSP offset amount, now totaling $1818.10 ($15.90 + $1802.20), as the new PSP offset amount effective January 1, 2008.

Future PSP offset adjustments

Any future PSP offset adjustment for changes in the PSP after January, 2008 will need to factor in this one-time payment. We are compiling a list of TRS PSP cases in a Word document on the J drive, in the "PSP Texas Teachers" folder. It will serve as an aid to examiners in determining whether a one-time PSP lump sum was paid by TRS under this provision. The listing includes spouses and widows.

While the list may not be all-inclusive, those cases identified by Field Offices this year should be on the list. Examiners should feel free to add cases to the listing, as identified, and then "save" the document to drive J.

If not otherwise available, examiners should be able to determine the amount of the re-computed PSP monthly rate used for PSP offset, by

1) checking PREH screen 3210, page 1 of 2, PSP-AMT effective with the 1/08 date break,

2) multiplying the PSP offset amount by 3/2, and

3) rounding the result down to the dime.

Example: Using the spouse in Example 2 above, $1818.10 would be shown on PREH as the PSP offset amount as of January 2008. Multiply $1818.10 x 3/2, and round down to the dime = $2727.10, the PSP rate used as the basis for the

PSP offset effective January 2008. If for example, the spouse received a $15.00 increase in her periodic monthly PSP (from $2703.30 to $2718.30) effective January 2009, the $15.00 increase would be added to $2727.10 as the new PSP monthly rate ($2742.10). 2/3 of $2742.10 ($1828.10, rounded up from $1828.07) would be the new PSP offset amount effective January 2009.

Tolerance

As the example above shows, the PSP offset amount increase is small for most cases. Consider applying tolerance for any resulting overpayment, when applicable.

1.3.211 How to Determine the Reduction Amount

The tier 1 or OM should be reduced by the amount of the PSP as follows:

Two-thirds Reduction Effective 12-84 and Later - Effective 12-1-84, the annuity is reduced by 2/3 of the PSP amount. Multiply the pension amount by .66667. If the product is not a multiple of $.10, round it up to the next higher multiple of $.10.

PSP Eligibility Before 7-1-83 - If the spouse was eligible for a public pension before 7-1-83, reduce the annuity by the full amount of the public pension. This is true even if she was not entitled to a public pension until after 7-1-83. The full reduction is reduced to 2/3's effective 12-1-84.

PSP Eligibility 7-1-83 or Later - If the spouse was first eligible for a public pension 7-1-83 or later, the annuity is reduced by 2/3's of the amount of the public pension. Multiply the pension amount by .66667. The product, if not a multiple of $.10, is rounded to the next higher multiple of $.10.

1.3.212 When to Begin Reducing for the PSP

Begin reducing for the PSP as follows:

Current PSP Entitlement - Reduce for the PSP beginning on the later of the tier I effective date or O/M effective date or the first day of the month for which a pension is payable, regardless of when the pension is actually paid.

When the conditions for exception in 1.3.192 are met, and the ABD is before December 1982, remove the reduction for all months after November 1982.

Never apply a PSP reduction to any month prior to December 1977 regardless of the RR ABD, filing date or O/M effective date. If an annuity is based on an application filed after November 1977, and the ABD retroacts to before December 1977, reduce the PSP effective December 1977.

Never reduce an annuity for PSP if it is based on an effective application filed before December 1977. This includes cases where entitlement under the RR Act

has changed since the application was filed, but no new application was required. Examples are a spouse with child who converts to a full age spouse, or a spouse who converts to a full age divorced spouse.

Potential Entitlement - Reduce for potential PSP entitlement only when the spouse claims to have already filed an application for the pension. Base the effective date of the PSP on the expected date of receipt and apply a reduction large enough to make the net tier I zero. Use code paragraph 437 on the award letter.

If the spouse has not filed an application for a PSP, set a tickler call-up for one month before the expected date of entitlement (item 16 on the Form G-208). Upon receipt of the case, develop for information concerning possible entitlement through the field. Do not suspend or reduce the annuity until the development has been completed and a determination has been made.

1.3.213 Verifying the Pension Amount

The following tells when the pension amount should or should not be verified:

When Not to Verify - Do not verify the pension rate if, after reduction for PSP, age, SS benefit and/or EE annuity, the net tier I or spouse O/M benefit equals zero. The individual's allegation of the pension payable is sufficient for the purpose of applying total offset.

When to Verify - Verify the pension rate before initially paying or increasing a net tier I rate or spouse O/M benefit in any annuity reduced for PSP. The net tier I or spouse O/M benefit can increase because of a RECOMP or decrease in PSP or SS benefit rate. Do not verity the rate if the recalculated tier I or spouse O/M benefit remains zero.

Verity the pension rate with a copy of an award notice or other document from the agency issuing the pension.

1.3.215 Proofs Needed for Exemption from Offset

This section gives the different reasons a spouse could be exempt from PSP offset and the proofs needed to establish the exemption.

Exemption Based on PSP Eligibility Date - If the applicant claims to have been eligible for the pension before 12-1-82 or 7-1-83, but the pension did not begin until on or after 12-1-82 or 7-1-83, a letter from the employer or pension paying agency showing the date she was first eligible to retire and receive a pension is the desired proof.

Exemption Based on Receiving a CSRS Offset Pension.—The spouse must submit a statement from OPM stating that (s)he is receiving a CSRS Offset pension.

Exemption Based on Dependency - If the applicant could be exempt from the PSP offset because she was dependent on the employee for one-half support and was eligible for the PSP before 7-1-83, she must complete Form G-134, Statement of Contributions and Support. Do not develop for Form G-134 if the tier I is reduced to zero by an SS benefit or employee annuity. There is not time limit for proving dependency in order to qualify for this exception.

Exemption Based on FICA Taxes Being Deducted - If the applicant is receiving a PSP from a state or local employer and claims that FICA taxes were withheld on the day last worked, verify her claim with a DEQY.

Exemption Based on FICA Taxes Being Deducted on Last Day of Employment.--If the applicant is receiving a PSP from a State employer and claims that FICA taxes were not deducted during the majority of working years but were deducted on the last day of employment, secure proof that FICA taxes were being deducted (e.g., a pay stub) and a statement from the agency paying the pension verifying her claim. It must state that the day last worked is included in the pension computation.

Exemption Based on FERS Election Before 7/1/88 - If the applicant claims to have elected FERS before 7/1/88, secure one of the following:

- An Election of Coverage Form (OPM Form 1555) signed by the claimant, or a statement from OPM, or the employing agency showing a timely or belated election was filed, or
- A FERS annuity statement from OPM showing an annuity commencement date before 1/1/88, or
- A statement from OPM showing an open season election was deemed to have been filed before 7/1/88, or
- A statement from the Merit System Protection Board (MSPB) showing a correction retroactive to 12/31/87 was allowed, or
- A DEQY showing that covered Federal employment began before 1/1/88, or
- A statement from OPM or the employing agency showing the Federal employment was covered under Social Security regulations.

Exemption Based on FERS Election in 1998 - If the applicant claims to have elected FERS in 1998, secure the following:

- A DEQY showing the 60 months of covered Federal employment. If the DEQY does not prove the applicant's claim, secure one of the following:

- An Election of Coverage Form (OPM Form 1555) signed by the claimant, or a statement from OPM, or the employing agency showing an election was filed, or

- A FERS annuity statement from OPM showing the commencement date, or

- A statement from OPM showing an open season election was filed.

Federal Employee Hired After 12/31/1983 - If the applicant claims to be exempt from offset because she was hired for Federal employment after 12/31/1983, use a DEQY to verify her statement.

State or Local Employees Claiming Exemption Under P.L.108-103.-- If FICA taxes have been continuously deducted from the spouse's wages for at least the last seven years, the claims representative will secure a statement from the employing agency giving this information.

If the applicant is unable to secure a statement, the field office will indicate, on APPLE, that headquarters will secure proof. In this situation, request a DEQY to verity the FICA deductions.

If FICA deductions were not made on a regular basis, a statement from the employing agency detailing the months in which FICA taxes were deducted is needed.

1.3.216 Public Service Pension Monitoring

Public Service Pensions are monitored as follows:

Non-OPM-Pensions - The annual COLA operation identifies spouses who are receiving a public service pension with a net tier I greater than zero. These cases are referred to the field offices for monitoring.

OPM Pensions - Federal Public Service Pensions receive a COLA each December. The COLA operation determines the new PSP reduction amount based on the cost-of-living increase payable to Federal employees.

Once each year, a match is run to compare our records to OPM's. Refer to RCM 6.8 for Instructions on handling referrals generated by this run.

1.3.217 How PSP Cases are Processed Spouse (Male or Female)

Spouse applications are processed on RASI. If the spouse is receiving a Public Service Pension and is not exempt from the offset, RASI will set a 957 call-up. A

referral is issued with the message: “957 REQUIRED – PUBLIC SERVICE PENSION INDICATED – SPAR T1 NOW ZERO.”

When a SPAR has been entered, RASI will zero out the tier I, but will pay the Tier II.

Process the RASI referral as explained in RCM 9.3.13.

Divorced Spouse - Divorced spouse applications are processed through ROC. Review the Public Service Pension screen on APPLE and pay the case accordingly.

1.3.220 SS Benefits Subject to the PSP Provision

SSA’s terminology for PSP reduction is “Government Pension Offset - GPO.” When paying an RRB annuitant entitled to an SSA auxiliary or survivor benefit, always check the LAF CODE to determine if a GPO has been applied. If the LAF CODE is “SH,” the GPO applies and the benefit is in suspense.

Since our PSP reduction provisions are based on the SS Act, the conditions for reduction (RCM 1.3.181) and exception (RCM 1.3.185) apply to all auxiliary and survivor SS beneficiaries who filed their applications on or after 12-1-77. (A GPO IS NEVER APPLIED TO A RIB OR DIB. However, these benefits may be subject to a non-covered service pension offset as explained in RCM 1.1.15 - RCM 1.1.18.)

Appendices

Appendix A - Spouse Annuity Legislative History

Effective Date	Spouse Annuity Provision
11-1-1951	The spouse of an employee who was awarded a commuted value annuity on or after 10-30-51 is not disqualified from receiving a spouse annuity.
11-1-1951	Annuity for a spouse age 65 or a wife under age 65 with a minor child in her care who would be entitled to a child's insurance annuity (CIA) were the employee to die.
09-1-1954	Annuity for a wife under age 65 with a disabled child in her care who would be entitled to a CIA were the employee to die.
06-1-1959	Reduced spouse annuity at age 62, if the employee is age 65.

Effective Date	**Spouse Annuity Provision**
10-1-1961	Spouse is eligible after one year of marriage. If she was entitled to certain survivor benefits under the RR Act before remarrying, no waiting period is necessary.
10-1-1965	Full dual benefit reduction repealed.
11-1-1966	Annuity for a wife under age 65 with a minor or disabled child in her care, even if the child would not be entitled to a CIA were the employee to die. Provide for adjusting 1/180th reduction months when a reduced age annuity is increased after 10-29-66 by recomputation or by amendment.
11-1-1966	Rounding RR annuities so the last digit ends in 5.
02-1-1968	De facto spouse is eligible for an annuity. Reduction for SS Act benefit entitlement in order to duplicate the increases provided in the 1965 and 1967 SS Act Amendments. (Guaranteed a minimum spouse increase of $5.00.)
01-1-1973	Child disabled before attaining age 22 may qualify a spouse for an annuity. Grandchild who meets dependency requirements may qualify a spouse for an annuity.
01-1-1975	Full spouse annuity at age 60, or at any age if the spouse has the employee's minor or disabled child in her care, provided the employee retired after 6-30-74 with at least 354 service months and the employee has attained age 60. Reduced spouse annuity at age 62 if the employee retired after 12-31-74, has less than 354 service months, and has attained age 62. Tiered annuity computation under the 1974 Railroad Retirement Act. Work deductions applied to portions of a spouse annuity if there is a work deduction insured status and excess earnings or employee annuity is reduced for excess earnings. Work

Effective Date	Spouse Annuity Provision
	deductions for spouse's own excess earnings removed when the spouse attains age 72.
03-1-1977	Nondependent male spouse is eligible for an annuity.
12-1-1977	Reduction established in tier I for a nondependent husband's public service pension.
01-1-1978	In work deduction computations, nonwork months are considered only in the first year after 1977 the beneficiary is entitled to an annuity. If a wife is entitled based on having a child in her care, non-work months are also considered in the year of termination if the termination is not due to the death of the beneficiary.
12-1-1978	A nondependent male spouse may receive a windfall at age 60 or be included in the O/M if he is eligible for an SS benefit based on having in his care a child eligible for a child's SS benefit based on the employee's wage record.
08-13-1981	No new vested dual benefits are payable to spouses beginning 8-13-81.
09-1-1981	Tier 1 equals zero when the child attains age 16, if entitlement began 9-1-81 or later. NOTE: Per Board Order 92-263, full tier I is payable until age 18 in cases where the child attains age 16 after 7-92. Per Board Order 93-108, tier 1 benefits terminated under the 9-81 provision were paid retroactive to 1-1-86. Tier 1 may not begin before the first full month the eligibility requirements are met.

Effective Date	**Spouse Annuity Provision**
	Spouse Tier 1 is based on the EE's PIA 1 x 50% rounded down to a dollar effective with annuities awarded or adjusted after August 1981.
10-1-1981	Divorced spouse is eligible for an annuity. Spouse maximum eliminated for annuities first paid 10-1-81 or later.
10-1-1981	Age reduction is applied to each tier separately, effective with annuities awarded and adjusted 10-1-81 or later. The age reduction factor applicable on the ABD will be applied to all annuity adjustments paid 10-1-81 or later. The age reduction factor for spouse annuities initially paid 10-1-81 or later is 1/144 for each month the annuitant is under age 65 on the ABD. The Tier 1 reduction sequence in spouse annuities initially paid 10-1-81 or later, is public service pension, age, SS benefit and own EE annuity, as applicable. The spouse's Tier 2 is based on 45% of the EE's Tier 2, if the spouse was initially paid 10-1-81 or later. Creation of the Dual Benefits Payment Account, thereby necessitating cutbacks in the vested dual benefit payable.
01-1-1982	Reduced Tier 1 by the SS benefit amount payable before work deductions. Eliminate Tier 1 work deductions for any month in which an SS benefit reduction applies. Eliminate ABD month only work deductions except when the ABD is the first of the month and excess earnings are indicated for that month.
06-1-1982	Retroactivity of application limited for tier 1.

Effective Date	**Spouse Annuity Provision**
09-1-1982	Tier 1 may be reduced if disability annuitant is entitled to worker's compensation or a public disability benefit.
12-1-1982	Reduction in Tier 1 for all spouse or divorced spouse annuitants who are eligible for a public service pension 12-1-82 or later. Reduction does not apply to any annuitant who is eligible for the public service pension before 7-1-83 and is dependent.
01-1-1983	Work deductions no longer apply in the month the annuitant attains age 70.
05-1-1983	A husband is eligible for a tier 1 only annuity, based on having a child in care.
07-1-1983	If an annuitant is first eligible for the PSP 7-1-83 or later, the tier 2 reduction is only 2/3 of the PSP. Dependency does not cause exemption.
08-12-1983	The living with requirement is eliminated except for de facto (deemed) spouses and spouse entitlements beginning before 8-12-83.
09-01-1983	Retroactivity of Tier 1 and tier 2 is limited for spouse applications filed 9-1-83 or later.
08-12-1983	Age reduction applied to a spouse annuity will not change when that annuity is converted to a divorced spouse annuity.
09-01-1983	Tier 2 and vested dual benefit (windfall) annuity components of employee of spouse benefits and supplemental annuities can be subject to community property settlements in dissolution of marriage cases.
09-01-1983	Military service reduction removed.
09-01-1983	The same ABD is established for the Tier 1 and Tier 2 benefit. The retroactivity of a spouse Tier 2 is limited to no more than 6 months to agree with Tier I retroactivity.
12-01-1983	Cost-of-living increase changed from July 1 to December 1. The Tier 2 takeback provisions applied in the 12-1-83 COL operation.
01-01-1984	Annuities are subject to taxation.

Effective Date	**Spouse Annuity Provision**
07-01-1984	Spouses of age and service employees who attain age 60 and acquire 30 years of service 7-1-84 or later, are subject to reduction for age if the employee retires before age 62. Spouses of disability annuitants who have a disability annuity beginning date on or after July 1, 1984 are subject to an age reduction.
12-01-1984	The PSP reduction is 2/3 of the PSP amount for all annuitants. The PSP reduction may be removed if the spouse is deemed to be eligible for the PSP in 11-82 or 6-83, when PSP entitlement was delayed because of a full month requirement.
01-01-1985	Divorced spouses are no longer subject to work deductions because of the employee's earnings, if they have been divorced at least two years. The tier 1 of a spouse who is not a U.S. citizen, and is outside the U.S. more than six months, may be suspended under an alien nonpayment provision.
01-01-1986	Some spouse annuities are affected by the employee's noncovered service pension.
12-01-1988	Employee's or spouse's last pre-retirement nonrailroad employment permitted after ABD with earnings deduction in spouse's tier 2.
1-01-2001	Definition of “full retirement age” gradually changes from age 65 to age 67 for spouse annuitants born after 1937.
1-1-2002	Age reduction no longer applies for an employee who receives a 60/30 annuity with an ABD at age 60-61, provided the ABD is January 1, 2002, or later. Also, age reduction no longer applies to the annuities of their spouses. Age reduction no longer applies for spouses of 60/30 disability annuitants, regardless of the employee’s ABD, if the spouse ABD is 1-1-2002 or later.
1-1-2002	RRA Max provision removed from RRA effective with rates payable from January 1, 2002.

Effective Date	Spouse Annuity Provision
1-1-2002	Spouses or divorced spouses may qualify for annuities at age 62 based the record of employees who have less than 120 months of railroad service, but at least 60 months of railroad service after 1995. Tier 1 is payable only when the age and service employee has sufficient quarters of coverage based on combined railroad compensation and SSA wages for an SS Act Fully Insured Status or when the disability annuitant has an actual disability freeze.
08-17-2007	PL 109-280 allows for the independent entitlement of divorced spouses. Spouses who have been divorced from the employee for 2 years will be able to apply for divorced spouse benefits when both the employee and the spouse are 62 for a full month, and the employee has 120 months of service, or 60 months of service after 1995. The employee will not have to stop work in the railroad industry or relinquish rights in order for the independently entitled divorced spouse to receive an annuity.

Appendix B - Dual Benefit Reduction under The 1937 Railroad Retirement Act

B1. When Reduction Was Applicable Under The 1937 Railroad Retirement Act

A. General - Prior to 10-1-65, a spouse annuity was reduced by the amount of any "other benefit" (except a WIB) the spouse was entitled or potentially entitled to under the 1937 RR Act or SS Act. However, a wife under age 65 receiving a spouse annuity based on a child in her care was not subject to reduction for potential entitlement.

Effective 10-1-65, a spouse annuity was paid without a full reduction for any "other" benefit (social security or railroad retirement) (s)he may be receiving. An annuity was also paid to a spouse whose annuity was commuted prior to 10-1-65 because of entitlement to "other" benefits. However, effective 11-1-66 it is necessary to reduce a spouse annuity for social security benefits.

B. 1937 RR Act Benefits - A spouse annuity for any month was reduced by the amount of any retirement annuity or parent's insurance annuity to which the spouse was entitled or potentially entitled, (except as noted in A above) including the monthly amount on which a commuted award was based.

C. SS Act Benefits - A spouse annuity for any month was reduced by the amount of any monthly insurance benefit (except a WIB) to which the spouse was entitled or potentially entitled (except as noted in A above). The term "monthly insurance benefit" refers to an RIB or DIB based on the spouse's wage record or an SSA benefit based on a wage record other than the spouse's or employee's.

If the spouse, because of entitlement to another insurance benefit under the SS Act, had not been awarded a WIB, became disentitled to a WIB after having been awarded such benefit, or had a WIB reduced, the 1937 RR Act spouse annuity was reduced only by the amount that the other benefit EXCEEDED the WIB to which the spouse would have otherwise been entitled.

NOTE: When a spouse was receiving a reduced RIB before age 65 and the O/M was never applied to increase the employee's retirement annuity, the spouse annuity under the 1937 RR Act was reduced by the amount of the reduced RIB.

B2. If Spouse Applicant Had Been Awarded An Employee Or Parent's Insurance Annuity

When a spouse's employee annuity or parent's insurance annuity equaled or exceeded the amount of the spouse annuity, the application for the spouse annuity was denied. If the spouse annuity exceeded the employee annuity or parent's insurance annuity, only the amount by which it exceeded such annuity was payable.

B3. When To Assume That A Spouse, Entitled To An RIB, Was Also Entitled To A WIB

In any case in which a spouse annuity was subject to reduction due to entitlement to an RIB and the employee annuitant was also entitled to an RIB, it was assumed that the spouse was entitled to a WIB or would have been if (s)he were not entitled to an RIB. The amount of the WIB was determined as explained in sections A, B, and C below.

A. Spouse at Least Age 65 in First Month of Employee's Entitlement to RIB - The amount of the WIB was assumed to be equal to one-half of the employee annuitant's PIA. The amount was rounded to the next higher multiple of ten cents.

B. Spouse Under Age 65 in First Month of Employee's Entitlement to RIB, Applying for Reduced Spouse Annuity on Basis of Child in Her Care - Same as A above.

C. Spouse Under Age 65 in First Month of Employee's Entitlement to RIB, Applying for Reduced Spouse Annuity - The amount of the WIB was assumed to be equal to one-half of the employee annuitant's PIA rounded to the next higher multiple of ten cents reduced by 1/144 for each month the spouse was under age 65 when entitlement began.

B4. Reduction For RIB Or Parent's Insurance Benefit When Spouse Was Entitled Or Had Been Disentitled To WIB

When a spouse was entitled to an RIB or parent's insurance benefit which was equal to or less than the WIB to which the spouse was otherwise entitled, the spouse annuity was not subject to any reduction. If the RIB or parent's insurance benefit was more than the WIB to which the spouse was otherwise entitled, only the difference between the two benefits was deducted from the spouse annuity.

Under the SS Act, a spouse cannot become entitled to a WIB if (s)he is already entitled to an RIB or parent's insurance benefit which is more than the WIB. When a spouse never became entitled to a WIB for this reason, the same rules applied as in the case of a spouse who had once been entitled and later became disentitled to a WIB.

B5. When Spouse Was Entitled To WIB

When the WIB equaled or exceeded the RIB or parent's insurance benefit, or when the spouse was entitled only to a WIB, no reduction was made in the spouse annuity under the 1937 RR Act.

B6. When Spouse Was Entitled To RIB Or To Parent's Insurance Benefit Underthe SS Act

When the SSA benefit data indicated that a spouse was entitled or, if age 65 or older, was potentially entitled to an RIB or parent's insurance benefit and no WIB was involved, the spouse 1937 RR Act annuity was reduced by the total amount of the benefit payable under the SS Act. If the spouse applicant was under age 65 and only potentially entitled to an RIB, A or B below applied.

A. Wife Applied for a 1937 RR Act Wife's Annuity on the Basis of Having a Child in Her Care - The wife's annuity was not reduced for potential entitlement.

B. Spouse Applied for a Reduced Spouse 1937 RR Act Annuity - The spouse annuity was reduced by the amount of the reduced RIB to which the spouse would have been entitled on the beginning date of the spouse annuity if the spouse were to have filed an application at SSA. If potential entitlement first occurred after the beginning date of the spouse annuity, reduction was by the amount of the RIB to which the spouse would have been entitled on the first day of potential entitlement.

B7. Elimination Of Dual Benefit Reduction Under The 1937 Railroad Retirement Act

The dual benefit reduction under the 1937 Railroad Retirement Act was repealed effective 10-1-65. This permitted the Board to:

A. Pay full benefits to spouse 1937 RR Act annuitants whose annuities were reduced prior to 10-1-65 because of entitlement to "other benefits."

B. Reinstate payments effective 10-1-65 in cases in which a 1937 RR Act spouse annuity was suspended, terminated, or denied because of entitlement to "other benefits."

C. Begin monthly payments in cases in which a spouse 1937 RR Act annuity was commuted before 10-1-65 because of entitlement to "other benefits." In this type of case, the spouse was permitted to retain the commuted lump sum amount. However, the monthly rate was reduced by the amount of the monthly rate on which the commuted lump sum was based. (See following example.)

EXAMPLE

Before 10-1-65			Effective 10-1-65		
Spouse annuity rate	=	$50.00	Spouse annuity rate	=	$50.00
Reduction for "Other Benefits"	=	-47.00	Reduction for commuted lump-sum	=	-3.00
Monthly rate	=	3.00	Monthly rate	=	$47.00
Commuted lump-sum paid	=	$450.00			

The 1974 Railroad Retirement Act provisions for dual benefits are explained in RCM 1.3.10 - 1.3.11.

Appendix C - Spouse's Annuities

C1. History Of Spouse Elections.

A. Initiation of Spouse Election Procedure - The Social Security Act was amended effective 11-1-56 to provide reduced benefits for wives ages 62-64 11/12 if the wage earner was at least age 62 or had a DIB Insured Status (see RCM 5.6.11). At that time, the Railroad Retirement Act stated that a wife of an RR annuitant 65 or over could not qualify for an RRA spouse annuity until age 65 unless she had a minor or disabled child of the employee in her care.

The spouse election procedure was initiated to permit the inclusion of wives age 62-64 11/12, who would have qualified under SSA rules, in the O/M computation provided the employee had attained age 62 or had a DIB Insured Status. The employee's annuity increased under the O/M to include a share for his wife until she became entitled to a RR spouse annuity ate age 65. By filing an election, the wife agreed to have her spouse annuity permanently reduced by a specific amount in order to permit her husband's annuity to be increased under the O/M.

B. Effect of 1959 RRA Amendments - Effective 6-1-59, a reduced spouse annuity became payable to a spouse 62-64 11/12 provided the employee was 65 or over. As a practical matter, this amendment eliminated the need for spouse elections except in cases where the employee annuitant was ages 62-64 11/12 or had a DIB Insured Status. With the enactment of the 1959 RRA amendments, the Board discontinued soliciting spouse elections.

C. Effect of 1972 RRA Amendments - Effective 9-1-72, limitations were placed on the switching of annuity rates to the O/M formula from the RR formula.

Cases were initially tested for a possible spouse election on the basis of the age of the spouse shown on the employee's application. A message was printed on the award form if the O/M would apply immediately or a call-up was established if the O/M could apply when the employee or spouse attained age 62. Examiners developed all possible spouse election cases when payable.

D. Effect of 1974 Railroad Retirement Act - The benefits payable under the 1974 Railroad Retirement Act eliminated the need for a spouse election in most cases (see RCM 1.3.7). The Board again discontinued soliciting spouse elections. Spouse election information is released only when an inquiry concerning benefit entitlement or adjustment is received from an eligible employee or age 62-64 11/12 spouse.

The 1981 RR Act Amendments have no effect on spouse election procedure.

E. Spouse Election Cases Under the 1937 Railroad Retirement Act - The employee's age and service O/M or DIB O/M computation could be increased on the basis of a "spouse election" filed by the employee and spouse to include the spouse age 62-64 11/12 (without a child in her care if the spouse is female), who is not eligible for a railroad spouse annuity until the employee attains the required age, as an IPI in the employee's O/M computation. The employee must have been insured for the O/M as explained in RCM 8.3.8 and the spouse must meet all the eligibility requirements explained in RCM 8.3.22l.

An adjustment computed on Form G-168 for the reduced age spouse benefits paid before the spouse qualifies for the railroad spouse annuity is later applied as an actuarial reduction to the spouse annuity railroad formula rate when payable under the 1937 RR Act or 1974 RR Act (see RCM 8.3 Appendix A).

A spouse election was not required to include a spouse age 65 or a female spouse with the employee's minor or disabled child in her care as an IPI either in the employee's age and service O/M, if the employee is at least age 62; or in the employee's DIM O/M, if the employee has DIB Insured Status (see RCM 5.6.11). The spouse must have met all the eligibility requirements in RCM 8.3.22. No reduction is applied to a future railroad spouse annuity for these IPI spouse benefits paid without an age reduction before the RR spouse annuity ABD.

F. Spouse Election Cases Under 1974 Railroad Retirement Act - Assuming the spouse meets all other eligibility requirements, a spouse election is currently required to increase the employee's annuity under the Retirement O/M computation only in the following cases:

- The Employee ABD and Filing Date are Both Before 1-1-75 - The spouse is not eligible for a railroad spouse annuity until the employee attains age 65 if the employee's reduced age annuity (2(a)3 or disability annuity (2(a)4 or 2(a)5):

  - began before July 1, 1974; or,

  - began between July 1, 1974 and December 31, 1974 and the employee had less than 30 years of railroad service.

  The spouse age 62-64 11/12 (without the employee's minor or disabled child in care if female spouse, or male spouse effective December 1978 or later) may file a "spouse election" to be included as an IPI in the O/M computation if the employee either has attained age 62 or has a "DIB Insured Status as explained in RCM 5.6.11.

- The Employee ABD or Filing Date is 1-1-75 or Later With Less Than 30 Years Service - If the employee is receiving an annuity based on disability (2(a)(1)(iv) or 2(a)(1)(v)), the spouse is not eligible for a railroad spouse annuity until the employee attains age 62. A spouse age 62-64 11/12 (without the employee's minor or disabled child in care, if female spouse, or male spouse effective December 1978 or later) may file a "spouse election" if the employee is under age 62 and has a DIB Insured Status as explained in RCM 5.6.11.

- The Employee ABD is 7-1-74 or Later With 30 or More Years of Service - If the employee under age 60 is receiving an annuity based

on disability, the spouse is not eligible for a railroad spouse annuity until the employee attains age 60. A spouse age 62-64 11/12 (without the employee's minor or disabled child in care, if female spouse, or male spouse effective December, 1978 or later) may file a "spouse election if the employee has a DIB Insured Status as explained in RCM 5.6.11.

Spouse elections in force are adjusted as explained in RCM 8.3 Appendix A.

C2. Disability Freeze Cases Previously Code For Call-Up When Disability Annuitant's Wife Attains Age 62

A number of disability freeze cases were previously coded for call-up upon the attainment of age 62 of the wife of a disability annuitant who would still be under the required age to qualify his wife for a spouse annuity when she reaches age 62. No action to solicit a wife's election is to be taken in these cases when the wife attains age 62, unless the annuitant or his wife had previously inquired about additional benefits payable for the spouse.

In those cases where the wife is older than her husband and will attain age 65 before the month her husband will attain the required age to qualify her for a spouse annuity, make a new call-up for the first day of the month in which the wife will attain age 65, if the inclusion of the wife in the computation of her husband's annuity under the O/M would result in a larger annuity.

C3. Answering Inquiries From Employee Or Spouse When Election Information Previously Furnished

If Forms RL-162, RL-162a, RL-163 or a dictated spouse election letter were previously furnished, the time limit of 30 days has expired, it is past the O/M effective date, and the employee or spouse inquiries about entitlement to a spouse election, use Code Letters 452 and 453 to answer these inquiries.

EXCEPTION: In a case where a spouse is older than the employee, and the O/M is being paid at the time the spouse attains age 65, she may be included in the O/M computations even though she refused the election at age 62 or did not respond to the election information.

C4. Effects Of Death Of Employee Or Spouse On Spouse Election

A spouse election was not to be solicited after the death of the employee annuitant. However, an election filed after the death of the employee annuitant was a valid election and any increase in annuity due to the election is paid as an accrued annuity due but unpaid at death.

An election is not valid if received at an office of the Board after the date of the spouse's death or after the date a spouse's annuity award is approved.

C5. Retroactivity Of Spouse Election

The spouse may be included in the employee annuity retroactive to the first of the month in which the employee and spouse meet the eligibility requirements (see RCM 1.3.7) provided the spouse election is filed within thirty days of the release of the spouse election information.

C6. Computation Of Spouse Election Reduction

The initial computation of the spouse election reduction is explained in RCM 8.3, Appendix A.

Recomputation of the estimated adjustment amount is required for spouse elections in force when the spouse files for an RR spouse annuity if the spouse was not included as an IPI in the Retirement O/M computation for all months used in the computation of the estimate, or if the Retirement O/M monthly rate changed after the computation of the estimate.

C7. Use Of Form Letters Rl-162, Rl-162a, And Rl-163

Prior to the 1974 Railroad Retirement Act, spouse elections were solicited by the adjudication units by the release of Form Letter RL-162 when the spouse was younger than the employee or Form Letter RL-162a when the spouse will attain age 65 before the month in which the employee will reach age 65. Form Letter RL-163 was released to the employee with an attached copy of the letter that was released to the spouse. These letters were not controlled or traced for a response.

The spouse must have responded to these letters within 30 days to be eligible for the spouse election. However, elections received after the 30 day period but before the first month the O/M was applicable (attainment of age 62 in most cases) were accepted.

The form letters, RL-162, RL-162a and RL-163 are now obsolete.

C8. Current Procedure For Release Of Spouse Election Information

If the employee or spouse inquires about entitlement of the spouse to benefits at RRB, the adjudication units are to determine if a spouse election is possible. If an election is possible have the required rates computed and forward the case to M&P-A for release of a dictated letter to the employee and spouse.

An application for a spouse's annuity which must be denied because the annuitant is under age 65, or an application for a wife's benefit at SSA on the RR employee's wage record will also be considered as an inquiry for spouse benefits for the purpose of considering a spouse election.

C9. Application Required In Spouse Election Cases

In order to process a "spouse election" the spouse must file Form G-319 plus a signed statement witnessed by a Board representative, indicating that s(he) understand that:

- The amount of the spouse's annuity (s)he may receive in the future will be permanently reduced to take into account the additional amount paid to the employee before (s)he becomes entitled to a spouse annuity; and,

- This election will not cause a reduction in any annuity payable to her(him) as a widow(er); and,

- This election cannot be revoked or changed in any way after the employee's annuity has been increased.

- The employee must also file Form G-319 plus a signed statement, witnessed by a Board representative, indicating that (s)he understands that as a result of the election made by the spouse:

- His(her) annuity will be increased and (s)he will receive at least the amount his(her) spouse and (s)he would receive if his(her) railroad service were covered by the Social Security Act; and,

- The amount of the spouse annuity that the spouse may receive in the future will be permanently reduced to take into account the additional amount paid to him(her) before his(her) spouse became entitled to a spouse annuity; and,

- All or part of the increase will not be payable if:

    - While under age 72, the spouse

        (1) works outside the U.S.; or,

        (2) works in the United States and earns over the annual earnings exempt amount; or,

    - The employee or spouse receives social security benefits; or,

    - The marriage is terminated by death or divorce.

The employee must agree to notify the Board promptly of the occurrence of any of these events.

Form G-340, which was previously used in these case, is now obsolete.

C10. Evidence Required In Spouse Election Cases

The following evidence is required in spouse election cases:

Evidence	When Required
G-319 Statement Regarding Family And Earnings For Special Guaranty Computation	Always from both the employee and the spouse
Age of spouse	Always
Marriage	Always (prior to 6-1-58 documentary evidence not required, spouse's statement was acceptable if verified by employee's G-346.)
Termination of prior marriage	If reasonable doubt whether prior marriage of either wife or husband was ended.
Proof of one-half support of husband	In male spouse cases prior to 3-1-77.
Living with	Required for months prior to 9-1957 and for awards and recertifications made after 10-4-72.
Statements described in Appendix C9	Always

C11. Work Deduction In Spouse Election Cases

The increase to the employee benefit due to the inclusion of the spouse benefit in the O/M computation is subject to work deductions if the employee or spouse has excess earnings (see RCM 8.3.135 - 8.3.143).

C12. Finality Of Spouse Election

Once the O/M computation rate is paid with the spouse election, the election cannot be cancelled. The spouse election reduction can, however, be adjusted for non-payment months when the spouse annuity is payable (see RCM 8.3, Appendix A).

The employee's monthly rate may revert back to the RR formula computation whenever this rate exceeds the O/M computation rate.

C13. Recovery Of Overpayment From Spouse Election Accrual

An accrued employee O/M annuity due to the "spouse election" may be used to recover the employee's previous annuity overpayment. The spouse IPI benefits are considered to be "paid" and the reduction for these months of payment before the spouse ABD is to be applied to the spouse annuity when payable. This should be explained when releasing the spouse election information.

RUIA clearance is not required if the annuity is being increased solely because of a spouse election.

C14. Non-Payment Months In Spouse Election Cases Before Spouse Annuity ABD

If the spouse was not included in the computation of the monthly benefits actually paid to the employee for a month that was included on Form G-168 in the computation of the estimated spouse election reduction, the spouse election reduction is recomputed to drop the non-payment months when the spouse becomes entitled to an RR spouse annuity.

NOTE: The age reduction under the Retirement O/M computation is not adjusted to drop non-payment months until the spouse attains age 65.

The net increase in the employee's 100% O/M or 110% grandfather O/M computation due to the "spouse election" is not payable when:

1. The employee or spouse suffers a full work deduction under the Social Security formula (see RCM 8.3.136 and RCM 8.3.139); or,

2. The employee annuity is not payable because the employee worked in "employer" or last person" service; or,

3. The employee's disability annuity is not payable because of earnings in excess of $200 a month; or,

4. The DIB O/M employee annuitant is reported by the SSA to have refused vocational rehabilitation and a VR deduction would be assessed under the Social Security Act; or,

5. The employee's railroad formula rate exceeds the family O/M computation rate.

Before 8-1-61 three non-payment months were necessary to recompute the spouse election reduction. Effective 8-1-61 only one non-payment months is necessary to recompute the spouse election reduction.

C15. Termination Of Increase In Employee Annuity

The increase made in the employee's annuity by reason of a spouse election will end with the month immediately preceding the month in which:

(1) The marriage of the employee and the spouse is ended by a final divorce decree; or,

(2) The defacto wife or husband enters into a valid marriage with another person; or,

(3) The spouse dies; or

(4) The spouse is awarded a spouse annuity.

NOTE 1: If a person other than the spouse included in the O/M qualifies for a spouse benefit under the SS Act as the legal spouse of the employee, send the case to M&P-A.

NOTE 2: If the spouse annuity ABD is after the first of the month, the spouse election increase is payable up to the day before the spouse annuity ABD.

If the employee is under age 62 and the DIB Insured Status is terminated, the increase made in the employee's annuity by reason of the spouse election will end the second month after the month in which the disability ceased.

C16. Adjustment Of Estimated Reductions When Spouse Files AA-3

The figures used in the computation of the estimated reduction amount on Form G-168 are based on the known facts at the time the estimate is computed. When the spouse files for the RR spouse annuity, the actual reduction amount must be determined as explained in RCM 8.3 Appendix A.

C17. Spouse Later Does Not Qualify For RR Annuity

A spouse who has filed a valid "spouse election" is retained in the O/M computation as long as (s)he meets the Social Security Act eligibility requirements, even though (s)he is later not eligible for a railroad spouse annuity (e.g. working in LPS or RR service) or does not file for a spouse annuity.

The additional amount included in the employee annuity under the over all minimum provision due to the "spouse election" cannot in itself be regarded as regular contributions towards the spouse's support to qualify the spouse for an RR spouse annuity. The O/M payment is made only to the employee with nothing in the statute requiring it to be paid to the spouse or used for her support. The employee must either file an assignment of payment (see RCM 8.3.170) or make regular contributions to the spouse to meet the support requirement.

C18. Effect Of Spouse Election On Spouse's Own Retirement Annuity Calculation

The spouse's own employee retirement annuity is affected by the spouse election only to the extent of the adjustment required for the dual benefit entitlement (see RCM 8.3.112 for Retirement O/M Cases).

The spouse election reduction is an "actuarial adjustment" to the spouse annuity only. It is never transferred to the spouse's own employee retirement annuity.

C19. Effect Of Spouse Election On Future Widow(er)'S Annuity Calculation

The spouse election reduction is never applied to the widow(er)'s annuity. Where the spouse made an election to be included in the 100% O/M or 110% Grandfather O/M computation of the employee's annuity and subsequently does not become entitled to a railroad spouse annuity in a month before the month in which the employee died, no reduction is required due to the "spouse election."

Where the spouse made an election to be included in the 100% O/M or 110% Grandfather O/M computation of the employee's annuity and subsequently was paid a spouse annuity that had a "spouse election" reduction in the month before the month in which the employee died, the spouse minimum rate used in the computation of the widow(er)'s annuity is the spouse annuity rate before the spouse election reduction.

EXAMPLE: The spouse RR annuity effective 9-1-79 before the "spouse election" reduction is $198.44. The reduction of $5.89 results in a spouse benefit payable of $192.55. The employee dies 12-3-79. The spouse minimum rate considered in the WIA computation effective 12-1-79 is $198.44 (rate before "spouse election" reduction).

Appendix D - Determining the PSP Amount When the Spouse Receives a Lump-Sum Payment

If the spouse receives a lump-sum payment for an unspecified period of time, determine the monthly PSP amount as follows:

1. Divide the lump-sum amount by the factor in the table shown below. Use the value that corresponds to the spouse’s age, in years, at the time the lump-sum payment is made.

Age When Lump-sum was Paid	Factors for Lump Sum Award Dates 6/1/2011 or Later	Factors for Lump Sum Award Dates 6/1/2007 thru 5/31/2011	Factors for Lump Sum Award Dates 5/31/2007 or Earlier
40 or under	183.1	179.7	172.7
41	181.7	178.3	171.1
42	180.2	176.8	169.3
43	178.6	175.2	167.6
44	177.1	173.6	165.7
45	175.4	172.0	163.8
46	173.7	170.2	161.8
47	171.9	168.4	159.7
48	170.1	166.6	157.6
49	168.2	164.7	155.4
50	166.3	162.7	153.2
51	164.3	160.6	150.8
52	162.2	158.4	148.4
53	160.1	156.2	146.0
54	157.9	153.9	143.5
55	155.6	151.5	140.9
56	153.2	149.0	138.3
57	150.7	146.5	135.6
58	148.2	143.9	132.8
59	145.5	141.2	130.0
60	142.8	138.4	127.2

Age When Lump-sum was Paid	Factors for Lump Sum Award Dates 6/1/2011 or Later	Factors for Lump Sum Award Dates 6/1/2007 thru 5/31/2011	Factors for Lump Sum Award Dates 5/31/2007 or Earlier
61	140.1	135.6	124.2
62	137.3	132.8	121.3
63	134.4	129.8	118.2
64	131.4	126.8	115.2
65	128.4	123.8	112.1
66	125.3	120.7	109.1
67	122.1	117.5	106.0
68	118.8	114.4	102.9
69	115.5	111.1	99.8
70	112.2	107.8	96.7
71	108.7	104.5	93.5
72	105.3	101.2	90.4
73	101.8	97.8	87.2
74	98.3	94.4	84.0
75	94.8	91.0	80.9
76	91.2	87.5	77.7
77	87.6	84.0	74.6
78	84.0	80.5	71.6
79	80.4	77.1	68.6
80 or older	76.8	73.6	65.6

2. If after multiplying the PSP rate by 2/3, the result is not a multiple of $.10, round up to the next multiple of $.10.

1.4.1 Supplemental Annuity Procedure

Supplemental annuity procedure is in FOM1 315.

Appendices

Appendix A - Employer Pension Table

The Employer Pension Table is in FOM1 Art.3 App. A.

Appendix B – Employer Pension and Interest Factors

In the past, pension factors were programmed into the *G-88p and SUP Annuity Calculations Program* in Microsoft Access. The factors were used to compute the amount of an employer pension that is based whole or in part on employee contributions. However, due to the lack of its use and the resources required to annually update the program, this program has been obsoleted.

Appendix C - Explanation Of Closing Date For Employees Born Before September 2, 1916

See FOM1 Art. 3 App. B.

Appendix D - Supplemental Annuity Rates

See FOM1 Art. 3 App. D.

Appendix E – Supplemental Annuity Legislative History

See FOM1 Art. 3 App. E.

Appendix F - SAMIC And SAARA Programs

The SAMIC and SAARA programs are obsolete.

Appendix G – TACAL Historical Information

See FOM1 Art. 3 App. E.

1.5.1 Eligibility and Date Of Entitlement Of Child Under 100% O/M Computation Or 110% Grandfather O/M Computation

The 1937 Railroad Retirement Act did not provide a child's annuity in retirement cases. The 1974 Railroad Retirement Act has not, as of the date of this revision, provided a child's annuity in retirement cases. However, if the employee has attained age 62 or is entitled to an actual disability freeze, a child can be included in the O/M computation as an Ineligible Person Included (IPI), as explained in RCM 8.3.24.

1.5.2 Amount of Child's Retirement O/M Share

The additional amount payable under SSA formula because of the inclusion of a child in the family group is explained in RCM 8.3.75 - RCM 8.3.84, RCM 8.3.110 and RCM 8.3.115. Usually the additional Retirement O/M amount resulting from the inclusion of a child is paid to the employee annuitant, or if there is a spouse annuitant, proportionately to the employee and spouse.

1.5.3 Assignment or Garnishment of The Retirement O/M Increase Amount

Under Section 459 of PL 93-647, annuity payments may be attached or garnished by court order to enforce an obligation for child support or alimony, as explained in RCM 8.3.170 - RCM 8.3.173.

1.5.4 Earnings Restrictions

The Social Security Act rules for work deductions are applied to the Retirement O/M computation, as explained in RCM 8.3.138 - RCM 8.3.139 and RCM 8.3.142 - RCM 8.3.143.

1.5.5 Termination or Suspension Of Child's Benefit Under The 100% O/M OR 110% Grandfather O/M Computation

The child's benefits are taken into account in figuring the family O/M or DIB O/M computations only for those months in which the child would have been eligible for benefits under the Social Security Act rules, as explained in RCM 8.3.27.

1.5.10 Types of Evidence

The following evidence is required for including a child under the Retirement O/M:

Evidence	When Required

Age of Child.	Always.
Relationship of Child.	Always.
Form G-134, "Statement Regarding Contributions and Support"	Proof of 1/2 support is required when dependency cannot be "deemed," (See RCM 4.7).
Form G-319, "Statement Regarding Family and Earnings for Special Guaranty Computation".	For all initial entitlements.
Proof of Death or Disability of Grandchild's Parents	If a grandchild is to be included as a "child" IPI and has not been adopted by the employee.
Marital Relationship of Child's Parents	If child is stepchild of employee annuitant or when mother is eligible for spouse's annuity and does not file, or when "child" is born of an invalid ceremonial marriage.
Disability of Child	If alleged disabled child is age 18 or over, or will attain age 18 within three months.
Form G-320, "Statement By Employee Annuitant Regarding Student Age 18-19"	If FTS age 18-19 can be included in O/M.
Form G-315, "Student Questionnaire"	If FTS age 18-19 can be included in O/M
Form G-315a, "Statement by School Official of Student's Full-Time Attendance"	If FTS age 18-19 can be included in O/M and the FTS was not verified on Form G-315.
Form G-315a.1, "Notice of Cessation of Full-Time School Attendance"	If FTS age 18-19 can be included in O/M. This form is released to the school after the FTA is verified.

1.5.20 Relationship and Dependency Requirements

The following sections are intended only as a summary of the relationship and dependency requirements that a child must meet in order to be included in the Retirement O/M. More detailed explanations of these requirements and how they are

met are contained in Chapter 4.4, "Family Relationships," and Chapter 4.7, "Dependency, Support, and Care."

1.5.21 Parent-Child Relationship

In order for a child to be included in the Retirement O/M, he must be the employee's:

A. Natural legitimate child who is:

1. A child of a valid ceremonial marriage.

2. A child of a voidable marriage.

3. A child of a void marriage in some States.

4. A child legitimated under applicable State law.

5. A legitimate child under State law even though there has been no marriage or act of legitimation; or

B. Illegitimate child, if the child would have rights under applicable State law for the purpose of inheriting the employee's intestate personal property; or

C. Stepchild who is dependent on the employee; or

D. Legally adopted child; or

E. Equitably adopted child; or

F. Grandchild. Effective 1-1-73, a grandchild of an employee is deemed to be the employee's "child" to qualify as an IPI in the O/M if:

1. The grandchild was living with and being supported by the employee when the employee retired or became disabled; and

2. The child's parents were either dead or disabled when the employee retired or became disabled.

See Chapters 4.4 and 4.7 for a further explanation of requirements that must be met for a grandchild to be considered the employee's "child".

If a grandchild is legally adopted by the employee, entitlement is determined under the rules for an adopted child.

1.5.22 Dependency Requirements

In order for a child, who is otherwise eligible, to be included in the Retirement O/M, he or she must be dependent upon the employee. This dependency must exist at the time the employee's annuity can be increased under the Retirement O/M.

For Retirement O/M purposes, we presume that an application on behalf of a child is timely, i.e., filed at the earliest time that the employee's annuity can be increased because of the child.

A finding of dependency depends upon the relationship of the child to the employee (natural child, adopted child, stepchild, etc.). In some cases, dependency can be "deemed" for Retirement O/M purposes (see RCM 4.7). If dependency is deemed, an indication that the child is actually dependent on someone other than the employee is immaterial.

See Chapter 4.7 for instructions for the use of Form G-134, "Statement Regarding Contributions and Support", to establish dependency when it cannot be deemed. Refer any questionable cases to the RRA Payment Analysis and Systems Group in the Office of Policy and Systems.

1.5.30 Developing Initial Eligibility for Retirement O/M

When a disability freeze is granted or one of the conditions in RCM 8.3.12 is met, test the case for the Retirement O/M. When the Retirement O/M may apply, request Retirement O/M development from the RRB field office via an E-mail.

The forms to be included in the initial Retirement O/M development package are:

- Form G-319, "Statement Regarding Family and Earnings For Special Guaranty Computation", and,
- Booklet G-179, "Special Guaranty in Employee and Spouse Annuities".

If the family group includes a child age 18-19, request the RRB field office to develop for the following forms which are stocked in the RRB field offices:

- Form G-320, "Statement By Employee Annuitant Regarding Student Age 18-19", and,
- Form G-315, "Student Questionnaire".
- Form G-315a, "Statement By School Official of Student's Full-Time Attendance."

If the family group also includes a disabled child, also request the RRB field office to develop a Form AA-19a, "Application For Determination of Child Disability." Booklet

RB-19a, "Child Disability Benefits," should be given to the applicant to explain the child disability requirements.

NOTE: Field offices have been instructed that when developing the Retirement O/M for an employee with a disability freeze and stepchildren are involved, develop a dependency determination for each stepchild regardless as to whether the stepchild is the qualifying dependant (see FOM 325.36.) This will protect each stepchild's potential entitlement to future survivor benefits. Do not delay payment to other beneficiaries while making the support determination.

1.5.31 Securing SS Benefit Information

Always develop SS benefit information from SSA when information on the Retirement O/M development forms or in the claim file indicates that a minor child, disabled child or FTS is entitled to or has filed for SS benefits on his own, his mother's, the employee annuitant's, or any other wage record. The reduction to the Retirement O/M is explained in RCM 8.3.107 and RCM 8.3.110.

1.5.32 Developing Continuing Eligibility after Age 18

Four months before a child will attain age 18, Form letter RL-175 is released to the employee. This advance notice is sent out before payments are suspended to enable the employee to contact the RRB field office to develop the possibility of continuing eligibility after the child attains age 18. The form shows the month the child attains age 18 and advises the employee to call the nearest RRB field office if the child is disabled or is attending school full-time. Refer any inquiries concerning the RL-175 letter to the RRB field office.

Diary cards are also forwarded to the claims examiner for action. Listed below are the possible messages for children included in the Retirement O/M:

- CHILD IPI ATTAINING AGE 18 OR 19
- CHILD IPI OVER AGE 18 OR 19

If the Retirement O/M is in force when the child attains age 18, do not initiate development for a full time student benefit or disabled child benefit other than the RL-175 attainment letter.

Usually the RRB field office will only need to develop current information on Form G-320 and Form G-315 if the child is age 18-19 and in full time school attendance at an elementary or secondary school. The other information on Form G-319 should already be in the claim file. (Refer to RCM 1.5.59.)

The RRB field office will need to develop Form AA-19a when the child attaining age 18 is disabled, if the disability has not yet been established in the claim file.

If the child could be entitled as either a student or a disabled child, refer to RCM 1.5.61.

If the child is 17 years and 8 months at the time of the initial action to include him or her in the O/M, see the NOTE in RCM 8.3.27A.

1.5.40 Disabled Child Age 18 or over

Effective 1-1-65, an unmarried dependent child age 18 or over who became disabled for all substantial gainful activity (SGA) prior to age 18 can be included in the Retirement O/M. Effective 1-1-73 such a child can be included in the Retirement O/M even if he became disabled after age 18 and before age 22. A disabled grandchild has the same status under the RR Act as any other disabled child effective 1-1-73.

1.5.41 Requesting Medical Evidence

If medical evidence for an alleged disabled child has not been requested, or if there is an indication in file that the child is entitled to SS Act benefits, send the case to the Disability and Medicare Operations Division (DMOD). DMOD will initiate development of medical evidence or contact SSA for copies of their medical evidence. Refer to DMOD any case in which they have rated a child disabled who has been denied at SSA or vice versa.

1.5.42 Securing Report of SS Benefit And Wage Data

When the alleged disabled child could be included in the O/M, and child has an SS account number or worked after 1936, secure a wage breakdown and names of employers from SSA. Do not send the folder to DB for a disability determination until the information has been received from SSA.

If the wage breakdown shows a possible insured status, obtain a report of SS entitlement data for the child. After the report is received, send the case to DMOD for a determination of the child's disability only if the employee's annuity can definitely be increased by including the child in the Retirement O/M.

1.5.43 Deductions Imposed On Disabled Child

Under the SS Act, a disabled child age 18 or over is subject to deductions because of refusal, without good cause, to accept vocational rehabilitation services. If notice is received from SSA that a disabled child had refused these services, any increase made in the employee's annuity under the Retirement O/M or Retirement DIB-O/M by including the disabled child, is not payable for any month for which the child refused such service. Consider payments for any such months erroneous.

1.5.50 Full-Time Student Age 18-19

Refer to FOM1 505 - 535

Appendices

Appendix A - Pre-1981 Amendment Full-Time Student Provisions

Refer to FOM1 Article 5 Appendix C

Appendix B - Legislative History

Effective Date	Retirement O/M Child and Student Provisions
11-01-57	Children disabled before age 18 may be included in the O/M.
09-01-58	Inclusion of auxiliary beneficiaries in the DIB O/M for months after 8-1958.
06-01-59	The O/M guaranty increased from 100% to 110% of the amount which would be payable under the Social Security Act if the railroad service after 1936 were credited as employment under the Social Security Act.
1-1-65	Eligibility extended to children under age 22 if full time students at a secondary or post-secondary school.
10-01-72	Change in the dependency requirement for a child adopted by the employee.
11-01-72	Child's entitlement under the O/M not ended because of adoption by someone other than the employee.
1-1-1973	Extended eligibility to children disabled before attaining age 22.
1-1-73	Extended eligibility to students age 22 if their school term has not been completed. Dependent grandchild or step grandchild qualifies if: • the grandchild's parents are deceased or disabled, or • the grandchild was adopted by the surviving spouse and the child's parents were not "living with" and contributing to the grandchild's support.
01-01-75	100% O/M and 110% Grandfather O/M established under the 1974 RR Act.
6-1-82	No Retirement O/M benefits are payable to IPI "phase-out" students for the summer months (5, 6, 7 & 8). Phase-out

	students are students who were entitled to an IPI child's benefit in August 1981 and were in FTA at a post-secondary school for any month prior to May 1982.
8-1-82	No Retirement O/M benefits are payable for IPI post-secondary students unless they qualify as "phase-out" students.
10-1-82	Retirement O/M benefits for IPI phase-out students were reinstated at a reduced rate (25% reduction effective in 1982; 50% in 1983 and 75% in 1984).
6-1-85	Retirement O/M benefits for IPI phase-out students were terminated effective 8-1-85. No benefits were actually payable for months after April 1985 because of the nonpayment provisions for summer months.
7-1-96	A stepchild must be dependent on employee for 1/2 support to be included in the Retirement O/M computation.
1-1-2002	A child or student may qualify as IPI based on the earnings record of an employee who had less than 120 months of railroad service, but at least 60 months of railroad service after 1995. The Retirement O/M is payable only when the age and service employee has sufficient quarters of coverage based on combined railroad compensation and SSA wages for an insured status under the SS Act or the disability annuitant has an actual SS Act disability freeze.

1.6.1 Railroad Work Applicants Must Stop

Refer to FOM-I-330.50

1.6.10 Last Pre-Retirement Nonrailroad Employer (LPE) Defined

Refer to FOM-I-330.15 for the definition of Last Pre-retirement Nonrailroad Employment (LPE)

Refer to FOM-I-171O for an explanation of LPE entries on the annuity application

1.7.1 Introduction

RCM 1.7 is now obsolete to avoid duplicate procedure. The procedure is available in the following FOM sections.

1.7.2 ABD Defined

Refer to FOM-I-111.1

1.7.3 Designation of ABD

Refer to FOM-I-111.1 and FOM-I-111.5

1.7.4 How Designation of ABD Can Be Made

Refer to FOM-I-111.5

1.7.5 Designated ABD Is More Than 3 Months after Filing Date

Refer to FOM-I-111.5.2

1.7.6 Indefinite Postponement of ABD

Refer to FOM-I-111.5.2

1.7.7 Unintelligible Designation

Refer to FOM-I-111.5.3.

1.7.8 Changes in ABD

Refer to FOM-I-111.7.

1.7.10 Determining ABD for an Employee Or Spouse Application Filed 9-1-83 Or Later Or For A Divorced Spouse

Refer to FOM-I-111.10-12

1.7.11 Retroactivity of Application

Refer to FOM-I-112.

1.7.12 Disability Waiting Period

Refer to FOM-I-310.15.1.

1.7.20 Service Continued Through the Designated ABD

Refer to FOM-I-111.6.1

1.7.21 Non-railroad Work Started After the Designated ABD

Refer to FOM-I-111.6.2

1.7.22 Effect of Cancellation Of Application

Refer to FOM-I-110.110

1.7.23 Applicant Dies Before Attaining Eligibility

Refer to FOM-I-110.20.6

1.7.24 Effect of Work on the ABD for a Disability Annuity

Refer to FOM-I-310.15.3.

1.7.30 Vacation Pay

Refer to FOM-I-330.80.

1.7.31 U.S. Civil Service Severance Pay

Refer to FOM 214.1

1.7.32 Government Annual Sick Leave Payments

Refer to FOM 214.1.

1.7.33 Separation, Displacement, Severance and Similar Payments

Refer to RCM 5.3.34.

1.7.34 Remuneration Paid For the Lost From Railroad

Refer to RCM 5.3.30.

1.7.35 Sick Pay

Refer to RCM 5.3.31.

Appendices

Appendix A - Determining the ABD in a 1937 Act Case

Refer to FOM-I-111.60.

Appendix B - Determining ABD for Employee or Spouse under the 1974 RR Act for Applications Filed Before 9-1-1983

Refer to FOM-I-111.50.

1.8.1 Purpose and Legislative History

Prior to 7-31-46, an employee could elect to receive a reduced annuity during his lifetime in order to provide his surviving spouse with an annuity after his death. To elect a joint-and-survivor annuity, an employee had to furnish the Board with a clear and unambiguous choice of option (over his personal signature) before 7-31-46.

The right to elect a joint-and-survivor annuity terminated on 7-31-46. However, any election made by an employee before that date remains effective if:

- A joint-and-survivor annuity was awarded before 7-31-46; or
- A joint-and-survivor annuity began to accrue before 1-1-47, but was neither awarded before 7-31-46 nor revoked before 8-1-47; or
- A joint-and-survivor annuity began to accrue after 12-31-46 and the election was reaffirmed before 1-1-48.

NOTE: When the file contains the lower portion of RL-9d signed by the employee, applicant, or annuitant received at an office of the Board on or before 12-31-47, it is evidence of reaffirmation.

An election is not effective if the annuity begins to accrue after 12-31-46 and the election was not reaffirmed before 1-1-48.

Beginning 11-1-51, an employee who elected a joint-and-survivor annuity may revoke his election despite the fact that his spouse is still living or that he is already receiving an annuity. When such revocation occurs after the annuity beginning date, the reduction is removed effective with the first month after revocation. If the spouse dies before the employee, the election is automatically revoked.

1.8.2 Options Available

An employee could elect one of three options in order to provide his surviving spouse with an annuity during her lifetime. The three options were:

- 100 percent of the reduced annuity payable to the employee annuitant (Option A); or
- 75 percent of the reduced annuity payable to the employee annuitant (Option B); or
- 50 percent of the reduced annuity payable to the employee annuitant (Option C).

After payment of a joint-and-survivor annuity is authorized, the employee receives a reduced annuity for the remainder of his life unless the election is revoked.

No payment by reason of the election is made to the spouse of an employee during his lifetime.

1.8.10 Reaffirmation Of Election

Reaffirmation of an election before 1-1-48 (usually accomplished by the completion and return to the Board of the lower portion of RL-9d) reestablished an election as of the date of the receipt of the original communication. However, further opportunity for rebuttal of the election is afforded the applicant, based on his lack of knowledge of additional reduction, provided:

- The annuity is subject to the 1/180 reduction for each month the employee is under age 65 when the annuity begins to accrue; or
- The actuarial value of the joint-and-survivor annuity is based on the subnormal life table.

1.8.11 When A Reaffirmed Election Becomes Invalid

A. Before Annuity Beginning Date - A reaffirmed election of a joint-and-survivor annuity becomes invalid before the annuity beginning date if:

1. The employee dies before the ABD; or
2. The spouse dies before the ABD; or
3. The marriage between the employee and his spouse is dissolved before the employee's ABD; or
4. The employee revokes his election after 11-1-51 and before the ABD.

B. After Annuity Beginning Date - A reaffirmed election becomes invalid after the annuity beginning date when the marriage of the employee and his spouse is dissolved, or the employee voluntarily revokes his election. The beginning date of the single-life annuity is determined as follows:

1. Dissolution of Marriage

a. When dissolution of the marriage is due to a final divorce decree, the single-life annuity is effective from the date on which the marriage is actually dissolved.

b. When dissolution of the marriage is due tot he death of the spouse, the single-life annuity is effective from the first day of the month after the month in which the spouse dies. However, POD of the spouse must be furnished the Board or, in lieu of POD, [an

unambiguous statement] revoking the election must be received from the annuitant in the month the spouse died.

2. Annuitant Revokes Election - When an annuitant submits an unambiguous statement requesting revocation of the election, the effective date of the single-life annuity is the first day of the month after the month in which the request is received at an office of the Board.

1.8.20 When Proof Of Health Is Required

When the annuity begins before the month the applicant attains age 65 and proof of health has not been furnished within 6 months before the ABD, send the claim to DPS for a determination o the physical condition of the applicant as of the ABD. Request DPS to obtain any necessary medical evidence.

If the evidence establishes the absence of any disease or condition which would tend to shorten the applicant's life, base the annuity on normal life expectancy. Otherwise, base the annuity on subnormal life expectancy if the election is allowed to stand.

Inform an applicant whose life expectancy is subnormal of the effects of the application of the disabled-life mortality table so that he can revoke the election if he wishes.

1.8.21 Securing Annuity Factor In Subnormal Life Expectancy Cases

When the annuity must be computed on the basis of subnormal life expectancy, obtain the factor for reducing the annuity from the Chief Actuary by memorandum. Include in the memorandum under "Subject" the claim number, name of applicant, and the notation "Factor for reducing annuity under joint-and-survivor option." Show the following data in the body of the memorandum:

- The original beginning date of the annuity.
- The date of birth of the employee and that of the spouse.
- The section of the Act under which the employee annuity will be awarded. (When the annuity is to be awarded under Sections 2(a)2, or 2(a)3 of the Act, and the employee's life expectancy is determined to be subnormal by DPS, state that fact.)
- The option elected.

Send the claim folder with the memorandum to the Chief Actuary.

2.1.1 Widow(er) Defined

The term widow(er) refers to the surviving legal or de facto wife or husband of a deceased employee.

2.1.2 Legal Widow(er) Defined

The applicant must either:

- Have been legally married to the deceased employee under the laws of the State in which the employee was domiciled at death and not subsequently divorced; or
- Be capable of inheriting the employee's property, as the widow(er) under the intestacy law of the State in which the employee was domiciled at death.

NOTE: The term "State" includes the District of Columbia, the Virgin Islands, Puerto Rico, Guam and American Samoa. If the employee was domiciled in a foreign country rather than any "State", the widow(er)'s status is determined by the laws applied by the courts of the District of Columbia.

2.1.3 De Facto (Deemed) Widow(er) Defined

A. General - Beginning 2-1-68, an applicant may qualify for a WIA as a de facto widow(er) if the marriage to the deceased employee was invalid because of:

- An impediment resulting from a prior undissolved marriage of the deceased employee; or
- An impediment arising out of a prior marriage or its dissolution; or
- A defect in the procedure of the purported marriage.

B. Requirements to Establish De Facto Marriage - An applicant may qualify as a de facto widow(er) if:

1. There was a marriage ceremony; and
2. The claimant went through the ceremony in good faith, not knowing of the impediment at that time; and
3. The claimant was living in the same household with the employee at the time of death (this requirement must be met even if the claimant was entitled to a spouse annuity at the time of the employee's death).

2.1.4 Full Retirement Age

Full retirement age is defined as follows:

- For widow(er) type annuitans born before January 2, 1940, full retirement age is 65.
- For widow(er) type annuitants born January 2, 1940, and later, with annuity beginning dates of January 1, 2000, and later, full retirement age is based on the year of birth as shown below:
- If the Widow(er) was born 1-2-1940 through 1-1-1941, FRA is 65 and 2 months.
- If the Widow(er) was born 1-2-1941 through 1-1-1942, FRA is 65 and 4 months.
- If the Widow(er) was born 1-2-1942 through 1-1-1943, FRA is 65 and 6 months.
- If the Widow(er) was born 1-2-1943 through 1-1-1944, FRA is 65 and 8 months.
- If the Widow(er) was born 1-2-1944 through 1-1-1945, FRA is 65 and 10 months.
- If the widow(er) was born 1-2-1945 through 1-1-1957, FRA is 66.
- If the widow(er) was born 1-2-1957 through 1-1-1958, FRA is 66 and 2 months.
- If the widow(er) was born 1-2-1958 through 1-1-1959, FRA is 66 and 4 months.
- If the widow(er) was born 1-2-1959 through 1-1-1960, FRA is 66 and 6 months.
- If the widow(er) was born 1-2-1960 through 1-1-1961, FRA is 66 and 8 months.
- If the widow(er) was born 1-2-1961 through 1-1-1962, FRA is 66 and 10 months.
- If the widow(er) was born 1-2-1962 or later, FRA is 67.

2.1.10 Amount of WIA

A. Normal Annuity

1) Tier I - The Tier I component is equal to a 100% share of the EE's PIA or maximum based on combined wages and compensation after 1936 reduced for age. This amount is reduced by:

- The amount of any SS benefit payable.
- The amount of any RR retirement annuity the widow(er) is entitled to as follows:

  If either annuity is based on some railroad service before 1975, the survivor annuity is reduced by the amount of the employee tier 1 as defined in the G-364.1 instructions for item 86.

  If neither annuity is based on any railroad service before 1975, the survivor annuity is reduced by the entire employee annuity (net tier 1, net tier 2, and vested dual benefit).
- Two-thirds of the amount of any public pension effective 12-84 or later. (See RCM 2.1.300-2.1.314 for further information on public service pensions.)

  Payment of Tier I may be affected by certain SSA nonpayment provisions. Refer to RAC any cases in which alien nonpayment provisions, conviction for subversive activities, deportation, (including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II), or other nonpayment provisions of the SS Act are involved.

2) Tier II

(A) 30% Rate - If the widow(er) was initially awarded an annuity under the 1937 RR Act or under the 1974 RR Act that was vouchered before 10-1-86 and the employee began receiving his RRA retirement or disability annuity before 10-1-81 or he died before 10-1-81, the tier II component is 30% of the gross tier I after reduction for age and the maximum. In certain cases, a spouse minimum additional amount may be payable in tier II. See RCM 8.9, G-364.1 instructions for specific information.

(B) Share of EE's Tier II - If the employee did not begin receiving an RRA retirement or disability annuity before 10-1-81 and he did not die before 10-1-81, or the voucher date of the initial survivor award is 10-1-86 or later, the tier II component is based on a percentage

of the EE tier II which would be payable if the employee was alive on the widow(er)'s OBD. The EE tier II is before reduction for age but after reduction for windfall. Widow(er)s are entitled to a 50% share of the employee's tier II. If there are other entitled beneficiaries, this statutory percentage may be reduced so that the total paid to all the beneficiaries does not exceed 80% of EE's tier II.

3) Vested Dual Benefit - The VDB amount is only payable to a widow(er) who is vested as of 12-31-74. An aged or disabled widow(er) is vested if the following requirements are met:

- The deceased EE had 10 years of RR service before 1-1-75; and
- The widow(er) has a permanently or transitionally insured status at SSA as of 12-31-74.

NOTE: A non-dependent widower is not entitled to a VDB. Refer to RCM 2.1.60 for detailed instructions for determining VDB entitlement. RCM 2.1.67 describes the terminating events for vested dual benefit entitlement.

In addition to meeting the above requirements, she must meet the following criteria:

- Her (his) initial annuity was authorized for payment before 8-31-81; and
- Her (his) DOB is <u>before</u> 8-14-19

OR

- Her (his) DIB date of entitlement at SSA is August 1981 or earlier.

NOTE: A widow(er) who meets these requirements and whose VDB amount is zero because (s)he is not entitled to an RIB under the SS Act can be paid the VDB when (s)he becomes so entitled even if that occurs after August 1981.

B. <u>Spouse Minimum Guaranty Amount</u>

If the widow(er) is entitled to a spouse annuity in the month preceding the employee's death, s(he) is guaranteed that the normal WIA amount will not be less than the spouse annuity rate. The spouse rate so computed is BEFORE any increase under the O/M provision, reduction by actuarial adjustment to recover an overpayment, or reduction to recover a commuted value payment, and AFTER any reduction for other benefits or early retirement. (See Appendix B for a list of maximum rates applicable to the spouse maximum rate if a windfall

is involved. Since 1-1975, the spouse maximum rate consists of the gross tier I amount and the net tier II amount.)

C. DWIA Previously Paid

If the widow(er) previously received a reduced insurance annuity as a disabled widow(er), at age 60 (s)he is entitled to an annuity equal to the amount (s)he received as a disabled widow(er). The beneficiary symbol remains an "R". The age reduction factor, ARF, is adjusted at age 62 and at full retirement age. Refer to RCM 2.2 for detailed information.

D. Sole Survivor Minimum

The sole survivor minimum provides a minimum annuity amount to any survivor, who is the only beneficiary entitled on the EE's wage record. Refer to RCM 8.9, G-364.1 for detailed instructions.

E. Widow(er) Initial Minimum Amount **(WIMA)** Guaranty

The Railroad Retirement and Survivor Improvement Act of 2001 guarantees that a widow(er) type beneficiary's annuity will be calculated using 100 percent of the tier 2 that would have been used to compute the annuity for the deceased employee on the survivor OBD. This guaranty is called the WIMA, and is effective February 1, 2002.

The WIMA is computed as a component of the 1981 Amendment tier 2; therefore, only widow(er)s and young mother/fathers paid under the 1981 Act are eligible for the guaranty.

2.1.11 WIA Rate Is Zero

When the WIA is reduced to zero by a public service pension reduction (and no other beneficiaries are or will be entitled to monthly benefits), the RLS can be paid to the widow(er). The widow(er) will be considered a QRRB and will be billed direct for Medicare. Put in a call-up to have the folder sent to the Medicare Programs Section six months before the widow(er) attains age 65.

In such cases, the widow(er) should be sent a letter explaining that the widow(er) is entitled to a WIA, but the annuity rate is zero. Do not use AB-25 back stationery.

An explanation of why it is zero should also be given. Then explain that the RLS (give amount) is payable, and that since the annuity rate is zero, the RLS will be paid instead. Also explain that the widow(er) will be eligible for Medicare at age 65. Then, pay the RLS EDP, using the AA-17 as the application.

2.1.13 Annuity Adjustment When Legal Widow And Deemed (Defacto) Widow Are Entitled

Effective January 1, 1991 (based on applications filed after

December 31, 1990) a deemed widow(er) may be entitled, regardless of the existence or status of a legal widow(er). When paying the tier 1, the deemed widow(er) is paid within the family maximum while the legal widow(er) is paid outside the family maximum. When paying the tier 2, both the legal widow(er) and the deemed widow(er) are paid within the maximum.

For applications filed prior to January 1, 1991, the deemed widow(er) loses entitlement as explained in RCM 2.1.27. For any months before the legal widow(er)'s month of filing, his/her annuity is subject to reduction to avoid overpayments to other family members. Effective with the legal widow(er)'s month of filing, all annuities should be adjusted if the family maximum is involved.

2.1.15 Eligibility Requirements

In addition to being the legal widow(er) of a deceased employee who had either 120 months of RR service or at least 60 months of RR service after 1995, and a C/C, an applicant must meet the following requirements:

A. Age - The widow(er) must have attained age 60.

NOTE A person attains a given age on the day preceding the anniversary date of his birth. For example, a person born on March 2, 1925 attained age 65 on March 1, l990; if his DOB had been March 1, 1925, he would have attained age 65 on February 28, 1990.

B. Marriage - The widow(er) must:

1. Have been married to the employee for 9 months prior to death, or the death was accidental or occurred in the line-of-duty while the employee was a member of the U. S. Armed Forces PROVIDED that at the time of the marriage, the employee could have been reasonably expected to live for at least 9 months.

   - Prior to 2-1968, must have been married for 1 year prior to death.
   - Prior to 1-1-73, must have been married 3 months in the case of accidental or military service connected death.; or

2. Have been previously married to the employee for at least 9 months, divorced , and then remarried the employee. As long as the previous marriage lasted at least 9 months, the length of the subsequent marriage

and the life expectancy of the employee at the time of that remarriage do not need to be considered; or

NOTE: A widow(er) who was not married to the employee for the required length of time must meet one of the alternative requirements listed below in items 3 through 8 in order to qualify.

3. Be the natural parent of the employee's child (the child must be born alive but need not still survive); or

4. Have legally adopted a child of the employee during their marriage and before the child attained age 18; or

5. Be the parent of a child legally adopted by the employee during their marriage and before the child attained age 18; or

6. Have been married to the employee at the time both of them legally adopted a child under age 18; or

7. Have been entitled or potentially entitled to a widow(er)'s, divorced spouse's, surviving divorced spouse's, parent's or disabled child's insurance annuity under the RR Act in the month before the month (s)he married the employee; or

8. Have been entitled or potentially entitled to a widow(er)'s, parent's, spouse's, divorced spouse's, surviving divorced spouse's or disabled child's insurance benefit under the SS Act in the month before the month (s)he married the employee. See 2.1.21 for the requirements and development action required when the widow(er) could only qualify under item 7 or item 8.

NOTE: In this situation, potentially entitled means that we can presume the filing of an application and the attainment of retirement age for a widow(er)'s, parent's, spouse's, divorced spouse's, surviving divorced spouse's benefit if the deceased W/E had the required status and the widow(er) met all other requirements.

For potential entitlement to a disabled child's benefit under the SS Act, assume only the filing of an application. All other requirements must actually have been met in the month before the month (s)he married the employee.

Do not consider a widow(er) entitled or potentially entitled to an SS Act widow(er)'s, parent's, divorced wife's, divorced widow's or disabled child's insurance benefit if (s)he was actually entitled to an RIB or DIB which equaled or exceeded such other benefit. Entitlement to an RIB or DIB cannot be presumed.

9. Effective with applications filed on or after March 2, 2004, at the time of the employee's death, the employee and widow(er) were married for less than 9 months because:

   - the employee was married prior to the marriage to the widow(er), but the prior spouse was institutionalized due to a mental or similar incapacity; and

   - during the period of the prior spouse's institutionalization, the employee would have divorced the prior spouse and married the widow(er), but (s)he did not do so because such a divorce would have been unlawful, by reason of the prior spouse's institutionalization, under the laws of the State in which the employee was domiciled at the time; and

   - the prior spouse remained institutionalized up to the time (s)he died; and

   - the employee married the widow(er) within 60 days after the institutionalized spouse's death.

   Headquarters Handling – Because of the rarity of these cases, they should be referred to Policy and Systems to determine if the widow(er) meets the 9 month deemed marriage requirement under this provision. The field office will code the APPLE application for manual review and enter in remarks that the case is a special deemed 9 month marriage case that needs to be forwarded to P&S-RAC for a determination.

   Since laws vary from state to state, the field office will not be required to take any preliminary development action. Policy and Systems will determine what needs to be developed and advise the field office accordingly. However, if the applicant has already submitted any material to support the claim, the field office will notate the remarks section accordingly and send the material to SBD. SBD will then forward the material to P&S-RAC along with the APPLE referral.

C. <u>One-Half Support</u> - A widower must have been receiving one-half support from the employee at the time of her death or at the time her retirement annuity began for the annuity to begin before 3-1-77; after 2-1977 a widower does not have to prove one-half support except for payment of windfall or employee annuity restored amount. Proof of support must be filed within 2 years after the point at which the support requirement must be met.

   In a case in which proof of support is not filed during the appropriate period, refer to chapter 2600 in the SSA Claims Manual to determine whether SSA would extend the 2 year period for filing proof of support. Extend the period if SSA would do so.

If a widower submits proof that is not sufficient to establish the one-half support requirement for payments before 3-1-77 or the windfall and/or restored amount computations, take action as described below:

- Proof Filed at Time of Annuity Award - Include in the award letter a special paragraph telling the widowers that he does not meet the one-half support requirement.

- Proof Filed After Annuity In Pay Status - Prepare a formal denial letter on an AB-25 back.

In both cases, the decision that he does not meet the support requirement is an initial decision and, therefore, may be appealed.

2.1.16 Employee Had Less Than 120 Months Of Service

For a complete explanation of the 120 service month requirement and exceptions to this requirement please see RCM 5.6.4.

2.1.18 Entitlement Requirements

In addition to meeting the eligibility requirements in the preceding sections, a claimant for a WIA must:

- Not have remarried; and

- Have filed an application for WIA unless a WCIA or spouse annuity is being converted to a WIA.

2.1.19 Beginning Dates

The beginning date and retroactivity of a widow(er)'s insurance annuity (WIA) is explained in FOM-I-111.20, FOM-I-111.51 and FOM-I-112.9.2.

2.1.20 Duration Of Marriage

A. Nine-Month Requirement - Effective 2-1-68, a widow(er) may qualify for monthly benefits even though (s)he was married to the employee for less than one year before the employee died. If the marriage existed for a period of a least 9 months immediately preceding the day on which the employee died, the widow(er) meets the marriage requirement.

B. Deeming Nine-Month Marriage - The widow(er) is deemed to meet the nine-month requirement if (s)he was married to the employee immediately preceding the day on which the employee died if the employee's death:

- Was accidental; or
- Occurred in the line of duty while serving on active duty as a member of the United States Armed Forces.

The nine-month requirement CANNOT be deemed if, at the time of the marriage the employee could not have reasonably been expected to live for 9 months.

NOTE: An exception is if the widow(er) was previously married to the employee for at least 9 months, divorced then remarried the employee. As long as the previous marriage lasted at least 9 months, the length of the subsequent marriage and the life expectancy of the employee at the time of that marriage do not need to be considered.

C. Development of Deemed Nine-Month Duration of Marriage - An accidental death is defined as a death which occurred as a direct result of bodily injuries received by violent, external, and accidental means. The death must occur from the bodily injuries independent of other causes and must occur within 3 months after the day on which the employee received such injuries.

If not already in file, obtain a certified copy of the death certificate or a casualty report from a branch of the Armed Forces. Assume that, at the time of marriage, the employee was reasonably expected to live 9 months unless information obtained in the normal course of development indicates otherwise. If such information is obtained that, for example, at the time of marriage the employee had an illness which is ordinarily fatal, refer the case to a supervisor.

Death certificates generally indicate whether the death falls into one of four categories: natural, accidental, homicide, or suicide. For purposes of this provision, consider death accidental when the death certificate so indicates. Assume that accidental death was independent of other causes unless the death certificate clearly indicates that an ordinarily fatal illness was a contributing factor.

Even though the death certificate shows that death resulted from natural causes, develop for accidental death if the applicant claims death was accidental. The immediate cause of death may be, for example, pneumonia which was contracted as a result of lowered resistance caused by an automobile accident. When the death certificate shows "natural" causes and development indicates accidental injury may have been a contributing factor, refer the claim to a supervisor. (For details of accidental death see SSA-CM 2474.3 - 2474.4.)

2.1.21 Development Of Widow(Er)'S Previous Actual Or Potential Entitlement Under SS Act Or RR Act

When a widow(er) was actually or potentially entitled to any of the SS benefits listed in RCM 2.1.15 (9) or any of the RR annuities listed in RCM 2.1.15 (8), which terminated or would have terminated when (s)he married the employee, the previous actual or potential entitlement may be used to establish eligibility for an RR annuity when the widow(er)'s marriage to the RR employee lasted less than 9 months and the employee's death was not accidental.

A. SS Act - From the information in file ascertain if the widow(er) was actually or potentially entitled to a qualifying SS benefit in the month before the month (s)he married the employee.

1. Previous Actual SS Entitlement - Verify the allegation of entitlement by securing an MBR on the SS A/N of the person on whose wage record the widow(er) qualified for an SS benefit.

   If the SS A/N of the person on whose wage record the widow(er) qualified for an SS benefit is unknown, request the widow(er) to furnish the person's full name, DOB, place of birth, mother's maiden name and father's name. When this information is obtained, release a G-37b teletype request to obtain the SS A/N. When the A/N is obtained, follow the procedure given in the preceding paragraph.

2. Previous Potential SS Entitlement - Verify the allegation of entitlement by releasing a G-60 request for a G-90, on the SS A/N of the person on who wage record the widow(er) was potentially entitled. Refer toe RCM 9.1 App. C for detailed instructions regarding the completing of the G-60. Upon receipt of the G-90, examine it to determine if the wage earner has an insured status under the SS Act. Based on the information in file and the G-90 ascertain if the claimant was potentially entitled.

B. RR Act - From the information in file ascertain if the widow(er) was actually or potentially entitled to a qualifying RR annuity in the month before the month (s)he married the employee.

1. Previous Actual RR Entitlement - Obtain the file for the claim number under which the widow(er) claims previous entitlement. Examine that file to verify the claimed entitlement.

2. Previous Potential RR Entitlement - Obtain the claim number under which the widow(er) claims potential entitlement. Obtain and examine the file to ascertain if the claimant was potentially entitled.

2.1.22 More Than One Person Claims Benefits As Legal Widow(er)

When more than one person claims benefits as the employee's legal widow(er), each claim must be resolved under applicable State law. (See chapter 4.3, "Marriage-Divorce," for details on handling such cases.)

In some situations it is possible for more than one legal widow(er) to qualify under the RR Act on the same earnings record; i.e., one claimant meets the valid marriage test, and another meets the inheritance test. Putative marriages which meet the inheritance test are recognized in the following states: Arizona, California, Colorado, Illinois, Louisiana, and Minnesota (see RCM 4.3, Appendix B - Common-law and Similar Marriages.) A putative marriage is a void marriage where the spouse acquires inheritance rights because (s)he believed the marriage to be valid until the employee's death. When a putative marriage is claimed, obtain a legal decision in the case.

Effective January 1, 1991, based on applications filed after December 31, 1990, a deemed widow(er) may be entitled, regardless of the existence or status of a legal widow(er). (See RCM 2.1.13 for details.)

2.1.23 Work Restrictions

A. Restricted Employment - A WIA is not payable for any month the widow(er) works for an employer covered by the RR Act.

B. Earnings Restrictions Prior to the Year 2000 - A widow(er) under age 70 is subject to the regular survivor earnings restrictions. The annuity of a widow(er) between full retirement age and age 69 is subject to a deduction of $1 for every $3 the widow(er)'s earnings in a given year exceed the exempt amount that year. Widow(er) less than full retirement age are subject to a $1 for $2 deduction.

C. Earnings Restrictions Beginning in the Year 2000 -

2.1.25 Widow(er) Also Entitled To Other RR Act Annuity

A. Entitled to RR Act Retirement Annuity - A widow(er) may receive both a WIA and a retirement annuity under the RR Act, but the WIA must be reduced for the retirement annuity in Tier I. In some cases an "EE restored amount" is payable in Tier II. See RCM 8.9, G-364.1 instructions, for additional information.

B. Entitled to RR Act Spouse Widow(er)'s or Parent's Annuity - If an individual is entitled to two annuities only the larger of the two annuities is payable, unless (s)he elects to receive the smaller annuity.

If an applicant for a widow(er)'s annuity is already receiving this annuity, compare the amount of the other annuity with the amount (s)he would receive as a widow(er). If the widow(er) becomes entitled to a spouses annuity in the same month, it will be necessary for the survivor and retirement units to coordinate to

determine which annuity is larger. If the other annuity is larger, prepare a constructive award for the widow for that reason. If the widow(er)'s annuity is larger, and it would not be advantageous for the applicant to elect to receive the other annuity recover the overpayment from the widow(er)'s accrual.

This dual entitlement situation will come to the attention of a retirement examiner if an applicant for a spouse's annuity indicates that (s)he has previously filed for an annuity based on another EE. In that case, the retirement examiner will secure the folder to determine the dual eligibility. In some cases, the applicant may be entitled as a widow(er) but has not yet filed an application. The retirement examiner may need to request information from the survivor unit regarding the widow(er)'s annuity rates or RLS entitlement.

If (s)he is entitled to two survivor annuities, it may be to a widow(er)'s advantage to elect to receive the lesser survivor annuity because of an RLS that would be payable on the other record if such an election was made.

The election to receive a smaller annuity is revocable and may be made on a month-by-month basis. A signed statement by the applicant is sufficient proof of election. This differs from an election to receive an RLS, which is an irrevocable election and must be made on Form G-126.

If it appears that it would be to a widow(er)'s advantage to receive the lesser survivor annuity, release a memo to the F/O advising them of the facts of the case and requesting a contact with the annuitant. If the widow(er) wants the smaller annuity, secure a signed statement that establishes that the widow(er) is aware that (s)he is electing the smaller benefit.

If the widow(er) elects the smaller annuity in order to receive an RLS on the other account, the statement should include the fact that the election of the smaller annuity is made in order to receive the RLS and that the applicant does not intend to revoke it. A G-126 election form is not needed. If the annuitant later changes his mind and withdraws his election of the smaller annuity, the RLS must be recovered from the larger annuity. No annuity would be payable until the RLS is recovered.

An LSDP is not payable on the account that the annuity is not paid on because there is eligibility to a monthly benefit, whether or not it is paid.

If it does not appear to be to the widow(er)'s advantage to receive the smaller annuity, award the higher annuity and suspend the current lower annuity. Recover the overpayment from the higher annuity.

C. Entitled to 1981 Act and 1974 Act Annuity - If the 1981 Act annuity is larger, entitlement to both annuities exists; however only the 1981 Act annuity is payable. If the 1981 Act annuity is smaller, no entitlement exists and the annuity

should be terminated using code 46, or denied as appropriate. Any overpayment should be recovered from the 74 Act annuity.

If the 74 Act annuity terminates and the 1981 Act annuity is payable, a new application will be required.

NOTE: The widow cannot elect to receive a smaller 1981 Act annuity as there is no entitlement.

2.1.26 RLS Previously Paid To Widow(er)

A. Widow(er) Elected RLS - If the widow(er) previously elected and was awarded the RLS, deny the WIA application. The fact that (s)he elected the RLS prevents the payment of a WIA since the election of that payment was an agreement by widow(er) to give up rights to future benefits under the RR Act. In such cases, however, (s)he may qualify for an annuity at SSA if the employee was insured under the SS Act solely on the basis of wages.

B. Widow(er) Received RLS Without Election - If the widow(er) received the RLS without electing it (because (s)he could not qualify for a WIA under the RR Act at that time), (s)he may receive a WIA if otherwise qualified. However, the RLS must be recovered from the WIA.

EXAMPLE: A widow born 10-12-06 was not living with the employee at the time of his death in 8-1966. Since living with was required for a WIA before 11-1-66, she could not qualify for a WIA. However, since she was also the designated beneficiary of the RLS she was paid the RLS. In 9-1967, she files for a WIA as a "not living with" widow with full retroactivity of benefits to 11-1-66. However, before she can actually receive her annuity, the RLS must be recovered.

NOTE: If the RLS was paid to anyone other than the person who is now entitled to a WIA, do not recover it. Also, if the RLS was paid to more than one person, only recover the share paid to the person now eligible for a WIA.

2.1.27 When Entitlement Ends

A WIA ends with the month preceding the month in which:

- the widow(er) dies;
- the legal or de facto widow(er) remarries; or

NOTE: The annuity of a legal or de facto widow(er) terminates upon remarriage; but the widow can qualify for a remarried widow(er)'s insurance annuity. Refer to RCM 2.1.201.

- the widow(er) becomes entitled to another survivor or spouse annuity under the RR Act which is greater than the WIA.

Prior to 1-1-91, the deemed (or de facto) widow(er) lost entitlement if another individual was found to be the legal widow(er). The last month of the deemed widow(er)'s entitlement was the month prior to the month in which an authorizer approved the legal widow(er)'s award. (Also see RCM 2.1.13.)

Do not reexamine or reopen the prior award to the de facto spouse merely because the legal spouse has filed; do so only if the information indicates that the de facto spouse knew at the time of the ceremony that the purported marriage was invalid.

The fact that the employee was survived by a legal spouse did not preclude the surviving spouse by deemed marriage from qualifying if the legal spouse was not entitled to any type of survivor benefit based on the earnings record of the employee. Similarly, potential future entitlement of a legal spouse did not bar a spouse's entitlement to a deemed marriage.

If the legal widow(er) filed and was found entitled under the RR Act to any survivor benefit on the employee's earnings record, the widow(er) of a deemed marriage was not considered eligible for any type of survivor benefit under the RR Act. Moreover, if the claim of the legal widow(er) was pending before an award to the de facto widow(er) was approved, action on the latter was withheld until the entitlement of the legal widow(er) was determined. In this situation, if it was determined that the legal widow(er) was entitled beginning either with the month the authorizer approved an award to the legal widow(er) or an earlier month, the deemed marriage provision did not apply. It is immaterial that the legal widow(er)'s first month of entitlement was for a later month than the month the widow(er) by deemed marriage would have been entitled.

2.1.40 Evidence Requirements

Evidence	When Required
Application	Always, unless converting from a spouse annuity or a WCIA. If (s)he if filing on behalf of entitled child(ren) an AA-18 is acceptable; SSA's survivor applications are also acceptable (see chapter 5.1).
Death of Employee	Always.
Proof of One-Half Support of Widower (G-134)	Always, if dependency is claimed and; • ABD could be before 3-1-77; or • A windfall is involved; or • An employee annuity restored amount is involved.

Compensation	Always.
Age of Widow(er)	Always.
Marriage	Always. (Prior to 6-1-58 documentary evidence was not required for a spouse annuity; spouse's statement was accepted if verified by the employee on G-346.)
Age of Employee	In “A” cases POA is always required if the employee's DOB has not been previously verified through submission of the employee’s POA, assume DOB has been verified in the following situations: • The employee received an annuity • The employee filed for and received Medicare • The employee’s POA is on APPLE Note: If none of the above conditions apply, but the AFCS system indicates that a folder was established, the field may first contact RBD to verify whether the employee’s POA was submitted, before obtaining the proof from the widow. Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.
Legal Adoption of Child	Only when widow(er) seeks to qualify on that basis.
Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.
Amount of RRA Employee Annuity	Always.
Amount of SS Benefits	If widow(er) is age 62 or older or is under 62 and has indicated filing for benefits at SSA.
M/S	Only when employee's M/S after 1936 would be creditable either under the RR Act or under the SS Act.
Termination of Prior Marriage	If there is reasonable doubt whether a prior marriage of employee or widow(er) was ended.
Living in Same Household	If widow(er) seeks to qualify under deemed marriage provision.

Amount of VA Benefits	Only for annuities due before 1-1975, when the deceased employee's M/S after 1936 is creditable under the RR Act and a reduction in the RRA formula annuity is required. Send such cases to M&P for verification of these benefits.
Amount of Wages and SEI	When the employee was assigned an SS A/N lower than 700-00-0000, or worked in SS employment after 1936, or was self-employed after 1950.
Living With	Generally required only in cases of entitlement prior to 11-1-66.
Public Pension Information	Always.

2.1.45 Annuities That May Be Converted To WIA

There are two types of annuities which may be converted to a WIA: a spouse annuity and a WCIA. Conversion from a spouse annuity requires proof of the employee's death; conversion from a WCIA requires only the verification of the widow(er)'s age. Neither of these conversions require the filing of an application.

2.1.46 Spouse On Rolls When Employee Dies

So that (s) he may continue to receive benefits without interruption, the widow(er) of a completely insured annuitant is deemed to have filed an application for a WIA. (S)he continues to receive the spouse annuity until the WIA is awarded, unless evidence in file creates doubt as to eligibility for a WIA. However, such payments are restricted to a "reasonable" period after the month in which the employee died. If proof of death is not received within six months after the month of death, request the field office to determine why proof of the employee's death has not been submitted and whether payments made to the widow(er) after the employee's death were proper.

In cases handled prior to August 1, 1990, if a widow(er) met all requirements for entitlement to and receipt of a WIA, other than the filing of an application of G-476c report form, payments of the spouse annuity made to the widow(er) after the employee's death are not erroneous. This rule applies regardless of the reason for failure to file (i.e., whether (s)he died before filing or merely neglected to file) and, if the widow(er) died, regardless of the date (s)he died.

If the widow(er) dies before filing an application or G-476c, the accrued WIA, or any difference between the amount of the WIA to be formally awarded and the amount of the spouse annuity in force at the time (s)he died is an annuity due but unpaid at death (see chapter 2.7).

NOTE: Effective August 1, 1990, the filing of G-476c is no longer a requirement.

2.1.47 WCIA In Force When Widow(er) Attains Age 60

When the widow(er) of an employee with 120 months of RR service and a C/C is receiving a WCIA at the time (s)he attains age 60, (s)he continues to receive a WCIA until the earlier of the following dates:

1. 1st of the month in which the child in not in care; or

2. 1st of the month in which (s)he attains full retirement age.

At that time the WCIA is converted to a WIA. For additional information regarding the conversion, refer to RCM 2.3.47.

Under certain circumstances, a WCIA cannot be converted to a WIA. This is true for cases in which the widow was receiving a WCIA on 10-30-51 on the basis of an employee who had less than 120 months of creditable service. The widow can still continue to receive the WCIA after age 60 if she continues to have an entitled child in care.

2.1.48 Disabled Widow(er) Attains Age 60

When a disabled widow(er) on the rolls attains age 60, the DWIA is NOT actually converted to a regular WIA. Technically, a DWIA terminates with the attainment of age 60; however, do NOT take any action to convert Board records from a DWIA to a WIA. The widow(er)'s award form symbol remains "R" as long as (s)he is entitled under the application on which the DWIA was awarded.

Cases in which the DWIA was not payable for some months due to entitlement to a WCIA are called up when the widow(er) attains age 62. At that time, adjust the number of reduction months to eliminate those for which a DWIA was not paid and recertify the annuity; however, retain the symbol "R" for the widow(er) on the recertified award.

2.1.55 Remarried Widow(er)

From September 1965 through October 4, 1972, a remarried widow(er) could have been included in the computation of a survivor annuity under the O/M if she met the eligibility requirements. With the enactment of the 1972 RRA Amendments (after October 4, 1972), a remarried widow no longer qualified for inclusion in the O/M. However, if a remarried widow was included in the O/M prior to the enactment of the 1972 RRA Amendments, (s)he was not removed from the O/M computation unless one of the events described in RCM 2.1.27 occurred. In 1-1975 the eligible survivors's rate was equalized to the total 12-1974 O/M rate, which includes the ineligible widow(er)'s share.

2.1.56 Surviving Divorced Wife

From September 1965 through October 4, 1972, a surviving divorced wife could have been included in the computation of a survivor annuity under the O/M if she met the eligibility requirements. With the enactment of the 1972 RRA Amendments (after October 4, 1972), a surviving divorced wife no longer qualified for inclusion in the O/M. However, if a surviving divorced wife was included in the O/M prior to the enactment of the 1972 RRA Amendments, she was not removed from the O/M computation unless one of the events described in RCM 2.1.27 occurred. In 1-1975, the eligible survivor's rate was equalized to the total 12-1974 O/M rate, which includes the ineligible wife's share.

2.1.60 Vested Dual Benefit Entitlement

Under the 1937 RR Act, all survivor annuitants could receive both RR and SS benefits (dual benefits) without restriction as long as they met all of the eligibility requirements under each Act and filed a timely application for each benefit. Under the 1974 RR Act, the only survivor annuitants who may receive the full amount of these dual benefits are widow(er)s, and this is only if they are "dually vested" as of 12-31-74. A widow(er) is dually vested as of 12-31-74 if (s)he was on our rolls on 12-31-74 with an SS insured status on that date, of if (s)he had sufficient QC's for a fully insured status under the SS Act as of 12-31-74, and the employee had at least 10 years of RR service before 1-1-75.

In the case of a widow(er) receving a DIB at SSA, this vested status determination can, at times, depend upon whether (s)he qualifies for a disability freeze. In this type of case a widow(er) may not be vested because of insufficient QC's as of 12-31-74 but by qualifying for a disability freeze and excluding the DF years from the elapsed years (see RCM 2.1.64), (s)he could then meet the QC requirement, be vested and get a vested dual benefit.

These additional restrictions apply:

- The case must be authorized before 8-13-81, and
- DOB is before 8-14-19, or
- the DIB DOE is before 8-1-81.

2.1.61 Widow(er) On The Rolls On 12-31-74

The dual benefit rights of widow(er)s on our rolls as of 12-31-74*, who were either receiving SS benefits on that date, or who were fully insured under the SS Act as of that date, are preserved.

*NOTE: If a widow(er) filed an application before 1-1-75 and had an original beginning date before 1-1-75 (s)he is considered to be on the rolls on 12-31-74, even though her (his) annuity may not be awarded until after that date.

An aged widow(er) on the rolls as of 12-31-74 who is transitionally insured under the SS Act is also entitled to a vested dual benefit. This transitional benefit is treated in the same manner as an RIB based on a regular SS Act insured status.

A widow(er) is transitionally insured if (s)he attained age 72 prior to 1969 and is not insured at SSA under the regular rules, but has at least three quarters of coverage.

2.1.62 Widow(er) On The Rolls After 12-31-74

A widow(er) who comes on the rolls after 12-31-74 is vested for a vested dual benefit computation if the following requirements are met:

- the deceased employee had 10 years of RR service before 1-1-75; and
- the widow(er) had a permanently or transitionally insured status under the SS Act as of 12-31-74.

NOTE: A non-dependent widower whose OBD will be 3-1-77 or later is not entitled to a windfall.

2.1.63 Definition Of Permanently Insured Status - 1974 Act

The widow(er) must be permanently or transitionally insured under the SS Act on 12-31-74 to be entitled to a vested dual benefit. The 1974 Act defines the widow(er) to be permanently insured if (s)he is fully insured when (s)he attains age 62 solely on the basis of QC's from SS earnings acquired before 1-1-75.

2.1.64 Definition Of Fully Insured Status

The widow(er) is fully insured if (s)he has 40 QC's or if (s)he has one quarter for each calendar year (four quarters) elapsing after 1950 (or, if later, the year in which (s)he attained age 21) and before the year in which (s)he attained age 62, except that in no case will an individual be permanently insured unless (s)he has at least 6 quarters of coverage.

In cases where the widow(er) is entitled to a DIB, do not count as an elapsed year any year any part of which is included in a period of disability. By getting a disability freeze, a widow(er) who does not have the QC requirement as of 12-31-74 may be able to meet that requirement by excluding the years in the period of disability from the elapsed years, thereby reducing the number of QC's needed to be insured.

NOTE: If a widow(er) who was not permanently insured under the SS Act based on the required quarters of coverage at age 62 becomes entitled to a DIB or DF at SSA after 5-1975, release a teletype to SSA to determine the disability freeze onset date.

EXAMPLE 1: A widow (DOB 7-12-19) has 28 QC's as of 12-31-74. She will attain age 62 in 1981. Since there are 30 years elapsing after 1950 up to but not including 1981, she would need 30 QC's to be fully insured under the SS Act. Under these conditions the widow would not be vested as of 12-31-74.

The widow becomes disabled and is granted a disability freeze with an onset date of 6-1-77. The 4 disability freeze years 1977-1980 are dropped as elapsed years leaving a total of 26 elapsed years. Now, the widow, still assuming she meets all other requirements, is vested since only 26 QC's are required for a permanently insured status and she has 28.

EXAMPLE 2: A widow (DOB 2-3-20) has 26 QC's as of 12-31-74. She becomes disabled and is granted a disability freeze on 6-1-78. At the time, she has a total of 35 QC's.

Based on her disability freeze she needs 27 QC's as of 12-31-74 for a permanently insured status. Since she had 26 QC's on 12-31-74, she would not be vested and would not be eligible for a windfall at age 62 or earlier. This applies even though she could qualify for a DIB at SSA beginning in November 1978 (after the 5-month waiting period beginning 6-1-78), assuming she also meets the 20/40 test at SSA.

2.1.65 Vested Dual Benefit Date Of Entitlement

The vested dual benefit (VDB) date of entitlement is the earlier of the month and year the widow(er):

- Attains age 62; or
- Becomes entitled to a DIB at SSA.

However, the VDB date of entitlement can be no earlier than:

- The widow's OBD, if the case was initially paid under the 1974 Act; or
- 1-1-75 if the case was initially paid under the 1937 Act and converted to the 1974 Act computation.

2.1.66 When 20/40 Wage QC's Must Be Acquired At SSA

If a widow(er) is entitled to a DIB (s)he must have met the 20/40 wage QC requirements, i.e., (s)he must have had at least 20 wage QC's during the 40 QC period

ending with the quarter in which the waiting period begins or in which (s)he is under a disability and for which her (his) application is effective.

To make a windfall entitlement determination, the qualifying 20 SS wage QC's need not have been acquired prior to 1975. The point in time when she acquires these 20 QC's prior to 1975 is immaterial so long as (s)he has sufficient SS wage quarters to be permanently insured under the SS Act in 1974.

2.1.67 When Entitlement Ends

Vested dual benefit payments end with the month in which:

- The widow(er) dies; or
- The widow(er) remarries; or
- The SS DIB is terminated. When an widow(er)'s DIB terminates, her (his) entitlement to the VDB ends effective with the month and year that SSA terminates the DIB, IF the widow(er) is not permanently insured on 12-31-74 without a disability freeze, or the widow is permanently insured on 12-31-74 without a disability freeze, but is under age 62 when her (his) DIB terminates.

NOTE: The VDB is not terminated when one SS benefit is terminated because the annuitant becomes entitled to a new type of SS benefit (e.g., RIB to WIB) or if the widow becomes entitled to a different type of RR annuity (i.e., WCIA to WIA or DWIA). Furthermore, there is no provision to recompute the VDB when the type of benefit changes at SSA or at RRB.

2.1.68 Cost-Of-Living Increases

Vested dual benefits will be frozen at the 1974 benefit levels. However, they will be initially increased by the cumulative percentage of the COL increases that occur in the period from 1-1-75 to the later of the widow's RIB/DIB DOE or the WIA OBD.

2.1.69 Elimination Of Vested Dual Benefit

No new vested dual benefits were awarded after August 13, 1981 with two exceptions:

- Widow age 62 before August 13, 1981 and receives an RIB later, or
- Widow entitled to a DIB before August 13, 1981.

2.1.100 Surviving Divorced Spouse Annuity

Introduction

The 1981 Amendments to the Railroad Retirement Act added the surviving divorced spouse as a new category of survivor beneficiary. The eligibility and computation rules for surviving divorced spouse's annuity under the RR Act are the same as for surviving divorced spouse's benefit under the SS Act.

The term "surviving divorced spouse" will be used to refer to both surviving divorced wives and surviving divorced husbands.

When Benefits Are Payable

Benefits are payable to surviving divorced spouses beginning October 1, 1981.

2.1.101 Surviving Divorced Spouse Defined

Definition

A surviving divorced spouse is an individual who was married to the deceased employee for at least ten years and was finally divorced from the employee prior to the employee's death.

Note: If a final divorce was not effective prior to the employee's death, the spouse may qualify as a legal or defacto widow(er).

2.1.102 Amount of Surviving Divorced Spouse's Annuity

The annuity consists of a tier I component only. It is equal to a 100% share of the EE's PIA or maximum based on combined wages and compensation after 1936 reduced for the number of months the surviving divorced spouse is under full retirement age.

If the surviving divorced spouse was previously entitled to an age reduced or disabled widow(er)'s annuity, her (his) surviving divorced spouse's annuity will also be age reduced (even if (s)he is full retirement age at the time (s)he becomes entitled as a surviving divorced spouse) and the age reduction will be based on the number of months (s)he is under full retirement age on the beginning date of her (his) widow(er)'s annuity.

Payment of the tier I benefit may be affected by certain SSA nonpayment provisions. Refer to RAC any cases in which alien nonpayment provisions, conviction for subversive activities, deportation, (including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II), or other nonpayment provisions of the SS Act are involved. (See the appropriate survivor benefit section of the POMS for nonpayment provision details.)

The tier 1 amount is reduced by the following:

1. Social Security Benefits

- The amount of any SS RIB/DIB, and

2. Railroad Retirement Employee Annuity

   - Net Tier 1 - If either the employee or the surviving divorced spouse had railroad earnings prior to 1975, the net tier I amount of any RR retirement EE annuity to which the surviving divorced spouse is entitled. (If the surviving divorced spouse becomes entitled to an RR spouse annuity or is entitled to two surviving divorced spouse's annuities only the higher of the two annuities is payable. See RCM 2.1.208.)

   - Total Employee Annuity - If neither the employee nor the surviving divorced spouse had railroad earnings prior to 1975, the tier 1 of the surviving divorced spouse's annuity will be reduced by the total employee annuity to which the surviving divorced spouse is entitled (net tier 1, net tier 2 and vested dual benefit).

3. Public Service Pensions

   - Two-thirds of the amount of any public pension if first eligible for a public pension effective 12-84 or later. (See RCM 2.1.300-2.1.314 for further information on public service pensions.)

2.1.103 Annuity Rate Is Zero

If the surviving divorced spouse is entitled to any social security benefit or combination of social security benefits which reduces the annuity rate to zero and there is no possibility of an ARF which will increase the rate above zero, (s)he cannot be eligible for an annuity as a surviving divorced spouse. In initial cases, the application must be denied (see RCM 2.1.104(C)). The RLS or LSDP may be paid if there is someone eligible to receive it. In post cases, the annuity must be terminated code 46 due to non-entitlement, and if applicable, certification of payment of social security benefits must be returned to SSA.

If the surviving divorced spouse is entitled to an employee annuity, a public service pension or SS benefit(s) that reduces her (his) rate to zero and there is no possibility of an ARF increasing the rate above zero, the RLS may be paid if there are no other beneficiaries who are or will be entitled to monthly benefits and there is someone eligible to receive it.

If the surviving divorced spouse is entitled to an employee annuity, public service pension or SS benefit that reduces her (his) annuity rate to zero and, an ARF at age 62 and/or full retirement age ARF will increase the annuity rate above zero, the following action will be taken:

- In initial cases prepare a constructive award. Advise the applicant that (s)he is entitled to an annuity but the annuity rate is zero and why. Explain that (s) he will

be eligible for Medicare at age 65 and enter an age 62 and/or full retirement age ARF tickler call-up, whichever is applicable. If the annuity later terminates, notify Policy and Systems-Compensation and Employer Services (P&S-CESC) using Form G-59.

- In post cases, suspend using FAST S/T code 54 and enter an age 62 and/or full retirement age ARF tickler call-up, whichever is applicable. If the annuity later terminates, notify P&S-CESC using Form G-59.

However, if the surviving divorced spouse is entitled to any social security benefit that is less than the employee's PIA but larger than her (his) age reduced rate and there is the possibility that an age 62 and/or full retirement age ARF will increase the annuity rate above zero, (s)he is entitled to an annuity as a surviving divorced spouse but her (his) annuity rate is zero. Enter an age 62 and/or full retirement age ARF tickler call-up, whichever is applicable.

NOTE: A surviving divorced spouse can be ARFed for non-payment months due to reduction for SS entitlement.

2.1.104 Eligibility Requirements

In addition to having been divorced from an employee who has died, who had 120 months of railroad service or at least 60 months of railroad service after 1995, and a current connection, an applicant must meet the following requirements:

A. Age - The surviving divorced spouse must have attained age 60.

NOTE: A person attains a given age on the day preceding the anniversary date of his birth. For example, a person born on March 2, 1925 attained age 65 on March 1, l990; if his DOB had been March 1, 1925, he would have attained age 65 on February 28, 1990.

B. Marriage - The surviving divorced spouse must:

- have been finally divorced from the employee; and
- be unmarried, unless (s)he remarried after (s)he attained age 60 or (s)he remarried after (s)he attained age 50 and (s)he was entitled to a disabled widow(er)’s annuity at the time of remarriage.
- This provision is effective for annuities payable 1-1-84 and later. Prior to that, a surviving divorced spouse who remarried after her (his) divorce from the employee could not be eligible for an annuity unless the later marriage(s) had terminated. If a surviving divorced spouse's annuity was terminated because (s)he remarried, a new application is required for her or him to be reentitled 1-1-84 or later.

- have been married to the employee for a period of 10 years immediately before the date the final divorce became effective (Note: For entitlement 1/1991 or later, a “deemed” marriage satisfies the 10- year duration of marriage requirement for divorced spouses); and

The 10-year marriage requirement is met if the divorce became final on or after the 10th anniversary of their marriage.

Even if this period was interrupted by a divorce, the requirement is met as long as (s)he and the employee remarried and the remarriage took place no later than the calendar year immediately following the calendar year of the divorce. For example, if the applicant and the employee were married on 8-9-45, were divorced on 5-22-50, remarried on 9-15-51 and were divorced again on 12-1-55, she may qualify as a surviving divorced spouse. If the remarriage took place in 1952, she would not meet the 10-year marriage requirement.

If, at the employee's death, the divorce had not become effective so as to finally dissolve the marriage, the applicant may qualify as a widow(er) rather than as a surviving divorced spouse.

C. SS ENT - The SS entitlement requirements are explained in FOM1 405.10.1(E)

2.1.105 Filing

To be entitled to a surviving divorced spouse's annuity the applicant must:

- meet the eligibility requirements outlined in RCM 2.1.104.
- file an application, unless
- (s)he was entitled to a divorced spouse's annuity in the month before the month the employee died;
- (s)he was entitled to a surviving divorced mother's (father's) annuity when (s)he no longer has a child in care or when (s)he attains full retirement age;
- (s)he was entitled to an annuity based on disability in the month before the month (s)he attains full retirement age.

Applicants for a surviving divorced spouse's annuity will file an AA-17.

2.1.106 Beginning Date

The beginning date and retroactivity of a surviving divorced spouse annuity is explained in FOM-I-111.20, FOM-I-111.51 and FOM-I-112.9.2.

2.1.107 Surviving Divorced Spouse Also Entitled To Other RR Act Annuity

A. Entitled to Retirement Annuity - A surviving divorced spouse may receive both a surviving divorced spouse's annuity and a retirement annuity under the RR Act, but the surviving divorced spouse's annuity must be reduced for the net tier I amount of the employee annuity.

B. Entitled to 1974 Act Spouse's, Widow's or Parent's Annuity - If the surviving divorced spouse annuity is larger, entitlement to the other annuity exists; however, it is not payable. If the surviving divorced spouse annuity is smaller, no entitlement exists and the annuity should be terminated using code 46, or denied as appropriate. Any overpayment should be recovered from the 74 Act annuity.

If the 74 Act Annuity terminates and the surviving divorced spouse annuity is payable, a new application will be required.

NOTE: The surviving divorced spouse cannot elect to receive the smaller 1981 Act annuity as there is no entitlement.

C. More than One Surviving Divorced Spouse, Remarried Widow(er), Surviving Divorced Parent or Divorced Spouse Annuity Involved - If an individual files for more than one of these annuities, (s)he is only entitled to the larger annuity. Therefore, deny the smaller annuity per usual procedure.

2.1.108 RLS Previously Paid

A. No Election - If the RLS was previously paid to a surviving divorced spouse without an election, (s)he can be paid a monthly annuity as a surviving divorced spouse. However, the RLS must be recovered before the surviving divorced spouse's annuity can be paid.

If the RLS was paid to more than one person, only recover the share paid to the person now eligible for the surviving divorced spouse's annuity.

If the RLS was paid to someone other than the surviving divorced spouse, do not recover the RLS.

If the surviving divorced spouse's annuity is being withheld to recover the RLS, and the annuitant dies before the RLS is recovered, do not consider the amount of the RLS that has not been recovered to be an overpayment.

If recovery of the RLS by full withholding will take longer than 4 years, the surviving divorced spouse should be given the option of canceling her (his) application or making a cash refund in the amount of the RLS. A signed statement from the surviving divorced spouse indicating her (his) choice should be obtained. If (s)he cancels, (s)he should be advised that an application for

Medicare only must be filed in order to qualify for health insurance through RRB at age 65.

B. RLS Elected - If the RLS was previously paid to the widow(er) parent, or surviving divorced spouse based on a valid election, the surviving divorced spouse cannot be paid an annuity. If the employee was insured at SSA on wages alone, the surviving divorced spouse may file for a benefit at SSA.

Prior to the 2-11-1983 legal opinion which stated that an annuity cannot be paid to a surviving divorced spouse if the RLS had previously been elected, surviving divorced spouse benefits were awarded in cases where the RLS was elected and paid. In such cases, the surviving divorced spouse benefits paid were correct.

Payment of the RLS to a remarried widow(er) based on a modified election will not preclude payment of an annuity to the surviving divorced spouse. If the remarried widow is receiving benefit at SSA based on the employee's wages, refer the case to Supervisor-SAS.

2.1.109 When Surviving Divorced Spouse Marries

Effective 1-1-84, if a surviving divorced spouse remarries, her (his) annuity may continue. Prior to 1-1-84, if a surviving divorced spouse remarried, her (his) annuity terminated unless (s)he married an individual entitled to a widow(er)'s, father's/mother's, parent's or childhood disability benefit under the RR Act or SS Act. If a surviving divorced spouse's annuity was terminated because (s)he remarried, a new application is required for her or him to be reentitled 1-1-84 or later.

2.1.110 When Entitlement Ends

The entitlement of a surviving divorced spouse ends the month before the month in which one of the following occurs:

- (s)he dies;
- (s)he becomes entitled to an annuity which is higher than the annuity she is receiving as a surviving divorced spouse;
- she becomes entitled to any social security benefit which reduces the annuity rate to zero and there is no possibility of an ARF increasing the annuity rate above zero.

NOTE: Before 1-1-84, remarriage was a terminating event unless the marriage was to an individual entitled to a widow(er)'s, father's/mother's parent's or childhood disability benefit under the RR Act or SS Act.

2.1.111 Effect Of SS Entitlement On Surviving Divorced Spouse's Annuity

The surviving divorced spouse cannot be entitled to any social security benefit that equals or is larger than the EE's PIA.

A. SS Benefit Exceeds EE's PIA

- If the surviving divorced spouse is entitled to any social security benefit that equals or exceeds the EE's PIA at the time (s)he files for an annuity as a surviving divorced spouse, deny the application.
- If the surviving divorced spouse becomes entitled to a social security benefit that equals or exceeds the employee's PIA after her (his) entitlement as a surviving divorced spouse:
- terminate the surviving divorced spouse's annuity, and
- if applicable, transfer Medicare jurisdiction to SSA, and
- if applicable, transfer the payment certification of social security benefit(s) back to SSA using the PC transfer program.

B. SS Benefit Reduces Rate to Zero but Does Not Cause Non-entitlement - Any RIB/DIB or survivor SS benefit to which the annuitant is entitled is deducted from the annuity. (Refer to the "NOTE" in RCM 2.1.102 for the only exception for reducing for SS entitlement.)

If the surviving divorced spouse is entitled to a social security benefit that is less than the employee's PIA but larger than the age reduced rate and there is the possibility that an age 62 or full retirement age ARF will increase the annuity rate above zero, the applicant is entitled to a zero annuity. (Refer to the G-368.1, item 5d instructions to determine which non-payment months can be counted in applying an ARF to the surviving divorced spouse's annuity.)

When the possibility of an ARF exists, the examiner should process a constructive award and enter a call-up to ARF the case at age 62 and/or full retirement age.

2.1.112 Evidence Requirements

Evidence	**When Required**
Application	Always, except as described in RCM 2.1.105.
Death of employee	Always.

Compensation, Wages and SEI	Always.
Age of surviving divorced spouse	Always.
Marriage	Always.
Age of employee	In “A” cases POA is always required only if the employee's DOB has not been previously verified through submission of the employee’s proof of birth Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.
Legal adoption of child	Only when surviving divorced spouses seeks to qualify on that basis.
Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.
Amount of RRA Employee Annuity	Always.
Amount of SS Benefits	If surviving divorced spouse is age 62 or older or is under age62 and has indicated filing for benefits at SSA.
M/S	Only when employee's M/S after1936 would be creditable under the RR Act or SS Act.
Termination of Prior Marriage	If there is reasonable doubt whether prior marriage of employee or surviving divorced spouse was ended.
Proof of divorce from EE	Always.
Proof of termination of remarriage	If the surviving divorced spouse had remarried after her(his) divorce from the EE or if (s)he remarried after her (his) initial entitlement to a surviving divorced spouse's annuity and her (his) annuity terminated.
Public pension information	Always.

2.1.113 Annuities That May Be Converted To A Surviving Divorced Spouse's Annuity

There are two types of annuities that may be converted to a surviving divorced spouse's annuity: a divorced spouse's annuity and a surviving divorced mother's/father's annuity. Prior to August 1, 1990, only the conversion from a divorced spouse's annuity requires the filing of an application (G-476c) and proof of the employee's death. Effective August 1, 1990, the conversion from a divorced spouse's annuity no longer requires the filing of an application. The only verification needed is proof of the employee's death.

2.1.114 Divorced Spouse On The Rolls When EE Dies

The conversion from divorced spouse to surviving divorced spouse will be handled in the same way as a spouse-to-widow conversion except that payment will be made manually. So that (s)he may continue to receive benefits without interruption, the surviving divorced spouse of a completely insured annuitant is deemed to have filed an application for a surviving divorced spouse annuity. (S)he continues to receive the divorced spouse annuity until the surviving divorced spouse annuity is awarded, unless evidence in file creates doubt as to eligiblility for a surviving divorced spouse's annuity.

When the surviving divorced spouse annuity is ready to be processed, terminate the divorced spouse's annuity. Recover the divorced spouse annuity payments made after the employee's death from the surviving divorced spouse's annuity accrual and then award the surviving divorced spouse annuity.

2.1.115 Surviving Divorced Mother's/Father's Annuity In Force When Surviving Divorced Mother (Father) Attains Age 60

When a surviving divorced mother (father) attains age 60, (s)he continues to receive a surviving divorced mother's (father's) annuity until the earlier of the following:

- the first of the month in which (s)he does not have a child under age 16 in her (his) care; or
- the first of the month in which she attains full retirement age.

(Exception: If a surviving divorced mother (father) who does not meet the 10-year marriage requirement has a child under age 16 or over age 16 and disabled in her care when (s)he attains full retirement age her (his) annuity may continue.)

At that time the surviving divorced mother's annuity is converted to a surviving divorced spouse's annuity, provided (s)he meets the 10-year marriage requirement.

For additional information see RCM 2.3.114.

2.1.116 Disabled Surviving Divorced Spouse Attains Age 60

Under SS Act rules a disabled surviving divorced spouse's annuity is not considered an age annuity until (s)he attains full retirement age.

When a disabled surviving divorced spouse on the rolls attains full retirement age, her (his) annuity is not actually converted to a surviving divorced spouse's annuity. The award form symbol remains "KR" or "KA" as long as (s)he is entitled under the application on which the disabled surviving divorced spouse's annuity was awarded.

Cases in which the disabled surviving divorced spouse's annuity was not payable for some months due to entitlement to a surviving divorced mother's/father's annuity are called up when the surviving divorced spouse attains age 62. At that time adjust the number of reduction months to eliminate those for which a disabled surviving divorced spouse's annuity was not paid and recertify the annuity; however, retain the symbol "KR" or "KA" for the surviving divorced spouse on the recertified award.

2.1.200 Remarried Widow(er)’s Annuity

Under the 1981 Amendments to the RR Act, widow(er)s who have remarried, but who would qualify for widow(er)'s benefits under the SS Act, may qualify for annuities as "remarried widow(er)s".

To qualify as a widow(er) under the SS Act, a widow(er) must be remarried. If a widow(er) remarries after age 60 that marriage is deemed not to have occurred and widow(er)'s benefits may continue.

The 1981 Amendments provided eligibility to these two categories of remarried widow(er)s/widow(er) who remarried after the employee's death but are now unmarried, and widow(er)s who remarried after age 60.

Young mothers or fathers who have remarried but are now unmarried or who, after their entitlement, marry an individual entitled to certain types of benefits may also qualify as remarried young mothers or fathers (see RCM 2.3.200 et seq.)

The 1983 SS Act Amendments provide that if a surviving divorced spouse remarries after age 60 that marriage is deemed not to have occurred. In addition, if a widow or surviving divorced spouse remarries after age 50 that marriage is deemed not to have occurred if (s)he was entitled to disability benefits before the marriage occurred. If a disabled widow(er) or disabled surviving divorced spouse remarries after age 50 and after becoming disabled (i.e., after the disability onset date) that marriage is deemed not to have occurred.

2.1.201Remarried Widow(er) Defined

A remarried widow(er) is the surviving legal or de facto wife or husband of a deceased employee who remarried after the employee's death but is now unmarried unless that

marriage took place after (s)he attained age 60 or after (s)he attained age 50 if (s)he was entitled to a disabled widow(er)'s annuity at the time of remarriage.

(A) Widow remarried before age 60 but is now unmarried. It does not matter how her (his) marriage(s) after the employee's death ended as long as (s)he is now unmarried.

Example 1: Employee dies. Widow remarries at age 45. Her second husband dies. She is eligible at age 60 for a remarried widow's annuity.

Example 2: Employee dies. Widow remarries. She and her second husband get a divorce. She is eligible at age 60 for a remarried widow's annuity.

(B) Widow remarried after age 60.

A widow(er) who remarried after age 60 may be married at the time (s)he files or, if (s)he is receiving a widow(er)'s annuity when she remarries, her (his) widow(er)'s annuity ends and (s)he will be entitled to further benefits as a remarried widow(er).

Example 1: Widow has been receiving a widow's annuity since 6-79. She remarries in 3-82 at 64. Her widow's annuity ends in 2-82 and she is entitled to a remarried widow's annuity in 3-82.

Example 2: Widow was receiving a widow's annuity until 3-80 when she remarried. She was 62 when she remarried. She may qualify as a remarried widow effective 10-81.

(C) Widow remarried after age 50 and was entitled to a disabled widow's annuity when the marriage occurred.

A widow(er) who was previously entitled as a disabled widow(er), remarried after age 50 and after (s)he became entitled to a disabled widow(er)'s annuity, and subsequently lost entitlement may file at age 60 for an annuity as a remarried widow.

Example: Widow became entitled as a disabled widow at age 51 in 6-2006. She recovered from her disability and her disabled widow's annuity terminated in 5-2010. She remarried in 3-2009. She may file for a remarried widow's annuity at age 60 since her marriage took place after age 50 and she was entitled to a disabled widow's benefit when the marriage occurred.

2.1.202 Amount of Remarried Widow(er)’s Annuity

The annuity consists of a tier I component only. It is equal to a 100% share of the EE's PIA or maximum based on combined wages and compensation after 1936 reduced for the number of months the remarried widow(er) is under full retirement age.

If the remarried widow(er) was previously entitled to an age reduced or disabled widow(er)'s annuity, her (his) remarried widow(er)'s annuity will also be age reduced (even if (s)he is full retirement age at the time (s)he becomes entitled as a remarried widow(er)) and the age reduction will be based on the number of months (s)he is under full retirement age on the beginning date of her (his) widow(er)'s annuity.

Payment of the tier I benefit may be affected by certain SSA nonpayment provisions. Refer to RAC any cases in which alien nonpayment provisions, conviction for subversive activities, deportation, (including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II), or other nonpayment provisions of the SS Act are involved. (See the appropriate survivor benefit section of the POMS for nonpayment provision details.)

The tier 1 amount is reduced by the following:

1. Social Security Benefits

    - The amount of any SS RIB/DIB, and

    - For remarried widow(er)s annuities awarded on August 12, 1983 or later, the amount of any social security benefit.

    NOTE: In any case where the remarried widow(er)'s annuity was awarded prior to August 12, 1983, no reduction should be made in the annuity for any social security benefit other than one based on old age or disability, i.e., RIB or DIB.

2. Railroad Retirement Employee Annuity

    - Net Tier 1 - If either the employee or the remarried widow(er) had railroad earnings prior to 1975, the net tier I amount of any RR retirement EE annuity to which the remarried widow(er) is entitled. (If the remarried widow(er) becomes entitled to an RR spouse annuity or is entitled to two remarried widow(er)'s annuities only the higher of the two annuities is payable. See RCM 2.1.208.)

    - Total Employee Annuity - If neither the employee nor the remarried widow(er) had railroad earnings prior to 1975, the tier 1 of the remarried widow(er)'s annuity will be reduced by the total employee annuity to which the remarried widow(er) is entitled (net tier 1, net tier 2 and vested dual benefit).

3. Public Service Pensions

    - Two-thirds of the amount of any public pension if first eligible for a public pension effective 12-84 or later. (See RCM 2.1.300-2.1.314 for further information on public service pensions.)

2.1.203 Annuity Rate Is Zero

If the remarried widow(er) is entitled to any social security benefit or a combination of social security benefits which reduces the annuity rate to zero and there is no possibility of an ARF which will increase the rate above zero, (s)he cannot be eligible for an annuity as a remarried widow(er). In initial cases, the application must be denied (see RCM 2.1.204(C)). The RLS or LSDP may be paid if there is someone eligible to receive it. In post cases, the annuity must be terminated code 46 due to non-entitlement, and if applicable, certification of payment of social security benefits must be returned to SSA.

If the remarried widow(er) is entitled to an employee annuity, public service pension or SS benefit(s) which reduces her (his) rate to zero and there is no possibility of an ARF increasing the rate above zero, the RLS may be paid if there are no other beneficiaries who are or will be entitled to monthly benefits and there is someone eligible to receive it.

If the remarried widow is entitled to an employee annuity, public service pension or SS benefit that reduces her (his) annuity rate to zero and, an ARF at age 62 and/or full retirement age ARF will increase the annuity rate above zero, the following action will be taken:

- In initial cases prepare a constructive award. Advise the applicant that (s)he is entitled to an annuity but the annuity rate is zero and why. Explain that (s) he will be eligible for Medicare at age 65 and enter an age 62 and/or full retirement age ARF tickler call-up, whichever is applicable. If the annuity later terminates, notify Policy and Systems-Compensation and Employer Services (P&S-CESC) using Form G-59.

- In post cases, suspend using FAST S/T code 54 and enter an age 62 and/or full retirement age ARF tickler call-up, whichever is applicable. If the annuity later terminates, notify P&S-CESC using Form G-59.

However, if the remarried widow(er) is entitled to any social security benefit that is less than the employee's PIA but larger than her (his) age reduced rate and there is the possibility that an age 62 and/or full retirement age ARF will increase the annuity rate above zero, (s)he is entitled to an annuity as a remarried widow(er) but her (his) current annuity rate is zero. Enter an age 62 and/or full retirement age ARF tickler call-up, whichever is applicable.

NOTE: A remarried widow can be ARFed for non-payment months due to reduction for SS entitlement.

2.1.204 Eligibility Requirements

The eligibility requirements for the remarried widow is explained in FOM1 405.10.1 [redacted] and FOM1 405.10.2[redacted].

2.1.205 When Application Required

To be initially entitled as a remarried widow(er) the applicant must:

- meet the eligibility requirements outlined above.
- file an application (AA-17).

No application will be required for a remarried widow(er)'s annuity if the individual is entitled to a widow(er)'s annuity in the month of remarriage.

2.1.206 Beginning Date

A. Not Previously Entitled to a Widow(er)'s Annuity - The annuity of a remarried widow(er) who was not previously entitled to a widow(er)'s annuity begins on the latest of the following:

1. If (s)he is full retirement age or over in the month of filing:

- 10-1-81; or
- the first day of the month in which the employee died; or
- first day of the month (s)he attains full retirement age or (for filing) dates of July 1983 or later) the first day of the month preceding the month remarried widow(er) attains full retirement age if the employee died in that preceding month; or
- first day of the sixth month before the month of filing (e.g., if the applicant filed in August her (his) annuity may begin in February).
- first day of the month in which her (his) marriage ends, if (s)he remarried before age 60.

2. If (s)he is under age full retirement age in the month of filing:

- the first day of the month in which the EE died;
- 10-1-81; or
- first day of the month (s)he attains age 60; or
- first day of the month of filing, or (for filing dates of July 1983 or later) the first day of the month preceding the month of filing if the employee died in that preceding month; or

- first day of the month in which her (his) marriage ends, if (s)he remarried before age 60.

B. Previous Entitled to a Widow(er)'s Annuity - The annuity of a remarried widow(er) who was previously entitled to a widow(er)'s or disabled widow(er)'s annuity begins on the latest of the following:

- the first day of the month in which the EE died;
- 10-1-81; or
- first day of the month of remarriage; or
- first day of the sixth month before the month of filing. (NOTE: Even if the remarried widow(er)'s annuity is age reduced, it can retroact six months since the age reduction is fixed by the beginning date of the widow(er)'s annuity.)
- 1-1-84, if (s)he remarried before attaining age 60 and after attaining age 50 and was disabled before the marriage occurred.

2.1.207 Earnings Restrictions

A remarried widow under age 70 is subject to regular survivor earnings restrictions.

2.1.208 Remarried Widow(er) Also Entitled To Other RR Act Annuity

A. Entitled to RR Act Retirement Annuity - A remarried widow(er) may receive both a remarried widow(er)'s annuity and a retirement annuity under the RR Act, but the remarried widow(er)'s annuity must be reduced for the EE tier I amount as defined in RCM 8.9 G-364.1 item 86 instructions.

B. Entitled to 1974 RR Act Spouse Widow(er)'s or Parent's Annuity - If the remarried widow(er)'s annuity is larger, entitlement to the other annuity exists; however, it is not payable. If the remarried widow(er)'s annuity is smaller, no entitlement exists and the annuity should be terminated using code 46, or denied as appropriate. Any overpayment should be recovered from the 74 Act annuity.

If the 74 Act annuity terminates and the remarried widow's benefit is payable, a new application will be required.

NOTE 1: The remarried widow cannot elect to receive the smaller 1981 Act annuity as there is no entitlement.

NOTE 2: When the RIB is greater than the 1981 Act annuity the 1974 Act annuity would still be payable.

C. More than One Surviving Divorced Spouse, Remarried Widow(er), Surviving Divorced Parent or Divorced Spouse Involved - If an individual files for more than one of these annuities, (s)he is only entitled to the larger annuity. Therefore, deny the smaller annuity per usual procedure.

2.1.209 RLS Previously Paid

A. No Election or Modified Election Filed - If the RLS was previously paid to a remarried widow(er) either without an election or with a modified election, (s)he can be paid a monthly annuity as a remarried widow(er). However, the RLS must be recovered before the remarried widow(er)'s annuity can be paid.

If the RLS was paid to more than one person, only recover the share paid to the person now eligible for the remarried widow(er)'s annuity.

If the RLS was paid to someone other than the remarried widow(er), do not recover the RLS.

If the remarried widow(er)'s annuity is being withheld to recover the RLS, and the annuitant dies before the RLS is recovered, do not consider the amount of the RLS that has not been recovered to be an overpayment.

If RLS recovery by full withholding will take longer than 4 years, the remarried widow(er) should be given the option of canceling her (his) application or making a cash refund in the amount of the RLS. A signed statement from the remarried widow(er) indicating her (his) choice should be obtained. If (s)he cancels, (s)he should be advised that an application for Medicare only must be filed in order to qualify for health insurance through RRB at FRA.

If an applicant for a remarried widow(er)'s annuity signed a modified election and is receiving a widow(er)'s benefit at SSA on the basis of the employee's wages only, refer the case to SAS.

B. Election Filed - If the remarried widow(er) previously elected and was paid the RLS, her application for a remarried widow(er)'s annuity must be denied. By electing the RLS, (s)he agreed to give the rights to future benefits under the RR Act. However, (s)he may qualify for a benefit at SSA if the employee was insured under the SS Act solely on the basis of wages.

2.1.210 When Entitlement Ends

The entitlement of a remarried widow(er) ends the month before the month in which one of the following occurs:

- (s)he dies;

- (s)he becomes entitled to any social security benefit which equals or exceeds the employee's PIA and reduces the annuity amount to zero;

- (s)he becomes entitled to a railroad spouse or widow(er)'s annuity which is higher than the annuity (s)he is receiving as a remarried widow(er).

2.1.211 Effect Of SS Entitlement On Remarried Widow(er)'s Annuity

The remarried widow(er) cannot be entitled to any social security benefit that equals or is larger than the employee's.

A. SS Benefit Exceeds EE's PIA

- If the remarried widow(er) is entitled to any social security benefit that equals or exceeds the EE's PIA at the time (s)he files for an annuity as a remarried widow(er), deny the application.

- If the remarried widow(er) becomes entitled to a social security benefit that equals or exceeds the employee's PIA after her (his) entitlement as a remarried widow(er):

- terminate the remarried widow(er)'s annuity, and

- if applicable, transfer Medicare jurisdiction to SSA, and

- if applicable, transfer payment certification of social security benefit back to SSA using the PC transfer program.

B. SS Benefit Reduces Rate to Zero But Does Not Cause Non-Entitlement

Any RIB/DIB or survivor SS benefit to which the remarried widow(er) is entitled to is deducted from the annuity. (Refer to the "NOTE" in RCM 2.1.202 for the only exception for reducing for SS entitlement.)

If the remarried widow(er) is entitled to a social security benefit that is less than the employee's PIA but larger than the age reduced rate and there is the possibility that an age 62 or full retirement age ARF will increase the rate above zero, the applicant is entitled to a zero annuity. (Refer to the G-368.1, item 5d instructions to determine which non-payment can be counted in applying an ARF to the remarried widow(er)'s annuity.)

When the possibility of an ARF exists, the examiner should process a constructive award and enter a call-up to ARF the case at age 62 and/or full retirement age.

2.1.212 Evidence Requirements

Evidence	When Required
Application	Always, unless the remarried widow(er) was entitled to a widow(er)'s annuity in the month (s)he remarried.
Death of employee	Always.
Compensation, Wages and SEI	Always.
Age of remarried widow(er)	Always.
Marriage	Always.
Proof of termination of remarriage	If widow(er) remarried before age 60.
Proof of remarriage	If widow(er) was not previously entitled to widow(er)'s benefits after (s)he attained age 60 (to verify that the remarriage occurred after age 60).
Age of employee	In “A” cases POA is always required only if the employee's DOB has not been previously verified through submission of the employee’s proof of birth Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.
Legal adoption of child	Only when remarried widow(er) seeks to qualify on that basis.
Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.
Amount of RR Employee Annuity	Always.
Amount of SS Benefit	If remarried widow(er) is age 62 or older or is under age 62 and has indicated filing for benefits at SSA.

M/S	Only when employee's M/S after 1936 would be creditable under the RR Act or SS Act.
Termination of prior marriage	If there is reasonable doubt whether a prior marriage of employee or remarried widow(er) was ended.
Public pension information	Always.

2.1.213 Widow(er) Currently On The Rolls Remarries

If an aged widow(er) currently on the rolls remarries, her (his) widow(er)'s annuity terminates, but (s)he may be entitled to further benefits as a remarried widow(er) since (s)he will have remarried after age 60.

A. Handling - When notice is received that the widow(er) has married, terminate the widow(er)'s annuity. Use code 44 on FAST/S-T.

- If (s)he is entitled to a remarried widow(er)'s annuity, compute the amount of the remarried widow(er)'s annuity and reinstate benefits under the new beneficiary symbol and payee code. If (s)he is entitled to an SS benefit, allow that benefit to continue under the widow(er)'s claim number.

- If (s)he is not entitled to a remarried widow(er)'s annuity (e.g., her (his) RIB exceeds the EE's PIA), transfer payment of her (his) SS benefit to SSA as described in SSC Procedures sec. 1000 et seq.)

- If (s)he is entitled to a zero annuity, handle according to the instructions in RCM 2.1.203.

B. Overpayment Involved

- If checks have been released for any month in which there is no entitlement, ask for the gross amount back according to current overpayment procedures.

- If there is entitlement to a remarried widow(er)'s annuity for a month for which a not-due payment of her (his) widow(er)'s annuity was made, withhold the accrual to recover her (his) widow(er)'s annuity overpayment, start benefits in the current month, and follow due process procedures to recover the remaining overpayment.

2.1.214 Remarried Young Mother's/Father's Annuity In Force When Remarried Young Mother/Father Attains Age 60

When the remarried young mother/father attains age 60, (s)he continues to receive a remarried young mother's/father's annuity until the earlier of the following:

- first of the month in which a child under age 16 is not in care; or
- first of the month (s)he attains full retirement age.
- At this time the remarried young mother's/father's annuity is converted to a remarried widow(er)'s annuity. For additional information regarding the conversion, refer to RCM 2.3.213.

2.1.215 Remarried Disabled Widow(Er) Attains Age 60

Under the SS Act rules a disabled remarried widow(er)'s annuity is not considered an age annuity until (s)he attains full retirement age.

When a remarried disabled widow(er) on the rolls attains full retirement age, her (his) annuity is not converted to a remarried widow(er)'s annuity. The widow(er)'s award form symbol remains "RR" or "RA" as long as (s)he is entitled under the application on which the disabled remarried widow(er)'s application was awarded.

Cases in which the disabled remarried widow(er)'s annuity was not payable due to entitlement to a remarried young mother's annuity are called up when the widow(er) attained age 62. At that time, adjust the number of reduction months to eliminate those for which a disabled remarried widow's annuity was not paid and recertify the annuity. Retain the symbol "RR" or "RA" for the remarried widow(er) on the recertified award.

2.1.300 Public Service Pensions

The 1977 SS Act Amendments provided that individuals receiving both an SS widow(er) benefit and a pension based on their own public service (i.e., government) employment may have their SS benefit reduced by the amount of their public service pension. The purpose of the public pension offset was to ensure that these individuals would not receive a combined monthly benefit greater than the monthly benefit received by individuals getting both an SS widow(er) benefit and a RIB/DIB based on their own employment.

The 1983 SS Act Amendments changed the public pension offset amount from the full amount of the public service pension to two-thirds of the pension amount.

Because the widow(er)’s tier I is computed like an SS Act benefit, we must reduce it for the public service pension just as SSA would.

2.1.301 When Public Service Pension Provisions Apply

Unless the conditions for exception to the public service offset as explained in 2.1.312 are met, tier I must be reduced for any public service pension (PSP) when a pension is payable based on her own employment by a unit of the Federal, state or local government; and:

The individual is entitled to an RR Act widow(er)-type annuity based on an application filed on or after December 1, 1977; and

FICA taxes were not deducted from the employment on which the pension is based as defined in RCM 2.1.310.

NOTE: If an individual converts from one type to another and no application is required, an individual is not subject to offset if her prior entitlement was based on an application filed prior to December 1977.

2.1.302 "Public Service" Defined

Public service means service performed for the U.S. government, a state government or any political subdivision of a state, such as a city, county, town, township, village, school or sanitation district. Service for the government of a foreign country or any political subdivision in not included. The definition of "state" includes the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and American Samoa.

Interstate instrumentalities (i.e., an instrumentality of two or more states organized as a body corporate) are not considered public service for reduction purposes.

2.1.303 "Pension" Defined

A public service pension means any periodic benefit, or lump-sum payment made in lieu of a periodic benefit, payable to an individual because of her own employment with a Federal, state or local government unit. A pension is a payment based on earnings from employment and, as such, includes both retirement pensions (based on age and service) and disability pensions. The program under which the pension is paid does not have to be administered by the government entity by which the individual was employed; it may be administered by a different government agency or a private insurance company.

Full salary benefits paid to a retired or resigned judge under the Federal Judiciary Retirement System are considered public service pensions.

2.1.304 Payments Not Considered a PSP

The following types of payments are not considered Public Service Pensions for offset purposes:

- Lump-Sum Payments - A lump-sum payment that is actually a refund of the individual’s contributions plus interest is not a pension for offset purposes.

- Periodic Benefits - Periodic benefits that are not considered pensions for reduction purposes are: payments under the Federal Employee ’s Compensation Act (Office of

Worker's Compensation Programs); black lung benefits; Railroad Retirement annuities; Social Security benefits; and VA payments of any kind.

- Military Service Pensions - Effective 1-95, military service pensions are also excluded from PSP offset. If a PSP offset was deducted before January 1995, it should have been removed effective January 1, 1995.

  Before 1-95, the PSP offset would not apply if the last day of employment in active military service was after 1956. However, if active duty after 1956 was not used to determine the pension or if the last day of service on which the pension is based was non-active duty reserve time, the MS pension will cause a PSP offset. All MS pensions which began before 1957 will cause a PSP offset, even though the individual may have received gratuitous SS wage credits for the pre-57 MS.

- Worker's Compensation Payments - Payments made under a specific Federal or state law which would cause an offset against disability benefits at SSA are not considered pensions for reduction purposes. However, periodic benefits made to state and local government employees because of work-related injury or disease (i.e., payments in lieu of worker's compensation) may not be exempt for reduction purposes. If such a case comes to your attention, refer it to Policy and Systems/RAC for handling.

2.1.310 Exemption Based on FICA Coverage

A. Employed by Federal Government.--If, on the last day of employment, the widow(er) was employed by the federal government, use this chart to determine if the PSP offset applies.

FICA Deductions Claimed	**FERS Elected Before 7-1-1988**	**FERS Elected in 1998**	**Action to Be Taken**
Yes	No	No	The record should show that Federal employment began after 12/31/83. If the claim is supported, do not apply the PSP offset. If not, contact the F/O and have the widow secure proof.
Yes	Yes	No	If the record shows that SS deductions were made on the date last worked, do not apply the offset. If the earnings are shown under MQGE-non-covered or Medicare Total, apply the reduction.

No	No	No	Apply the PSP reduction.
Yes	No	Yes	If the records show that SS deductions were made for 60 or more months after FERS was elected and before the OBD, do not apply the PSP offset.

Federal employees who receive a pension under the CSRS Offset retirement plan are in a unique class. In order to receive a CSRS Offset pension, the widow(er) must have been an employee of the federal government before 1983, had a break in service of at least 365 days and then returned to federal service after 12-1-83.

Note: Federal employment covered by Medicare only will not exempt the person from PSP offset.

B. Employed by State or Local Government.--If, on the last day of employment, the widow(er) was employed by a state or local agency, determine if the PSP offset applies using the following instructions:

1. The widow(er)'s exemption is determined under P,L.108-203. P.L.108-203, enacted on March 2, 2004, changed the requirements for exemption from the PSP offset.

   If the widow(er)'s application is filed after March 2004 and the last day of public service employment is after June 30, 2004, FICA taxes must have been deducted from the public service wages for the last 60 months of employment. If not, the PSP offset applies.

   NOTE: If a determination is being made for a widow(er) who was initially paid as a spouse and entitlement was continuous, use the filing date of the spouse application to determine if P.L.108-203 applies

Grandfather Provision

P.L.108-203 includes a grandfather provision to lessen the impact on public service employees who will retire within the next 5 years. Under this provision, any months before March 2004 in which FICA taxes were deducted from the public service wages are subtracted from the 60 months needed for exemption. They need not be continuous. A maximum of 59 months can be subtracted. The months of FICA covered service necessary to fulfill the 60-month period must be continuous and include the last month of public service employment.

Example: Ms. Jones was working for a state agency in March 2004. FICA taxes were not being deducted from her wages. For 12 months in 1997 and 3 months in 2002, she worked under the same retirement plan and FICA taxes were deducted.

Because FICA taxes were previously deducted for 15 months, the requirement that her last 60 months of public service employment have FICA deductions is reduced. Only the last 45 months of her public service employment must have FICA deductions.

The grandfather provision cannot apply if the applicant's day last worked is after March 2, 2009.

2. If the widow(er)'s application was filed before April 2004 or the last day of public service employment is before July 1, 2004, exemption is determined under the 1977 Social Security Act Amendments. Under these amendments, a widow(er) employed by a state or local agency was exempt from offset if FICA taxes were deducted on the last day of employment. Last day of employment is defined in the next section.

2.1.311 Last Day of Employment Defined

The last day of employment is usually the same as the "last day worked" or the official "termination date." It is not the same as the last day worked when the position held on the last day worked is not covered under the pension plan. Do not develop the last day of employment unless there is reason to believe that the date furnished is incorrect.

These situations may require development:

- The individual terminates employment in a position covered by a pension plan but not covered under the SS Act, and then returns to work for the same employer in a position not covered by a pension plan, but covered under SSA (e.g., a part-time position). Since the pension would not be based on any of the employment covered under the SS Act, the individual would be subject to reduction; or

- The individual terminates employment in a position covered by a pension plan but not covered under the SS Act, and then returns to work for the same employer in a position covered by the same pension plan and covered under SSA. Since the pension is based on employment covered under the SS Act, the offset will not apply; or

- NOTE: This situation applies primarily to school teachers. Their teaching jobs were not covered under social security. On or after their last day of teaching, they worked at a non-teaching position that was covered under both the teacher retirement system and Social Security. The Office of the General Counsel has determined that if the last day of employment is covered under the SS Act and is used to compute the pension, the PSP offset will not apply. The length of employment in the second position does not matter.

- The individual is transferred by his or her employer from a position not covered by SS to a position which is covered by SS. If only the position not covered by SS was covered under the pension plan, the individual's last day of employment is the last day she held the non-covered position. Since that position was not covered under the SS, the offset would apply.

- If, however, both positions were covered under the pension plan, the individual would be exempt from PSP reduction because the position held was covered under SS on the last day of employment; or

- The individual holds a second job with the same employer for whom she is working full-time in a position covered by a pension plan, but not by SS. If the second job (i.e., a part-time position) is covered by SS, but not by the pension plan and the individual ceases employment in both positions on the same day, she would still be subject to reduction for PSP since the pension was based on the full-time position.

2.1.312 Exception to the PSP Provision

Exceptions to the PSP provision were made to lessen the impact on individuals who were within a few years of eligibility to their public service pension at the time of enactment.

Conditions for Exception - Annuities payable for any month after November 1977 will never be subject to reduction for a PSP if at the time of filing the applicant:

1. Could meet the entitlement requirements for an SS widow(er) benefit, as in effect and being administered in January 1977 (if the EE 's RR earnings had been covered under the SS Act); and

2. Is entitled to or eligible for the PSP for any month in the period from December 1977 through November 1982. If the applicant would have been eligible for the PSP before December 1982 except for a requirement which postponed eligibility until the month after the month in which all other requirements were met, the annuity will not be subject to a PSP reduction effective December 1, 1984.

For the purpose of applying this exception, the RRB filing date and OBD are immaterial. The applicant need not file for or become entitled to any annuity prior to December 1982 for it to apply.

In addition, for annuities payable for months after November 1982, the public service pension offset will not apply if the applicant:

1. Is entitled to or eligible for the PSP for any month prior to July 1, 1983; and

2. Was dependent on the employee for one-half support at the employee's tier I beginning date, disability onset date or date of death.

Proof of one-half support guidelines are in RCM 4.7. The usual time limit for filing proof of support does not apply in this situation.

2.1.313 SSA's January 1977 Requirements

To meet the first condition of the exception, all of the requirements necessary for an SS Act widow(er) benefit that were in effect and being administered in January 1977 must be met at the time of filing for an RR Act annuity. The requirements need not have actually been met in January 1977 for this condition to apply. (For example, a widow filing in 1981 must be age 60 in 1987, not 1977.)

Below is a list of survivor beneficiaries who meet the SSA requirements in effect in January 1977:

- Widows
- Dependent Widowers
- Young Mothers/Fathers
- Remarried Widows
- Dependent Remarried Widowers if remarriage occurred after age 60
- Dependent Remarried Widowers
- Surviving Divorced Spouses married to the employee for at least 20 years
- Surviving Divorced Mothers
- Remarried Young Mothers/Fathers

Categories of beneficiaries who do not meet the January 1977 SS requirements and do not qualify for exception in their benefits are:

- Non-dependent Widowers
- Surviving Divorced Husbands
- Surviving Divorced Fathers
- Surviving Divorced Spouses married to the employee for less than 20 years
- Non-dependent Remarried Widowers
- Dependent Remarried Widowers who remarried before age 60

- Non-dependent Remarried Widowers

2.1.314 "Entitled to" Defined

"Entitled to" means that all of the requirements for the pension have been met, the application has been filed and the pension is either being paid or is due to be paid for the month, although payment may not yet have actually been made.

2.1.315 "Eligible For" Defined

"Eligible For" means that the pension would be payable (i.e., all age and service requirements have been met) but the individual has not yet ceased employment for the employer paying the pension or any other employer, and has not filed an application for the pension.

If a widow(er)'s PSP was first payable after November 1982 or July 1983 and she meets the other condition for exception explained above, she must prove that she was eligible for a pension before December 1982 or July 1983 in order to qualify for that exception.

2.1.316 "Eligible For" Provision and Federal Employment

SSA has determined that the following types of Federal employees may qualify for exception under the "eligible for" provision:

- Those who meet the requirements for an "early-out" prior to December 1982 or July 1983 but continue to work after that date.

- Those eligible for a discontinued service annuity (involuntary separation not due to misconduct, at age 50 with 20 years or any age with 25 years) prior to December 1982 or July 1983 regardless of whether they take advantage of it or not; and,

- Those who elected a deferred retirement annuity (stopped Federal employment at an early age knowing they would not be eligible for their pension until age 62) provided age 62 is attained prior to December 1982 or July 1983. This is regardless of whether or not they begin to receive their pension prior to December 1982 or July 1983.

2.1.320 Timetable for Applying the Provision

The PSP reduction provision applies to RRB widow(er) annuitants payable for months after November 1977, based on applications filed December 1, 1977 or later. Specific categories of annuities are affected as follows:

PSP Eligibility/ Entitlement Date	Widow(er)s Subject To PSP Offset	Widow(er)s Exempt From PSP Offset
A. Before12-1-82	Non-Dependent Males Divorced Female Married Less Than 20 Years Divorced Males	Females Divorced Female Married 20 or More Years Dependent Males
B. Before7-1-83	All Non-dependent: Males Females Divorced Males Divorced Females Regardless of Length of Marriage	Beginning with Annuities Payable for months after November 1982, All Dependant: Males Females Divorced Males Divorced Females Regardless of length Of Marriage
C. After6-30-83	All Categories Regardless of Dependency	Widow(er)s who elected FERS during the Open Season which ended 7-1-1988. Widow(er)s who elected FERS during the Open Season which ended 12-31-1998 and worked in covered Federal Employment for 60 months or more after the effective date of the election and before the OBD.

2.1.321 Examiner Action

Take the following actions when handling a case with PSP involvement:

Initial Cases:

1. Review or develop for PSP information;

2. Determine if the employment was "public service";

3. Determine if the pension meets the criteria for reduction;

4. Compare the applicant's PSP statement and SS wage record;

5. Determine the pension amount;

6. Determine the effective date of reduction;

7. Determine if verification of the pension amount is necessary; and

8. Make a SURPASS award.

Post Entitlement Cases - When an annuitant notifies the RRB of receipt of a PSP after she has been receiving an annuity, have the F/O secure a completed Form G-208, "Public Service Pension Questionnaire" and follow the steps 2 through 8 given above.

PSP Offset Does not Apply - If you determine that the widow is entitled to a PSP but exempt from offset, this information must be entered into the PREH record. Take one of the following actions to do this:

Using the PREH On-Line Correction facility, enter a "1" in 3200-PSP-RED-STAT-CD. If the PSP is paid by OPM, enter a "1" in 3200-PSP-SOURCE-CD. If the PSP is not paid by OPM, enter a "2". **OR**,

If award action is necessary, on the TIER 1/RATE DEDUCTION screen, enter a "2" in Select Deduction Type, and a "1" in PSP Reduction STATUS. Enter a "1" in PSP Pay Source if the pension is paid by OPM. Enter a "2" if it is not paid by OPM.

Use the PREH on-line correction facility to keep the Research record up to date whenever a change in PSP rate or entitlement occurs that does not require award activity. Enter the correct offset amount in 3210-PSP-AMT.

2.1.322 PSP Information

PSP information should be handled as follows:

Initial Cases - If PSP information is not submitted with the application, or is incomplete, develop for the information needed through the servicing F/O. A G-208 should be submitted in every case in which the widow(er) is receiving a monthly PSP unless the widow(er) states on the application that she was an employee of a state or local government and FICA taxes were deducted on her last day of employment. Do not delay payment of a case pending receipt of this information if the net tier I without reduction for a PSP equals zero. Continue to control for the outstanding information even after payment, as the PREH record must be notated if a PSP reduction applies. If the net tier I does not equal zero, apply a temporary maximum reduction equal to PIA 1.

See RCM 2.1.327 for how to handle cases with future PSP entitlement.

Post Cases. - The annuitant is responsible for reporting any change in PSP entitlement or amount. If the net tier I rate after the change is not zero, it must be verified. Otherwise the annuitant's signed statement regarding the change will be sufficient. Use

the on-line correction facility to enter the new rate into PREH when no award action is necessary.

Refusal to Furnish Information - When an individual refuses to furnish information about the receipt of a PSP or the pension amount, apply a total tier I offset equal to PIA 1.

2.1.323 Comparing Applicant's Statement with the Earnings Record

When determining whether or not a case should be reduced for a PSP, always compare the applicant's allegation regarding SS coverage with the SS earnings posted on the AUX G-90. The AUX G-90 can be viewed on-line through SURPASS. If the AUX G-90 is not on SURPASS or gives insufficient information, request a DEQY.

Employed by State or Local Government.--If, on the last day of employment, the widow(er) was employed by a state or local government, use this chart to determine if the PSP offset applies.

SS Deductions Claimed	Action to Be Taken
Yes	If the earnings record shows that SS deductions were made, do not apply the PSP reduction. If the earnings are shown under MQGE-Non-covered or Medicare Total, apply the offset.
Yes	If the wage record does not support the claim, have the F/O contact the widow for verification of coverage.
No	Apply the PSP reduction.

2.1.325 How to Determine the Pension Amount.

For reduction purposes, the pension is the amount payable before deductions for health insurance, allotments, bonds, etc., but after reduction for early retirement or survivor benefits. If the widow(er) is receiving a "Medicare reimbursement, do not include this in the total payable. If the widow(er) receives more than one PSP, add the pensions together to determine the amount of reduction. If the pension is not a multiple of $.10, round it up to the next multiple of $.10.

Periodic Payments.--Because annuities are paid on a monthly basis, the PSP reduction should be based on the monthly rate. Multiply weekly pensions by 4.33 to find the monthly rate. Multiply bi-weekly pensions by 2.166 to find the monthly rate.

Pension Begins on Other than First Day of Month.--If the pension begins on other than the first day of the month, the monthly pension rate should be prorated to equal the exact pension amount payable for that month. Subtract the day on which the pension begins from 31. Multiply the monthly pension rate by this figure and divide the product by 30. Prior to 12/84, use the prorated amount computed above as the PSP reduction for that month. Beginning 12/84 and later, multiply the prorated pension amount by 2/3 to determine the PSP reduction for that month.

Example: The pension begins on 5/10/2005. Multiply the monthly pension rate by 21/30 (31 – 10 = 21 divided by 30), and then multiply this amount by 2/3. Use the result as the PSP reduction amount for the month of May (following normal rounding rules).

Only prorate the pension if it begins on a day other than the first of the month. If the pension increases, adjust tier 1 for the full amount of the increase from the first day of the month in which it becomes payable regardless of the effective date of the increase or the date on which the increase is actually paid.

Lump Sum Payments.--If the lump sum paid was actually a refund of the applicant's contributions plus interest to an employee pension fund, it will not result in offset.

If a lump sum payment was made in place of a periodic benefit for a specific period of time (e.g., 10 years), and the amount of the monthly pension for which it was substituted can be determined based on proof from the applicant or agency, use the determinable amount as the monthly rate for that same period of time. The pension should begin with the month it would have been payable. Enter a call up to remove the reduction at the end of the time period of the annuity it replaced.

If the period of time over which the pension would have been payable is known, but the monthly amount is not determinable, prorate the lump sum over that period of time, beginning with the month the pension would first have become payable.

If the only alternative to a lump sum was a life annuity, and the amount of the life annuity monthly benefit is known, use that amount for reduction purposes.

1) Full Lump Sum Payments: Defined as a lump sum payment in lieu of any periodic payment for a specific period of time (e.g., life), with no additional periodic payments being made. Determine the amount of the monthly pension for which the full lump sum was substituted and for the period of time that it covers. The PSP offset should begin with the month the periodic benefit would have been payable.

If the period of time is known, but the amount is not determinable, prorate the lump sum over that period of time, beginning with the month the pension would first have become payable.

If the only alternative to a lump sum is a life annuity, and the amount of the life annuity monthly benefit is known, use that amount for reduction purposes.

EXAMPLE: The spouse/widow elects a lump sum of $30,000.00 in lieu of periodic payments of $150.00 per month for life. The PSP reduction would be $100.00 (2/3 of $150.00).

If either the monthly reduction amount or period of time cannot be determined, refer to RCM 2.1 Appendix C.

A lump sum payment that is actually only a refund of the employee's contributions to a pension fund, plus interest, is not a PSP for offset purposes.

2) Partial Lump Sum Payments: Defined as a lump sum benefit made in lieu of some part of the periodic payment due for a specified period. These lump sum payments, also known as the partial lump sum option (PLOP), can be elected by the beneficiary and paid ***in addition*** to a reduced periodic benefit. Oftentimes, the beneficiary can choose from a number of PLOP's.

EXAMPLE 1: The widow elected both a survivor option and a PLOP from her public service employer at the time of her retirement. Her periodic PSP would have been $1900 per month had she not chosen either option. Her survivor election reduced her periodic payment to $1700, while her election for a PLOP of $20,000 further reduced her periodic payment to $1500. Because PSP offset is based on a PSP ***after*** reduction for survivor benefits, but ***before*** the PLOP, the $1700 figure would be the basis of the PSP offset (2/3 of $1700 is the PSP offset amount = $1133.40), even though the spouse will be receiving a periodic payment of $1500.

Later increase in periodic rate where PLOP was paid: For the beneficiary who previously elected a PLOP and is now entitled to an increase in the periodic PSP rate, add the amount of the PSP periodic rate increase to the amount of the PSP previously used to determine the PSP for offset purposes.EXAMPLE 2: In the same example as example 1 above, the widow's periodic payment is increased the following year from $1500 to $1550. The basis for the new PSP rate for offset purposes is $50 plus the earlier amount used which includes the amount relinquished for the PLOP). Add $50 to $1700 for the new PSP amount = $1750. 2/3 of $1750 = $1166.70 is the new PSP offset amount, effective with the month of the PSP increase.

3) Teachers Retirement System of Texas (TRS) January 2008 Lump Sum Payment: The TRS paid an extra check in January, 2008 to PSP recipients, who began receiving their PSP prior to January, 2007. The payment represented something of a substitute for a cost-of-living increase for 2007, and was in the amount of the August, 2007 payment, but not to exceed $2400. This one-time payment is treated as a PSP partial lump sum for purposes of PSP offset, and is prorated over the lifetime of the beneficiary for determining the new PSP offset amount effective January, 2008.

RBD/SBD will recompute the PSP offset factoring in the one-time payment prorating it based on the amount of the payment and the spouse/widow's age as of January 1, 2008. Actuarial tables for prorating the partial lump sum can be found in both RCM 1.3

Appendix D, and RCM 2.1 Appendix C. The percentages to use for these cases will be those in the "Factors for Lump Sum Award Dates 6/1/2007 or Later" column.

Steps for determining the January 2008 PSP offset amount is as follows:

Step	***Action***
1	Determine the lump sum amount, which is equal to the August, 2007 PSP rate (use $2400 if the lump sum amount exceeds $2400)
2	Determine the spouse/widow age as of January 1, 2008.
3	Determine the actuarial value from the tables in RCM 1.3 Appendix D or RCM 2.1 Appendix C.
4	Divide the lump sum amount from step 1 by the actuarial value from step 3.
5	Multiply the result from step 4 by 2/3.
6	Round the result from step 5 up to the dime.
7	Add the result from step 6 to the existing PSP offset amount = **the new PSP offset amount.**

Example 1: The widow is receiving a monthly PSP of $645.00 since January 2001 from TRS. The PSP offset is $430.00 (2/3 of $645.00). We assume the one-time payment is in the amount of $645.00 (still in effect August 2007), without evidence to the contrary. The widow is 65 years of age (DOB 5/9/1942) as of January 1, 2008. Divide the pension lump sum amount ($645.00) by the actuarial value in the table corresponding the widow's age on the date of the lump sum payment (123.8), which equals $5.21. Multiply that result by 2/3, which equals $3.47, and round up to the dime ($3.50). Add that amount to the existing PSP offset amount totaling $433.50 ($430.00 + $3.50), as the new PSP offset amount effective January, 2008.

Example 2: The widow is receiving a monthly PSP of $2703.30 since February, 1998 from TRS. Her PSP offset is $1802.20 (2/3 of $2703.30). We assume the one-time payment is in the amount of $2400.00, the maximum. The widow is 72 years of age (DOB- 3/10/1935) as of January 1, 2008. Divide the pension lump sum amount ($2400.00) by the actuarial value in the table corresponding to the widow's age on the date of the lump sum payment (101.2), which equals $23.72. Multiply that result by 2/3, which equals $15.81, and round up to the dime ($15.90). Add that amount to the existing PSP offset amount, totaling $1818.10 ($15.90 + $1802.20), as the new PSP offset amount effective January 1, 2008.

Future PSP offset adjustments

Any future PSP offset adjustment for changes in the PSP after January, 2008 will need to factor in this one-time payment. We are compiling a list of TRS PSP cases in a Word document on the J drive, in the "PSP Texas Teachers" folder. It will serve as an aid to examiners in determining whether a one-time PSP lump sum was paid by TRS under this provision.

While the list may not be all-inclusive, those cases identified by Field Offices this year should be on the list. Examiners should feel free to add cases to the listing, as identified, and then "save" the document to drive J.

If not otherwise available, examiners should be able to determine the amount of the re-computed PSP monthly rate used for PSP offset, by checking PREH screen 3210, page 1 of 2, PSP-AMT effective with the 1/08 date break, multiplying the PSP offset amount by 3/2 and rounding the result down to the dime.

Example: Using the widow in Example 2 above, $1818.10 would be shown on PREH as the PSP offset amount as of January 2008. Multiply $1818.10 x 3/2, and round down to the dime = $2727.10, the PSP rate used as the basis for the PSP offset effective January 2008. If for example, the widow received a $15.00 increase in her periodic monthly PSP (from $2703.30 to $2718.30) effective January 2009, the $15.00 increase would be added to $2727.10 as the new PSP monthly rate ($2742.10). 2/3 of $2742.10 ($1828.10, rounded up from $1828.07) would be the new PSP offset amount effective January 2009.

Tolerance

As the example above shows, the PSP offset amount increase is small for most cases. Consider applying tolerance for any resulting overpayment, when applicable.

2.1.326 How to Determine the Reduction Amount.

Once the pension amount has been determined, compute the reduction amount as follows:

Two-thirds Reduction Effective 12-84 and Later.--Effective 12-1-84, the annuity is reduced by 2/3 of the PSP amount. Multiply the pension amount by .66667. If the product is not a multiple of $.10, round it up to the next higher multiple of $.10.

PSP Eligibility Before 7-1-83.--If the widow(er) was eligible for a public pension before 7-1-83, reduce the annuity by the full amount of the public pension. This is true even if she was not entitled to a public pension until after 7-1-83. The full reduction is reduced to 2/3's effective 12-84.

PSP Eligibility 7-1-83 or Later.--If the widow(er) was first eligible for a public pension 7-1-83 or later, the annuity is reduced by 2/3's of the amount of the public pension. Multiply the pension amount by .66667. The product, if not a multiple of $.10, is rounded to the next higher multiple of $.10.

2.1.327 When to Begin Reducing for PSP.

Apply the reduction as using the following instructions:

Current Entitlement.--Reduce for the PSP beginning with the tier I effective date or the pension beginning date, whichever is later.

If a widow(er) filed on or after 12-1-77 and the OBD is before that date, do not reduce for PSP until 12-1-77.

If a widow(er) filed on or after 12-1-77 and reports receipt of a PSP after she has begun to receive the annuity, recertify the annuity rate, reducing tier I for the PSP effective with the first month for which the pension is payable, but not before December 1977.

Potential Entitlement.--Reduce for potential entitlement only when the widow(er) claims to have already filed an application for the pension. Base the effective date of the PSP on the expected date of receipt and apply a reduction equal to PIA 1. Include paragraph 437 on the award letter.

If the widow(er) has not filed an application for a PSP, set a tickler call-up for one month before the expected date of entitlement (item 16 on the G-208). **Upon receipt of the case, initiate development action through the F/O. Do not suspend or reduce the annuity until development has been completed and a determination has been made.**

2.1.328 Verifying the Pension Amount.

The pension amount should be verified as follows:

When Not to Verify.--Do not verify the pension rate if, after reduction for PSP, age, SS benefit and/or EE annuity, the net tier-one or spouse O/M benefit equals zero. The individual's allegation of the pension payable is sufficient for the purpose of applying total offset.

When to Verify.--Verify the pension rate before initially paying or increasing a net tier-one rate in any annuity reduced for PSP. The net tier-one can increase because of a RECOMP or decrease in PSP or SS benefit rate. Do not verify the rate if the recalculated tier-one remains zero.

Verify the pension rate with a copy of an award notice or other document from the agency issuing the pension

2.1.330 Proofs Needed for Exemption from Offset.

The following gives the evidence needed to exempt the widow(er) from the PSP offset:

Exemption Based on PSP Eligibility Date.--If the applicant claims to have been eligible for the pension before 12-1-82 or 7-1-83, but the pension did not begin until on or after 12-1-82 or 7-1-83, a letter from the employer or pension paying agency showing the date she was first eligible to retire and receive a pension is the desired proof.

Exemption Based on Receiving a CSRS Offset Pension.—The widow(er) must submit a statement from OPM stating that (s)he is receiving a CSRS Offset pension.

Exemption Based on Dependency .--If the applicant could be exempt from the PSP offset because she was dependent on the employee for one-half support and was eligible for the PSP before 7-1-83, she must complete Form G-134, Statement of Contributions and Support. Do not develop for Form G-134 if the applicant is entitled to a 1981 amendment tier II and tier I is reduced to zero by an SS benefit or employee annuity. There is no time limit for proving dependency in order to qualify for this exception.

Exemption Based on FICA Taxes Being Deducted.--If the applicant is receiving a PSP from a State or local employer and claims that FICA taxes were withheld on the day last worked, verify her claim with an AUX Widow Wage Record or a DEQY.

Exemption Based on FICA Taxes Being Deducted on Last Day of Employment.--If the applicant is receiving a PSP from a State employer and claims that FICA taxes were not deducted during the majority of working years but were deducted on the last day of employment, secure proof that FICA taxes were being deducted (e.g., a pay stub) and a statement from the agency paying the pension verifying her claim. It must state that the day last worked is included in the pension computation.

Exemption Based on FERS Election Before 7/1/88.--If the applicant claims to have elected FERS before 7/1/88 secure one of the following:

- An Election of Coverage Form (OPM Form 1555) signed by the claimant, or a statement from OPM, or the employing agency showing a timely or belated election was filed, or
- A FERS annuity statement from OPM showing an annuity commencement date before 1/1/88, or
- A statement from OPM showing an open season election was deemed to have been filed before 7/1/88, or
- A statement from the Merit System Protection Board (MSPB) showing a correction retroactive to 12/31/87 was allowed, or
- A DEQY showing that covered Federal employment began before 1/1/88, or

- A statement from OPM or the employing agency showing the Federal employment was covered under Social Security regulations.

Exemption Based on FERS Election in 1998.--If the applicant claims to have elected FERS in 1998 secure a DEQY showing the 60 months of covered Federal employment. If the DEQY does not prove the applicant's claim, secure one of the following: the following:

- An Election of Coverage Form (OPM Form 1555) signed by the claimant, or a statement from OPM, or the employing agency showing an election was filed, or

- A FERS annuity statement from OPM showing the commencement date, or

- A statement from OPM showing an open season election was filed.

Federal Employee Hired After 12/31/1983.--If the applicant claims to be exempt from offset because she was hired for federal employment after 12/31/1983, use the AUX WID wage record or a DEQY to verify her statement.

State or Local Employees Claiming Exemption Under P.L.108-203.-- If FICA taxes have been continuously deducted from the widow(er)'s wages for at least the last seven years, the claims representative will secure a statement from the employing agency giving this information.

If the applicant is unable to secure a statement, the field office will indicate, on APPLE, that headquarters will secure proof. In this situation, request a DEQY to verify the FICA deductions.

If FICA deductions were not made on a regular basis, a statement from the employing agency detailing the months in which FICA taxes were deducted is needed.

2.1.331 Public Service Pension Monitoring.

Public service pensions are monitored as follows:

Non-OPM Pensions.--The annual COLA operation identifies widow(er)s who are receiving a public service pension with a net tier 1 greater than zero. These cases are referred to the field offices for monitoring.

OPM Pensions.--Federal Public Service Pensions receive a COLA each December. The COLA operation determines the new PSP reduction amount based on the cost-of-living increase payable to federal employees.

Once each year, a match is run to compare our records to OPM's. Refer to RCM 6.8 for instructions on handling referrals generated by this run.

2.1.332 SS Benefits Subject to the PSP Provision

SSA's terminology for PSP reduction is "Government Pension Offset-GPO." When paying an RRB annuitant entitled to an SSA auxiliary or survivor benefit, always check the LAF CODE to determine if a GPO has been applied. If the LAF CODE is "SH," the GPO applies and the benefit is in suspense. When applying the SS reduction in tier I, remember that we only reduce for benefits payable.

Since our PSP reduction provisions are based on the SS Act, the conditions for reduction and exception apply to all auxiliary and survivor SS beneficiaries who filed their applications on or after 12-1-77. A GPO IS NEVER APPLIED TO A RIB OR DIB.

Appendices

Appendix A – Widow(er) Legislative History

Effective Date	Widow(er) Annuity Provision
1-1-47	Unremarried widow of completely insured employee eligible to receive annuity equal to 3/4 basic amount at age 65.
11-1-51	Dependent widower of completely insured employee eligible at age 65.
11-1-51	Benefit increased to full basic amount and Survivor O/M computation introduced. Survivor O/M widow annuity equal to 75% of deceased employee's PIA.
9-1-54	Age requirement for widow(er)s lowered to age 60. Widow(er)'s deemed age 65 for O/M purposes.
9-1-55	Dual benefit reduction in RR formula annuity no longer required.
9-1-57	Not "living with" widow(er)s can be included in Survivor O/M computation.
8-1-61	Widow(er)'s annuity increased to 82-1/2% of deceased employee's PIA..
10-1-61	Remarried widow eligible on second husband's earnings if he dies within one year.
9-1-65	Widow(er) of transitionally insured employee eligible at age 72 (employee is deemed completely insured).
9-1-65	Survivor O/M can include:

	• Unmarried surviving divorced wife (married to employee at least 20 years); • Employee's widow who is now remarried if her remarriage occurred at or after age 60, and employee's widower who is now remarried if he remarried at or after age 62; and • Remarried widow(er) who is now unmarried (age at the time of remarriage is immaterial if the subsequent marriage has terminated).
11-1-66	"Living-with" no longer required to qualify for WIA.
2-1-68	De facto widow(er) eligible for an annuity.
2-1-68	Duration of marriage requirement lowered to 9 months (3 months if death was accidental).
10-5-72	Excluded from survivor O/M are: • Surviving divorced wife; • Remarried widow; and • Remarried widower.
1-1-73	At age 65, widow(er)'s share of deceased employee's PIA increased to 100% before the widow(er) age reduction. Widow(er) deemed age 62 for survivor O/M purposes.
1-1-73	Removal of duration of marriage requirement for accidental or military connected deaths provided that at the time of marriage, the employee could have been reasonably expected to live for at least 9 months.
1-1-75	The 1974 RRA revised the annuity calculation to Tier 1, Tier 2 and Vested Dual Benefit.
	The 1974 RRA did not provide a survivor O/M computation. However, if an IPI had been paid under the 1937 RRA, the additional amount was added to the survivor annutant's tier 2 for conversion cases.
3-1-77	Dependency not a requirement for a widower's annuity.
12-1-77	Non-dependent widowers subject to reduction in tier I for entitlement to a public service pension.

6-1-78	Include DRCs earned by employee in widow(er)'s tier I.
8-13-81	No survivor vested dual benefit (VDB) for those newly entitled to a survivor annuity after this date. However, those already entitled to as survivor annuity could be paid a VDB.
10-1-81	Added: • Surviving divorced spouse annuity at age 60 (tier 1 only); and • Remarried widow(er) annuity (tier 1 only). Legal or de facto widow(er) who remarries after attaining age 60 is eligible. Widow(er) who remarries before age 60 or surviving divorced spouse who remarries at anytime are eligible if marriage terminates. • Surviving divorced spouse married to employee less than 20 years subject to reduction in tier I for entitlement to a public service pension.
6-1-82	Retroactivity of aged widow(er) application limited to six months for tier I.
9-1-83	Retroactivity of tier I and tier II limited for applications filed 9-1-83 or later. Five full month railroad retirement disability waiting period applies for disabled legal or de facto widow(er) applications filed 9-1-83 or later.
1-1-84	Restrictions on remarriage eased for surviving divorced spouse, disabled widow(er), and disabled surviving divorced spouse.
1-1-91	Simultaneous entitlement of legal and defacto widow(er).
1-1-1991	The Omnibus Budget Reconciliation Act (OBRA) of 1990 repealed the more restrictive definition of disability for entitlement to disabled widow(er)'s benefits under the SS Act. Under the new law, vocational factors can also be considered for widow(er)'s remarried widow(er)'s and surviving divorced spouses when rating these individuals for Medicare under the SS Act.
1-1-2001	Definition of “full retirement age” gradually changes from age 65 to age 67 for survivor annuitants born after 1939. This does not affect annuity rates until 1-1-2003.

1-1-2002	Widow(er) may qualify for a survivor annuity based on the earnings record of a deceased employee who had less than 120 months of railroad service, but at least 60 months of railroad service after 1995 and a current connection with the railroad industry. Tier 1 is payable only when the employee had sufficient quarters of coverage based on combined railroad compensation and SSA wages.
2-1-2002	Widow(er) Initial Minimum Amount (WIMA) established for widow(er)'s, disabled widow(er)'s and surviving young mother/father's annuity rates payable from 2-1-2002.

Appendix B - Spouse Minimum Guaranty Amounts (Maximums Only)

Aged Widow's And Widower's Insurance Annuity

Amount	Effective Date
$ 40.00	11-1-51
54.00	9-1-55
59.50	1-1-59
60.50	2-1-59
66.60	6-1-59
69.90	2-1-60
74.80	1-1-65
83.60	1-1-67
92.40	1-1-68
104.50	2-1-68
112.20	1-1-69
138.00	1-1-70
151.70	1-1-71
182.10	9-1-72

188.50	1-1-73
203.30	1-1-74
217.50	3-1-74
225.70	6-1-74
246.95	1-1-75
266.75	6-1-75
283.36	1-1-76
301.51	6-1-76
311.85	1-1-77
330.22	6-1-77
342.32	1-1-78
364.54	6-1-78
376.64	1-1-79
413.93	6-1-79

Appendix C – Determining the PSP Amount When the Widow(er) Receives a Lump-Sum Payment

If the widow(er) receives a lump-sum payment for an unspecified period of time, determine the monthly PSP amount as follows:

1. Divide the lump-sum amount by the factor in the table shown below. Use the value that corresponds to the widow(er)'s age, in years, at the time the lump-sum payment is made.

Age When Lump sum was Paid	Factors for Lump Sum Award Dates 6/1/2011 or Later	Factors for Lump Sum Award Dates 6/1/2007 thru 5/31/2011	Factors for Lump Sum Award Dates 5/31/2007 or Earlier
40 or under	183.1	179.7	172.7

Age When Lump sum was Paid	Factors for Lump Sum Award Dates 6/1/2011 or Later	Factors for Lump Sum Award Dates 6/1/2007 thru 5/31/2011	Factors for Lump Sum Award Dates 5/31/2007 or Earlier
41	181.7	178.3	171.1
42	180.2	176.8	169.3
43	178.6	175.2	167.6
44	177.1	173.6	165.7
45	175.4	172.0	163.8
46	173.7	170.2	161.8
47	171.9	168.4	159.7
48	170.1	166.6	157.6
49	168.2	164.7	155.4
50	166.3	162.7	153.2
51	164.3	160.6	150.8
52	162.2	158.4	148.4
53	160.1	156.2	146.0
54	157.9	153.9	143.5
55	155.6	151.5	140.9
56	153.2	149.0	138.3
57	150.7	146.5	135.6
58	148.2	143.9	132.8
59	145.5	141.2	130.0
60	142.8	138.4	127.2
61	140.1	135.6	124.2

Age When Lump sum was Paid	Factors for Lump Sum Award Dates 6/1/2011 or Later	Factors for Lump Sum Award Dates 6/1/2007 thru 5/31/2011	Factors for Lump Sum Award Dates 5/31/2007 or Earlier
62	137.3	132.8	121.3
63	134.4	129.8	118.2
64	131.4	126.8	115.2
65	128.4	123.8	112.1
66	125.3	120.7	109.1
67	122.1	117.5	106.0
68	118.8	114.4	102.9
69	115.5	111.1	99.8
70	112.2	107.8	96.7
71	108.7	104.5	93.5
72	105.3	101.2	90.4
73	101.8	97.8	87.2
74	98.3	94.4	84.0
75	94.8	91.0	80.9
76	91.2	87.5	77.7
77	87.6	84.0	74.6
78	84.0	80.5	71.6
79	80.4	77.1	68.6
80 or older	76.8	73.6	65.6

2. If after multiplying the PSP rate by 2/3, the result is not a multiple of $.10, round up to the nearest $ .10.

2.3.1 Scope Of Chapter

This chapter contains instructions which are unique to the adjudication of a Widow(er)'s Current Insurance Annuity (WCIA). It does not contain basic instructions which are common to ALL types of widow(er)'s insurance annuities, such as the definition of legal widow(er), defacto widow(er), etc., or procedure for determining a vested dual benefit entitlement. These common instructions are found in RCM 2.1. Various sections of this chapter are cross-referenced to the more detailed instructions in other RCM chapters.

2.3.2 General

A WCIA is payable to the widow(er) of an insured employee only if the widow(er) has in care, a minor or disabled child of the employee who is entitled to a CIA. A child age 18-19 who is a FTS (and is not disabled) does not qualify a widow(er) for a WCIA. Detailed instructions for determining a child's entitlement to a CIA are contained in RCM 2.4.

Generally, the widow(er) remains entitled to the WCIA as long as (s)he has the qualifying child in care, unless (s)he remarries. If the widow(er) remarries, refer to RCM 2.3.210.

2.3.10 Widow(er)'s Current Insurance Annuity

The annuity consists of a tier 1, tier 2, and, if applicable, a vested dual benefit for the widow(er). Refer to RCM 8.9 for detailed computation information.

A. Normal Annuity

1. Tier I Amount - A survivor of an insured employee will receive an amount equal to the amount that would be payable under the Social Security Act based on the employee's combined compensation and wages after 1936.

   With respect to a WCIA, a qualified widow(er) is entitled to receive a 75% share of the deceased employee's PIA or maximum. This amount will be reduced by:

   The amount of any SS benefit that the widow(er) is entitled to; and

   The tier 1 amount of any railroad retirement annuity the widow(er) is entitled to; or

   The total amount of any railroad retirement annuity if neither the widow(er) or the employee had any railroad service prior to 1975; and

   Two-thirds of the amount of any public pension, if first eligible for a public pension 7-1-83 or later. If first eligible for a public pension before 7-1-83, the young mother/father may be exempt from public pension offset; if not,

Tier I is reduced by the full amount of the public pension. (See RCM 2.1.300-2.1.314 for further information on public service pensions.)

Payment of Tier I to Young Mothers/Fathers

In 1937 Act cases, tier I is payable until the last child attains age 18.

In 1974 Act and 1981 Amendment cases, tier I is payable as follows:

Prior to 10-1-81, the tier I was payable until the last child attained age 18.

From 10-1-81 through 7-31-92, the tier I was only payable until the last child attained age 16, unless the grace period was applicable. For young mothers with annuity beginning dates prior to September 1, 1981, there was a grace period which extended the payment to a young mother/father based on a child age 16 or 17 through August 31, 1983.

Beginning August 1, 1992, the tier I is again payable until the last child attains age 18. (See RCM 2.3, Appendix D, for further information on payment of "Nancy Johnson" cases.

Payment of tier I may be affected by certain SSA nonpayment provisions. Refer to SAPT any cases in which alien nonpayment provisions, conviction of a felony, conviction for subversive activities, deportation, including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II, or other nonpayment provisions of the SS Act are involved. Also refer to SAPT any cases in which a disabled child refuses to accept vocational rehabilitation services.

2. 1981 Amendment Tier II Amount - The 1981 Amendment Tier 2 applies in the following situations:

   the widow(er)'s annuity is vouchered 10-1-86 or later

   the case is an 'D' case, and the widow(er)'s annuity was vouchered 10-1-81 or later

   the case is an 'A' case and the employee's annuity is first vouchered 10-1-81 or later

   The gross tier 2 is 50% of the deceased employee's tier 2. A smaller percentage is payable if the maximum applies. The tier 2 is payable until the last child attains age 18.

3. 30% Tier II Amount Prior to Last Child's Age 16 Attainment - The 30% tier 2 is payable thru age 16 in the following situations:

- the case is an 'D' case and the widower's annuity was vouchered 9-30-81 or earlier

- the case is an 'A' case and the employee's annuity was first vouchered 9-30-81 or earlier and the widow(er)'s annuity was vouchered 9-30-86 or earlier

- In such cases, the tier 2 component is equal to 30% of the widow(er)'s gross tier I after reduction for age.

4. 30% Tier II Amount Effective With Last Child's Age 16 Attainment - In most cases, a 30% tier II is payable until the last child attains age 18. These cases are known as the Costello court cases, because a Board ruling to pay a 30% tier II to eligible widow(er)s was a result of this court case. The widow(er)'s Tier II is computed based on a hypothetical Tier I (Tier I including the widow(er) and any other entitled beneficiary(ies). The hypothetical Tier 1 is also used to compute any other beneficiary's Tier II.)

   If any of these conditions are met, a 30% tier II is payable thru the last child's age 18 attainment:

   The child attained age 16 after 5-14-86.

   The child attained age 16 before 5-14-86 but the widow(er) was not terminated at the time of age 16 attainment, and was still in pay status on 5-14-86.

   The child attained age 16 before 5-14-86, the widow(er) was not terminated at the time of age 16 attainment, but was eventually terminated at some point before 5-14-86. However, no overpayment letter was released before 3-14-86 explaining the overpayment and giving the appeal rights. In other words, if an overpayment letter was released 3-14-86 or later, the 30% tier II is payable thru age 18 attainment. The date 3-14-86 is used, because that is 60 days before 5-14-86, the date the Costello Decision was made. At that point it was decided that if the widow(er) still had a right to administrative and/or court review of an action denying benefits as of 5-14-86, the tier II should be paid until the widow(er) no longer had a child under age 18 in her/his care. As long as the overpayment letter was released on or after 3-14-86, she had rights to administrative and/or court review.

   The child attained age 16 before 5-14-86, the widow(er) was not terminated at the time of age 16 attainment, but was eventually terminated at some point before 5-14-86. An overpayment letter was released (before or after 3-14-86), and the widow(er) questioned either the overpayment or the reason for termination.

The child attained age 16 before 5-14-86, the widow(er) was terminated timely, but she appealed the termination.

The widow(er) had filed an application for annuity based on the care and custody of a child between the ages of 16 and 18 prior to 5-14-86, and a denial had not been processed as of 5-14-86.

5. 30% Tier II Not Payable Effective With Last Child's Age 16 Attainment - The following conditions will not allow the 30% tier II to be payable once the last child attains age 16:

   The child attained age 16 before 5-14-86, was terminated timely, and the widow(er) did not appeal the termination.

   The child attained age 16 before 5-14-86, was not terminated timely, but was terminated eventually and the overpayment letter was released before 3-14-86. She did not question the overpayment in the time allowed for appeals. Whether the overpayment was recovered or not is not relevant.

   It should be noted that if either of these two conditions above apply, the widow(er) is eligible to receive a 1981 Amendment tier II as long as she refiled. The OBD cannot be before 10-1-86.

6. 1937 Act Tier II - If the widow(er)'s WCIA was awarded under the 1937 RR Act, the 30% tier II remains payable through the last child's age 18 attainment.

7. Spouse Minimum Additional Amount - In certain cases, a spouse minimum additional amount may be payable in tier II. In general, a widow(er) is entitled to a spouse guaranty rate if (s)he was entitled to a spouse annuity rate in the month before the employee's death. See the detailed instructions contained in RCM 8.9 (G-364.1 instructions) to determine whether the spouse minimum amount should be disregarded or used; and, if used, whether any additional tier II spouse minimum amount is payable.

8. Vested Dual Benefit - The VDB amount is only payable to a widow who was vested as of December 31, 1974. A young mother is vested for a VDB computation if the following requirements are met:

   The deceased employee had 10 years of RR service BEFORE 1-1-75; and

   The widow has a permanently or transitionally insured status under the SS Act as of 12-31-74.

   NOTE: A young father is not entitled to a VDB because he could not have received such a benefit at SSA on 12-31-74.

Detailed instructions for determining vested dual benefit entitlement are found in RCM 2.1.

The terminating events for VDB entitlement described in RCM 2.1.67 also apply to WCIA cases. In addition, VDB entitlement ends when no child of the deceased employee is entitled to a CIA. If the WCIA is paid on the basis of the widow(er) having a disabled child in care and the child recovers from his disability, VDB entitlement ends with the second month following the month in which the child recovers from the disability.

B. Spouse Minimum Guaranty - The spouse minimum guaranty provides that a spouse, who was entitled to an annuity the month before the death of an employee and was insured for survivor benefits, will receive a widow(er)'s insurance annuity of not less than the amount (s)he received the month prior to the employee's death. If the spouse annuity included an OM increase, the OM increase is excluded from the spouse minimum guaranty. The spouse minimum guaranty is considered in the tier II component and the VDB component if applicable. For more detailed information refer to the G-364.1 instructions in RCM 8.9.

C. Widow(er) Initial Minimum Amount **(WIMA)** Guaranty.—The Railroad Retirement and Survivor Improvement Act of 2001 guarantees that a widow(er) type beneficiary's annuity will be calculated using 100 percent of the tier 2 that would have been used to compute the annuity for the deceased employee on the survivor OBD. This guaranty is called the WIMA, and is effective February 1, 2002.

The WIMA is computed as a component of the 1981 Amendment tier 2; therefore, only widow(er)s and young mother/father paid under the 1981 Act are eligible for the guaranty.

2.3.15 Eligibility Requirements

In addition to being the legal, or de facto (deemed) widow(er) of the employee, the applicant must meet the following requirements:

A. Age - The widow or widower must be under age 65 when initially awarding a WCIA.

B. Marriage Requirement - The widow(er) must meet one of the marriage requirements explained in RCM 2.1.15B.

C. Child in Care - The widow(er) must have a child of the employee, who is entitled to a CIA (other than an FTS), in care, at the time (s)he files an application.

2.3.16 Eligibility When Employee Had Less Than 120 Months Of Service

For a complete explanation of the 120 service month requirement and the exceptions to this requirement please see RCM 5.6.4.

2.3.17 Entitlement Requirements

To be entitled to a WCIA, the widow(er) must meet:

- Meet the requirements in the preceding sections; and
- Not have remarried (a remarried widow(er), however, can receive an annuity for months prior to the month (s)he remarries); and
- Not be age 65 and entitled to a WIA; and
- File an effective application.

2.3.18 Beginning Date

The beginning date and retroactivity of a mother's /father's insurance annuity (WIA) is explained in FOM-I-111.20, FOM-I-111.51 and FOM-I-112.9.3.

2.3.19 Restrictions

A. Restricted Employment - A widow(er) may not receive a WCIA for any month during which (s)he works for an employer covered by the RR Act.

B. Earnings Restrictions - Regular survivor earnings restrictions apply until the month before attainment of age 72 if attainment of age 72 is before 1-1-83 or age 70 if attainment of age 70 is 1-1-83 or later.

C. Child Not in Care - A widow(er) may not receive a WCIA for any month in which (s)he does not have a child entitled to a CIA in care.

2.3.20 Surviving Divorced Mother/Father Also Entitled To Other RR Act Annuity

A. Entitled to RR Act Retirement Annuity - A widow(er) may receive both a retirement annuity under the RR Act and a WCIA, but the WCIA must be reduced in tier I.

B. Entitled to RR Act Parent's Insurance Annuity - When the widow(er) of an insured employee is also entitled to a parent's insurance annuity based on the earnings record of another employee, (s)he will normally receive the higher of the two annuities. However, at the widow(er)'s election, s(he) may receive benefits on the record that results in a LOWER monthly annuity rate. For example, it may be

to a widow(er)'s advantage to elect to receive the lesser benefits for herself, so that other entitled beneficiaries can receive higher benefits for themselves.

The election to receive a smaller annuity is revocable and may be made on a month-by-month basis. A signed statement by the applicant is sufficient proof of election. This differs from an election to receive an RLS, which is an irrevocable election and must be made on Form G-126.

If it appears that it would be to a widow(er)'s advantage to receive the lesser annuity, release a memo to the F/O advising them of the facts of the case and requesting a contact with the annuitant. If the widow(er) wants the smaller annuity, secure a signed statement that establishes that the widow(er) is aware that (s)he is electing the smaller benefit.

An LSDP is not payable on the account that the annuity is not paid on because there is eligibility to a monthly benefit, whether or not it is paid.

If it does not appear to be to the widow(er)'s advantage to receive the smaller annuity, award the higher annuity, and terminate the lower annuity.

2.3.21 When Entitlement Ends

A WCIA ends with the month before the month in which any of the following events occur:

- The widow(er) dies; or
- The widow(er) attains age 65 and is entitled to a WIA; or
- The widow elects to receive a parent's insurance annuity; or
- The widow(er) remarries; or
- The widow(er) no longer has in care a child of the deceased employee who is entitled to a CIA (other than FTS.) Generally, a child is "in care" through the last month the widow(er) and child stopped living together regularly, if they lived together for at least one full day of that month (see RCM 4.7.99 for a complete definition of "child in care").

NOTE: If the WCIA is paid on the basis of the widow(er) having a disabled child in care and the child recovers from disability, pay the WCIA for two months after the month in which the child recovers.

2.3.30 Evidence Requirements

Evidence	**When Required**
Application	Always
Death of Employee	Always
Age of Child	Always
Relationship of Child	Always
In Care	Always. Ordinarily, the widow(er)'s statement on the application that the child lives with him/her will be sufficient. No additional proof of living with is required unless the file contains conflicting information.
Marriage	Always. (Prior to 6-1-58 documentary evidence was not required for a spouse annuity; spouse's statement of marriage was accepted if verified by the employee on G-346.)
Amount of Other RRA Annuity	Always.
Amount of SSA Benefits	Always.
Age of Widow(er)	If widow(er) will attain age 60 before youngest child attains age 18. In such a case, WCIA may be awarded without POA but case should be controlled to secure it.
Age of Employee	In “A” cases POA is required only if the employee's DOB has not been previously verified Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.
Legal Adoption of Child	When widow(er) seeks to qualify on that basis.
Disability of Child	When widow(er) claims child 18 or over is disabled.
Termination of Prior Marriage	When there is reasonable doubt whether prior marriage of employee or widow(er) was ended.
M/S	When the employee's M/S after 1936 would be creditable either under RR Act or under SS Act.

Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.
Amount of Wages and SEI	If employee worked in SS employment after 1936, or engaged in SEI after 1950.
Living With	Generally required only in cases of entitlement prior to 11-1-66.
Public Pension Information	Always.

2.3.36 Use of Payments Made On Behalf Of Children

If the widow(er) does not agree to use payments made on behalf of the child(ren) for the benefit of such child(ren), do not pay the widow(er) the child(ren)'s share. In such a case, develop for a substitute payee to receive the child(ren)'s share.

2.3.37 Handling Cases Involving an Alleged Disabled Child

A. General - When a case involving an alleged disabled child is received, prepare a G-325. Request a wage breakdown and report of employers from SSA if the child has an SS A/N or has worked after 1936. Forward the case to the disability programs section for a disability determination. Make the "in care" determination before sending the folder to the disability programs section, if possible. See C below.

NOTE: It is not necessary to wait for the wage breakdown or outstanding medical evidence. Send the file to DPS as soon as the development action is initiated. If material is received while the case is in DPS, forward the material directly to DPS.

B. Child Age 18

1. Child Rated Disabled - Handle as follows:

a. Widow(er) Initially Filing - Make an "in care" determination in accordance with RCM 4.7. If the widow(er) does not have the child in care, deny the widow(er)'s application, but award a CIA to the child.

b. Widow(er) Currently on Rolls - If the child's disability was developed as the result of an RL-175 notice, handle as in ‘a’ above. If the child is still in care, prepare a manual award to process the case.

2. Child Rated Not Disabled - Handle as follows:

a. Widow(er) Initially Filing - If the widow(er)'s eligibility depends solely upon having the alleged disabled child in care, deny the application.

b. Widow(er) Currently on Rolls - When the child's disability was developed as the result of an RL-175 notice and the widow(er)'s continuing eligibility depends on the child, prepare the denial letter by completing Form G-225. Take appropriate action to terminate payments effective with the month the child attains age 18.

If the alleged disabled child is also an FTS, develop to pay him as such when it is apparent that he will not qualify as a disabled child. In such a case, the widow(er) cannot qualify on the basis of having an FTS in care, but the child's annuity may be continued.

NOTE: If the widow(er) will no longer be entitled on the basis of a child in care, but alleges (s)he is disabled in response to the RL-175, develop the widow(er)'s claim in accordance with RCM 2.2.

C. Child Age 16 or 17 Prior to August 1, 1992 - The field office will develop an AA-19a and medical evidence only if it appears the child will qualify the mother or father for tier I benefits, since the child will not be paid as a disabled child until age 18. Therefore, if it is determined that the disabled child will not qualify the mother or father for tier I benefits because the child is not "in care" as defined in RCM 4.7, the child should not be rated for disability until age 18. If the "in care" requirements for a disabled child are not met, the widow(er) is still entitled to an annuity until the child attains age 18, marries, dies, or leaves her care.

If the widow(er) and child are not currently being paid, they may be paid an annuity before the case is sent for a disability rating.

1. Child Rated Disabled - Handle as follows:

a. Widow(er) Initially Filing - As long as the child is "in care," the widow(er) is entitled to a full annuity. The child is paid with the beneficiary symbol "C" until age 18. Send a G-59 to Research to inform them that the minor child is disabled. Include code paragraph 524.1 or 524.2 and 836.3 in the award letter.

b. Widow(er) Currently on Rolls - As long as the child is "in care," the widow(er) is entitled to a full annuity. The child is paid with the beneficiary symbol "C" until age 18. Send a G-59 to Research to inform them that the minor child has been rated disabled. If no award action is necessary, release code letter 560.3 to the widow(er). If the annuity must be adjusted or reinstated, include code paragraph 524.1 or 524.2 and code paragraph 836.3 in the award letter.

2. Child Rated Not Disabled - Handle as follows:

   a. Widow(er) Initially Filing - The widow(er) is technically entitled to an annuity until the child attains age 18, marries, dies, or leaves her (his) care, but no tier I is payable. Pay widow the 1981 tier II only until the child attains age 18.

   b. Widow(er) Currently on Rolls - The widow(er) is technically entitled to an annuity until the child is 18, marries, dies or leaves her (his) care. However, tier I is no longer payable. Take appropriate action to adjust payments effective with the month the child attains age 16.

D. Child Attains Age 16 on or After August 1, 1992

Beginning August 1, 1992, the Board approved a change in policy which ceased the termination of tier I benefits to the young mother/father whose last child attained age 16. Therefore, the disability determination for a child will now be developed at the time the child attains age 18.

2.3.40 Initial WCIA Awards

A widow(er) must be under age 65 when initially awarding a WCIA. Although a widow(er) of an insured employee may be eligible for a WIA at age 60, consider a widow(er) age 60 through 64 with a child in care as a young mother/father (75% beneficiary). Such a widow(er) will convert to a 100% beneficiary with age reduction, if appropriate, effective with the earlier of:

- The first day of the month in which (s)he no longer has a child in care; or
- The first day of the month in which (s)he attains age 65.

If the widow(er), age 60 or over, who is entitled to a WCIA, asks if (s)he could receive a higher rate, recompute the case at the WIA rate reduced for age and furnish the widow(er) full information. (S)he may elect to receive this rate if (s)he wishes.

WCIA cases can be awarded via SURCAL unless one of the circumstances listed in RCM 9.1 Appendix B, G-360 instructions exists. Handle manually any case which falls into one or more of the listed exceptions.

2.3.45 Spouse To WCIA

A. General - So that (s)he may continue to receive benefits without interruption, the widow(er) of an employee with at least 120 months of RR service and a C/C is deemed to have filed an application for WCIA. (S)he continues to receive the spouse annuity until the WCIA is awarded, unless evidence in file creates doubt as to the eligibility for a WCIA. However, such payments are restricted to a

"reasonable" period after the month in which the employee died. If first notice of death is received more than six months after the month of death, suspend the spouse annuity and request the F/O to determine why the widow(er) has not filed.

B. Application Filed Before the 6 Month Notice Received - If the widow(er) is not eligible for a WCIA terminate the spouse annuity and set up any overpayment in accordance with RCM 6.6.

When the widow(er) is eligible for a WCIA, prepare the case for payment. Do not terminate the spouse annuity if the WCIA will be awarded on a recurring basis. However, if the initial award will be a one-payment-only due to death, child no longer in care, etc., terminate the spouse annuity.

C. Application Not Filed Before the 6 Month Notice Received - If the 6 month notice is received and an application has not been filed, request the F/O to determine why the widow(er) does not file (e.g., death or child not in care) and whether payments made to the widow(er) after the employee's death were proper.

If the widow(er) meets all requirements for entitlement to and receipt of WCIA, other than the filing of an application, the spouse payments made before filing an application are not erroneous. The rule applies regardless of the reason for failure to file (i.e., whether (s)he died or merely neglected to file) and, if (s)he died, regardless of the date (s)he died.

If the widow(er) died before filing an application, the widow(er)'s share of the WCIA or any difference between the widow(er)'s share and the spouse annuity in force at death is an annuity due but unpaid at death (see RCM 2.7).

2.3.46 DWIA To WCIA

If the widow(er) is currently receiving a DWIA and (s)he now has an eligible child in care, convert the DWIA to WCIA. As long as (s)he continues to have an entitled child in care, (s)he may receive a WCIA.

2.3.47 Converting WCIA To WIA

The widow(er) of an employee with 120 months RR service and a C/C is eligible for a WIA at age 60. No application is needed to convert an in-force WCIA to a WIA.

Ordinarily, a WCIA is not converted to a reduced WIA until the widow(er) is no longer entitled to a WCIA. However, if a widow(er), aged 60-64 entitled to a WCIA, asks to receive a higher rate, tell the widow(er) the amount of the reduced WIA and the consequences of electing to receive it. (S)he may elect to be paid the WIA rate after (s)he has been furnished this information. If (s)he does so, do not offer the widow(er) the option to cancel (Code Paragraph 509) in the award letter when initially awarding, or

recertifying to, the reduced WIA. Retroactivity of the WIA rate in such a case is restricted to the latest of the following:

- The 12th month before the month (s)he submits the election; or
- The month in which (s)he attained age 60; or
- The month of the widow(er)'s WCIA DOE.

Usually conversions from WCIA to WIA will occur as follows:

A. At or After Age 50, But Before Age 60 - If a widow(er)'s entitlement to a WCIA terminates in or after the month in which (s)he attains age 50 and before (s)he has attained age 60, (s)he may continue to be paid only if (s)he qualifies for a disabled widow(er)'s annuity (DWIA).

B. At or After Age 60, But Before Age 65 - If the last child in the widow(er)'s care attains age 18 or leaves the widow(er)'s care while the widow(er) is between the ages of 60 and 65 and in pay status, the widow(er)'s annuity must be converted to a reduced age WIA rate (provided that all eligibility requirements are met) based on the widow(er)'s age at the time of the conversion.

Upon receipt of such a case,

- review file to determine if proof of age for the widow(er) is in file, and
- recertify WCIA to (D)WIA or, if benefits were terminated, prepare a reinstatement-recert award for the (D)WIA.

NOTE: If proof of the widow(er)'s age is not is file, initiate development for the proof through the field office. Do not award the WIA until this proof is received.

C. Offering Cancellation Option - If the widow(er) is between the ages of 60 and 65 and the WIA rate is reduced in tier I, the option of returning the WIA check(s), cancelling the annuity and reapplying later must be offered with the first payment at the reduced rate. Use CP 509 for this purpose. In EDP awards CP 509 will be included automatically. In manual awards, in addition to the usual information included in the ALTA award letter, request CP 509.

If the WIA at 65 will be no higher at 65 because the RIB limitation rule applies initially, do not offer the widow(er) an option to cancel.

If the widow(er) has been rated disabled for Medicare purposes, add the following to the award letter if CP 509 is included:

"If you choose to terminate your annuity payments now and select a later beginning date, you will no longer be qualified for Medicare before age 65".

D. Conversion of WC-to-W, Widow Age 65 - If, in the month in which a widow(er) attains age 65, (s)he still has a child under age 18 in care, the diary program will produce a referral. The referral will contain the message "NO COMPUTER ACTION TAKEN--PROCESS MANUALLY--WIDOW AGE 65--CHILD INVOLVED." Upon receipt, convert the case to a WIA even though the maximum may prevent any increase in the monthly benefit rate. Establish the widow(er)'s OBD as the first of the month in which (s)he attained age 65.

When the child's annuity terminates, recertify the widow(er)'s annuity to the full WIA rate to which (s)he is entitled.

NOTE: If the conversion will cause the total family benefits to decrease; send the case to SAPT before the conversion.

2.3.100 Surviving Divorced Mother's (Father's) Annuity

A surviving divorced mother (father) is an individual divorced from an employee who has died and who had 120 months of railroad service and a current connection but only if (s)he:

- is the natural mother (father) of the employee's child, or
- legally adopted the employee's child while (s)he was married to him (her) and before the child attained age 18, or
- is the mother (father) of a child who was legally adopted by the employee while (s)he was married to him (her) and before the child attained age 18, or
- was married to the employee at the time both of them legally adopted a child under age 18.

Note, however, that the surviving divorced mother (father) must have in her (his) care a child who is under age 16 or age 16 or over and disabled to be entitled to a benefit.

2.3.101 Surviving Divorced Mother's (Father's) Annuity

The annuity consists of a tier I component only. It is equal to a 75% share of the EE's PIA or maximum. This amount is reduced by:

- The amount of any SS benefit.

The Railroad Retirement net tier I amount or total employee annuity. Refer to RCM 8.9, G-364.1, item 42 instructions. If the surviving divorced mother/father becomes entitled to a railroad retirement spouse annuity, only the higher of the spouse or surviving divorced mother's/father's annuity is payable.

Two-thirds of the amount of any public pension if first eligible for a public pension 7-1-83 or later. If first eligible for a public pension before 7-1-83, the surviving divorced mother/father may be exempt from public pension offset; if not, Tier I is reduced by the full amount of the public pension. (See RCM 2.1.300-2.1.314 for further information on public service pensions.)

Payment of the Tier I benefit may be affected by certain SSA nonpayment provisions. Refer to SAPT any cases in which alien nonpayment provisions, conviction for subversive activities, deportation, (including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II), or other nonpayment provisions of the SS Act are involved.

2.3.102 Eligibility Requirements

In addition to having been divorced from an employee who has died and who had 120 months of railroad service or at least 60 months of RR service after 1995, and a current connection, an applicant for a surviving divorced mother's (father's) annuity must meet the following requirements:

A. Age - The surviving divorced mother (father) must not be entitled to a surviving divorced spouse's annuity, that is, (s)he should be under age 65.

NOTE: If an individual files who is over age 65, and who has a child under age 16 or over age 16 and disabled in her (his) care, and (s)he cannot qualify as a surviving divorced spouse because (s)he does not meet the 10-year marriage requirement, (s)he may be paid as a surviving divorced mother (father).

B. Marriage - The surviving divorced mother (father) must:

- have been finally divorced from the employee. (There is no 10-year marriage requirement.)
- Be unmarried.

(S)he may qualify as a surviving divorced mother (father) even though (s)he remarried after the divorce from the employee as long as the later marriage or marriages have terminated.

NOTE: If an applicant is married at the time of filing, but was unmarried at some time in the retroactive period, (s)he can be paid for those months in the retroactive period during which (s)he is entitled. (See RCM 2.3.104 "Beginning Date" for information on retroactivity.)

If, at the employee's death, the divorce has not become effective so as to finally dissolve the marriage, the applicant may qualify as a young mother (father) rather than as a surviving divorced mother (father).

C. Child in Care - The surviving divorced mother (father) must have in her care the employee's natural or legally adopted child who is;

- under age 16 or age 16 or older and disabled, and
- entitled to a child's annuity on the employee's account. (The child does not actually have to be receiving an annuity.)

D. RIB - The surviving divorced mother (father) must not be entitled to an RIB which equals or exceeds 75% of the employee's PIA.

2.3.103 Filing

To be entitled to a surviving divorced mother's (father's) annuity, the applicant must:

- meet the eligibility requirements outlined above.
- file an application.

Surviving divorced mothers (fathers) will complete an AA-18 to apply for an annuity.

2.3.104 Beginning Date

The beginning date and retroactivity of a surviving divorced mother's/father's insurance annuity is explained in FOM-I-111.20, FOM-I-111.51 and FOM-I-112.9.3.

2.3.105 Restrictions

A. Earnings Restrictions - A surviving divorced mother (father) under age 70 is subject to regular survivor earnings restrictions.

B. Child Not in Care - A surviving divorced mother's (father's) annuity is not payable for any month in which (s)he does not have a child entitled to a child's annuity in her (his) care.

2.3.106 Surviving Divorced Mother (Father) Entitled To Other RR Act Annuity

A. Entitled to RR Act Retirement Annuity - A surviving divorced spouse may receive both a surviving divorced mother's (father's) annuity and a retirement annuity under the RR Act, but the surviving divorced mother's (father's) annuity must be reduced for the net tier I amount of the retirement annuity, or if applicable, the total retirement annuity.

B. Entitled to 1974 Act Spouse's, Widow's or Parent's Annuity - If the surviving divorced mother/father annuity is larger, entitlement to the other annuity exists;

however, it is not payable. If the surviving divorced mother/father annuity is smaller, no entitlement exists and the annuity should be terminated using code 46, or denied as appropriate. Any overpayment should be recovered from the 74 Act annuity.

If the 74 Act Annuity terminates and the surviving divorced widow(er)'s current insurance annuity is payable, a new application will be required.

NOTE: The surviving divorced mother/father cannot elect to receive the smaller 1981 Act annuity as there is no entitlement.

C. More Than One 1981 Act Survivor Annuity Involved - If an individual files for more than one of these annuities (s)he is only entitled to the larger annuity. Therefore, deny the smaller annuity per usual procedure.

2.3.107 RLS Previously Paid

See the instructions in the section on surviving divorced spouse in RCM 2.1.108.

2.3.108 When Surviving Divorced Mother (Father) Marries

When a surviving divorced mother (father) remarries, her/his annuity terminates unless (s)he marries an individual entitled to a retirement or disability or widow(er)'s, father's/mother's, parent's or child's disability benefit under the RR or SS Act.

A. Marriage Not to a Qualifying Beneficiary - If the surviving divorced mother (father) reports that (s)he has married and it does not appear that (s)he married one of the above beneficiaries, terminate her (his) annuity, notify her/him with code paragraph 505.2, and recover any overpayment in the usual manner. Transfer any SS benefit we are certifying to SSA. If that marriage terminates, (s)he can become entitled to an annuity as a surviving divorced mother/father, or spouse again, beginning with the month the marriage ends.

B. Surviving Divorced Mother (Father) Alleges That Marriage is to a Qualifying Beneficiary - If the surviving divorced mother (father) alleges that her (his) marriage was to one of the above beneficiaries, the field office will secure the date of marriage and the spouse's name and social security number.

- Use the spouse's SSN to verify that (s)he is receiving a retirement or disability, widow(er)'s, father's/mother's, parent's or child's disability benefit at RRB or SSA.

NOTE: If the surviving divorced mother (father) marries an annuitant entitled to a widow(er)'s, father's/mother's, or parent's benefit at RRB, the marriage will cause his (her) annuity to terminate. However, if (s)he was entitled to that annuity at the time (s)he married the surviving divorced mother (father) that marriage will not cause the surviving divorced mother's (father's) annuity to end.

- If the spouse's entitlement cannot be verified before the next check is released (i.e., before FAST S/T cut-off), suspend the annuity and notify her/him with code paragraph 505.5.

- If it is determined that her (his) entitlement to a surviving divorced mother's (father's) annuity can continue, reinstate her (his) annuity if it was suspended. (S)he will continue to be paid as a surviving divorced mother (father); (s)he will not be converted to a "remarried" beneficiary. If benefits were not suspended and they may continue; no action is necessary. If the surviving divorced mother (father) qualified for continued benefits because (s)he married a child's disability beneficiary, inform her in the reinstatement letter that (s)he must notify us if her (his) spouse's disability benefits terminate.

- If it is determined that the marriage will not qualify the surviving divorced mother (father) for continued benefits, terminate the annuity and recover any overpayment in the usual manner.

2.3.109 When Entitlement Ends

The entitlement of a surviving divorced mother (father) ends with the month before the month in which one of the following occurs:

- (s)he dies.

- (s)he remarries, unless the marriage is to an individual entitled to a retirement or disability benefit or a widower's father's/mother's, parent's or disabled child's benefit under the RR Act or SS Act.

Before the 1983 SS Amendments, if the marriage was to an individual receiving a disability benefit or a child's disability benefit, her/his entitlement ended the same month the spouse's benefits terminated unless the spouse's benefits terminated because (s)he died or became entitled to a retirement benefit at age 65.

Under the Amendments, surviving divorced mother's (father's) benefits payable for May 1983 or later are not terminated if the spouse's last month of entitlement to a disability benefit is May 1983 or later (i.e., the disability benefit terminates in June 1983 or later).

If a surviving divorced mother's (father's) annuity was terminated because the spouse's disability ceased, (s)he cannot be re-entitled to a surviving divorced mother's (father's) annuity if the spouse qualifies for a disability annuity again.

- no natural or legally adopted child of hers (his) who is under age 16 or disabled is entitled to a child's annuity on the deceased employee's account.

- (s)he attains age 65. If (s)he was married to the employee for 10 years, (s)he will qualify for an annuity as a surviving divorced spouse.

NOTE: If, when the surviving divorced mother (father) attains age 65, (s)he has a child in her (his) care and does not meet the 10-year marriage requirement for entitlement as a surviving divorced spouse, (s)he may continue to be paid as a surviving divorced mother (father) as long as the child is in care.

- (s)he becomes entitled to an RIB which equals or exceeds 75% of the employee's PIA.

- (s)he becomes entitled to a railroad spouse annuity which is higher than the annuity (s)he is receiving as a surviving divorced mother (father).

2.3.110 Effect Of SS Entitlement On Surviving Divorced Other's/Father's Annuity

The surviving divorced mother cannot be entitled to an RIB on her (his) own earnings record that equals or is larger than 75% of the employee's PIA.

- If the surviving divorced mother (father) is entitled to such an RIB at the time (s)he files for an annuity as a surviving divorced mother (father), deny her (his) application.

- If the surviving divorced mother (father) becomes entitled to such an RIB after her (his) entitlement as a surviving divorced mother (father):

- terminates her (his) annuity

- transfer any SS benefit which RRB is certifying to SSA (see SSC procedure "Transferring SSA Payment Jurisdiction to SSA" sec. 1000 et seq.)

  If the surviving divorced mother (father) is entitled to a DIB which exceeds 75% of the employee's PIA or to an RIB which is larger than her (his) annuity rate but not larger than 75% of the employee's PIA, (s)he would technically be entitled to an annuity, but her (his) annuity rate would be zero. Since the surviving divorced mother (father) is included in the family maximum, and her (his) inclusion would cause a reduction in the total benefits payable to the family group, advise her (him) to withdraw her (his) application if her (his) annuity rate would be zero.

2.3.111 Evidence Requirements

Evidence	**When Required**
Application	Always
Death of Employee	Always
Age of Child	Always

Relationship of Child	Always
Compensation, Wages and SEI	Always
In Care	Always. Ordinarily, the surviving divorced mother's (father)'s statement on the application that the child lives with her (him) will be sufficient.
Marriage	Always
Amount of Other RRA Annuity	Always
Amount of SSA Benefits	Always
Age of Surviving Divorced Mother (Father)	If surviving divorced mother (father) will attain age 60 before the youngest child attains age 16, and the surviving divorced mother (father) was married to the employee for 10 years. In such cases, the surviving divorced mother's (father's) annuity may be awarded without POA but the case should be controlled to secure it.
Age of Employee	In “A” cases POA is required only if the employee's DOB has not been previously verified Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.
Legal Adoption	When surviving divorced mother (father) seeks to qualify on that basis.
Disability of Child	When surviving divorced mother (father) claims child 16 or over is disabled.
Termination of Prior Marriage	When there is reasonable doubt whether prior marriage of employee or surviving divorced mother (father) was ended.
M/S	When the employee's M/S after 1936 would be creditable either under RR Act or under SS Act.
Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.

Proof of Divorce From EE	Always
Proof of Termination of Remarriage	If the surviving divorced spouse had remarried after her (his) divorce from the EE or if (s)he remarried after her (his) initial entitlement to a surviving divorced mother's (father's) annuity and her (his) annuity terminated.
Spouse SSN	If a surviving divorced mother (father) marries an individual whose eligibility for benefits allows her (his) entitlement to continue.
Public Pension Information	Always

2.3.112 Awarding Initial Surviving Divorced Mother's (Father's) Annuity

A surviving divorced mother (father) must be under age 65 when (s)he is initially awarded a surviving divorced mother's annuity, unless (s)he does not meet the 10-year marriage requirement and (s)he has a child under age 16 or over age 16 and disabled in her care.

If a surviving divorced spouse is age 60-64 and (s)he has a child in care, (s)he may be paid either as a surviving divorced mother (father) or as a surviving divorced spouse, whichever is more advantageous. Note that the surviving divorced mother (father) is included in the family maximum while the surviving divorce spouse is not and that a child may be paid the sole survivor minimum if the only other beneficiary is a surviving divorced spouse.

Unless it is advantageous to pay her (him) as a surviving divorced spouse, (s)he may be paid as a surviving divorced mother (father) and converted to a 100% beneficiary with age reduction, if appropriate, effective with the earlier of:

- The first day of the month in which (s)he no longer has a child under age 16 or over age 16 and disabled in her (his) care; or
- The first day of the month in which (s)he attains age 65.

If the surviving divorced spouse is age 65 or older and (s)he cannot qualify for an annuity as a surviving divorced spouse since (s)he was not marred to the employee for 10 years, (s)he may be paid an annuity as a surviving divorced mother (father) as long as (s)he has a child under age 16 or age 16 or over and disabled in her (his) care.

2.3.113 Disabled Surviving Divorced Spouse To Surviving Divorced Mother

If a disabled surviving divorced spouse has an eligible child under age 16 or 16 and over and disabled in her (his) care, her (his) annuity may be converted to a surviving divorced mother's (father's) annuity for as long as (s)he continues to have an entitled chile in her (his) care.

2.3.114 Surviving Divorced Mother (Father) To Surviving Divorced Spouse

A surviving divorced spouse must have been married to the employee for 10 years before the divorce became final. Therefore, in order to be converted to a surviving divorced spouse's annuity, the surviving divorced mother (father) must meet the 10-year marriage requirement. The surviving divorced mother (father) will have submitted proof of marriage and proof of divorce at the time (s)he filed for the surviving divorced mother's (father's) annuity. If (s)he meets the marriage and other requirements, her (his) annuity can be converted to a surviving divorced spouse's annuity as described below. If (s)he does not meet the 10-year marriage requirement, her (his) annuity will terminate when (s)he is no longer eligible as a surviving divorced mother (father).

Converting before entitlement to a surviving divorced mother's (father's) annuity ends - Ordinarily, a surviving divorced mother's (father's) annuity is not converted to a reduced surviving divorced spouse's annuity until (s)he is no longer entitled to a surviving divorced mother's (father's) annuity. However, if a surviving divorced mother (father) age 60-64, asks to receive a higher rate, tell the annuitant the amount of the reduced surviving divorced spouse's annuity, and the consequences of electing it. (S)he may elect to be paid the reduced surviving divorced spouse's annuity after (s)he has been furnished with this information. (If (s)he does so, do not offer the option to cancel when recertifying as a spouse. Retroactivity of the surviving divorced spouse's rate is restricted to the latest of the following:

- The month she submits the election; or
- The month in which (s)he attained age 60; or
- The month of the surviving divorced mother's annuity DOE.

Conversion from surviving divorced mother (father) to a surviving divorced spouse will generally be as follows:

A. At or After Age 50, but Before Age 60 - If a surviving divorced mother's (father's) entitlement ends in or after the month in which (s)he attains age 50 and before (s)he attains age 60, (s)he may continue to be paid only if (s)he qualifies for a disabled surviving divorced spouse's annuity.

B. At or After Age 60, but Before Age 65 - If the last child in the mother's (father's) care attains age 16 or leaves the mother's (father's) care while the mother (father) is between age 60 and 65 and in pay status, the mother's (father's) annuity must be converted to a reduced age surviving divorced spouse's rate (provided that all the eligibility requirements are met) based on the surviving divorced spouse's age at the time of conversion. If (s)he does not meet the 10-year marriage requirement her (his) annuity is terminated.

Handle a case in which a surviving divorced mother (father) is being converted to a surviving divorced spouse's annuity because the child attained age 16 as follows:

- terminate the divorced mother's payments; and
- prepare a new award (reinstatement-recert) for the surviving divorced spouse.

When converting the surviving divorced mother's annuity to a reduced surviving divorced spouse's annuity, use the first of the month in which the last child left the surviving divorced mother's or father's care as the DOE.

C. Offering Cancellation Option - If the surviving divorced spouse is between the ages of 60 and 65 and her (his) annuity is reduced for age, the option of returning the checks, cancelling the annuity and reapplying later must be offered with the first payment at that reduced rate.

If the surviving divorced spouse's rate will be no higher at age 65 because the RIB limitation applies initially, do not offer the option to cancel.

D. At Age 65 - If in the month in which a surviving divorced spouse attains age 65 (s)he still has a child under age 16 or over age 16 and disabled in her care, convert the annuity to a surviving divorced spouse's annuity if (s)he meets the 10-year marriage requirement. Establish her (his) surviving divorced spouse's OBD as the first of the month in which (s)he attains age 65.

If (s)he does not meet the 10-year marriage requirements, allow her (his) annuity to continue until the child attains age 16 or is no longer is her (his) care.

2.3.200 Remarried Young Mother's (Father's) Annuity

A remarried young mother (father) is the surviving legal or defacto spouse of a deceased employee who has an eligible child under age 16 or over age 16 and disabled in her (his) care who remarried after the employee's death but is now unmarried unless (s)he remarried after (s)he attained age 60 or (s)he remarried after entitlement to a young mother's/father's or remarried young mother's/(father's) annuity and that marriage was to an individual entitled to a retirement or disability benefit or a widow(er)'s, father's/mother's, parent's or child's disability benefit under the RR Act or SS Act.

2.3.201 Remarried Young Mother's (Father's) Annuity

The annuity consists of a tier I component only. It is equal to a 75% share of the EE's PIA or maximum. This amount is reduced by:

- The amount of any SS benefit payable.
- The net tier I amount or the total Railroad Retirement annuity as defined in RCM 8.9 G-364.1 item 42 instructions. If the surviving divorced mother (father) becomes entitled to an RR retirement spouse annuity, only the larger of the spouse or remarried young mother's (father's) annuity is payable.
- Two-thirds of the amount of any public pension if first eligible for a public pension 7-1-83 or later. If first eligible for a public pension before 7-1-83, the remarried young mother/father may be exempt from public pension offset; if not, Tier I is reduced by the full amount of the public pension. (See RCM 2.1.300-2.1.314 for further information on public service pensions.)

Payment of the tier I benefit may be affected by certain SSA nonpayment provisions. Refer to SAPT, any cases in which alien nonpayment provisions, conviction for subversive activities, deportation, (including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II), or other nonpayment provisions of the SS Act are involved.

2.3.202 Eligibility Requirements

A. Age - The remarried young mother (father) must not be entitled to a remarried widow(er)'s annuity, that is, (s)he should be under age 65.

B. Marriage - The remarried young mother (father) must meet the marriage requirement for a widow as explained in RCM 2.1.15. Either her marriage(s) after the employee's death must have ended so that (s)he is now unmarried or if (s)he remarries after her (his) entitlement to a young mother's (father's) or remarried young mother's (father's) annuity, that marriage must have occurred after (s)he attained age 60 or it must have been to an individual entitled to a retirement or disability or widow(er)'s, parent's, father's/mother's or child's disability benefit.

C. Child in Care - The remarried young mother (father) must have in her (his) care a child of the deceased employee who is:

- under age 16 or age 16 or older and disabled and
- entitled to a child's annuity.

D. RIB - The remarried young mother (father) must not be entitled to an RIB which equals or exceeds 75% of the employee's PIA.

2.3.203 When Application Required

To be initially entitled as a remarried young mother (father) the applicant must:

- meet the eligibility requirements outlined above, and
- file an application

No application is required for a remarried young mother's (father's) annuity if (s)he was entitled to a young mother's (father's) annuity in the month (s)he married an individual entitled to a retirement or disability or widow(er)'s, parent's, father's/mother's, or child's disability benefit.

The field office will secure proof of remarriage and the new spouse's social security number so that his (her) entitlement can be verified.

2.3.204 Beginning Date

The beginning date and retroactivity of a remarried young mother's/father's insurance annuity is explained in FOM-I-111.20, FOM-I-111.51 and FOM-I-112.9.3.

2.3.205 Restrictions

A. Earnings Restrictions - A remarried young mother (father) under age 70 is subject to regular survivor earnings restrictions.

B. Child Not In Care - A remarried young mother's (father's) annuity is not payable for any month in which (s)he does not have a child entitled to a child's annuity in her (his) care.

2.3.206 Remarried Young Mother (Father) Also Entitled To Other RR Annuity

A. Entitled to RR Act Retirement Annuity - A remarried young mother (father) may receive both a remarried young mother's (father's) annuity and a retirement annuity under the RR Act, but the remarried young mother's (father's) annuity must be reduced for the net tier I amount or, if applicable, the total amount, of the retirement annuity.

B. Entitled to 1974 Act Spouse's, Widow's or Parent's Annuity - If the remarried young mother/father annuity is larger, entitlement to the other annuity exists; however, it is not payable. If the remarried young mother/father annuity is smaller, no entitlement exists and the annuity should be terminated using code 46, or denied as appropriate. Any overpayment should be recovered from the 74 Act annuity.

If the 74 Act Annuity terminates and the remarried young widow(er)'s current insurance annuity is payable, a new application will be required.

NOTE: The remarried young mother/father cannot elect to receive the smaller 1981 Act annuity as there is no entitlement.

C. More than One 1981 Act Survivor Annuity Involved - If an individual files for more than one of these annuities, (s)he is only entitled to the larger annuity. Therefore, deny the application for smaller annuity per usual procedure.

For further information, see RCM 2.1.208.

2.3.207 RLS Previously Paid

See the instructions in the section on Remarried Widow(er)s in RCM 2.1.209.

2.3.208 When Entitlement Ends

The entitlement of a remarried young mother (father) ends with the month before the month in which one of the following occurs:

- (s)he dies.
- (s)he remarries before age 60, unless the marriage is to an individual entitled to a retirement or disability benefit or a widow(er)'s, father's/mother's, parent's or disabled child's benefit under the RR Act or SS Act.

  Before the 1983 SS Amendments, if the marriage was to an individual receiving a disability benefit or a child's disability benefit, her (his) entitlement ended the same month the spouse's benefits terminated unless the spouse's benefits terminated because (s)he died or became entitled to a retirement benefit at age 65.

  Under the 1983 Amendments, remarried young mother's (father's) benefits payable for May 1983 or later are not terminated if the spouse's last month of entitlement to a disability benefit is May 1983 or later (i.e., the disability benefit terminates in June 1983 or later).

  If a remarried young mother's (father's) annuity terminated because the spouse's disability ceased, (s)he cannot become re-entitled to a remarried young mother's (father's) annuity if the spouse qualifies for a disability annuity again.
- no child of the deceased EE under age 16 or disabled is entitled to a child's benefit.
- (s)he attains age 65 and is entitled to a remarried widow(er)'s annuity.
- (s)he becomes entitled to an RIB which equals or exceeds 75% of the employee's PIA.

- (s)he becomes entitled to a railroad spouse or widow(er)'s annuity which is higher than the annuity (s)he is receiving as a remarried young mother (father).

2.3.209 Evidence Requirements

Evidence	When Required
Application	Always, unless the remarried young mother (father) was entitled to a young mother's (father's) annuity in the month (s)he married an individual entitled to certain benefits.
Death of Employee	Always
Age of Child	Always
Relationship of Child	Always
Compensation, Wages and SEI	Always
In Care	Always. Ordinarily, the remarried young mother's (father's) statement in the application that the child lives with her (him) will be sufficient.
Marriage	Always
Proof of Termination of Remarriage	If widow(er) remarried before her (his) entitlement.
Spouse's SSN	If a currently entitled annuitant marries an individual whose eligibility for certain benefits allows her (his) entitlement to continue.
Public Pension Information	Always
Amount of Other RRA Annuity	Always
Amount of SSA Benefits	Always
Age of Remarried Young Mother	If remarried young mother (father) will attain age 60 before the youngest child attains age 16. In such a case, the remarried young mother's/father's annuity may be

	awarded without POA but, the case should be controlled to secure it.
Age of Employee	In “A” cases POA is required only if the employee's DOB has not been previously verified Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.
Legal Adoption of Child	Only when remarried widow(er) seeks to qualify on that basis.
Disability of Child	When remarried young mother (father) claims child 16 or over is disabled.
Termination of Prior Marriage	When there is reasonable doubt whether prior marriage of employee or remarried young mother (father) was ended.
M/S	When the employee's M/S after 1936 would be creditable under either RR Act or SS Act.
Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.

2.3.210 Young Mother (Father) Currently On the Rolls Remarries

When a young mother (father) remarries her (his) young mother's (father's) annuity terminates but she may be entitled to further benefits as a remarried young mother (father) if (s)he marries after age 60 or (s)he marries an individual entitled to a retirement or disability or widow(er)'s, father's/mother's, parent's or child's disability benefit under the RR Act or SS Act.

Similarly, a remarried young mother/father who qualifies for initial entitlement as a remarried young mother (father) (and is, therefore, unmarried at the time of initial entitlement) and who remarries may continue to be entitled only if (s)he marries after age 60 or (s)he marries an individual entitled to one of the above benefits. Handle this situation according to the procedure in RCM 2.3.108, i.e., terminate or suspend depending on whether there is or may be continued entitlement.

A. Handling - When notice is received that the young mother (father) has married, terminate the young mother's (father's) annuity. Use code 44 on FAST S/T.

- If (s)he is entitled to a remarried young mother's (father's) annuity, reinstate benefits under her (his) new beneficiary code or payee symbol. If (s)he is entitled to an SS benefit, allow that benefit to continue under the young mother's (father's) claim number.

- If it is determined that there is no further entitlement transfer her (his) SS benefit to SSA.

- If (s)he is entitled to an annuity, but it is disadvantageous to the family group to include the young mother (father) in the computation, terminate the young mother's (father's) annuity and adjust the remaining family members based on the young mother's (father's) exclusion (except in split family groups). Advise the mother (father) we will not include her in the computation since her (his) inclusion would cause the amount payable to the family group to be less. Also inform her (him) that if it will be advantageous to include her (him) in the family group at a later date, we will make the necessary adjustment.

B. Overpayment Involved

- If checks have been released for any month in which there is no entitlement, ask for the gross amount back according to current overpayment procedure.

- If there is entitlement to a remarried young mother's (father's) annuity for a month for which a not-due payment of her young mother's (father's) annuity was made, withhold the accrual to recover her (his) young mother's (father's) annuity overpayment, start benefits in the current month, and follow due process procedures to recover the remaining overpayment.

2.3.211 Awarding Initial Remarried Young Mother's (Father's) Annuity

A remarried young mother (father) must be under age 65 when initially awarding a remarried young mother's (father's) annuity. If a remarried widow(er) is age 60-64 and (s)he has a child in care, (s)he may be paid either a remarried widow(er)'s annuity or a remarried young mother's/father's annuity, whichever is higher. If paid as a remarried young mother (father), (s)he will convert to a 100% beneficiary with age reduction, if appropriate, effective with the earlier of:

- The first day of the month in which (s)he no longer has a child under age 16 or over age 16 and disabled in her (his) care; or

- The first day of the month in which (s)he attains age 65.

If the remarried young mother (father), age 60 or over, asks if (s)he could receive a higher rate, recompute the case at the remarried widow(er)'s rate reduced for age and furnish the remarried widow(er) with full information. (S)he may elect to receive this rate if (s)he wishes.

2.3.212 Remarried Disabled Widow(er) To Remarried Young Mother (Father)

If a disabled remarried widow(er) has an eligible child under age 16 or 16 or over and disabled in her (his) care, convert her (his) disabled remarried widow(er)'s annuity to a remarried young mother's (father's) annuity. As long as (s)he continues to have an entitled child in her (his) care, (s)he may receive a remarried young mother's (father's) annuity.

2.3.213 Remarried Young Mother (Father) To Remarried Widow(er)

Conversions from remarried young mother (father) to remarried widow(er) will be as follows:

A. At or After Age 50, But Before Age 60 - If a remarried young mother's (father's) entitlement ends in or after the month in which (s)he attains age 50 and before (s)he has attained age 60, (s)he may continue to be paid only if (s)he qualifies for a disabled remarried widow(er)'s annuity.

B. At or After Age 60, But Before Age 65 - If the last child in the mother's (father's) care attains age 16 or leaves the mother's (father's) care while the mother (father) is between the ages of 60 and 65 and in pay status, the mother's (father's) annuity must be converted to a reduced age remarried widow(er)'s rate (provided that all the eligibility requirements are met) based on the remarried widow(er)'s age at the time of the conversion.

   To adjust such a case, terminate the remarried young mother/father payments and prepare a new award for the remarried widow(er) as a reinstate-recert award.

   When converting the remarried young mother's (father's) annuity to a reduced remarried widow(er)'s annuity, use the first of the month in which the last child left the remarried young mother's (father's) care as the DOE.

C. At Age 65 - If in the month in which a remarried widow(er) attains age 65 (s)he still has a child under age 16 in care, convert the annuity to a remarried widow(er)'s annuity.

Appendices

Appendix A - Surviving Young Mother/Father Legislative History

Effective Date	Surviving Young Mother/Father Insurance Annuity Provision

1-1-47	If the deceased employee is completely or partially insured, the unremarried surviving young mother who has in her care a child of the employee eligible for a child's insurance annuity may receive an annuity equal to ¾ of the basic amount.
11-1-51	Benefit increased to full basic amount and survivor O/M computation introduced. O/M annuity equal to 75% of deceased employee's PIA.
9-1-54	Surviving young mother may qualify on basis of having in her care the employee's disabled child over 18 who became disabled before age 18.
9-1-55	Dual benefit reduction in RR formula annuity no longer required.
9-1-57	"Not living with" surviving young mother can be included in survivor O/M computation.
9-1-58	Survivor O/M computation could include in awards made before 10-5-72: • Young mother or young surviving divorced wife) with child-in-care whose subsequent marriage ends in death and who is not entitled to SS benefits on the W/R of the subsequent husband; or • Young mother with child-in-care who marries a person entitled to certain types of SS benefits.
10-1-61	Remarried surviving young mother eligible on second husband's earnings if he dies within one year.
9-1-65	Survivor O/M could include in an award made before 10-5-72: • Unmarried surviving divorced wife with child-in-care (mother of the employee's son or daughter); or • Remarried young mother with child-in-care who is now unmarried (age at the time of the remarriage is immaterial if the subsequent marriage had terminated).
11-1-66	Living with no longer required for surviving young mother with child-in-care.
2-1-68	De facto surviving young mother with employee's child in care eligible for an annuity.

	Duration of marriage requirement lowered to 9 months (3 months if death was accidental).
1-1-1975	The 1974 RRA revised the annuity calculation to Tier 1 and Tier 2.
3-1-75	Surviving young father with employee's child in care becomes eligible for a WCIA.
9-1-81	Tier 1 entitlement of surviving mother/father based on minor child ends when child attains age 16 (unless child is disabled) for new entitlements as of this date. For young mother/father with an ABD before 9-1-1981, a grace period extended the payment to the young mother/father based on a child age 16 or age 17 through the earlier of the child's attainment pf age 18 or August 31, 1983.
10-1-81	Surviving divorced young mother/father with a natural or legally adopted child of the employee in care may receive an annuity. Certain remarried young mothers/fathers with children in care can qualify for an annuity.
6-1-82	Retroactivity of tier I limited to six months.
8-1-1992	Nancy Johnson administrative ruling restored tier 1 to the young mother/father annuity until the child attains age 18.
9-1-83	Retroactivity of tier 1 and tier 2 limited to six months for applications filed 9-1-83 or later.
7-1-1996	A stepchild must be dependent on employee for 1/2 support at the employee's death to qualify their parent for a survivor mother/father annuity.
1-1-2002	Survivor annuity payable to young mother/father with child-in-care based on the earnings record of a deceased employee who had less than 120 months of railroad service, but at least 60 months of railroad service after 1995 and a current connection with the railroad industry. Tier 1 is payable only when the employee had sufficient quarters of coverage based on combined railroad compensation and SSA wages for an insured status under the SS Act.
2-1-2002	Widow(er) Initial Minimum Amount (WIMA) established for widow(er), disabled widow(er) or surviving young mother/father annuity rates payable from 2-1-2002.

Appendix B - Effect of 1981 SS Act Amendments on the Payment of Mother's and Father's Annuities.

A. General Information

Under the 1981 Social Security Amendments, effective with September 1, 1981 beginning dates, a young mother's/father's or remarried mother's/father's benefit will only be paid if the mother or father has in care a child under age 16, 16 or 17 and disabled or 18 and over if the child is entitled to a disabled child's annuity. (A divorced mother or father is entitled only if (s)he has a child under 16 or a child age 16 or over who is disabled.) For cases with a beginning date prior to September 1, 1981, there was a grace period which extended payment to a young mother/father based on a child age 16 or 17 through August 31, 1983.

There were no conforming amendments in the Railroad Retirement Act. However, the Railroad Retirement Act defines the computation of the tier I of a mother's/father's annuity as the amount which SSA would pay if SSA had survivor jurisdiction. So in any case in which SSA would pay nothing, nothing would be paid in tier I. But even in cases in which no payment is made to the young mother or father, (s)he is technically entitled until the youngest child attains 18, dies, marries or leaves her (his) care (whichever occurs first). The concept of entitlement is especially important when determining a prescribed period for a disabled widow(er)'s annuity.

Exception: If a young mother/father was awarded under the 1937 Act, and (s)he had been continuously entitled since the initial 1937 Act award, the 1981 Social Security Amendments had no effect on that mother's or father's annuity payments.

B. Grace Period

The grace period allowed continued payment of a full annuity to a young mother (father) through the earlier of the month before the last child attained age 18 or August 31, 1983. The grace period applied to a young mother (father) only if (s)he had a minor child in her (his) care. The benefit to which (s)he was entitled in August 1981 could be:

a) a young mother's annuity;

b) a spouse's annuity based on a minor child; or

c) inclusion in the O/M based on a minor child.

The young mother (father) must have been entitled in August 1981. If (s)he was entitled prior to August 1981, lost entitlement prior to or in August 1981, and became reentitled after August 1981, (s)he did not get the grace period.

EXAMPLE: A young mother terminated in January 1981 because the last child (age 16) left her care. In September 1981, the child returned to her care. Since she was not entitled in August 1981, she was not entitled to the grace period and she could not be paid.

If the young mother (father) was entitled in August 1981, the grace period would apply to the remarried mother's/father's annuity, even if there was a break in entitlement.

EXAMPLE: A young mother married in September 1981. Her marriage ended in divorced in January 1982 and she applied for a remarried mother's annuity. The grace period applied to her annuity.

Appendix C - Family Codes

A. Assigning the Family Code

Because the entitlement of a young mother/father-type annuitant (i.e., young mother/father, divorced mother/father or remarried mother/father) is dependent upon the entitlement of a minor or disabled child, it is important to have some mechanism which will "tie" the young mother/father-type annuitant to each child who causes the young mother/father-type entitlement. This mechanism will be the family code. Without the family code it will be impossible for SURVEA to produce correct attainment letters and folder referrals. And, if SURVEA does not properly move a folder, overpayments are likely to result.

The family code will be a single digit number which should correspond to the payee code for the young mother/father-type beneficiary. The family code will be the same in the record of the young mother/father. If a split family situation exists, and there are two young mother/father-type annuitants, young mother/father "B" and the "B" children would all have another family code.

Children who do not entitle a young mother/father do not have a family code. Therefore, there will be no family code input on a student or on any child who does not belong to a family group containing a young mother/father.

Examples:

- Situation 1: The family group consists of a young mother with two minor children aged 10 and 12, and a student.

Beneficiary	Payee Code	Family Code
M	1	1

C1	2	1
C2	3	1
TS	4	-

- Situation 2: The annuitants on the claim number consist of a divorced widow, a young mother, a minor child and a disabled child (a child in the young mother's care).

Beneficiary	**Payee Code**	**Family Code**
KW	1	-
M	2	2
C1	3	2
D1	4	2

- Situation 3: There is a split family group, consisting of a young mother with 2 children aged 2 and 4, divorced young mother with 2 children aged 15 and 17, and a student.

Beneficiary	**Payee Code**	**Family Code**
M	1	1
C1	2	1
C2	3	1
KM	4	4
C3	5	4
C4	6	4
NS	7	-

- Situation 4: The family group composed of two minor children only. An aunt is the representative payee.

Beneficiary	Payee Code	Family Code
C1	1	-
C2	2	-

B. Inputting the Family Code - Initial Manual Awards

When processing an initial award to a family group on a G-364/G-364.1, the family code must be input on the G-364.

C. Inputting the Family Code - SURCAL

When a case is processed through SURCAL, the family code will be shown on the SURCAL input form (G-360a).

D. Inputting the Family Code - Post Adjudicative Awards

In most post-adjudicative handlings, the family code will already exist in the beneficiary's records. If the code exists, it is correct, and it doesn't need to be deleted, no action is necessary.

If the family code is in the record, it will be shown in at least one of these places:

- If the case was decombined as a function of the mass decombining job processed in October 1983, there should be a folder record which includes the beneficiary's date of birth, payee code and family code.

- Starting with the 1-3-84 MOMS tape, the family code, if it exists, will be shown in the first two positions of the second line (i.e., to the left of the box containing the policing code.) The family code will always be shown as a two digit number (e.g., 01, 02...09). If the only number that is shown to the left of the policing code box is a single digit, it is a twin code, not a family code.

  The family code will not exist in the following types of cases unless it has already been input by G-607's/G-59, or by an award action involving a G-364 with a 12-83 or later revision date:

- Multiple beneficiaries are still paid on a single payee code -- When processing the award to decombine, input the family code for each applicable beneficiary on the G-364.

- Family group was decombined prior to October 1983 - When handling this type of case, input the family code for each applicable beneficiary by G-607's and a G-

59, if no award action is involved. If an award is involved, input the code on the G-364.

- Young mother/father-type beneficiary was not in current pay status; children were - In these cases, the children will not have a family code because the young mother/father-type beneficiary did not exist for payment purpose. When a reinstatement award (or initial award if the young mother/father-type beneficiary has just become entitled) is processed for the young mother/father-type beneficiary, input the family code on the G-364 for the young mother/father-type beneficiary. If the children are also involved in the award action, use the G-364 to input their codes. If an award action is not necessary for the children, use a G-607 and G-59 to input the code for each child. The family code must be the same number as the payee code on which the young mother/father-type beneficiary will now be paid.

- Disabled children - If a case handled in the mass decombining job consisted of a young mother/father-type beneficiary, some minor children and a disabled child, it is probable that a family code was entered in the records of the young mother/father-type beneficiary and the minor children, but not the disabled child. In cases in which the disabled child can cause the young mother/father-type beneficiary's entitlement, input the family code by a G-607 and G-59 for the disabled child only, whenever an award action for the disabled child is not required. If an award action is required for the disabled child, input the code on the G-364.

E. Correcting and Deleting Family Codes

If a family code for a particular beneficiary needs to be corrected or deleted, submit a G-607 and G-59 for only the beneficiary involved.

Examples:

Beneficiary	**Payee Code**	**Family Code**
M	1	1
C1	2	1
C2	3	1
KM	4	4
C3	5	4

C2 leaves M's care and goes to live with KM. Use a G-59 and G-607 to change C2's family code to 4.

Beneficiary	Payee Code	Family Code
M	1	1
C1	2	1
C2	3	1

C2 attains 18 and is converted to a student. Delete the family code for C2/TS by a G-59 and G-607.

Appendix D - Effect of August 14, 1992 Board Order (Nancy Johnson Cases)

General Information

On August 14, 1992, the Board approved a change in the payment policy which continues payment of tier I benefits to young mothers and fathers until their youngest child attains age 18. The effective date of this decision is August 1, 1992. The Board Order does not apply to young remarried widow(ers) and young surviving divorced spouses.

These cases are known as "Nancy Johnson" cases because the Board order to reinstate the young mother's/father's tier I was a result of a court case filed by Ms. Nancy Johnson.

A. Case Handling

The following guidelines should be used in determining how a case should be handled.

1. Tier I Currently Being Paid

Effective August 1, 1992, do not terminate the tier I component of a young widow(er) whose last child has attained age 16. Age 16 attainment referrals will be retained in SAPT until SURVEA is changed to stop issuing the referral.

2. Tier I Previously Suspended or Terminated Prior to August 1, 1992

Tier I may be reinstated August 1, 1992 to the young mother or father if all of the following conditions are met:

- Tier I was properly terminated or suspended in accordance with the procedure in effect prior to August 1, 1992, and

- The annuitant whose tier I terminated filed a timely reconsideration request or appeal, and

- The reconsideration request or appeal was not resolved prior to August 1, 1992, and

- The child is under age 18 on August 1, 1992.

3. Tier I Suspended or Terminated August 1, 1992 or Later

Since the Board Ruling is effective August 1, 1992, any case where the tier I was terminated or the case was recertified to remove the young mother's or father's tier I after August 1, 1992, the tier I must be reinstated from August 1, 1992.

Example: M's last child attained age 16 in June 1992. On August 5, 1992, a recertification award was processed to remove M's tier I from June. Since the voucher date is after

August 1, 1992, M's tier I should be reinstated effective August 1, 1992 to comply with the Board decision. (Her tier I is not payable for June and July.) If the tier I overpayment made to M as a result of the late adjustment exists, recovery of the overpayment will be waived. If accruals due any other family members were previously withheld, the withheld amounts should be repaid in full.

NOTE: In this same example, if a suspension or termination had been entered before August 1, 1992, tier I should not be reinstated. Any overpayment established and in the process of recovery should continue to be pursued.

When reinstating the tier I portion of a young mother's/father's annuity, include the following paragraph:

"The tier I portion of your annuity is being reinstated due to a change in Board policy effective August 1, 1992. The tier I component is now payable under the same eligibility standards as tier II.

4. Initial Entitlement Cases

In WCIA cases where the last child is under age 16 on the OBD but attains age 16 prior to August 1, 1992 and the annuity has not yet been awarded, the young mother or father should be paid as follows:

- Tier I should be included for any month the child is under age 16.

- Tier I should not be paid from the time the child attains age 16 through July 31, 1992. If a family maximum is involved, adjust the other beneficiaries to a higher tier I amount for this period.

- Tier I should be reinstated to the young mother or father effective August 1, 1992.

EXAMPLE: An AA-18 application was filed by M on July 1, 1992. The employee died in May 1992. M's only child was born 7-15-76. M would be paid tier I benefits for the months of May and June. Her tier I is zero effective July 1, 1992; but is again payable effective August 1.

When initially awarding the young mother's/father's annuity in this type of case, include the following paragraph:

"Your tier I component is payable for the period prior to your child's attaining age 16. Because of a change in Board policy, effective August 1, 1992, your tier I component is payable under the same eligibility standards as your other annuity component."

B. Overpayments

In any case where the tier I component of a young mother or father's annuity was not terminated timely in accordance with the policy in effect prior to August 1, 1992 and where recovery of a resulting overpayment is not being made as of July 31, 1992, recovery of the overpayment will be waived. Forward these cases to OPR. Notate on the G-26 that this is a "Nancy Johnson Overpayment Case".

If recovery of an overpayment has already been initiated through withholding (full or partial) or cash installments, continue the recovery. If the beneficiary suddenly stops repayment, refer the case to the Chief of Compliance through SAPT.

2.4.1 Eligibility Requirements

To be eligible for a child's annuity, a child of an employee who had at least 120 months of RR service or at least 60 months of RR service after 1995, and a C/C, must:

A. Be unmarried at the time of filing an application for initial entitlement (A child who is widowed or divorced at the time of filing an application for initial entitlement is considered unmarried. However, if the child marries subsequent to being awarded an initial CIA, all current and future entitlement to a CIA is terminated, even if the child is later widowed or divorced. The end of the marriage that caused the loss of entitlement will not reestablish entitlement. One exception can be if the marriage that terminates entitlement is annulled. Refer these cases to the General Counsel through Policy and Systems); and

B. Have been dependent on the employee when he died; and

C. Be under age 18; or

D. Be over age 18 and either:

   1. A full-time student age 18-19; or

   2. Be disabled before age 22.

2.4.2 Entitlement Requirements

To be entitled to a child's annuity, a child must meet the above eligibility requirements and an application must be filed by or on behalf of that child.

Note: A child who is payable as a student must file his or her own application, unless the student is incompetent.

2.4.3 Child Entitled On the Record Of More Than One Deceased Employee

A child may not receive a child's annuity on more than one earnings record; normally (s)he will receive only the higher of the two annuities, but (s)he may elect to receive the lesser of two such annuities. For example, it may be to a child's advantage to receive the lesser annuity so that other entitled family members can receive higher benefits for themselves.

The "election" to receive a smaller annuity is revocable and may be made on a month-by-month basis. A signed statement by the applicant is sufficient proof of election. This differs from an election to receive an RLS, which is an irrevocable election and must be made on Form G-126.

If it appears that it would be to a child's advantage to receive the lesser annuity, release a memo to the F/O advising them of the facts of the case and requesting a contact with the annuitant. If the child wants the smaller annuity, secure a signed statement that establishes that the child is aware that (s)he is electing the smaller benefit.

An LSDP is not payable on the account that the annuity is not paid on because there is eligibility to a monthly benefit, whether or not it is paid.

If it does not appear to be to the child's advantage to receive the smaller annuity, award the higher annuity and terminate the current annuity.

2.4.4 Eligibility Of Stepchildren

A. General

Effective July 1, 1996, to be eligible for a child's annuity as the stepchild of an employee, the stepchild must have been receiving at least one-half support from the employee. Prior to July 1, 1996 a stepchild was deemed dependent if he or she was living with the employee at the time of the employee's death.

B. Point at Which One-Half Support Must Be Met

Dependency must be established at the time of the employee's death unless the employee has a period of disability freeze that continued until he met the conditions for entitlement to an RIB or DIB or until his death. If the deceased employee had a disability freeze that continued until he became entitled to an RIB or DIB or died, the dependency requirements can be met at either of the following points:

- At the beginning of the period of disability (DF), or
- At the time the employee became entitled to a DIB, or
- At the time the employee became entitled to an RIB.

In cases where there would otherwise be no break in entitlement, a dependency determination made for retirement spouse eligibility, O/M determinations, or Medicare entitlement should carry forward after the employee's death.

If there has been a break in entitlement, the dependency requirement must be met even if the child was previously determined to be dependent upon the employee for the purpose of increasing the employee's O/M, Medicare entitlement, or qualifying a spouse for an annuity.

C. Reasonable Period for Determining One-Half Support

In determining whether the one-half support requirement is met at the applicable point in time, analyze the stepchild's support status for a "reasonable period"

before that point. (Usually, the reasonable period is the 12 month period immediately preceding the month of the dependency point. Refer to RCM 4.7.40 - 4.7.43 for more discussion on the "reasonable period" for determining support and exceptions.)

D. How to determine One-Half Support - General

One-half support will be determined by either applying the "Pooled Income Method" or by counting employee contributions.

1. Under the "Pooled Income Method", all income coming into the household is pooled for the support of the household and each member shares equally in the funds used for support. (Note: In using this method, we need to determine all income coming into the household.)

   The pooled income method of support cannot be used if:

   - All household income was not pooled;
   - There is evidence indicating all income for support was not shared equally (e.g., one household member had large medical expenses);
   - Separate family groups live in the same household;
   - The stepchild and the stepparent lived in different households. (If the employee was under a court-order to pay child support, that is considered to be "living in the same household and, in that situation, the pooled income method could be used.)

   If using the "pooled income" method results in one-half support being missed by a narrow margin, also compute the child's support using employee contributions.

   The pooled income method is determined as follows:

   a. Determine the support period

   b. Compute the total gross income coming into the family from all sources during the support period.

   c. Depending on the facts of the case, use the following situations to determine how to figure support.

   SITUATION 1 - Employee is the Only Person in the Household With Income

   If the employee is the only household member with income, the one-half support requirement is met.

SITUATION 2 - The Employee and the Stepchild Have Income

a. Divide the total amount of income coming into the household by the number of members in the household. This amount constitutes the cost of each member's support. Dividing this amount by 2 equals one-half of each member's support.

b. Compare the child's outside income to the one-half support figure. If the child's income exceeds one-half support, the employee did not provide at least one-half support. If the child's income is equal to or less than the one-half support figure, the employee provided at least one-half support.

   EXAMPLE: The employee died in July 1996. At the time of his death, he was living with his wife Gerri and her son Gerald. During the year before his death, the employee's income was $24,000. His wife had no income. His stepson, Gerald, received $6,000 from his natural father during the year prior to the employee's death. The total family income, $30,000, was pooled.

   Dividing $30,000 by the number of household members (three) produces an amount of $10,000 as the cost of each family member's support. One-half of this amount is $5,000. Since Gerald's income of $6,000 is more than $5,000, the employee did not provide one-half support to Gerald during the support period.

SITUATION 3 - The Employee and Spouse Have Income; Stepchild May or May Not Have Outside Income

REMEMBER THAT IT IS THE EMPLOYEE CONTRIBUTIONS TO THE STEPCHILD THAT MUST EQUAL OR EXCEED ONE-HALF SUPPORT.

a. Divide the total amount of income by the number of members in the household. This amount constitutes the cost of support for each member. Divide the support amount by 2 and you will get the one-half support amount for each family member.

b. If the child's outside income exceeds one-half the cost of support, the employee could not have been providing at least one-half support. If the child's income is equal to or less than one-half support, or if the child has no outside income, proceed to step c.

c. For each member of the household whose income exceeds the cost of support (e.g., the employee and spouse), the cost of support is subtracted from his/her income. The balance is the amount available for that individual's support of other household members.

d. To compute the balance of the child's support which comes from the contributions of the employee and spouse, subtract the child's income from the cost of support.

e. Compute the proportion of the employee's contributions to the child as follows:

   Using the amounts arrived at in c., (the employee's and spouse's balance available for support of other household members), add the two figures together. Determine what proportion of the total amount the employee's contribution represents. This fraction is the proportion of the child's support that the employee contributed.

f. Apply the fraction derived in e. to the balance of the child's support (the amount arrived at in d) to determine how much of the balance of support the employee contributed. If the result is equal to or greater than one-half the cost of the child's support, the one-half support requirement is met.

   EXAMPLE

   John Dillinger, the employee became entitled to a disability annuity in July 1996. The support period to be used is the 12 months before he became disabled. In that year, John lived in the same household with his wife Marie and her son, James. John died in October 1996 and James is now applying for a survivor child's insurance annuity based on John's account.

   John's income during the 12 month support period was $20,000. Marie's income for the same period was $15,000, and James received $4,000 during the period from his natural father. All household income was pooled. The total family income was $39,000; the cost of each member's support was $13,000. One-half is $6,500. Since James income did not exceed $6,500, it must be determined whether John was providing at least one-half of his support.

   Both John's income and Marie's income exceeded the cost of each one's support ($13,000). For each, the cost of support is subtracted from his/her income. The balance of John's income available for support of other household members if $7,000 ($20,000 minus $13,000); for Marie, the balance is $2,000 ($15,000 minus $13,000).

   The amount of James' income is subtracted from the cost of his support ($13,000 minus $4,000 = $9,000). The balance of his support came from the contributions of John and Marie.

In order to determine how much of the balance of James' support came from the employee, the following rule applies: The proportion of one member's contributions to any other member is the same as the proportion of his/her contributions (minus his/her own support) to the total of the remaining amounts available for support by the contributing members.

The proportions are computed as follows:

	John	**Marie**
Income	$ 20,000.00	$ 15,000.00
Cost of own support	- 13,000.00	- 13,000.00
Balance available for support of other household members	$ 7,000.00	$ 2,000.00

The employee's contribution to James' support equals 78% of $9,000 (the balance of James' support). The proportion of 78% is computed by dividing $7,000 (the balance available from John) by $9,000 (the total remaining support available from John and Marie).

Since 78% of the balance of James' support ($9,000) is $7,020, and this amount is greater than $6,500 (one-half the cost of James' support), the employee provided one-half support and the requirement for James' entitlement is met.

2. If the pooled method does not apply, or if use of the pooled method results in one-half support being missed by a narrow margin, compute the stepchild's support based on the employee's contributions as shown below:

   a. Compute the stepchild's income from sources other than the employee.

   b. Compute the employee's net contributions to the stepchild.

   c. Add the figures from steps ‘a’ and ‘b’ to determine the cost of the stepchild's support. One-half of the amount equals one-half of the stepchild's support.

   d. If the stepchild's income from sources other than the employee, exceed one-half the cost of the stepchild's support, the one-half requirement is not met. If the employee's contributions to the

stepchild equal or exceed one-half the cost of the stepchild's support, the requirements is met.

The examples below illustrate the principles used in computing one-half support in cases where family income is not pooled.

EXAMPLE 1: Employee, Spouse and Stepchild Have Income; Employee and Spouse Did Not Pool Their Income

The employee, Anna Smith, died in August 1996. During the 12-month period before she died, she lived with her husband, Philip and his son, Mitchell, from a previous marriage. Mitchell is filing for benefits as a stepchild on Anna's record. During the support period, Anna's income was $20,000. Philip's income was $18,000, and Mitchell received $2,000 from his natural mother. Two other children in the household had no income.

Development determined that the pooled income method cannot be used in this case because not all family income was pooled. Anna's income was used for household expenses such as mortgage, utilities, taxes, food, and insurance; while Philip's income was used for all other expenses, such as clothing and medical expenses.

Anna's net contribution to Mitchell's support must be determined. Development indicated that the value of Mitchell's room and board was $2,400 for the period. Since Anna paid for all household expenses, the $2,400 amount constitutes her contribution to Mitchell's room and board. The amount Philip contributed toward Mitchell's other expenses, such as clothing and medical expenses, equaled $2,000. Total family income was $40,000.

The total cost of Mitchell's support was determined by adding all his sources of income: $2,400 from Anna, $2,000 from Philip, and $2,000 from his natural mother. Thus, the total cost of his support equaled $6,400. One-half of this amount is $3,200.

Since the $2,400 Anna contributed to Mitchell was less than one-half of his support ($3,200), the one-half support requirement was not met.

EXAMPLE 2: Employee, Spouse, and Stepchild Have Income; Child's Income Not Pooled with Rest of Family Income

The employee, Michael Johnson, died in August 1996. During the 12-month period before he died, he lived with his wife, Juanita, and

her daughter from a previous marriage, Judy. Judy has filed for benefits on Sarah's record as a stepchild.

During the 12-month support period, Michael had $30,000 in income. Juanita's income was $24,000. Judy received $4,000 in child support payments from her natural father. Although Michael and Juanita pooled their income, Judy's child support payments were not pooled with the household funds; but were used exclusively for her own needs such as clothing and medical care. Therefore, the pooled income method cannot be used.

Development determined that the value of Judy's room and board for the period was $4,000. Since Michael and Juanita pooled their income, the proportion of their contributions to Judy that may be attributed to Judy must be computed. In order to determine this proportion, compute the proportion that Michael's income ($30,000) represents with respect to the total of his income and Juanita's income ($54,000). Since Michael's income represents 56% of the total, assume that Michael paid that percent of Judy's room and board. (This rule applies unless the facts in the case indicate otherwise.) Thus, Michael contributed $2,240 ($4,000 x 56%) to Judy's room and board.

In computing Michael's contributions to Judy's other needs such and clothing and medical expenses (which totaled $5,000), Judy's $4,000 income from her natural father is first deducted from her total expenses. The remainder is $1,000. The 56% calculated above is applied to this $1,000 to determine the amount Michael contributed to Judy for these expenses, ($560).

The total of all contributions to Judy (from Michael, Juanita, and Judy's natural father) equaled $9,000. The breakdown is as follows:

Judy's income from her natural father	$4,000
Michael's and Juanita's contributions to Judy's room and board	4,000
Michael's and Juanita's contributions to Judy's other expenses	1,000
TOTAL COST OF JUDY'S SUPPORT	$9,000

One-half of the cost of Judy's support is $4,500. Michael's contributions to Judy ($2,240 plus $560) equaled $2,800, which is

less than $4,500. Therefore, the one-half support requirement is not met.

EXAMPLE 3: Employee and Spouse Have Income; Employee Has Extraordinary Medical Expenses

Adam West, the employee, became disabled in August 1996. For the 12-month period before his death, he, his wife Mae, and her daughter Amy, lived in the same household. Amy is now filing for benefits as a stepchild on Adam's record.

For the 12-month period, preceding his death, Adam had $28,000 in income. Mae's income was $20,000. Amy had no income. The pooled income method cannot be used because not all family income was pooled; Adam spent $4,000 of his income on medical expenses for himself during the 12-month period. The remaining amount of his income was pooled with Mae's to pay for family expenses.

To determine the amount of Adam's income available for support of the household, the $4,000 in medical expenses is deducted from his total income, leaving a balance of $24,000. The proportion represented by this $24,000 in relation to the $44,000 total of this amount and Mae's income must be determined: It equals 55% ($24,000 divided by $44,000). The value of each household member's room and board was determined to be $5,000. It is assumed that Adam contributed 55% of this amount, or $2,750. The total of Adam's and Mae's contributions to Amy for her other expenses, such as clothing and medical care, amounted to $3,000. Adam's share of these expenses is assumed to be 55%, or $1,650.

The total cost of Amy's support was $8,000 (the amount Adam and Mae contributed for her room and board, $5,000 and to her other expenses ($3,000). One-half the cost of her support was $4,000. Adam contributed a total of $4,400 to her ($2,750 in household expenses plus $1,650 in other expenses). Since $4,400 is greater than $4,000, Adam contributed at least one-half of Amy's support.

2.4.5 Eligibility Of Child Adopted By Surviving Spouse After Employee's Death

A child legally adopted by the employee's surviving spouse is deemed to be the legally adopted child of the employee at his (her) death if the child was living in the employee's household at the time of his or her death (refer to RCM 4.4.26) and either:

- The adoption was completed within 2 years of the employee's death 8-29-60, whichever is later; or

- The adoption was completed at any time after the employee's death if the adoption proceedings were started by the employee before (s)he died. (This rule only applies for months after January 1968.)

In addition to the above requirements, the child must not have been receiving substantial contributions towards his (her) support from:

- A public or private welfare agency which furnishes services or assistance to children; or

- Anyone other than the employee or his(her) spouse.

NOTE: If an LSDP was previously paid and a child who was later adopted by the widow(er) qualifies under this section, the LSDP must be recovered. The child's eligibility is considered to be retroactive to the month of the employee's death, even though payment of the annuity may not be retroactive to that month. However, a deferred LSDP may be payable if the annuities payable in the 12-month period after the employee's death do not equal the amount of the LSDP.

2.4.6 Beginning Date - General

The beginning date and retroactivity of a child's insurance annuity (WIA) is explained in FOM-I-111.20, FOM-I-111.51 and FOM-I-112.9.5.

2.4.7 One Application Concept

An application filed by, or on behalf of, a minor child protects the child's rights to benefits as a disabled or student child when (s)he attains age 18.

If a child is disabled before age 18, he need submit only an informational supplement (AA-19a) to his original application and furnish the Board with evidence of disability in order to receive benefits.

If a child is an FTS in the month he attains age 18, he need only submit an informational supplement (G-315) to his original application to receive benefits. However, if the child's entitlement ends after age 18 and before age 19 because he is not an FTS, he must file a new application to reestablish entitlement if he again becomes an FTS while still eligible for benefits. (See the following section for the special application and retroactivity provision applicable to FTS annuities.)

If payments ended the month before the month the child attained age 18, and the child later establishes his eligibility as either a disabled child or FTS, reinstate annuity payments effective with the month the child attained age 18, provided the evidence of full-time attendance or disability is submitted within 1 year of the termination date.

2.4.8 Special Application And Retroactivity Provisions For Student Children

The filing of an application (G-315) by, or on behalf of, a child age 18 through 19 is not a legal requirement, in certain cases, to establish or continue a child's entitlement to benefits. In actual practice, however, the Board now obtains an G-315 in every student case. This section explains when the filing of an application is required and when it is only obtained for informational purposes, and the retroactivity of student annuities.

A. Application Requirements

1. When Filing of Application Is Required - An AA-19 and G-315 are required from or on behalf of, a child:

   - To establish entitlement if the child age 18-19 has never previously qualified for a child's annuity; or
   - To reestablish entitlement if the child's annuity terminated when the child attained age 18 or recovered from disability before age 19. (A child is a full-time student even though payment "terminated" because the Board did not have knowledge of child's school attendance); or
   - To reestablish entitlement if the child's annuity terminated after age 18 because the child was not a full-time student.

2. When Filing of Application Not Required.--The filing of an application is not required in the following situations to establish or continue a child's entitlement although one is obtained for information purposes.

- If the child attains age 18 and is a full-time student in the month (s)he attains age 18. This applies in cases where payments to the child ended with the month before the month that the child attained age 18 because the Board did not have knowledge that he or she was a full-time student. In such cases, reinstate annuity payments from the month the child attained age 18, after the field office has received proof of the child's full-time attendance.

  EXAMPLE: Roger attained age 18 in 9-95 and his child's annuity payments ended as of 8-31-95. Roger was attending Central Catholic High School full-time but he failed to submit proof to the Board of his status. He continued attending school full-time and filed an AA-19 and G-315 on 3-29-96. Since he was an FTS in 9-95, the month he attained age 18, an application was not required to continue his entitlement and his annuity can be reinstated from 9-1-95.

B. Annuity Retroactivity - If an application is not required, payments can be made retroactively up to 12 months prior to the verification of full-time attendance.

If an application is required, limit retroactivity to the usual 6 months or 12 months if the application was filed before 9-1-83.

2.4.9 Beginning Date When Child Is Legally Adopted By Employee's Spouse After Employee's Death

A. Child Adopted Within 2 Years of Employee's Death - A child's annuity may begin on the latest of the following dates:

1. September 1, 1958; or

2. The first day of the month of the employee's death; or

3. The first day of the sixth month before the month in which the application is filed on behalf of the child. (Twelfth month if application was filed before 9-1-83).

B. Child Adopted (More than 2 Years) After Employee's Death - A child's annuity may begin on the latest of the following dates:

1. February 1, 1968; or

2. The first day of the month of the employee's death; or

3. The first day of the sixth month before the month in which the application is filed on behalf of the child. (Twelfth month if application was filed before 9-1-83).

2.4.10 Amount Of Child's Annuity

A child's insurance annuity consists of Tier I and Tier II.

A. Annuity Components

1. Tier I - The tier I component is equal to a 75% share of the survivor PIA #1 or a proportionate share of the SS maximum. The PIA #1 is based on the RR employee's combined wages and compensation. This share is reduced for SS benefits.

   Payment of tier I may be affected by certain SSA nonpayment provisions. Refer to SAPT any cases in which alien nonpayment provisions, conviction of a felony, conviction for subversive activities, deportation, (including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II), or other nonpayment provisions of the SS Act are involved. Also refer to SASS any case in which a disabled child refuses to accept vocational rehabilitation services. Refer to RCM 4.9 for alien nonpayment provisions.

2. Tier II - The tier II component is equal to:

   a. 30% rate (1974) Act tier II): If the employee began receiving an RR retirement annuity before October 1, 1981 or the employee died before October 1, 1981, the tier II component is equal to 30% of the gross tier I after any reduction for the maximum.

   b. Share of EE's tier II (1981 Amend tier II): If the employee began receiving an RRA retirement annuity on October 1, 1981 or later, the employee died on October 1, 1981 or later; or the voucher date of the initial survivor award is 10-1-86 or later, the tier II component is based on a percentage of the EE tier II which would be payable if the employee were alive on the child's OBD. The basic tier II is reduced for entitlement to the vested dual benefit but is not reduced for age. A child is entitled to a 15% share of the employee's tier II. The statutory percentage may be changed if there are other entitled beneficiaries and the total paid to all the beneficiaries is less than 35% or exceeds 80% of the employee's tier II.

   c. In certain re-entitlement cases, tier II is not payable. (See DCM 3.10.10.)

2.4.11 Earnings Restrictions

A. Restricted Employment - A child's annuity is not payable for any month the child works for an employer covered by the RR Act.

B. Other Employment - Regular earnings restrictions apply to the earnings of a minor child and a student age 18-19. However, do not assess work deductions against the earnings of a disabled child age 18 or over. Send all cases in which earnings or work activity are reported for a disabled child age 18 or over to the disability programs section. If a child age 16-18 is qualifying a person for a mother's/father's annuity because of a disabling condition and earnings or work activity is reported for the child, also send the case to the disability programs section.

2.4.12 When Entitlement Ends

A. A child's annuity ends with the month before the month in which the child:

   1. Dies.

   2. Marries.

   3. Attains age 18, unless the child is disabled before age 22 or an FTS.

B. In addition to the above events, the child's annuity of a disabled child ends on the last day of the second month following the month in which the child recovers from disability.

C. In addition to the events listed in A, above, the child's annuity of an FTS age 18-19 ends when the child is no longer considered a full-time student (see sec. 2.4.61).

2.4.13 RLS Previously Paid To Child

Payment as designated beneficiary of the RLS may have been made to a child previously ineligible for a child's annuity, (e.g., grandchild, child not disabled at age 18 but disabled before age 22). If one of these beneficiaries received all or any portion of the RLS, recover the RLS from annuities due but only to the extent that the RLS was paid to the child.

2.4.20 Evidence Requirements

See FOM1 420.20.1

2.4.21 Additional Evidence for Minor Child

Evidence	When Required
Guardian or Other Legal Representative (AA-5)	If a person other than the natural, adoptive, or step-parent files an application on behalf of a minor child.
Responsibility of Minor -Child- Field Interview	If a child age 16-17 11/12 files an application in his own behalf. Assume that a "responsibility" interview has taken place if the application was filed in person with contact representative.

2.4.22 Additional Evidence for Disabled Child

Evidence	When Required
Medical Evidence for Child	If child claims to have become disabled before age 22.
Wage Information for Child	By quarter and employer if child claims to have become disabled before age 22.

2.4.23 Additional Evidence for Full-Time Student

Refer to FOM 1-525.10

2.4.24 One Application Concept

Refer to FOM 1-505.5.5

2.4.25 Special Retroactivity Provisions For Students

Refer to FOM 1-505.5.6

2.4.26 Child Eligible As A Student Or Disabled Child

Refer to FOM 1-525.5.3

2.4.30 Type of Application

The following types of applications are used for a child's annuity:

A. Application for Mother's/Father's and Child's Annuity

(AA-18) - Used when the widow(er) is filing for herself (himself) and child(ren).

B. Application for Child's Annuity - (AA-19) - Used when filing for minor child's, student, or disabled child's annuity.

C. Application for Determination of Child's Disability

(AA-19a) - Used as a supplement for a disabled child age 18 or older.

D. Student Questionnaire - (G-315) - Used as a supplement for a student's annuity as follows:

Initial Entitlement: Forms AA-19 and G-315 are secured.

Child to Student Conversion: Only form G-315 is secured.

2.4.31 Examining the Application

Examine the application carefully to make sure all questions are answered. Give particular attention to the answers to the following questions.

A. Appointment of Legal Guardian - If there is indication that a guardian or other legal representative has been appointed and the application is filed by someone else, have the field office secure an application and Form AA-5 from the guardian

or legal representative if the guardian or legal representative is recognized as representative payee.

B. Use of Payments Made to Claimants on Behalf of Children - Do not pay any applicant who does not agree to apply the payments made to him for the use and benefit of any child or children on whose behalf he has made application. This applies to legal guardians as well as the other persons who apply on behalf of children.

C. Name of Each Child Who Survived the Employee - Assume that the application is filed on behalf of all children unless other information (e.g. RL-94-F, G-659a, etc.) indicates otherwise. If the claimant is not filing for all of the children listed on the application, the reason must be stated. If no reason is given, request the field office to secure the information.

D. Name of Each Child Not Residing With Applicant - When a child is not residing with the applicant, who is other than the child's legal guardian or other legal representative, have the field office secure a statement from the applicant and the person with whom the child is residing, stating the degree of responsibility assumed by the applicant for the welfare and care of the child.

E. Preventing Overpayments to Children - When making the initial payment to a child who is within 4 months of attaining age 18, control the case to enter a FAST S/T transaction to terminate the annuity at age 18. The termination should be entered as soon as the initial payment voucher clears.

2.4.32 Protecting Interests of Children

Every effort should be made to protect the interests of each child eligible for benefits. When requesting the field office to develop a claim on behalf of a child, tell them that the case should not be abandoned until all efforts to secure an application and required evidence have been exhausted. Neglect or lack of interest by a prospective payee in filing or furnishing evidence should not deprive a child of his rights to benefits.

If the person assuming responsibility for the child refuses to file an application or furnish necessary evidence, have the field office advise that person fully of the child's rights to these benefits and that any delay in filing may cause the child to lose part of the benefits he may be entitled to. Ask them to impress upon the person the fact that these benefits are a matter of right and not relief or charity. If the person persists in his refusal and will not agree to have another person file for the child, refer the case to the section supervisor.

2.4.33 Application Filed As A Result Of RL-175

Refer to FOM 1-525.35.3

2.4.34 Securing SS Entitlement Data

Obtain a report of SS benefit data in any case in which there is information indicating that a child is entitled to or has filed for SS benefits on his own or any other wage record in accordance with chapter 7.4.

2.4.40 Relationship & Dependency Requirements

The following sections briefly discuss the relationship and dependency requirements which a child must meet in order to qualify for a child's annuity. More detailed information about parent-child relationship and dependency requirements is in RCM 4.4 and 4.7.

2.4.41 Parent-Child Relationship

To qualify for a child's annuity, a child must be the deceased employee's:

A. NATURAL LEGITIMATE CHILD who is:

1. A child of a ceremonial marriage; or
2. A child of a voidable marriage; or
3. A child of a void marriage in some States; or
4. A child legitimate under State law; or
5. A legitimate child under State law even though there has been no marriage or act of legitimation.

B. ILLEGITIMATE CHILD who has rights under State Law for inheriting the employee's intestate personal property; or

C. STEPCHILD if the employee and the child's mother or father meet the marriage requirements as described in RCM 4.4.80; or

D. LEGALLY ADOPTED CHILD (includes a child adopted after the employee's death); or

E. EQUITABLY ADOPTED CHILD; or

F. DEEMED CHILD (includes an illegitimate child or a child of an invalid ceremonial marriage who would NOT have rights under State law for the purpose of inheriting the employee's intestate personal property, but can be deemed a child effective 2-1-68); or

G. GRANDCHILD OR STEPGRANDCHILD. Effective 1-1-73, a grandchild or step grandchild of a deceased employee is deemed to be the employee's child for purposes of receiving a child's annuity if:

1. The child's natural or adoptive parents were either deceased or disabled when the employee retired, died, or became disabled; or

2. The child was legally adopted by the employee's surviving spouse and the child's natural, adopting or stepparent was not living in the employee's household and making regular contributions to the child's support at the time of the employee's death. (For further information regarding the relationship requirements for a grandchild refer to RCM Chapter 4.4).

In addition, the grandchild or step grandchild must meet the dependency requirements. This can be established if the grandchild was living with and receiving one-half support from the employee when the employee retired, died, or became disabled. (See RCM 4.7.15 for detailed instructions regarding the establishment of dependency of a grandchild.) A great-grandchild does not qualify for a child's annuity.

NOTE: A grandchild does not have to meet the above requirements to qualify for a residual lump sum or accrued annuity due but unpaid at death.

2.4.42 Dependency Requirements - General

A child must be dependent on the employee at the time of the employee's death to be eligible for a child's annuity. In some instances, a child can be deemed dependent. If a child meets the requirements for deemed dependency, the presumption of dependency is conclusive; actual dependency on someone other than the employee will not defeat the presumption. Usually the statements on the application are sufficient to establish dependency. In some instances, documentary evidence is required.

The following chart shows when a child can be deemed dependent and when dependency must be proven.

Child's Status	**Dependency**
Natural Legitimate or Legitimated Child (Including a Deemed Child)	Deemed, unless the child was adopted by someone else before employee's death.
Legally Adopted Child	Deemed unless the child was adopted by employee's widow(er) after death.

Equitably Adopted Child	Established if, at death, the employee was living with or contributing to the child's support.
Stepchild	Established if, at death, the employee was living with or contributing 1/2 of the child's support.
Grandchild - For Months After 12-1972	Established if the grandchild was living with and receiving 1/2 support from the employee when the employee retired, died, or became disabled.

2.4.50 Disabled Child Age 18 Or Over

A child may qualify for a child's annuity if (s)he has a permanent physical or mental condition which began before (s)he attained age 22, that prevents him (her) from engaging in any regular employment. A disabled child, whose annuity is terminated because of recovery from disability, can become re-entitled. See DCM 3.10.10 for re-entitlement requirements. Once awarded, the annuity remains payable for as long as the child is disabled or until a terminating event occurs. A disabled child is eligible even if the widow(er) previously elected and received a residual lump sum. No recovery of the residual lump sum is to be made. (However, the widow(er) is not eligible for a (disabled) widow(er)'s annuity or a mother's/father's annuity.

2.4.51 Development Of Child's Disability

A determination of the alleged disability of a minor child is not required until the child attains 18, although a disability determination may be made as early as age 16 in order to qualify the mother or father for tier I benefits. If a child is rated disabled before age 18, (s)he will not be rated again at age 18 unless there is evidence that the condition has changed. When an alleged disabled minor child is on the rolls, development action is started 4 months before the child attains age 18, in order to avoid interruption of benefits.

A. Child on Rolls Before Age 18 - When a child on the rolls is 4 months from attaining age 18, the computer will print an RL-175 letter. This letter notifies the child's payee that benefits will terminate when the child attains age 18, unless the child is either disabled or an FTS. The payee is advised to contact the nearest field office to develop the necessary evidence. The filing date of an AA-19a has no bearing on the retroactivity of benefits. If payments ended at age 18, reinstate the child's annuity effective with the month the child attained age 18, regardless of when the AA-19a is filed, provided the evidence of disability is submitted within 1 year of the attainment of age 18.

B. Child Not on Rolls Before Age 18 - When an inquiry is received about benefits for an alleged disabled child, or there is information in file indicating that such a child survives, request the field office to develop the claim in accordance with the instructions in the FOM. Enter in the "Remarks" block of Form G-659a, any

information in the file that may aid the field office in their development action (e.g., child alleged to be incompetent, child confined in mental institution etc.). If the alleged disabled child resides outside the U.S. or Canada, write directly to the claimant or the person who inquired on behalf of the child. Inform the person of the evidence required to support his claim.

When the application is received and eligibility determined, prepare a G-325 and submit the case to the disability programs section for a determination. If additional evidence concerning the alleged disability is required, the disability programs section will request it.

NOTE: If the field office advises that there will be a delay in securing medical evidence for an alleged disabled child who is under age 19 and attending school full time, have them develop the child's eligibility as an FTS so the benefits may continue without interruption.

2.4.52 Securing Breakdown of Wages and Employers From SSA

If the alleged disabled child has an SS number, or has worked, secure a wage breakdown and names of employers by teletype from SSA. If the wage breakdown shows a possible insured status, obtain a report of SS entitlement data for the child by requesting a G-90 on the child's social security number. In either case, after the report is received, send the case to the disability programs section for a determination of disability. If the case is already in the disability programs section when the report is received, forward the report to DPS.

2.4.53 Child Previously Rated Disabled for Retirement Purposes

Once a child has been rated disabled for inclusion in the employee's O/M, or for the purpose of awarding a wife's annuity under the RR Act, forward the claim to the Disability Programs Section (DPS) in the Bureau of Disability and Medicare Operations when an application for a child's annuity is received after the employee's death.

2.4.54 Employment of Disabled Child

The earnings of a disabled child are not subject to regular work deductions. However, when there is information received or in file indicating that the child is or has been employed, and the employment was not previously reconciled with the disability, send the case to the disability programs section. Examiners in that section will determine whether the employment can be reconciled or if the child has recovered from disability.

2.4.55 Selecting Payee for Disabled Child

A disabled child who can manage benefit payments in his own interest in considered mentally competent and can receive direct payment of his annuity. When making the

disability rating, the disability programs section will determine the competency or incompetency of the disabled child.

If it is determined that the child is competent to manage benefit payments in his own interest, an application will be secured from the child. In all other cases, a representative payee will be selected for the disabled child as outlined in RCM 5.10--normally by the appropriate field office.

2.4.56 Effect of Dependent Parent's Entitlement

Prior to September 1, 1983, the presence of a child normally precluded a dependent parent from receiving a parent's annuity. Effective September 1, 1983, we will pay a tier I benefit to a parent even if there is a disabled child entitled.

2.4.60 Full-Time Student Age 18-19

Refer to FOM 1-505

Appendices

Appendix A - Legislative History

Effective Date	Child and Student Annuity Provisions
1-1-47	Survivor annuity provided for each dependent, unmarried child under 18 of a deceased insured employee. Each child received 1/2 of Basic Amount (BA) under RR formula.
10-30-51	Benefit amount increased to 2/3 of BA.
11-1-51	Survivor O/M computation for child annuitants.
11-1-51	Entitlement does not end if child adopted by stepparent, grandparent, aunt, or uncle.
9-1-54	Eligibility extended to dependent disabled children age 18 or older if disability began before age 18.
9-1-58	Child adopted by widow(er) within 2 years after employee's death became eligible.
9-1-60	Child deemed to be stepchild if natural or adopting parent had an invalid ceremonial marriage.
9-1-60	3-year relationship of stepchild reduced to 1 year.

1-1-65	Eligibility extended to children under age 22 if full-time students.
11-1-66	Entitlement does not end if child adopted by a brother or sister.
2-1-68	Stepchild qualifies if employee and child's parent were married at least nine months before day of employee's death. Nine months requirement deemed if marriage lasted three months and employee's death either was accidental or occurred during active duty while in U. S. Armed Forces.
2-1-68	Child adopted by surviving spouse any time after EE's death deemed employee's adoptive child if adoption proceeding started by employee before death.
2-1-68	"Deemed" child and child of invalid marriage become eligible.
1-1-73	Extended eligibility to children disabled before attaining age 22.
1-1-73	Extended eligibility to students age 22 if their school term has not been completed.
1-1-73	Child entitlement not ended because of adoption.
1-1-73	Dependent grandchild or step grandchild qualifies if: • the grandchild's parents are deceased or disabled, or • the grandchild was adopted by the surviving spouse and the child's parents were not "living with" and contributing to the grandchild's support.
1-1-75	The 1974 RRA revised the annuity calculation to Tier 1 and Tier 2.
6-29-76	Illegitimate child with inheritance rights is deemed dependent.
8-13-81	Social Security Act Amendments • Student is defined as a child age 18-19 who is in FTA at an educational institution. • An educational institution is a school that provides elementary or secondary education, respectively as determined under the law or the state or jurisdiction. This affected payment of the tier I portion of RR Act annuity. The phasing out of benefits to student beneficiaries already on the rolls. Phase-out students are designated and the reduction of benefits began.

	A student entitled to a 1981 tier 2 could continue to receive a tier 2 payment until age 22.
6-1-82	Retroactivity of tier 1 limited to six months.
6-1-82	No benefits are payable to "phase-out" students for the summer months (5, 6, 7 & 8). Phase-out students are students who were entitled to a child's benefit in August 1981 and were in FTA at a post-secondary school for any month prior to May 1982.
8-1-82	No benefits are payable to post-secondary students unless they qualify as "phase-out" students or they are entitled to a survivor annuity consisting of a 1981 Amendment tier II only based on the employee's ABD or date of death.
10-1-82	Benefits to phase-out students were reinstated at a reduced rate (25% reduction effective in 1982; 50% in 1983 and 75% in 1984).
8-12-83	Conforming Railroad Retirement Act Amendments. Effective with children age 18 or initial entitlement of September 1983 or later, a student must meet the definition of student and educational institution described above. With the exception of phase-out students and those students entitled prior to September 1983, student benefits end with the earlier of: attainment of age 19 or graduation from high school.
8-1-1992	Nancy Johnson administrative ruling.
7-1-1996	A stepchild must be dependent on employee for 1/2 support at the employee's death to qualify for an annuity.
1-1-2002	Child or student may qualify for a survivor annuity based on the earnings record of a deceased employee who had less than 120 months of railroad service, but at least 60 months of railroad service after 1995 and a current connection with the railroad industry. Tier 1 is payable only when the employee had sufficient quarters of coverage based on combined railroad compensation and SSA wages for an insured status under the SS Act.

Appendix B - Phase Out Students and Pre-1981 Amendments Student Provisions

Refer to FOM1 Article 5 Appendixes C

Appendix C - Guides To Foreign Secondary School Systems

Refer to FOM1 Article 5 Appendixes B

2.5.1 Parent Defined

In order to qualify for a parent's insurance annuity, a person must be:

A. The employee's natural mother or father entitled to share as a parent in the employee's intestate personal property under the law of the state in which the employee was domiciled at death; or

B. A stepparent of the employee by a marriage entered into before the employee attained age 16; or

C. An adopting parent who legally (not equitably) adopted the employee before (s)he attained age 16.

2.5.2 Eligibility Requirements (General)

In addition to being the parent of a deceased employee who dies completely insured for payment of survivor benefits under the 1974 RR Act, a parent must meet all the following requirements:

A. Age - The parent must have attained age 60.

B. Remarriage - The parent must not have married after the employee's death except as outlined in RCM 2.5.8.

C. Application - The parent must file an annuity application and proofs as outlined in RCM 2.5.7.

2.5.3 Eligibility For Both A Tier I And A Tier II

To be eligible for an RR Act annuity tier I and tier II, a parent must meet the requirements listed in RCM 2.5.2 and all the following requirements:

A. Other survivors - The employee must not be survived by a widow(er), divorced widow or child who could ever qualify for monthly benefits (a posthumous child born alive is deemed to survive the employee).

B. One-half support - The parent must have been receiving one-half support from the employee at the time of the employee's death.

2.5.4 Eligibility For Tier I Only

The 1983 Amendments to the RR Act provided that an annuity consisting of a tier I only may be paid to a parent even though the employee was survived by a widow(er)-type beneficiary or child who could qualify for monthly benefits provided the parent meets the conditions in RCM 2.5.2 and also meets, both of the following conditions:

A. The parent was receiving at least one-half support from the employee at the time of the employee's death or, if the employee had a period of disability which did not end before death, either at the beginning of the period of disability or at the time of the employee's death.

B. The parent is not entitled to an RIB equal to or exceeding the amount of the parent's tier I before reduction for the maximum but after consideration of the sole survivor minimum computation.

2.5.5 Entitlement Requirements

The parent must:

A. Meet all of the requirements for eligibility, and

B. File an application and proofs as outlined in RCM 2.5.17.

2.5.6 When Parent Is Entitled To More Than One Insurance Annuity

When a parent of an insured employee is also entitled to another parent's insurance annuity or a WIA based on the earnings record of another employee, (s)he will normally receive the higher of the two annuities. However, at the parent's election, (s)he may receive benefits on the record that results in a LOWER monthly annuity rate. For example, it may be to a parent's advantage to elect to receive the lesser annuity because of an RLS that would be payable on the other record if such an election were made. When it does not appear to be to the parent's advantage to receive the smaller annuity, the higher annuity will be paid and the current lower annuity will be terminated.

Election of Lesser Annuity

The election to receive a smaller annuity is revocable and may be made on a month-by-month basis. A signed statement by the applicant is sufficient proof of election. This differs from an election to receive an RLS, which is an irrevocable election.

If it appears that it would be to a parent's advantage to receive the lesser annuity, release a memo to the field office with the facts of the case and request that the office contact the applicant. If the parent wants the smaller annuity, have the field office secure a signed statement establishing that the parent is aware that (s)he is electing the smaller benefit.

If the parent wishes to elect the smaller annuity in order to receive an RLS on another account, the statement should include the fact that the election of the smaller annuity is made in order to receive the RLS and that the applicant does not intend to revoke it. A G-126 election form is not needed.

Revocation of Election

If the annuitant later changes his mind and withdraws his election of the smaller annuity, the RLS previously paid on the other account must be recovered from the larger annuity. No annuity would be payable until the RLS is recovered.

LSDP Entitlement

An LSDP is not payable on the account that the annuity is not paid on because there is eligibility to a monthly benefit, whether or not it is paid.

2.5.7 Marriage Before Entitlement To A Parent's Annuity

There is no future entitlement to a parent's annuity if a parent marries after the employee's death but before (s)he becomes entitled to a parent's annuity.

A parent who marries after the employee's death may, however, be entitled to a parent's annuity for some months before the marriage took place. The number of months the annuity would be payable depends on when the marriage occurred and how long after the marriage the parent files an application.

EXAMPLE: A parent meets all the requirements for a parent's annuity in 9/91. The parent marries in 11/91 and files an application for a parent's annuity in 1/92. Because a parent's annuity application can retroact up to six months, the parent's annuity can be paid for the months of 9/91 and 10/91, the months before the marriage took place.

2.5.8 Marriage After Entitlement To A Parent's Annuity

If a parent marries after entitlement to a parent's annuity, the annuity will terminate unless the marriage is to an individual entitled as a divorced spouse, widow(er), mother, father, parent or disabled child under the Social Security Act, or the Railroad Retirement Act. If the parent's marriage is to a qualifying individual, the parent will be entitled to a tier I only. If the parent is receiving a tier I and tier II, the tier II portion of the annuity will be terminated and tier I reinstated with the new beneficiary symbol (LP) or (LF). If the parent is only receiving a tier I, the tier I annuity will continue.

If a parent marries an SS beneficiary that permits tier I entitlement to continue, request the field office to:

- Secure proof of marriage;
- Secure the SS number of the spouse;
- Secure the SS number and type of benefit the spouse receives at SSA;
- Forward all information to BSB; and
- Advise a parent who is receiving both a tier I and tier II annuity to return any annuity payments received after the date of marriage; an adjustment is required in the

annuity rate since now only a tier I is payable. A parent who is only receiving a tier I annuity does not have to return any payments since there will not be a change in the annuity rate.

2.5.9 Parent's Marriage Annulled

When a marriage that terminated a parent's entitlement is annulled, payment of the parent's annuity is possible if the annulled marriage was a void or voidable marriage and no alimony is actually awarded.

When a parent, whose annuity was terminated because of marriage, reports that the marriage was annulled, secure a copy of the annulment decree. If the decree does not state the grounds on which annulment was based, obtain a copy of the complaint filed in the proceedings. A new application is not required. Refer to attorney advisor.

2.5.10 Beginning Date

The beginning date and retroactivity of a parent's insurance annuity (WIA) is explained in FOM-I-111.20, FOM-I-111.51 and FOM-I-112.9.4.

2.5.11 Amount Of Annuity

A. Annuity Components

1. Tier I

a. Two Parents - The tier I component is 75% of a PIA based on the EE's combined wages and compensation. It is reduced for SS benefit entitlement and entitlement to any RR retirement annuity.

b. One Parent - The tier I component is 82 1/2% of a PIA based on the EE's combined wages and compensation. It is reduced for SS benefit entitlement and entitlement to any RR retirement annuity.

Parents who qualify for a parent's annuity under the provisions of the 1983 Amendments are entitled to tier I only. Their tier I is subject to reduction for the family maximum.

Payment of tier I may be affected by certain SSA nonpayment provisions. Refer to SAPT any cases in which alien nonpayment provisions, conviction of a felony, conviction for subversive activities, deportation, (including deportation of the deceased employee due to associations with the NAZI government of Germany during World War II), or other nonpayment provisions of the SS Act are involved.

2. Tier II - The tier II component is equal to:

a. 30% rate (1974 Act tier II): If the employee began receiving an RRA retirement annuity before October 1, 1981, or the employee died before October 1, 1981, the tier II component is equal to 30% of the gross tier I after any reduction for the maximum.

b. Share of EE's tier II (1981 Amendment tier II): If the employee began receiving an RRA retirement annuity on October 1, 1981 or later, the employee died on October 1, 1981 or later, or the voucher date of the initial survivor award is 10-1-86 or later, the tier II component is based on a percentage of the EE tier II which would be payable if the employee were alive on the parent's OBD. The basic tier II is reduced for entitlement to the vested dual benefit, but it is not reduced for age. A parent is entitled to a 35% share of the employee's tier II.

B. Sole Survivor Minimum - The sole survivor minimum benefit should be considered in the computation of a parent's annuity. Refer to RCM 8.9, G-364.1 instructions for detailed information.

2.5.12 Work Restrictions

A. Restricted Employment - A parent's insurance annuity is not payable for any month the parent works for an employer covered by the RR Act.

B. Earnings Restrictions - A parent under age 70 is subject to the regular survivor earnings restrictions. (Age 72 prior to 1-1983.)

2.5.13 When Entitlement Ends

A parent's insurance annuity ends with the month before the month in which the parent:

A. Dies, or

B. Remarries, except:

If a parent marries certain railroad retirement annuitants or social security beneficiaries, entitlement to tier I may continue. (Refer to RCM 2.5.8.)

C. Becomes entitled to another insurance annuity under the RR Act which exceeds the current parent's insurance annuity, or

D. Becomes entitled to an RIB which equals or exceeds the amount of the parent's tier I before reduction for the maximum, if the parent is entitled to a tier I only benefit under the 1983 Railroad Retirement Act Amendments.

2.5.17 Evidence Requirements

Evidence	When Required
Application (AA-20)	Always. If 2 parents claim dependency, each must file an AA-20.
Proof of One-Half Support of Parent	Always. (Use G-134.)
Age of Parent	Always.
Relationship	Always.
Proof of Age of Employee	In “A” cases POA is required only if the employee's DOB has not been previously verified Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.
Death of Employee	Always.
Employee's Compensation Record	Always.
Amount of Parent's RRA	Employee Annuity Always.
Marriage of Parents	If claimant is stepparent.
Adoption	If claimant is an adopting parent or is a stepparent through marriage to an adopting parent of the employee.
Amount of SSA Benefits	Always.
Guardianship (AA-5)	If a guardian is selected as representative payee.
M/S	If employee's M/S after 1936 would be credited either as compensation under the RR Act or wages under the SS Act.

2.5.18 Filing Proof Of Support

A. Filing Requirement - Each parent who claims to have been receiving at least one-half support from the employee must submit proof of support. A G-134 is required before final action can be taken on the parent's application even though the parent has indicated on his AA-20 that he was not receiving at least one-half support from the employee.

If a parent is eligible for both a tier I and a tier II, there is no time limit for filing proof of support.

If a parent is eligible for a tier I only (1983 Amendments), proof of support must be filed within two years after:

- The month in which the employee filed an application for a period of disability, if support is being established as of the beginning of that period of disability; or

- The date of the employee's death, if support is being established at that point.

The point at which proof of support must be established determines the period within which proof of support must be filed. There can be no interchange of such periods, e.g., if the support requirement is met at the beginning of a period of disability and not at the time of death, proof of support is not timely filed because it was filed within two years after the date of the employee's death.

Proof of support must be filed within the appropriate period even though the parent may not become immediately entitled, i.e., he or she has not attained age 60. Proof of support which was not filed within the prescribed two-year period may be filed at any time thereafter provided there is a "good cause" for the claimant's failure to file in the prescribed period. Individuals who were first eligible for a parent's annuity 9-1-83 because of the 1983 Amendments will be considered to have established "good cause" for not filing proof of support within the prescribed period if this was the first time they could establish eligibility by proving dependency.

EXAMPLE: The employee died in 1975. We are paying a mother and child. The employee was supplying one-half support to his mother at the time of his death. The mother may file an application and proof of support in 9-83.

"Good cause" for failure to file within the specified period may be found when the parent establishes that such failure was caused by:

- Circumstances beyond the individual's control; or

- Incorrect or incomplete information furnished by the RRB; or

- Unusual or unavoidable circumstances under which the individual could not reasonably be expected to have been aware of the need to file timely.

If the field office is developing a parent's proof of support outside the specified two-year period, also request them to secure a statement from the parent regarding the reason(s) for untimely filing proof of support.

Appendices

Appendix A - Legislative History

Effective Date	Parent's Insurance Annuity Provisions
1-1-47	Survivor annuity provided for dependent parents at age 65 if no eligible widow or children survive employee. Each parent received 1/2 of the Basic Amount under RR Formula.
10-30-51	Benefit amount increased to 2/3 of the BA.
11-1-51	Survivor O/M computation for parent annuitants.
9-1-54	Eligibility age for parent annuity lowered to age 60.
9-1-58	Dependent parents (male at age 65 and female at age 62) can be included in Survivor O/M as IPI even if eligible widow or children survive employee.
8-1-61	Eligibility age for male parents in Survivor O/M lowered to 62.
10-5-72	Dependent parents (male at age 65 and female at age 62) can no longer be included in Survivor O/M as IPI when eligible widow or children survive employee.
1-1-75	The 1974 RRA revised the annuity calculation to Tier 1 and Tier 2.
9-1-83	Dependent parent may be entitled to tier I even if a widow(er) or child are entitled to an annuity. Retroactivity of parent's annuity application changed from 12 to 6 months.
1-1-2002	Parent may qualify for a survivor annuity based on the earnings record of a deceased employee who had less than 120 months of railroad service, but at least 60 months of

	railroad service after 1995 and a current connection with the railroad industry. Tier 1 is payable only when the employee had sufficient quarters of coverage based on combined railroad compensation and SSA wages for an insured status under the SS Act.

2.6.1 General

Prior to the enactment of the 1946 Amendments, which provided for payment of monthly insurance annuities to widows, an employee could elect to receive a reduced annuity during his lifetime in order to provide for the payment of an annuity to his widow after his death. The right of an employee to make a J&S election ended on 7-31-46. However, a valid election made by him before that date remains effective if:

- An employee annuity (reduced for a J&S election) was awarded before 7-31-46, or
- An employee annuity (reduced for a J&S election) began to accrue before 1-1-47 and the election was not revoked before 8-1-47 (in this instance the annuity need not have been awarded before 7-31-46), or
- An employee annuity (reduced for a J&S election) began to accrue after 12-31-46 and the employee reaffirmed his election before 1-1-48.

2.6.2 When A Joint And Survivor Annuity (JA) Was Payable

When an effective J&S election is in file, a JA became payable to the widow IMMEDIATELY upon the employee's death. The widow did not need to meet any "living with" or age requirement.

To establish entitlement to a JA, the widow must have filed an

AA-21. However, if she was eligible for any other survivor benefit under the RR Act, the application filed for the other benefit, i.e., LSDP, WIA etc., was used to pay the JA.

A JA was payable whether or not the employee had an insured status under the RR Act at death. Therefore, it was not necessary to have a certification of compensation and wages (G-90) in the folder before making an award.

A JA was <u>not</u> payable if the employee revoked his option, or if he did not reaffirm his election (see sec. 2.6.1), or if his marriage was dissolved before his death.

2.6.3 Beginning Date

The beginning date for a JA was the first day of the month in which the employee annuitant died. The filing date of the surviving widow's application had no bearing on the ABD.

2.6.4 Amount Of JA

A. <u>General</u> - The amount of a JA was a certain percentage (100%, 75% or 50%) of the employee's retirement annuity after reduction for his J&S election.

(In the event a tier summary is required, the JA amount should be shown in the tier 2 section of Form G-369.)

B. Options Available - An employee could elect one of the 3 following options:

1. OPTION A - 100% of the reduced annuity payable to the employee annuitant, or

2. OPTION B - 75% of that annuity, or

3. OPTION C - 50% of that annuity.

C. Determining Applicable Option - If a J&S annuity was awarded the employee, the applicable option was determined from the latest award form in the claim folder. On award forms with a design date of 8-52 or earlier, the J&S information was shown in a Block headed "Reduced Annuity under Joint and Survivor Option _____". On later award forms, this statement is shown in the remarks block.

If the employee annuity began to accrue, but was not awarded before the employee died, check the claims folder for a J&S election or reaffirmation of election signed by the employee. The applicable option will be shown on the election.

In any case, review the material in file to make sure that the correct option is being paid or that the option was not revoked at a later date.

2.6.5 Events That Do Not Affect JA

A. Entitlement to other RRA benefits.

B. The widow's employment (excess earnings or RR employment are not applicable).

C. The widow's remarriage. (Although entitlement to insurance annuities was terminated by remarriage prior to October 1981, entitlement to a JA continued even if the remarriage took place before the JA was awarded.

D. Cost-of-living increases. A JA is not subject to cost-of-living increases.

2.6.6 Effect Of JA On Other RR Benefits

Entitlement to a JA did not affect a widow's eligibility for an insurance annuity, an LSDP, or an RLS. A JA did not reduce the O/M formula rate of an insurance annuity.

2.6.7 When JA Terminates

A JA terminates with the month before the death of the widow. There are no other terminating events.

Joint and survivor annuity payments due but unpaid at death are payable in the same manner as any other accrued survivor annuity.

2.6.8 Evidence Requirements

The following evidence was required before a JA could be paid:

Evidence	**When Required**
Application (AA-21 or other survivor benefit application)	Always.
Death of employee annuitant	Always.

2.7.1 General

Any RRB annuity unpaid to an employee, spouse, or survivor during his/her lifetime may be payable to certain survivors in a lump sum. This chapter describes to whom and under what circumstances such annuities are payable. In addition, it describes the evidence and applications required to pay these annuities.

2.7.2 Determining Whether There Are Unpaid Annuities

On receipt of a notice of the death of an applicant or annuitant, determine if there is an unpaid annuity due for a period before death.

A. Death of Applicant - When an annuity was not awarded but a valid application is pending, determine whether the deceased applicant was entitled for any period before the month of death.

If entitlement did not exist, take no further action other than to have the case coded "CWOA." If an application has been filed for annuities unpaid at death, deny it.

When an accrual is found to be payable, take the action described in the following sections of this chapter to develop and pay the accrued annuities.

B. Death of Annuitant - There will be an unpaid accrual if the folder contains:

- Information that there are due payments covering periods before the month of death such as:
  - TAX screens
  - Notice of cancelled checks
  - Folder documentation of CANCO listing; or
  - Folder record indicating payments were suspended before annuitant died.

2.7.3 Relationship Of Claimant

A. Claimant Is Widow(er) or Child - A claimant for unpaid annuities as the widow(er) or child of a deceased employee must:

1. Not be disqualified from inheriting personal property of the employee; and

2. Have the claimed relationship status under the laws of the State in which the employee was last domiciled; or

3. Be the de facto widow(er) or deemed child under the RR Act.

B. Claimant Is Grandchild or Parent - A claimant for unpaid annuities as the grandchild or parent of a deceased employee must:

1. Not be disqualified from inheriting personal property of the employee; and

2. Have the claimed relationship status under the laws of the State in which the employee was last domiciled.

C. Claimant Is Brother or Sister - A claimant for unpaid annuities as the brother or sister of a deceased employee is entitled if (s)he is the employee's blood brother or sister or half blood brother or sister. A stepbrother or stepsister is not entitled to receive unpaid annuities on the basis of relationship to the employee.

D. Claimant Is Stepparent or Stepchild - A stepparent or stepchild cannot receive any unpaid annuities by virtue of relationship to a deceased employee because neither a stepparent nor a stepchild may inherit intestate personal property under State law.

NOTE: A stepbrother, stepsister, stepparent, or stepchild may, however, receive unpaid annuities (other than survivor annuities) by virtue of being "equitably entitled" to reimbursement for having paid the B/E of the EMPLOYEE.

2.7.4 Action When Relationship Is Questionable

If unpaid annuities are payable to a class of relatives (such as brothers and sisters) of the deceased employee, and the legal relationship of one of the potential applicants is questionable or cannot be established, do not question the relationship and eligibility of that person IF:

A. ALL eligible persons agree that the person with the questionable relationship is in the same degree of relationship to the deceased employee and is entitled to share in the benefit; AND

B. The person with questionable relationship files Form G-131 assigning his share (the amount which would be payable to him if his relationship were established) to an eligible applicant.

If the requirements in A and B are met, pay the appropriate shares to the applicant(s), including the share assigned by the person with a questionable relationship.

This method CANNOT be used if an eligible person claims that the person with a questionable relationship is not a relative in the same degree of relationship, or if the individual shares exceed $500. In such cases, relationship has to be established or denied before paying the share in question.

2.7.5 When Person's Rights Pass To Another

If a person entitled to unpaid annuities by virtue of relationship to the deceased employee dies before negotiating the check in payment of such annuities, the amount to which he was entitled becomes payable to other survivors in the same class. When there are no other survivors in the same class, entitlement passes to persons in the next class.

When the entitled person who dies is the payer of the employee's B/E, entitlement passes to that person's estate. Any amount remaining after reimbursing the payer of B/E (or his estate if he dies) is payable to the next priority of relatives.

2.7.6 Application Requirements

Generally, an eligible person must file an application on or before the second anniversary of the annuitant's death in order to receive payment of any part of the unpaid annuities. An exception is made for RESCUE cases. Since the change in the employee's annuity may not be detected until more than two years after the date of death, the two year period is counted from the date of the RESCUE run that identified the accrued annuity rather than from the date of termination. In March 2007, RESCUE computed accrued annuities for deceased employees who had service or earnings changes prior to 2006. The Board waived the two-year filing requirement altogether for these March 2007 RESCUE cases.

If the eligible person is filing or has filed for any other survivor benefit, a separate application for any unpaid annuities is not necessary. If an application is filed for a survivor benefit before an accrued annuity becomes payable, a separate application is required.

EXAMPLE: The employee dies on 3-10-92 and is survived by a living with widow age 61 and a disabled child age 40. On 3-21-92 the widow, the widow files an AA-17a and the child files an AA-19, but the child dies on 5-2-92 before negotiating his accrual check. In order to receive the accrued CIA for March and April 1992, the widow must file an AA-21 and submit POD of the child.

An AA-21 is used when application is not being made for any other type of survivor payment.

Effective August 1, 1990, if an employee accrued annuity is payable, a living-with widow(er), entitled to a WIA, who was receiving a spouse annuity in the month of the employee's death does not have to file an application for the employee's accrued annuity. Prior to August 1, 1990, form G-476c was used to pay the living-with widow(er) the employee's accrued annuity in spouse-to-widow(er) conversion cases.

If the widow dies before conversion to the WIA, the accrual is payable to the employee's survivors.

An AA-17 is required if the employee died before the spouse application (AA-3) was awarded.

2.7.7 Delay In Filing

As explained in RCM 5.1, (Applications), the two year period may be extended for the following reasons:

- the Soldiers and Sailors relief act of 1940. Refer to RCM 5.1 for a full explanation.
- good cause for delay in filing (health or communications limitations; erroneous information furnished by the RRB; or unusual or unavoidable circumstances which show that the applicant could not reasonably be expected to have been aware of the need to file an application.)

EXAMPLE: EE died more than two years ago in a no c/c case and retirement section COL review project uncovers an accrued annuity that is payable. Since unusual or unavoidable circumstances caused this delay, this application must be filed two years from the date of COL review, rather than EE's DOD.

2.7.8 Assignment Of Interest

An eligible person may complete Form G-131 "Authorization of Payment and Release of All claims to a Death Benefit or Accrued Annuity Payment" instead of filing an application if he desires to assign his share of unpaid annuities to another eligible applicant providing the share does not exceed $500. Develop a G-131 only when an eligible person expresses a desire to assign his share of the benefit. The person must be informed of the approximate amount of his share before he completes the form. Like an application, a G-131 has the same time frame restrictions on filing.

2.7.10 Evidence Requirements

Evidence	When Required
Death of annuitant(or applicant)	Always.
Relationship	Always, except when the applicant is equitably entitled or if entitled by virtue of relationship, his share is $25 or less. (See chapter 4.4, "Family Relationships," when two or more applicants survive and one has established his relationship.)
Marriage and living with	If the applicant is the widow(er).
Payment of B/E	When applicant is equitably entitled.
Appointment of legal representative of estate	When estate is equitably entitled and a legal representative has been appointed.
Guardianship (AA-5)	If guardian or other legal representative is selected as representative payee.
Guardian-in-Fact	When a person other than (1) a natural or adoptive parent, or (2) a legal guardian, or other legal representative files an application on behalf of child(ren) under age 18 or disabled and incompetent. (Use G-469.)
Responsibility	When an applicant age 16 or 17, other than a widow(er), files an application on his own behalf. (Use G-468.)
G-88p	In unpaid SUP ANN cases in which the employee's last employer has a pension plan covering his occupation.

2.7.15 Entitlement Requirements On Death Of Employee Applicant Or Annuitant

A. Application - An application for unpaid annuities must be filed no later than the second anniversary of the employee's death.

B. Entitlement by Reason of Relationship - When entitlement exists by reason of the applicant's relationship to the deceased employee, the applicant must meet the requirements listed in sec. 2.7.3.

C. Equitable Entitlement - When the applicant may receive the unpaid annuities as payer of employee's B/E, see chapter 2.8, "Lump-Sum Death Payments," for the conditions determining equitable entitlement.

2.7.16 Regular Retirement Annuities And Amount Of Payment

Regular retirement annuities unpaid at death are payable in the following amounts and order of priority:

A. Widow(er) if LIVING WITH the employee at the time of the employee's death: Full amount.

B. Person(s) who paid the employee's B/E: Each shares in the unpaid annuities to the extent and in the proportions that he paid the employee's B/E, but ONLY to the extent he is not reimbursed by the LSDP under the RR Act for having paid such expenses.

Since unpaid retirement annuities are payable only to the extent that the payer of the B/E has not been reimbursed by the LSDP, the LSDP must be paid BEFORE paying the unpaid retirement annuities. However, this does not mean that the payer of B/E cannot receive the unpaid retirement annuities when an LSDP is not awarded. (Example: An LSDP is not payable due to a child's entitlement to an insurance annuity for the month of the employee's death. That fact does NOT prevent payment of the unpaid annuities to the payer of the employee's B/E.)

When determining the extent and proportion that the payer of B/E paid the employee's burial expenses, disregard the amount of the LSDP paid to a funeral home as authorized by the payer of B/E. Consider only the amount actually paid by the payer of B/E in determining his eligibility for unpaid annuities.

If EE has an accrued annuity and the widow dies later, this payment is payable to the person who paid the EE's B/E.

If there is no one entitled to reimbursement, or if the unpaid annuities exceed the reimbursable B/E, pay such total or such remainder in the following order of priority:

C. Child(ren) of the employee receive equal shares; full amount to a sole survivor.

D. Grandchild(ren) of the employee receive equal shares; full amount to a sole survivor.

E. Parent(s) of the employee receive one half each if both survive; full amount to sole survivor.

F. Brothers and sisters of the employee receive equal shares; full amount to a sole survivor. Half blood brothers and sisters share equally with full blood brothers and sisters.

2.7.17 Paying the Employee's Vested Dual Benefit (VDB) Accrual to the Widow(er)

Background

These are cases in which the VDB due the employee was not paid, or was underpaid, prior to the employee's death. The accrued annuity is payable to the living-with widow(er); however, the widow(er)'s annuity may decrease if the VDB offset was not applied on the initial award.

Annuity Awarded Less than Four Years Before Current Action

If the widow(er)'s annuity was initially awarded less than four years before the date of your action, follow these steps to recertify the case:

Step	Action
1.	Request a wage record for the deceased employee. You need the basis for the tier 2 and this information is not in PREH.
2.	Recertify the widow(er)'s annuity from the OBD. On the SURPASS Beneficiary T2 Computation Data Screen (PF14), delete the prefilled OBD T2 entry. Make sure that the VDB Offset entry is "Y".
3.	Compute the rates (PF24).

If the Rate Decreases

If the rate decreases, follow these steps:

Step	Action
1.	Enter an amount equal to the lesser of the widow(er)'s overpayment or the VDB accrual on the SURPASS Additional Amounts/Recovery Amounts screen. Use Selection Code “1" and Select Type code “3".
2.	Explain to the widow(er) that her annuity is being decreased, she is overpaid and the overpayment will be recovered from the VDB accrual payable to her deceased husband.
3.	Release the award and the due process letter to authorization.

If the Rate Remains the Same

If the rate remains the same, recertify the rate, cert code 01, as a correction award. Do not consider a penny difference in tier 2 as a rate change.

Annuity Awarded Four or More Years Before Current Action

If the widow(er)’s annuity was awarded four or more years before the date of the current action, the case will not be reopened. Do not recertify the rate. However, any accrued VDB due the employee at death can still be paid to the living-with widow(er).

Paying the Accrual

After the widow(er)’s annuity has been recertified, if necessary, follow these steps to pay the VDB:

Step	Action
1.	Pay the award as an accrued annuity on the one-pay-only side of SURPASS. Use VDB as the UNIT.
2.	Enter the total of the employee, spouse, tax refund and widow(er) overpayments on the OPO Recoveries screen (PF14) in the OTHER RECOVERY AMT item. The employee overpayment is on the employee

	award form G-369T2. Take the spouse and tax refund overpayments from the employee award form G-363E. Enter a “4" for Type and a “1" for Action. Enter the widow(er)’s check symbol, claim number and payee code for the Recovery Claim Number.
3.	Complete the Returned Payments, Accrued Annuities screen following current instructions. Take the VDB accrual from the employee award form G-369VS. Enter the accrual in VDB POST-1983 or PRE-1984, as appropriate. Enter an “X” in Computed by ROC?.
4.	If the overpayments equal or exceed the accrual, pay the case as a constructive award. Apply due process to the overpayment balance.
5.	Suppress the award letter.

Code Paragraphs

The following code paragraphs should be used when making the award(s). They will be added to ALTA. Until this is accomplished, you must enter the paragraphs manually.

The wording of the code paragraphs is given in Attachment I.

- 575 - Use with Form RL-119 when adjusting the widow(er)’s annuity because the employee became entitled to a VDB and the widow(er)’s tier II is decreased as a result.

- 576 - Use with Form RL-119 when adjusting the widow(er)’s annuity because the employee’s VDB was adjusted and caused a decrease in the widow(er)’s tier II.

- 577 - Use with the RL-45 to pay the living-with widow(er) the employee’s accrued vested dual benefit amount if the VDB is being initially awarded and the widow(er) was not overpaid.

- 578 - Use with the RL-45 to pay the living-with widow(er) the employee’s accrued vested dual benefit amount if the VDB is being increased and the widow(er) was not overpaid.

- 579 - Use with the RL-45 when recovering the widow(er)’s overpayment from an employee accrual due to VDB entitlement.

- 580 - Use with the RL-45 when recovering the widow(er)’s overpayment from an employee accrual due to an adjustment of the VDB.

Attachment I

575. We have determined that the employee was due an additional annuity component known as a "vested dual benefit". The employee's entitlement to a vested dual benefit requires a reduction in the tier II portion of your annuity. The overpayment in your annuity will be recovered from the employee's accrued annuity which is payable to you.

576. We have determined that the employee's vested dual benefit was underpaid. The employee's entitlement to additional vested dual benefits requires an additional reduction in the tier II portion of your annuity. The overpayment in your annuity will be recovered from the employee's accrued annuity which is payable to you.

577. We have determined that the employee was due an additional annuity component known as a "vested dual benefit". This award represents the accrued vested dual benefit amount due but unpaid at the death of the employee.

578. We have determined that the employee's vested dual benefit was underpaid. This award represents the additional vested dual benefit amount due but unpaid at the death of the employee.

579. The employee's entitlement to a vested dual benefit resulted in a reduction in the tier II portion of your annuity. Therefore, the tier II portion of your annuity was overpaid. The overpayment in your annuity has been recovered from the accrued vested dual benefit amount due but unpaid at the death of the employee.

580. The adjustment in the employee's vested dual benefit resulted in a reduction in the tier II portion of your annuity. Therefore, the tier II portion of your annuity was overpaid. The overpayment in your annuity has been recovered from the accrued vested dual benefit amount due but unpaid at the death of the employee.

2.7.20 Paying the Employee's Vested Dual Benefit (VDB) Accrual - The Employee was not Survived by a Widow(er) in Current Pay Status

Background

These are cases in which the VDB due the employee was not paid, or was underpaid, prior to the employee's death. The accrued annuity is payable in the following order:

- The living-with widow(er)
- The payer of the employee's burial expenses

- The employees children
- The employee's grandchildren
- The employee's parents
- The employee's brothers and sisters

Paying the Accrual

Follow these steps to pay the VDB:

Step	Action
1.	Pay the award as an accrued annuity on the one-pay-only side of SURPASS. Use VDB as the UNIT.
2.	Enter the total of the employee and tax refund overpayments on the OPO Recoveries screen (PF14)in the OTHER RECOVERY AMT item. The employee overpayment is on the employee award form G-369T2. Take the tax refund overpayment from the employee award form G-363E. Enter a "3" for Type and a "1" for Action
3.	Complete the Returned Payments, Accrued Annuities screen following current instructions. Take the VDB accrual from the employee award form G-369VS. Enter the accrual in VDB POST-1983 or PRE-1984, as appropriate. Enter an "X" in Computed by ROC?
4.	Suppress the award letter. Use either code paragraph 577 or 578 on the ALTA letter.

Code Paragraphs

Use code paragraph 577 when the employee was never paid a VDB.

Use code paragraph 578 when the VDB amount is being increased.

2.7.25 SUP ANN Unpaid at Death

Accrued but unpaid supplemental annuities are payable after the employee's death to the same persons and under the same conditions as are accrued but unpaid regular annuities. In some cases, there may not be anything actually due because an employer

pension completely offsets the SUP ANN. However, the case must be processed solely for the purpose of allocating employer tax credits.

2.7.26 Entitlement Requirements On Death Of Employee Applicant Or Annuitant

A. Application - An application for unpaid annuities has the same time frame restrictions described in RCM 2.7.6 and 2.7.7. The same types of applications and proofs used for a regular retirement annuity unpaid at death are used for a SUP ANN unpaid at death.

However, unless a regular annuity is unpaid at death, do not develop an application for unpaid supplemental annuities until it is known that there is actually an amount payable. If the release of a G-88p is required, wait until the form is returned and the unpaid SUP ANN is computed before initiating development.

B. Development of Employer Pension Data

1. AA-1 Containing Pension Data in File - Check the deceased employee's answers on the AA-1 with the information in RCM 1.4, Appendix A (Employer Pension Plans). If the release of a G-88p is not required, prepare the case for award. If a G-88p is released, prepare the case for award upon its return. If tax credits are involved, see sec. 2.7.28.

2. No AA-1 Containing Pension Data in File - Check Appendix A (Employer Pension Plans) of RCM 1.4 to determine if the deceased employee's last employer has a pension plan. If the employee does have a plan release a G-88p as outlined in the instructions for completing those forms. After the G-88p is returned, prepare the case for award. If tax credits are involved, see sec. 2.7.28.

   If Appendix A of RCM 1.4 shows that the deceased employee's last employer does NOT have a pension plan, prepare the case for award.

C. Entitlement by Reason of Relationship - When entitlement exists by reason of the applicant's relationship to the deceased employee, the applicant must meet the requirements listed in sec 2.7.3.

D. Equitable Entitlement - When the applicant may receive the unpaid annuities as payer of the employee's B/E, see chapter 2.8, "Lump-Sum Death Payments," for the conditions determining equitable entitlement.

E. When Tax Credits Only Are Involved - See section 2.7.28.

2.7.27 Persons To Whom Unpaid Supplemental Annuities And Amount Of Payment

Supplemental annuities at death are payable in the following order of priority and in the amount indicated.

A. Widow(er) if LIVING WITH the employee at the time of the employee's death: Full amount.

B. Person(s) who paid the employee's B/E: Each shares in the unpaid annuities to the extent and in the proportions that he paid the employee's B/E, but ONLY to the extent that he is not reimbursed by the LSDP under the RR Act for having paid such expenses.

Since unpaid supplemental annuities can be paid only to the extent that the payer of B/E has not been reimbursed by the LSDP, the LSDP must be paid before paying the unpaid supplemental annuities. However, this does not mean that the payer of B/E cannot receive the unpaid supplemental annuities when an LSDP is not awarded. (Example: An LSDP is not payable due to a child's entitlement to an insurance annuity for the month of the employee death. That fact does NOT prevent payment of accrued supplemental annuities to the payer of the employee's B/E.)

When determining the extent and proportion that the payer of B/E paid the employee's burial expenses, disregard the amount of the LSDP paid to the funeral home as authorized by the payer of B/E. Consider only the amount actually paid by the payer of B/E in determining his eligibility for unpaid annuities.

If there is no person entitled to reimbursement, or if the unpaid annuities exceed the reimbursable B/E, pay such total or such remainder in the following order of priority:

C. Child(ren) of the employee receive equal shares; full amount to a sole survivor.

D. Grandchild(ren) of the employee receive equal shares; full amount to a sole survivor.

E. Parent(s) of the employee receive equal shares; full amount to a sole survivor.

F. Brothers and sisters of the employee receive equal shares; full amount to a sole survivor. Half blood brothers and sisters share equally with full blood brothers and sisters.

2.7.28 Tax Credits When No SUP ANN Is Payable

When the annuitant dies before a SUP ANN award is made, it is necessary in some cases to set up a G-357 solely for the purpose of allocating employer tax credits. The cases involved are:

A. SUP ANN Reduced to Zero - When the supplemental pension reduces the SUP ANN to zero, the employer is entitled to his tax credit. No application is required from the employer. The survivor, if any, should not file an application since no SUP ANN is payable.

B. No Eligible Survivor - The employer is also entitled to tax credits even though there is an unpaid SUP ANN but the SUP ANN is not payable because the annuitant is not survived by a person who could be paid the SUP ANN. (For example, there is no widow, the LSDP covers all of the B/E, and there is no surviving child, grandchild, parent, brother, or sister.)

2.7.35 Entitlement Requirements On Death Of Spouse Or Divorced Spouse Applicant Or Annuitant

A. Application - An application for unpaid annuities must be filed no later than the second anniversary of the spouse's death.

B. Entitlement by Reason of Relationship - When entitlement exists by reason of the applicant's relationship to the deceased employee, the applicant must meet the requirements listed in sec. 2.7.3.

C. Equitable Entitlement - When the applicant may receive the unpaid annuities as the payer of the employee's B/E, see chapter 2.8, "Lump-sum Death Payments," for the conditions determining equitable entitlement.

2.7.36 Unpaid Spouse Or Divorced Spouse Annuities Payable And Amount Of Payment

Spouse or divorced spouse annuities unpaid at death are payable to the following persons when the spouse is NOT survived by the employee (widow or widower). If the employee survives the spouse, see RCM 1.3.63.A. The order of priority and the amounts payable are as indicated.

A. Person(s) who paid the EMPLOYEE'S B/E: Each shares in the unpaid annuities to the extent and in the proportions that he paid the employee's B/E, but ONLY to the extent he is not reimbursed by the LSDP under the RR Act for having paid such expenses.

NOTE: Since unpaid spouse or divorced spouse annuities are payable only to the extent that the payer of B/E has not been reimbursed by the LSDP, the LSDP must be paid BEFORE paying the unpaid spouse annuities. However, this does not mean that the payer of B/E cannot receive the unpaid spouse annuities when an LSDP is not awarded. (Example: An LSDP is not payable due to a child's entitlement to an insurance annuity for the month of the employee's death. That fact does NOT prevent payment of these unpaid annuities to the payer of the employee's B/E.)

When determining the extent and proportion that the payer of B/E paid the employee's burial expenses, disregard the amount of the LSDP paid to a funeral home as authorized by the payer of B/E. Consider only the amount actually paid by the payer of B/E in determining his eligibility for unpaid annuities.

If there is no person entitled to reimbursement, or if the unpaid annuities exceed the reimbursable B/E, pay such total or such reminder in the following order of priority:

B. Child(ren)of the deceased employee receive equal shares; full amount to a sole survivor.

C. Grandchild(ren) of the deceased employee receive equal shares; full amount to a sole survivor.

D. Parent(s) of the deceased employee receive one half each; full amount to sole survivor.

E. Brothers and sisters of the deceased employee receive equal shares; full amount to a sole survivor. Half blood brothers and sisters share equally with full blood brothers and sisters.

2.7.45 Entitlement Requirements On Death Of A Survivor Applicant Or Annuitant

A. General - Insurance annuities, and survivor annuities pursuant to a J&S election are payable as outlined in the following sections.

B. Application - An application for unpaid annuities must be filed no later than the second anniversary of the survivor's death.

C. Relationship - Annuities unpaid at the death of a survivor applicant or annuitant are payable to survivors of the employee. To be eligible, the employee's survivors must meet the requirements of relationship listed in sec. 2.7.3.

2.7.46 Unpaid Survivor Annuities Payable And Amount Of Payment

Annuities unpaid at the death of a survivor applicant or annuitant are payable to survivors of the employee in the following order of priority and in the amounts indicated:

A. Widow(er) if LIVING WITH the employee at the time of the employee's death: Full amount.

B. Child(ren) of the deceased employee receive equal shares if more than one survive; full amount to a sole survivor.

C. Grandchild(ren) of the deceased employee receive equal shares; full amount to a sole survivor.

D. Parent(s) of the deceased employee receive one-half each; full amount to a sole survivor.

E. Brothers and sisters of the deceased employee receive equal shares; full amount to a sole survivor. Half blood brothers and sisters share equally with full blood brothers and sisters.

NOTE 1: Unpaid survivor annuities CANNOT be paid to the payer of the employee's B/E since he cannot be considered equitably entitled.

NOTE 2: As with all other accrued annuities, an annuity due but unpaid at death is payable based on the relationship to the railroad employee and not the deceased survivor annuitant. Therefore, accrued annuities due but unpaid at the death of a surviving divorced spouse are payable as shown above starting with the employee's living with widow.

2.7.47 Accrued WIA Payable, No Application Filed

When WIA payments are made at the spouse rate and the widow(er) dies before the spouse annuity is converted to a widow(er)'s insurance annuity, any difference between the spouse rate and the final computed WIA rate is an accrued WIA unpaid at death. Such annuities accrue through the month preceding the month the widow(er) dies.

Before payment is certified, however, be sure that the widow met all requirements for entitlement to a WIA, and that proof of death of the employee and widow are in file.

See FOM1 605 for general LSDP procedure.

Appendices

Appendix A - Legislative History

See FOM1 Art 6 App A.

Appendix B - Tax Exempt Organizations

See FOM1 Art 6 App B.

Appendix C - Payment Of LSDP Before 10-30-66

See FOM1 Art 6 App F.

2.9.1 Scope of Chapter

This chapter contains information about when a residual lump sum (RLS) is payable, the benefits deducted from the gross RLS, and the priority of payments. Instructions for the payment of the RLS in both RRB and SSA jurisdiction cases are given. Detailed instructions on payment of the RLS to the employee's (EE) estate are given in RCM chapter 2.10.

2.9.2 The Residual Guaranty

Under the RR Act, employees and survivors are guaranteed to receive at least as much as the employee paid in RR taxes from 1937 through 1974.

A RLS may be payable if the following conditions are met:

- The employee died after 12-31-46; and,
- The benefits paid to an employee, auxiliary beneficiary or survivor are less than the gross RLS; and,
- A survivor with potential entitlement to a monthly annuity, payable by either the RRB or SSA, waives rights to the annuity in order for the RLS to be paid; and,
- No deductible benefits are currently payable or may be payable in the future. This includes cases in which a survivor is entitled to a zero annuity rate.

2.9.3 The Gross RLS Amount

A. Military Service - Creditable military service (M/S) performed before 1957 may be included in the gross RLS. M/S performed after 1956 can only be included in the gross RLS if the EE has 120 months of RR service, including creditable M/S.

B. Obtaining The Gross RLS - This amount should be shown on the Certification of Service and Compensation, Form G-90, dated 1-74 or later. The manual computation of the RLS should not be necessary; however, if an inquiry asking for the formula used to determine the RLS is received, the following can be used.

The gross RLS is equal to the following percentages of the employee's creditable compensation:

Percent	Period
4%	1-1937 through 12-1946

7%	1-1947 through 12-1958
7.5%	1-1959 through 12-1961
8%	1-1962 through 12-1965
8.1%	1-1966 through 12-1966
8.65%	1-1967 through 12-1967
8.8%	1-1968 through 12-1968
9.45%	1-1969 through 12-1970
9.85%	1-1971 through 12-1972
10.1%	1-1973 through 9-1973
5.35%	10-1973 through 12-1973
5.45%	1-1974 through 12-1974

The maximum compensation which may be credited per month for computing the RLS:

Compensation	**Period**
$300	1-1937 through 6-1954
$350	7-1954 through 5-1959
$400	6-1959 through 10-1963
$450	11-1963 through 12-1965
$550	1-1966 through 12-1967
$650	1-1968 through 12-1971
$750	1-1972 through 12-1972
$900	1-1973 through 12-1973
$1100	1-1974 through 12-1974

The maximum gross RLS may be high as $14,699.15 if the 10.1% rate applies through December 1974; it would be $13,943.60 when the 5.35% rate applies from October 1973 through 1974.

2.9.10 Determining The Net RLS - EE Had 120 Service Months

The following section details the deductible benefits in a case in which the RRB paid retirement and survivor benefits.

2.9.11 Retirement Annuity Deductions

A. 1937 Act Payments - The gross annuity rates, excluding supplemental annuities, paid to the employee and spouse from the ABD through 12-74 are deductible.

B. 1974 and 1981 Act Payments - Effective with the later of 1-1-75 or the ABD, only benefits based on the EE's compensation are deductible. Refer to RCM 8.10, form G-63c instructions, for the computation of the deductible amounts.

C. O/M Payments - Deduct the full amount.

D. Waived Annuity Payments - The waiving of an annuity payment does not make the RLS payable nor does it affect the amount of the RLS. In computing deductible benefits, use the rate before waiver on form G-63c.

E. Advancement of ABD to Increase Net RLS - When RUIA benefits were deducted from the employee's initial accrual check, the ABD may be advanced to avoid deducting the RUIA benefit if the following conditions apply:

- The employee died before the annuity was awarded or before negotiating the accrual check; and
- The person who will receive the accrued annuity is the same person in the same capacity as the RLS beneficiary.

If the above conditions are met, call the claims operations section in the Bureau of Unemployment and Sickness Insurance to secure the last day for which benefits were paid. Forward the case to P&S. P&S will determine if a change in the ABD is advantageous to the claimant.

If the above conditions are not met, deduct the full retirement annuity from the RLS as instructed in RCM 8.10.

F. Tax Refund - The full tax refund is deductible.

G. Lump-Sum - The full lump-sum is deductible even if the $5.00 tolerance rule was applied and the person entitled to the lump-sum payment is not eligible for the RLS.

H. Overpayments

1. Unrecovered or Waived Overpayments: Unrecovered overpayments made to an employee annuitant, his spouse, his entitled survivor, or the person who is, or would have been, entitled to the RLS are deductible. An overpayment made to another individual but caused by the person entitled to the RLS is also deductible. Any overpayment that has been waived is deductible from the RLS.

   NOTE: Overpayments made to or caused by a person entitled to only a share of the RLS should first be deducted from that person's share. If the overpayment exceeds that person's share, the remaining overpayment should be deducted equally from the other RLS shares.

2. Recovered Overpayments: Recovered overpayments are not deductible. However, if an overpayment has been or is being recovered by actuarial adjustment, the total amount of the overpayment should be deducted from the RLS. The deductible monthly rate for the period beginning with the effective date of the actuarial adjustment is the monthly rate after reduction for the actuarial adjustment.

2.9.12 Survivor Annuity Deductions

Even though survivor benefits are based on wages and compensation, the entire annuity rate is deducted from the gross RLS.

2.9.13 Non-Deductible Benefits

Benefits which would not be deducted from the gross RLS are:

- Pensions (H cases)
- Supplemental Annuities
- Retirement Benefits payable after 1974 based on wages
- Vested dual benefits paid to the EE or spouse.

2.9.20 Payment Of The RLS

If, after making all deductions, a net RLS remains, it would be paid in the priority given in this section. If no one is in a category, the priority of payment goes to the next class of beneficiaries.

Before computing the net RLS or initiating development action, examine the case to see if any of the following conditions are met. If so, the net RLS should be zero:

1. 1937 Act Case - The employee received a benefit for 3 or more years.

2. 1974 or 1981 Act Case - The employee received a benefit for 5 or more years.

3. Other Cases - A survivor received a annuity for 3 or more years.

2.9.21 Priority Of Payment

The RLS is payable in the following order of precedence:

- Designated beneficiaries.
- Living-with widow(er). (Refer to RCM 4.4 for the definition of living-with.)
- Children of the deceased EE, with the exception of step-children.
    - See RCM 4.4 for the states in which an adopted child retains the right to inherit from a natural parent and for inheritance rights of children adopted by the EE.
- Grandchildren of the deceased EE.
- Parent or parents of the EE.
    - Submit the case to the attorney advisor for determining the inheritance rights of an applicant who is an adopting parent, or a parent whose child (the deceased EE) was adopted by another person.
- Brothers and sisters of the EE.
- The estate of the EE.

2.9.22 Application Forms

An RLS cannot be paid unless an application for this payment, form AA-21, is filed with the Board by a person eligible to receive the payment. If an application for another benefit under the RR Act has already been filed by the eligible person due to the same employee's death, a new application is not required for the RLS. However, in these cases it may be necessary to request an AA-21 in order to obtain additional information. There is no time limitation for filing an application for an RLS payment.

AA-21 - An eligible person who wishes to receive any part of the RLS must complete and file an AA-21 with the Board.

2.9.23 Accepting Applications And Proofs Filed With SSA

A. Applications - Although one or more beneficiaries may have filed an application with SSA, do not pay an RLS unless an RRB application for this payment has been filed with the Board. (See the preceding section.)

B. Proofs and Evidence - Proof of the employee's death filed with SSA is sufficient to establish the death of the employee. In such cases, do not request POD from potential applicants. If a description of any other proofs filed with SSA (i.e., marriage, relationship, etc.) has been transcribed by an RRB or SSA employee from SSA records on a G-91 or SSA-704, accept these proofs provided they are otherwise acceptable under the Board's regulations.

When information on a G-91 indicates that SSA has determined the status of survivors under applicable State Law, use their determination in connection with the award of a residual payment, unless there is evidence in our file to the contrary. If SSA has not made a status determination, or none is pending, BSB must make an independent determination of the claimant's status.

2.9.24 Assignment Of Interest (Form G-131)

An eligible person may submit a Form G-131 instead of an application, if he wishes to assign his share of the RLS to another eligible applicant providing the share does not exceed $500. The F/O will furnish Form G-131 to an eligible person, and inform him of the amount of his share, if that person expressed a desire to make an assignment. If a beneficiary whose share exceeds $500 requests permission to assign his share, submit the case to the attorney advisor through the usual channels.

2.9.25 Types Of Evidence

Evidence	**When Required**
RR Applications (AA-21)	Always.
Death of Employee	Always (for presumptive death, see chapter 4.5.)
Employee's Compensation Record	Always.
Marriage	If the residual exceeds $25 and the applicant is the widow or widower who is not the designated beneficiary.

Remarriage of Under Age 60 Widow(er) or Surviving Divorced Spouse	In a case in which the RLS is being paid without an election because of the widow(er)'s or surviving divorced spouse's remarriage. The evidence may be either the usual POM or the widow(er)'s signed statement giving the date and place of the marriage and the new spouse's name.
Living With	If the residual exceeds $25 and the applicant is the widow or widower who is not the designated beneficiary, providing the employee died after 9-1958.
Relationship	If the applicant is a (1) relative of the deceased employee either by blood or adoption; and (2) is not the designated beneficiary; and (3) his share of the RLS exceeds $25; or (4) relationship is questionable.
Guardianship (AA-5)	If a guardian has been appointed and is selected as representative payee.
Assignment of Interest (G-131)	If an eligible survivor wishes to waive his share in favor of another eligible survivor.
Election to Receive an RLS Instead of Future Monthly Benefits (G-126)	If a widow(er) or parent who has future eligibility wishes to give up those rights and have the residual paid in a single lump-sum, or a surviving divorced spouse who has future eligibility wishes to give up those rights so that someone else can be paid the residual.

2.9.30 Designated Beneficiaries

An EE may file a designation of beneficiary or beneficiaries for the RLS. (S)he may designate one or more persons as beneficiaries and specify the share that each is to receive. (S)he may also designate alternative beneficiaries in the event that the primary beneficiary is not living on the date the residual becomes payable.

To be acceptable, a designation of beneficiary must have been filed with the RRB after 6-22-48 and on or before the EE's date of death. An acceptable designation filed with the EE's employer can be considered to have been filed with the Board on the date it was filed with the employer.

A designation of beneficiary which was not signed by two witnesses, neither of whom is named as a beneficiary, is not valid unless its validity is proven to the satisfaction of the Board.

2.9.31 Forms Of Designation

A. Form AA-11a - A designation of beneficiary is normally made on the AA-11a. (See Exhibit 1.) All AA-11a's are folderized; therefore, the folder should be carefully checked before making a residual payment.

B. Written Statement - When the EE submits a written statement making an unambiguous designation it may be used as an AA-11a if:

- The designation is made in basically the same manner as if an AA-11a had been filed; and,
- An AA-11a was never filed.

Refer this type of case to the section supervisor before development action is taken.

C. Validity of Designation - If the validity of a designation is questionable, submit the case to the attorney advisor. Validity may be questioned if an AA-11a has not been properly completed and is stamped "Unacceptable." (Refer to RCM 10.2.)

NOTE: An employee may file more than one AA-11a or revoke a previous designation of beneficiary. The EE may make these changes with, or without the consent of previous beneficiaries. However to be valid, changes must be filed in the same manner as an original designation.

2.9.32 Priority Of Payment If There Is More Than One Designated Beneficiary

A. Beneficiary is Alive When the RLS Becomes Payable - Primary beneficiaries (Sec. 1 of the AA-11a) receive the RLS before any alternate beneficiaries (Sec. 2 of the AA-11a). The primary beneficiaries must be alive on the date the RLS becomes payable. If a primary beneficiary dies after the RLS becomes payable, but before payment is made or the check cashed, the share is due his estate.

B. Primary Beneficiary Dies Before RLS Becomes Payable - If a primary beneficiary dies before the date on which the RLS becomes payable, his share is payable to the other primary beneficiaries, if any. If none are named, the RLS is payable to alternate beneficiaries. If no alternate beneficiaries were designated, the RLS is payable to the EE's relatives.

2.9.33 Amount Payable

A. Primary Beneficiaries - If only one primary beneficiary is entitled, (s)he is entitled to the full RLS. If more than one primary beneficiary is entitled, each shares in

the RLS equally unless the employee specified the percentage or amount to the paid each beneficiary.

B. Alternate Beneficiaries - If there is no entitled primary beneficiary, follow the instructions in RCM 2.9.33A for distribution of the RLS.

2.9.35 Widow(er) Or Parent As Beneficiary

This section explains the actions to be taken after it has been determined that a net RLS remains. If a request for the RLS has not been received from a potential beneficiary, do not initiate development action if:

- The RLS is $10.00 or less; or
- The RLS is $25.00 or less and the address of survivors or a current address for the deceased EE is not in file.

2.9.36 Notifying Widow(er) Or Parent Under 60 That RLS Is Payable RRB Has Survivor Jurisdiction

A. Notification When LSDP Award is Made - If a widow(er) (if no dependent parent) or parent (if no widow(er)) under age 60 survives, and the following three conditions exist at the time the LSDP is awarded, include form G-475 with the LSDP award.

- There is an RLS payable.
- No other survivor is actually or potentially entitled to survivor benefits, (e.g., unmarried children under age 22, or surviving divorced spouse who is unmarried.)
- The widow(er) or parent has not inquired about the RLS.

Form G-475 explains that there is an RLS payable immediately or monthly benefits payable in the future. It explains that if further information is needed about the opportunity to elect the RLS, the widow(er) or parent should contact the nearest Board office.

B. Notification When Last Child Attains Age 22 - If there is a net RLS, but there is also a child between ages 18-22 at the time the LSDP is awarded, check to see if the widow(er) (if no dependent parent) or parent (if no widow(er)) will still be under 60 when the last child attains age 22. If so, enter an SIS call-up for the month of age 22 attainment. Use "99" as the reason code and enter "release RL-475 if applicable" as the reason for the call-up.

When the call-up expires, determine if an RLS is still payable. If so, form letter RL-475 should be released to the widow(er) or parent if they have not already inquired about the RLS. The file will not be controlled.

NOTE: Widow(er)s who remarry before age 60 can be paid the RLS without filing an election, unless they remarry after entitlement to a disabled widow(er)'s annuity.

C. Notification Can Not Be Given - If there is a child between ages 18-22, and the widow(er) if no dependent parent survives or parent (if no widow(er) survives) will attain age 60 before the last child attains age 22, do not release the G-475 or RL-475. In such cases the widow(er) or parent does not have the option to elect the RLS.

Do not notify the widow(er) or parent that the RLS is payable if there is a designated beneficiary who would preclude payment based on relationship.

2.9.40 When An Election Is Required

An RLS election is required any time an employee, who died insured under the RR Act or SS Act is survived by a widow(er), surviving divorced spouse or parent who may be entitled to future monthly benefits under either Act upon attaining the qualifying age. If the widow(er) or surviving divorced spouse remarries before attaining the qualifying age, (s)he will not be considered to have future entitlement and no election is required. Refer to RCM 2.1 for marriage requirements.

NOTE 1: Effective 9-1-65, an election by a widow to have the residual paid instead of future monthly benefits has to be made before age 60. Prior to that date, if future monthly benefits were payable only under the SS Act, a widow under age 62 could make an election.

NOTE 2: Effective 6-29-71 thru 7-12-79, a child between age 18 and 22, not in full time attendance, could waive his rights to future monthly RR benefits, thus enabling a widow to file an election for the RLS. Effective 7-6-73 thru 7-12-79, such child could also waive his rights to future monthly SS benefits.

Payment of the RLS based on a child's wavier deprived that child of any future student benefits under either Act. Therefore, any child who previously executed a waiver, so that the RLS could be paid, was precluded from receiving monthly benefits.

Effective 7-13-79 a child between ages 18 and 22 was no longer permitted to waive his entitlement to future RR or SS benefits in order that the RLS be paid. Therefore, an election to permit payment of the residual may no longer be filed if there exists a child who has not yet attained age 22.

2.9.41 Who Must File An Election

A. General - An election must be filed by the person who is under retirement age and who has eligibility to future monthly benefits under either the RR Act or the SS Act based on the employee's earnings record.

This would include a widow(er) who does not meet the living with requirement for receipt of the RLS but who does qualify for future monthly benefits. If the RLS is not payable to the widow(er), no election should be solicited.

Also included is a surviving divorced spouse. Although an election will not be solicited from her, (s)he must waive her rights to an annuity in order for the RLS to be paid to someone else, including the widow(er).

Widow(er)s and surviving divorced spouses who remarry before age 60 are not considered to have eligibility to future monthly benefits (unless they remarry after entitlement to a disabled widow(er)'s or disabled surviving divorced spouse's annuity) since the termination of the marriage cannot be presumed.

B. Specific Cases in Which Elections Must Be Filed

1. Widow(er) Survives, No Parent - If the employee is survived by a widow(er) who has future eligibility to monthly benefits, has not attained age 60 and, in the case of a widow(er), the birth of a posthumous child is not expected, the widow(er) must file an election.

2. Widow(er) and Parent Survive - If the employee is survived by both a widow(er) and parent(s) who have not attained age 60, both the widow(er) and the parent(s) (if the parent is dependent) must file an election. If the widow(er) is under retirement age, and the parent is age 60 or over, the widow(er) must file an election and the parent must file a statement of non-dependency.

3. Parent Survives No Widow(er) - If only a parent who is under age 60 and claims to be dependent survives, the parent must file an election.

4. Divorced Spouse Survives - If the employee is survived by a divorced spouse who has future eligibility to monthly benefits, the surviving divorced spouse must file an election waiving her rights to future benefits in order for the RLS to be paid to someone else, including the widow(er).

5. If both a surviving divorced spouse and widow(er) survive, the widow cannot elect the RLS unless the surviving divorced spouse waives her rights to future benefits.

2.9.42 Effect Of Disability On Election Of RLS

A surviving divorced spouse or widow(er) who has not attained age 60 may elect to receive the RLS even though (s)he is disabled at the time the election is made. If a disabled widow(er) has already been awarded an annuity, she may at any time prior to attaining age 60, cancel the application for the disability annuity and elect to receive the RLS. However, all annuity payments received must be refunded.

2.9.43 When Election Not Required

The RLS may be paid without election only when there is no current or potential entitlement to monthly benefits on the deceased employee's account. This situation may exist because no eligible relatives survived the employee, or because entitlement of any eligible survivors to monthly benefits has ceased. An election is not required to pay the RLS in the following circumstances when the employee's eligible widow(er), surviving divorced spouse or parent survived and entitlement ceases:

- The widow(er) or parent annuitant becomes a entitled to a higher survivor annuity on the earnings record of another employee; or
- The widow(er) or surviving divorced spouse dies; or
- There is no eligible widow(er) and the only eligible parent remarries (unless the marriage is to certain SS beneficiaries (see RCM 2.5)) or dies.
- The widow(er) or surviving divorced spouse is 60 or older and the public pension reduction in Tier I causes the annuity rate to be zero.
- The widow(er) remarries before attaining age 60, unless (s)he was entitled to a disabled widow(er)'s annuity before the marriage occurred, and there is no eligible surviving divorced spouse.
- The surviving divorced spouse remarries before attaining age 60 (unless (s)he was entitled to a disabled surviving divorced spouse's annuity before the marriage occurred) and there is no eligible widow(er).
- The only widow(er) is a remarried widow(er) or a surviving divorced spouse who is or becomes entitled to an SS benefit(s) which exceeds the employee's PIA.
- The only widow(er) is a remarried widow(er) or a surviving divorced spouse who is entitled to SS benefit(s) (other than a DIB) which reduce the annuity to zero.
- There is no eligible widow and the only eligible parent is a 1983 Amendment parent who is entitled to SS benefits (other than a DIB) which reduce the annuity to zero.
- There is no eligible widow(er) and the only eligible parent is a 1983 Amendment parent who is or becomes entitled to an SS RIB which exceeds the employee's PIA.

2.9.44 When A Valid Election Cannot Be Made

A valid election cannot be made when any of the following conditions exist:

- The widow(er), surviving divorced spouse or parent desiring to make the election has attained retirement age and is eligible for or potentially entitled to monthly annuities under the RR Act or monthly benefits under the SS Act; or
- The widow(er) and/or child of an employee is currently entitled to either a WCIA or CIA under the RR Act, or an MIB or an CIB under the SS Act; or
- There is a posthumous child of the deceased expected; or
- A widow(er) is receiving a survivor annuity deriving from a J&S annuity under the RR Act; or
- There is a surviving child under age 22, unless the child can never qualify for benefits under the RR Act or the SS Act; for instance, the child is married. An election cannot be made when a child age 18-21 survives, because the child may become entitled to benefits under the RR Act or the SS Act by becoming disabled.

2.9.45 How Election Is Made

An election to have the RLS awarded instead of future monthly benefits must be made on a G-126.

A. <u>When Election Form Must Be Filed</u> - Generally, to be valid, a G-126 must be filed before the widow(er), surviving divorced spouse or parent attains age 60 in RRB jurisdiction cases. In SSA jurisdiction cases, the election must be filed before the widow(er) or surviving divorced spouse attains age 60 or the parent attains age 62.

B. <u>When Election Is Considered Timely Filed</u> - If a widow(er), surviving divorced spouse or parent files an election after attaining the age of eligibility, the election is considered timely filed if:

1. Prior to attaining the age of eligibility, the person notified the Board, in writing, of his intention or desire to file an election and FILED the election within 90 days after he was furnished with the G-126, or

2. The person had not been informed by the Board that an election must be filed on a G-126, at least 90 days before the end of the period in which a timely election can be filed, but filed the election before the award of monthly benefits and within 90 days after being furnished the G-126.

2.9.46 Effect Of Election

Payment of the RLS based on an election serves to deprive any beneficiary of any future benefits (s)he would have become entitled to, from the employee's death, under the RR Act on the basis of combined compensation and wage credits. However, an election does not deprive a widow(er), surviving divorced spouse or parent of any future benefits to which (s)he may become entitled under the SS Act, based solely on the employee's SS earnings.

After an election has been made and filed with the Board and payment has been made, the election cannot be revoked or changed in any way. Under a Federal statute the date on which "payment is made" is the date the check is cashed. Thus, the withdrawal or cancellation of an election may be permitted at any time before payment is made (check is cashed) provided the request by the person who made the election is received BEFORE payment is made.

Prior to 10-1-81, widow(er)s who remarried were asked to file a modified election in order to receive the RLS. Remarried widow(er)s who were previously paid the RLS based on a modified election can receive an annuity. Refer to RCM 2.1 for detailed instructions.

2.9.47 Forms And Form Letters Used In Election Cases

The following forms and form letters are used in election cases:

A. Folder Documentation - Prepare Form G-63c pc in ALL residual cases. Complete this form in accordance with the instruction in this chapter and in Part 8.10. Prepare Form G-63b in addition to the G-63c pc when the employee or spouse was assessed RR work deductions. Complete this form in accordance with the instruction in Part 8.10.

B. Request for Field Preparation of RLS Letter - Prepare Form G-64, Request for Field Preparation of Residual Payment Letter To Widow(er), when one of the letters in the RL-38 or RL-39 series must be released to a widow living in an area serviced by a F/O. See section 2.9.48 and 2.9.91 for information concerning rate entries.

C. Election Form - G-126.

D. Election Letters - When an inquiry is received from a widow who will be awarded the residual if she files an election, request the servicing F/O by means of Form G-64 to prepare whichever of the following letters is appropriate:

- RL-38-F - Jurisdiction is with RRB and there is no insured status under the SS Act on wages alone.

- RL-38a-F - Jurisdiction is with RRB and there is an insured status under the SS Act on wages alone.

2.9.48 Estimating Rate Of Future SS Survivor Benefit

If there is no wages only PIA 1 in file and the widow(er) could be entitled at SSA based on wages alone, use the current SS minimum rate as the estimate.

2.9.49 Selecting Election Letter

When an inquiry about the residual payment is received from a widow who will be awarded the residual if she files an election, release a RL-85 to the widow and request the field by means of a G-64 to prepare the appropriate residual letter (see sec. 2.9.56). If the inquiry is received from a widow who will not be awarded the residual (i.e., not living-with or employee designated someone else as beneficiary) even if she files an election, or if the widow lives in an area not serviced by a F/O, furnish full information in a dictated letter, using RL-38-F or RL-38a-F as a guide.

If a guardian or other legal representative, or a person recognized under the RR Act requests residual information for the survivor for whom he is acting, take the same action described above; however, show the person's name in the address block of the G-64 above the widow; for example, "John Doe for Mary Smith." Follow the instructions in Chapter 5.10 when a request for an election form is received from someone who, allegedly acting on behalf of a mentally incompetent survivor, expresses a desire to waive the rights of the survivor and be paid the RLS.

2.9.50 Furnishing Election Form

A. Survivor Lives in Area Serviced by F/O - If a request for an election form is received by BSB in reply to the RLS information letter, notify the field of the request and ask them to secure a completed election form and otherwise develop for payment. Release Form RL85 to the widow.

B. Survivor Lives in Area Not Serviced by F/O - If, as the result of an RLS letter, a request for an election form is received from a person who lives outside the continental U.S. and Canada, transmit the G-126 by means of a dictated letter which explains what is required for payment. Request whatever proofs are outstanding and enclose an AA-21 for completion, if necessary.

2.9.55 Relatives As Beneficiaries

If there is no entitled designated beneficiary, entitlement passes to the EE's relatives. To qualify as a relative, an individual must:

- Have the required relationship status under the laws of the state in which the EE last lived. If both a legal and de facto widow(er) survive the employee, entitlement to an annuity for the de facto widow(er) must be determined before paying the RLS; and

NOTE: Neither a step-child, step-grandchild, step-brother/sister or step-parent can be eligible for the RLS on the basis of relationship.

- Not have been finally convicted of the felonious homicide of the employee. If such a charge is pending, payment cannot be made until (s)he has been cleared or no further action will be taken on the charge; and,

- Not be disqualified from inheriting the employee's intestate personal property under the laws of the state in which the EE last lived. If this disqualification is claimed, refer the case to the attorney advisor. Effective 2-1-68, this provision does not apply to widow(er)s who had entered into a valid marriage with the EE.

2.9.56 Relationship

A. Employee Died Before 10-1958 - A person entitled to a residual payment by virtue of relationship to the deceased employee must be living on the date the RRB determines his relationship in order to bar entitlement of others possessing rights below his. The date "RRB determines relationship" has been interpreted to be the date on which an authorizer approves such person's claim for the RLS. For example: If an employee's widow files for the RLS but dies before the date on which her claim is approved for payment, the employee's children may file and become entitled. On the other hand, if the widow dies on or after the date her claim was approved for payment, entitlement to the RLS passes to her estate.

B. Employee Died After 9-1958 - If a person entitled to an RLS on the basis of relationship to the deceased employee dies before negotiating the check for payment, the amount to which he would have been entitled becomes payable to other survivors in the same class, if any, or to persons in the next class.

The residual is payable in the following order of priority:

1. Widow or widower if living with the employee at the time of the employee's death. (See chapter 4.4 for definition of living with.) Remarriage before age 60 of a widow(er) does not bar entitlement to the residual if otherwise eligible. The widow receives the full share of the RLS.

2. Children of the deceased employee. Refer to RCM 4.4 for states in which an adopted child retains the right to inherit from a natural parent and for inheritance rights of children adopted by the EE. Step-children cannot receive the RLS. Children receive equal shares.

3. Grandchildren of the deceased employee. Grandchildren receive equal shares.

4. Parent or parents of the deceased employee. One parent receives the full share of the RLS. Two parents receive one-half share each.

   Submit to the attorney advisor the question of determination of the inheritance rights of an applicant who is an adopting parent, or a parent whose child (i.e., deceased employee) was adopted by another person.

5. Brothers and sisters: Equal shares if more than one survive; full amount to sole survivor. Half blood brother and sisters share equally with full blood brothers and sisters.

6. Estate of deceased employee: Full amount. (See chapter 2.10.)

2.9.57 When Relationship Is Questionable

There are some cases in which an RLS is payable to a class of relatives, such as children of the deceased employee, and the legal relationship of one of the potential applicants is questionable or cannot be established. Do not develop the questionable relationship and eligibility of that person if:

- All eligible persons agree that the person with the questionable relationship is in the same degree of relationship to the deceased employee and is entitled to share in the benefit; and

- The person with the questionable relationship files a Form G-131 assigning his share (the amount which would be payable to him if his relationship was established) to an eligible applicant.

If the above requirements are met, pay the appropriate shares to the eligible applicants including the share assigned.

NOTE: This method CANNOT be used if an eligible person claims that the person with questionable relationship is not a relative in the same degree of relationship or if the individual shares exceed $500. In such cases, relationship will have to be developed and either established or disallowed before we can pay the questionable share.

2.9.60 Estate As Beneficiary

The deceased employee's estate is entitled to the RLS under the following conditions:

- The employee designated his estate as the beneficiary; or

- In the case of an employee who died before 10-1958, the employee did not designate a beneficiary, and no relative who could qualify is living on In the case of an employee who died after 9-1958, the employee did not designate a beneficiary, and no qualified relative survived or each surviving relative who could qualify died before negotiating his check for the RLS.

2.9.61 Payment To Deceased Employee's Estate

When the estate of the deceased employee is entitled, payment is made as follows:

A. Through Legal Representative - If a legal representative of the employee's estate has been appointed and has not been discharged, pay the residual to the legal representative. If appointment of a legal representative is expected, withhold payment to the estate until either proof of the appointment is received or it is established that no appointment will be made.

B. Under "No Administration" Procedure - When there is no legal representative of the employee's estate and one is not expected to be appointed. The Board is authorized to act as administrator for the purpose of paying certain priority creditors and distributees.

NOTE: See chapter 2.10 for detailed instructions on payments to a deceased employee's estate.

2.9.62 Payment To A Deceased Beneficiary Estate

If the estate of a deceased beneficiary is entitled to a share of the RLS because the beneficiary died before negotiating the check, payment is made to the estate in the same manner as to the deceased employee's estate.

2.9.70 G-80 RLS Cases

A residual may be payable in cases in which the RRB does not have survivor jurisdiction (G-80 RLS). The G-80 RLS is payable in much the same way as the RLS. This section of the chapter primarily covers the differences in the handling of the RLS and G-80 RLS; however, the entire procedure for payment of the RLS to the widow(er) is being repeated as it is the most frequently used.

A G-80 RLS may be payable in the following situations:

- The employee has 120 CSM or has at least 60 CSM after 1995, but no current connection; or
- The employee has less than 120 CSM or 60 – 119 CSM, but less than 60 CSM are after 1995.

2.9.71 When To Investigate If A G-80 RLS May Be Payable

Investigate the possibility that a G-80 RLS might be payable if:

- The gross RLS is $265.00 or more; and
- A specific inquiry has been received; or

- The LSDP application was transferred to SSA; or
- An inquiry is received from someone who previously submitted an application or general inquiry.

2.9.72 Information Needed From The F/O

If the following information is not in file, it must be secured from the F/O:

- The name and address of the widow(er) or inquirer,
- The widow(er)'s date of birth,
- The widow(er)'s social security number,
- The employee's date of death.

2.9.73 Other Information Needed

In order to determine the net RLS, take the following actions:

- Secure a full MBR on the EE's SSA number. This will show all benefits paid to the employee, auxiliary benefits paid and survivor benefits paid.
- Release a G-60s (code 12) on the EE's and widow(er)'s SSA numbers. This will give the employee's compensation and wages and SSA benefit information for the widow(er).

2.9.75 Determining The Net RLS

The deductible retirement benefits are determined by whether or not the EE had 120 CSM. If the EE had 120 CSM, no SS benefits paid while the employee was alive are deducted from the gross RLS. Determine the deductible RR benefits in accordance with RCM 2.9.10 through 2.9.11.

2.9.76 The EE Had Less Than 120 CSM

If the EE had less than 120 CSM, RR compensation would be transferred to SSA if he applied for benefits. Therefore, the deductible benefits paid to the EE and any auxiliary beneficiaries by SSA are determined on the basis of the proration that the EE's compensation has to the sum of his wages and compensation. However, if SSA did not use the railroad credits to establish insured status or compute the PIA, no SS benefits paid while the EE was alive are deductible from the gross RLS.

A. RR Credits Used By SSA

RR-RCU will appear on the ACCOUNT data line (RR field) of the MBR if railroad earnings were used to establish insured status and/or compute the PIA.

1. Compensation and Wages. - Section 2 of the G-90 will give the EE's total compensation. Section 7H gives the total wages.

2. Formula for Computing Deductible SS Benefits. - The following formula should be used to determine the factor which will give the portion of the SS benefit(s) paid based on compensation.

Compensation		Portion of the SS
----------	=	benefit paid based
Wages and Compensation		on compensation

Multiply this factor by the benefits paid to the EE, spouse, divorced spouse, children, etc. taken from the full MBR on the EE's SSA number.

NOTE: Computations should be made on form G-363. The most efficient means of determining the deductible amount is to compute the total benefits paid by SSA and multiply it by the factor.

B. RR Credits Not Used By SSA

RR-INV will appear on the ACCOUNT data line (RR field) of the MBR if the RR credits were not used to establish insured status or compute the PIA. Do not deduct any SSA benefit from the gross RLS.

2.9.77 Survivor Benefits

The total amount of benefits paid to survivors is deductible from the gross RLS, even if RR credits were not used by SSA. If the EE's date of death is 9-81 or later and (s)he was survived by a living-with widow(er), deduct the $255.00 lump-sum death benefit, even if it is not shown as having been paid on the MBR. If the EE did not have an insured status at SSA, the lump sum would not be payable and should not be deducted from the gross RLS.

NOTE: If the MBR shows that a survivor is currently being paid, notify the inquirer that the RLS is not payable or deny the applicant.

2.9.80 Payment To Widow(er)

Unlike the regular RLS, the G-80 RLS can be paid to a widow(er) who has attained retirement age. The handling of the case depends on the widow(er)'s age.

2.9.81 Widow(er) Under Age 60

A widow(er) under age 60 must file an election to receive the G-80 RLS. In order to complete the G-64, attach the employee's G-90 to a form G-563, Request to BREA-DCC For Service and Compensation Data. On the G-563, ask for PIA 1 to be computed with wages and compensation and with wages only. Give the EE's date of death.

2.9.82 Widow(er) Age 60 But Under Full Retirement Age

If the widow(er) is age 60 but has not attained full retirement age, (s)he must be receiving an RIB or auxiliary benefit equal to or greater than the WIB payable on the employee's account in order for the G-80 RLS to be payable. This information can be found on SSA's MBR. If the G-80 RLS is payable, no election is required.

2.9.83 Widow(er) Full Retirement Age Or Older

If the widow(er) is full retirement age and not receiving a RIB, have BREA-DCC compute her PIA. If the EE's PIA is not in file, it must also be computed using both wages and compensation. If the widow(er)'s PIA is greater than the EE's, the G-80 RLS can be paid. No election is required.

2.9.85 Who Must File An Election

A. General - An election must be filed by the person who is under retirement age and who has eligibility to future monthly benefits under either the RR Act or the SS Act based on the employee's earnings record.

This includes a widow who does not meet the living with requirement for the RLS but does qualify for future monthly benefits. As the RLS is not payable to the widow(er), no election should be solicited.

This also includes a surviving divorced spouse. Although an election will not be solicited from her, (s)he must waive her rights to an annuity in order for the RLS to be paid to someone else.

Widow(er)'s and surviving divorced spouses who remarry before age 60 are not considered to have eligibility to future monthly benefits unless they remarry after entitlement to a disabled widow(er)'s or disabled surviving divorced spouse's annuity since the termination of the marriage cannot be presumed.

B. Specific Cases in Which Election Must Be Filed

1. Widow(er) Survives, No Parent - If the employee is survived by a widow(er) who has future eligibility to monthly benefits, has not attained retirement age, and, in the case of a widow, the birth of a posthumous

child is not expected, the RLS can be paid if the widow(er) files an election.

2. Widow(er) Under Age 60 and Parent Under Age 62 Survive - A not-living-with widow(er) who has future eligibility under the SS Act on the employee's earnings record, must file an election before the RLS can be paid. The fact that the election may destroy the employee's insured status, thus preventing the payment of monthly benefits to the surviving parent is immaterial.

   If the widow(er) could never become entitled to future monthly benefits under the SS Act (9-month marriage requirement not met and cannot be deemed), only the parent must file an election.

3. Widow(er) Is Under Age 60, Parent Is Age 62 Or Over

   a. If the widow(er) has future eligibility to monthly SS benefits and the residual can be paid at her election, a statement of non-dependency is required from the parent.

   b. If the widow(er) is not eligible for future monthly benefits under either Act, and the parent is alleged to be non-dependent, the parent must sign a statement that he or she was not dependent on the employee. If, in such a case, it develops that the parent was dependent, the parent's entitlement or potential entitlement must terminate before the RLS can be paid.

4. Divorced Spouse Survives - If the employee is survived by a divorced spouse who has future eligibility to monthly benefits, the surviving divorced spouse must file an election waiving her rights to future benefits in order for the RLS to be paid to someone else.

2.9.86 When Election Not Required

The RLS may be paid without election only when there is no current or potential entitlement to monthly benefits on the deceased employee's account. This situation may exist because no eligible relatives survived the employee, because he was not insured at death, or because entitlement of any eligible survivors to monthly benefits has ceased. An election is not required to pay the RLS in the following circumstances when the employee's eligible widow(er), surviving divorced spouse or parent survived and entitlement ceases:

- The widow(er) or surviving divorced spouse age 65 or over becomes entitled or potentially entitled to an RIB that equals or exceeds the widow(er)'s insurance benefit; or

- The widow(er) or surviving divorced spouse under age 65 becomes actually entitled to an RIB that equals or exceeds the widow(er)'s insurance benefits; or

- An eligible widow(er) or surviving divorced spouse does not survive and the eligible parent;

    - Remarries before attaining age 62 (if the parent remarries at or after age 62, it is possible that entitlement to the parent's benefit may continue, depending on the SS benefit status of the parent's new spouse. See RCM 2.5.5;

    - Becomes entitled or potentially entitled at age 65 or over to an RIB that equals or exceeds the parent's insurance benefits; or

    - Becomes actually entitled before age 65 to an RIB that equals or exceeds the parent's insurance benefit.

NOTE: If future entitlement to a monthly survivor benefit of either the eligible widow(er), surviving divorced spouse or eligible parent terminates because of entitlement to a DIB, obtain an election before paying the RLS.

2.9.87 When A Valid Election Cannot Be Made

A valid election cannot be made when any of the following conditions exist:

- The widow(er) surviving divorced spouse or parent desiring to make the election has attained retirement age and is eligible for or potentially entitled to monthly annuities under the RR Act or monthly benefits under the SS Act; or

- The widow and/or child of an employee is currently entitled to either a WCIA or CIA under the RR Act, or an MIB or an CIB under the SS Act; or

- There is a posthumous child of the deceased employee expected; or

- A widow(er) is receiving a survivor annuity deriving from a J&S annuity under the RR Act; or

- There is a surviving child under age 22, unless the child can never qualify for benefits under the RR Act or the SS Act; for instance, the child is married. An election cannot be made when a child age 18-21 survives, because the child may become entitled to benefits under the RR Act or the SS Act by becoming disabled.

2.9.88 How Election Is Made

An election to have the RLS awarded instead of future monthly benefits must be made on a G-126.

A. When Election Form Must Be Filed - In G-80 RLS cases, the election must be filed before the widow(er) or surviving divorced spouse attains age 60 or the parent attains age 62.

B. When Election Is Considered Timely Filed - If a widow(er), surviving divorced spouse or parent files an election after attaining the age of eligibility, the election is considered timely filed if:

1. Prior to attaining the age of eligibility, the person notified the Board, in writing, of his intention or desire to file an election and FILED the election within 90 days after he was furnished with the G-126, or

2. The person had not been informed by the Board that an election must be filed on a G-126, at least 90 days before the end of the period in which a timely election can be filed, but filed the election before the award of monthly benefits and within 90 days after being furnished the G-126.

2.9.89 Effect Of Election

Payment of the RLS based on an election serves to deprive a widow(er), surviving divorced spouse or parent of any future benefits (s)he would have become entitled to, from the employee's death, on the basis of combined compensation and wage credits. However, an election does not deprive a widow(er), surviving divorced spouse or parent of any future benefits to which (s)he may become entitled under the SS Act, based solely on the employee's SS earnings.

After an election has been made and filed with the Board and payment has been made, the election cannot be revoked or changed in any way. Under a Federal statute the date on which "payment is made" is the date the check is cashed. Thus the withdrawal or cancellation of an election may be permitted at any time before payment is made (check is cashed) provided the request by the person who made the election is received BEFORE payment is made.

2.9.90 Forms And Form Letters Used In Election Cases

The following forms and form letters are used in election cases:

A. Folder Documentation - Prepare Form G-63c pc in ALL residual cases. Complete this form in accordance with the instruction in this chapter and in Part 2.10. Prepare Form G-363 in addition to the G-63c pc when the employee or spouse received SS benefits based on wages and compensation.

B. Request for Field Preparation of RLS Letter - Prepare Form G-64 when one of the letters in the RL-38 or RL-39 series must be released to a widow living in an area serviced by a F/O. See section 2.9.48 and 2.9.91 for information concerning rate entries.

C. Election Form - G-126.

D. Election Letters - When an inquiry is received from a widow who will be awarded the residual if she files an election, request the servicing F/O by means of Form G-64 to prepare whichever of the following letters is appropriate:

- RL-39-F - Jurisdiction is with SSA but there is no insured status on wages alone.

- RL-39a-F - Jurisdiction is with SSA, there is an insured status on wages alone, and the amount of the benefit based on wages alone is less than the benefit based on combined wages and compensation.

- RL-39b-F - Jurisdiction is with SSA, there is an insured status on wages alone, the amount of the benefit based on wages alone is equal to the benefit based on combined wages and compensation, and an application and/or proofs are required from a widow living in the U.S. (except Alaska and Hawaii) or Canada.

If a widow lives in an area not serviced by a F/O (including Alaska and Hawaii) prepare a dictated letter using the appropriate letter as a guide. If a letter using the RL-39b-F as a guide is released, include the election Form G-126 with the letter. This is done because the widow will not lose anything by electing the residual since the benefit rate based on wages alone is equal to the rate based on combined wages and compensation.

2.9.91 Estimating Rate Of Future SS Survivor Benefit

When an inquiry about the RLS is received from a survivor who on attaining retirement age may be entitled to an annuity under the SS Act based on wages alone, compute this rate by multiplying the "wages only" PIA by .71500. This entry will be used on the G-64.

2.9.95 Notifying SSA That An RLS Has Been Paid

If a widow(er) or parent elects the RLS and the EE has one or more quarters of coverage, send an RR-24 to the program service center which services the EE's SSA number.

2.9.100 Awarding The RLS

The majority of RLS payments can be awarded through SURCAL using forms G-359a and G-359b (see RCM 9.1 Appendix B).

Cases which cannot be paid through SURCAL must be paid on form G-359 (see RCM 8.10). See exhibit 4 for code paragraphs to be included on a manual award letter.

See FOM1 620 for No Administration and Estate procedure.

Appendices

Appendix B – Order of Descent

See FOM1 Art 6 App D.

Appendix C – Dispensing with Formal Administration of Estate

See FOM1 Art 6 App C.

Appendix D – Appointment of Fiduciary

See FOM1 Art 6 App E.

See FOM1 620 for No Administration and Estate procedure.

Appendices

Appendix B – Order of Descent

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Appendix C – Dispensing with Formal Administration of Estate

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Appendix D – Appointment of Fiduciary

See FOM1 Art 6 App E.

4.1.1 Documentary Evidence

Refer to FOM1 905.5 for acceptable evidence submitted in support of an applicant's claim.

Facsimile (Fax) - Accept a fax of an original document if it meets the requirements in FOM1 905.10.3

4.1.2 Preservation of Original Documents

Preserve original documents in their original condition. Do not date-stamp, fold, staple, punch, mark, or deface them in any manner. Do not remove a document that is part of a bound volume from its binder.

All original documents should be returned as soon as possible after the information has been entered into our permanent record.

4.1.3 Processing Original Documents

Process original documents as follows:

A. Medical Records - Route X-ray film and similar medical data to DBD.

B. English Language Documents – Essential data from the original document should be transcribed to APPLE.

C. Foreign Language Documents - Foreign language proofs needed to adjudicate pending applications that can be translated by headquarters personnel should be transcribed to APPLE.

Other foreign language correspondence or documents that cannot be translated in headquarters must be forwarded to the RMC translation service.

On each document to be translated, in pencil, write "RRB", the claim number and the employee's name. Have a photocopy made of the document and sign the photocopy to certify its correctness.

Prepare an original and 3 copies of Form G-91a, Translation of a Foreign Language Document (see RCM 11 for instructions). Do not prepare Form G-91a for documents for which a translation on Form G-91 has been prepared. Multiple documents may be submitted with one G-91a provided they are for the same claim number. One copy of the completed G-91a and a photocopy of the document(s) should be imaged. Attach the document(s) and the envelope in which it was received to the original and two copies of the G-91a and forward this packet on a G-26 to the Resource Management Center, 6th Floor, ATTN: Operations Administrative Officer. If the document(s) was not received through the mail from the country of origin (such as a foreign document filed at an RRB

office), write on a slip of paper the name of the country of origin and attach the slip to the document(s).

When the document has been translated and returned, RMC will:

- Send it to the examiner who completed the G-91a, if a name and unit are shown in item 2 of that form;

- Send it to the unit indicated on the G-26 route slip if no examiner name and unit are shown in item 2 of the G-91a.

If the document has not been returned within 30 days from the date it was sent to RMC, send a photocopy of the G-91a in file to RMC. Show "Foreign Language Document Outstanding 30 Days," on the G-26.

If the DOB or DOM shown in the translation does not agree with the one claimed by the applicant, forward a photocopy of the Form G-91a and of the document to RMC by G-26 with this remark, "(Applicant/Annuitant) claims (DOB/DOM) of _____". RMC will send the photocopy of the G-91a and of the document back to have the translation rechecked.

NOTE: After the document has been translated, the unit that secured the translation will enter the proof into APPLE.

4.1.4 Requesting Photocopies

With the exceptions of a U.S. passport, naturalization or immigration record, obtain a photocopy of any original document that requires review and return the document. A photocopy is preferable to a G-91 if the evidence must be re-examined to resolve conflicts or discrepancies. If the document cannot be copied, summarize the evidence on form G-91 as explained in RCM 11.

4.1.5 Return Of Documents

Do not immediately return a document when there is any doubt as to its authenticity. In such cases, refer the document to your supervisor for inspection and approval.

A. Original and Foreign Documents - Return original or foreign documents by REGISTERED mail using an RL-158 as a transmittal letter. Prepare the RL-158 together with either an envelope or mailing label (depending on the number and bulk of documents to be returned).

If the material is placed in an envelope, seal it before placing in the outgoing mail. Otherwise, route the material to the mailroom for enclosure in a mailing folder and release. Prepare a G-244 (see Chapter 10.2, "Processing Correspondence") and attach it to the envelope or material routed to the mailroom.

B. Certified Copies - Return certified copies by regular mail using an RL- 158 as a transmittal letter together with either an envelope or mailing label (depending on the number and bulk of documents to be returned).

If the material is placed in an envelope, seal it before placing in the outgoing mail. Otherwise, route the material to the mailroom for enclosure in a mailing folder and release.

4.1.6 Acknowledging Proofs Filed In Advance Of Application

Examine proofs filed in advance of an application in accordance with the instructions for determining their acceptability and handle as in A or B below.

A. Original Documents - Return original documents submitted as POA, POM, or POM/S as shown in 1 and 2 below.

1. Acceptable Evidence - If the evidence submitted is acceptable as POA or POM, enter the necessary information on APPLE and return the document using RL-103a as a transmittal for POM and POA. Insert the following on an RL-103a in the space above the last paragraph: "Enclosed is the document you submitted".

   If an appropriate APPLE screen does not exist, transcribe the information to Form G-91 and return the evidence to the customer. Image the G-91.

2. Unacceptable Evidence - If the evidence is unacceptable obtain a photocopy and return the document with a letter explaining why it is not acceptable. Point out that acceptable evidence should be obtained but it need not be submitted until an application is filed.

B. Certified Copies - Handle certified copies of documents submitted as POA, POM, or POM/S as shown in 1 and 2 below.

1. Acceptable Evidence - If the evidence submitted is acceptable, transcribe the pertinent facts to the appropriate APPLE evidence screens and return the document(s) to the person.

   If an appropriate APPLE screen does not exist, transcribe the information to Form G-91 and return the evidence to the customer. Image the G-91.

2. Unacceptable Evidence - If the evidence is unacceptable, obtain a photocopy and return the document with a letter explaining why it is not acceptable. Point out that acceptable evidence should be obtained but it need not be submitted until an application is filed.

4.1.7 List Of State Sources And Fees for Birth, Death, Marriage, And Divorce Records

A complete list of state sources and fees for birth, death, marriage, and divorce records can be found at the website for the National Center for Health Statistics in the Center for Disease Control. The name of the Internet page is Where to Write for Vital Records. (Click on the link to access.)

4.2.1 When POA Is Required - General

POA is required of every applicant for a monthly annuity, except an applicant who is filing for:

- Spouse annuity based on having an entitled child in her care; or WCIA.

Even though POA is not required in the above excepted cases, it should be obtained if the spouse applicant will attain age 65, or the widow will attain age 60, before the youngest child attains age 18.

4.2.2 When POA Of Deceased Employee Is Required

In “A” cases POA is always required if the employee's DOB has not been previously verified through submission of the employee’s POA. Assume DOB has been verified in the following situations:

- The employee received an annuity
- The employee filed for and received Medicare
- The employee’s POA is on APPLE.

Note: If none of the above conditions apply, but the AFCS systems indicate that a folder was established, the field may first contact RBD to verify whether the employee’s POA was submitted before obtaining the proof from the widow.

Effective 03-01-2004 POA of deceased employee is required in all “D” cases when a survivor recurring application is filed.

4.2.3 Determining Attained Age

A person attains a given age in years on the day preceding that anniversary of his birth. For example: A person born on 6-1-08 attained age 60 on 5-31-68, and a person born 6-2-08 attained age 60 on 6-1-68.

4.2.4 D/O Responsibility

In developing an annuity claim or Medicare enrollment application, the D/O is responsible for obtaining the best possible birth evidence that can be secured to establish the correct DOB, unless the applicant was previously informed by the Board that his DOB has been established.

In developing for POA, the D/O will first try and get a record made at or near the time of birth. Examples of these types of records are:

- Civil Record of Birth

- Religious Record of Birth or Baptism
- Notification of Registration of Birth
- Hospital Birth Record or Certificate
- Physician's or Midwife's Birth Record
- Date of birth shown on SSA's MBR if proof code is not "A" (alleged). See FOM1 905.5.2 for proof codes.

If none of the above records can be obtained, the D/O will then attempt to secure a census record, naturalization record, military record, Bible record, etc.

In absence of information to the contrary in file (see sec. 4.2.66), assume that the birth evidence secured by the D/O is the best evidence available.

4.2.5 Claims Examiner Responsibility

Emphasis is put on determining and establishing the applicant's correct DOB rather than the one claimed.

- Evidence submitted by the field is to be reviewed and its probative value determined (see secs. 4.2.60ff).
- Additional evidence is to be requested if POA does not establish a DOB for the applicant (see secs. 4.2.10ff for specific types of evidence).
- Recommend establishment of an arbitrary DOB (see secs. 4.2.50ff) if there is no acceptable evidence to establish a DOB.

Reconcile discrepant DOB with SSA (see secs. 4.2.70ff).

Make recommendations on administrative finality of DOB established (see sec. 4.2.67).

4.2.10 Civil Record of Birth

A. Record Made Within Five Years of Birth - A copy of public record of birth made within five years of birth or a statement of the DOB shown by such record (as certified by the custodian of the records) is usually the best evidence of age. Assume in the absence of information to the contrary that a domestic birth certificate was registered shortly after birth (see Appendix B regarding foreign documents). If the birth record submitted was established after the individual's fifth birthday (delayed birth record), see Subsection B when an applicant offers to have a delayed birth certificate established, ask him instead to give us the evidence which he intends to submit to the State. Such evidence may be sufficient if it meets the proof of age requirements.

B. Certificate of Delayed Registration - A certificate of delayed registration issued by a civil authority, or pursuant to a court order, is acceptable if it shows that the record of the DOB was made more than 5 years before the official filling date of the application for annuity, regardless of the source of the record.

If the certificate of delayed registration shows that the record of the DOB; was made LESS than 5 years before the official filing date of the application, accept it if:

1. The basic evidence used to established the delayed record was of earlier origin than 5 years before the application filing date; and

2. Such basic evidence is otherwise acceptable to the Board.

The probative value of a delayed birth certificate is based on many factors, such as the date of registration, the purpose for which it was established, and the evidence on which it was based. In assigning numerical values, use the values that would be assigned to the evidence on which the registration is based. For example, if the registration is based on affidavits, assign a value of "5" for type of document.

The date of registration will normally be shown on the certificate. In many cases also the evidence on which the certificate was based will be described in enough detail to permit evaluation of the evidence. If this is the case, the original document, whether it be a baptismal record or another record, need not be obtained. A delayed birth certificate would have higher probative value if it were established many years ago based on documents or records which are considered to be reliable and of high probative value.

However, evaluation of evidence on which a delayed birth certificate is based will be difficult when, for example, the basis for the record is a family Bible. If a family Bible is the basis for the Record, and there is no indication as to the age of the Bible, date entries were made, absence of erasures or corrections, etc., proper evaluation cannot be made without examining the Bible.

C. Corrected Birth Certificate - Occasionally an applicant may present a birth certificate based upon records in which a change in DOB or applicant's name has been made after the original entry. The basis for the correction should be ascertained and the need for additional development determined on the same basis as a delayed birth certificate.

D. Court Decrees - In certain States (e.g., Indiana and Michigan), State or county courts have sometimes issued delayed birth certificates in the form of court decrees or orders. These certificates vary considerably in format (some showing supporting evidence and others do not). These records should, of course, be treated as delayed birth certificates and evaluated as in subsection B above.

4.2.11 Religious Records of Birth or Baptism

Types of religious records showing DOB which may have been recorded before age 5 are baptismal certificates, cradle roll certificates, sprinkling, blessing records, or ritual circumcision (Bris) certificates. Assume in the absence of information to the contrary that such religious record was registered shortly after the event or ceremony.

In discussing evidence of age with an applicant, ask if such an event occurred but explain that the information is requested to assistant to securing evidence and the fact of the ceremony itself is of no consequence to RRB.

4.2.12 Notification of Birth Registration

Many birth registrars send a notification of birth registration when a birth is recorded. The purpose of this form is to notify the parents of the information contained on the birth record, so that any necessary changes can be made in the record. When such a notification is presented, it can be accepted in lieu of a public record o birth if it is properly certified by the issuing agency or official. Assume the absence of information to the contrary that a domestic notification of birth registration was issued shortly after birth.

Beginning in 1924 and continuing into the 1940's, the Bureau of the Census supplied the State registrars and some local registrars with notification of birth registration forms designed by Census. These are identified as Bureau of the Census forms with the preprinted signature of the Census director. The forms are countersigned by a State registrar or his designated representative, who is identified on the form as a Special Agent for the Bureau of the Census, and were issued by that official, and not Census. Therefore, they can be evaluated as notifications issued by the state registrars. (These records sometimes were not issued shortly after the date of birth. However, in the absence of evidence to the contrary, the information contained in them concerning DOB should be regarded as having been recorded shortly after birth.)

4.2.13 Hospital Birth Record or Certificate

Copies of or excerpts from hospital birth records must be certified by the custodian of these records in his official capacity or by a Board employee. The custodian must indicate his official status by the use of the organization's letterhead or seal or his own seal of office. He must identify the organization and his relation to the records. The date of recordation need not be developed unless there is doubt about the record's authenticity.

4.2.14 Physician's or Midwife's Record

A signed statement by the physician or midwife in attendance when the person was born based on his or her records has high probative value.

A statement, based entirely on memory, would be acceptable as other evidence of probative value and would be evaluated in the same manner as a similar statement from another person.

4.2.15 Family Bible or Other Family Record

A Bible or other family record of age or DOB made at or near birth has high probative value. But SSA studies and BRC experience have indicated that it is often difficult to determine when a person's age or DOB was entered into such a record. To assist in evaluating a family record, the D/O will include in the file the following information regarding the record:

- Date of publication or last copyright date of the Bible or other records (of course, no entry could have made prior to that date).

- Applicant's statement as to who has had custody of the record over the years, who made the entry, and the basis for his knowledge or beliefs.

- Facts regarding the entry: Judging by the handwriting of the various entries in the record, do they appear to have been made by the same person at the same time? Is there any evidence of erasures, alterations, etc.? Are the entries arranged chronologically? Is the ink or indelible pencil faded? Does the relevant entry appear to be an old or more recent entry?

Entries made, or records prepared, with lead pencil are not acceptable. Records must have been prepared with indelible pencil, in ink, or with a ball-point pen (ball-point pen entries would indicate record was made recently). A photocopy of the record page on which the entry appears will be submitted. Deduct 5 points for each alteration on the same page of the record and ten points for each alteration in the entry for the applicant.

4.2.16 Naturalization Papers or Record

A. Naturalization Papers - Although naturalization papers may be surrendered, the making of copies is forbidden. A G-91 transcript may be made of pertinent excerpts and used to establish DOB or as POA if otherwise acceptable.

B. Naturalization Record - If the applicant is a naturalized citizen, POA or DOB may be established from a record furnished by the Immigration and Naturalization Service. Address all requests for records made before 4-1-56 to the Immigration and Naturalization Service, 199 D. Street, NE, Washington, DC 20536. Requests for records made after 3-31-56 should be directed to the I&NS district office servicing the area where the person was naturalized.

   In order to help locate the record, the applicant should furnish as much of the following information as possible:

- Name on certificate as it was spelled when the person was naturalized or when declaration was filed;
- Number of certificate of declaration if final papers were issued;
- Address when naturalized;
- Place of birth;
- Name and location of the court which issued the certificate or in which the declaration was filed.

4.2.17 Military Record

A. Discharge Certificates - The applicant may have in his possession his discharge from M/S or his exact DOB. Use the date of entry into M/S as the date the age or DOB was recorded.

Sometimes an individual will submit a Certificate in Lieu of Lost or Destroyed Discharge in place of his regular discharge. The service departments will on such forms make any corrections in records which the veteran calls to their attention. The DOB information on such forms, therefore, may be a recent allegation made by the individual without documentary evidence as the basis. For this reason, the date of recordation should be considered as the date of completion of the certificate.

B. Military Service Record - If the individual does not have a copy of his discharge and such evidence is necessary for a determination of age, information as to age can be requested from has military record. Use Form G-431 to request such information (see RCM, Sec. 5.4.38).

4.2.18 Immigration Record

If a naturalization record is not obtainable (e.g., the applicant is still a resident alien), an applicant can establish POA or DOB on the basis of an immigration record. There are two types of immigration records, an arrival record and an alien registration record.

A. Arrival Record - Only the person's age is shown on this record, not his DOB. If the applicant arrived before 7-1-24, requests for this record should be directed to the verification center of the I&NS at the address of the office having jurisdiction as follows:

Place of Entry	**Address**

Canadian Border.	74 Kingman Street St. Albans, Vermont 05478
Mexican Land Border	Post Office Box 9398 El Paso, Texas 79984
Ports along the eastern seaboard, and the Gulf of Mexico as far as, and including, New Orleans, Louisiana	26 Federal Plaza New York 10007
Ports along the western seaboard, as well as ports on the Gulf of Mexico from New Orleans, Louisiana	630 Sansome Street San Francisco, California 94111

To help locate the record, the applicant should furnish the exact name given on arrival, the date of arrival, the name of the ship, and the port of embarkation.

In the applicant arrived after 6-30-24, the record is available from the I&NS district office having jurisdiction over the area in which the alien resides. These records will indicate the DOB since visas and birth records or other supporting evidence were required for arrivals after 6-30-24.

B. Alien Registration Record - Age information from this record is available from the I&NS district office having jurisdiction over the area in which the alien resides. The information on the original alien registration record is based on the DOB given under oath when the applicant registered under the Alien Registration Act of 1940. However, the age on the alien registration card in the applicant's possession may be based upon a more recent allegation of the applicant if a new card was issued to him at a later date.

4.2.19 Passport

A. U. S. Passport - According to State Department regulations, American passports may not be surrendered; therefore, only accept certification of pertinent excerpts on a G-91. Do not make or accept as evidence handwritten or typewritten copies, photocopies, or other facsimiles.

B. Japanese Passport - Some passports issued by the Japanese Government show the person's age in years and months but not the DOB. Under the Japanese method of computing age, a person is considered one year old at the time of birth and attains the age of two years on the following January 1st. Thus, any Japanese document reporting only attained age probably does not reflect the person's true age.

When the only acceptable DOB evidence of record consists of a Japanese passport which shows the attained age probably does not reflect the person's true age.

When the only acceptable DOB evidence of record consists of a Japanese passport which shows the attained age, ask the applicant to submit one of the following forms of evidence:

- Family records which are issued to Japanese subjects and which give the dates of birth of family members; or
- Village officer's certificates, which are also issued to Japanese subjects and show the DOB; or
- Statements obtained from immigration authorities as to the DOB given by the person at the time application for a passport or visa was made.

4.2.20 Draft Registration Records

A. World War I Draft Records - World War I draft records are located in the General Services Administration, Federal Records Center, 1557 St. Joseph Avenue, East Point, Georgia 30044. Request for information from these records will be made only in those cases where there is some likelihood that the applicant was born before 9/13/1900 (the World War I draft registration cutoff date) and he had no other evidence of DOB or can obtain such evidence only with difficulty. Submit such claims to M&P-B.

B. World War II Selective Service Records - World War II records are now maintained in Federal Records Centers shown in Appendix D. The transfer of the records from the State Directors of Selective Service was completed in 1972. The addresses of the centers are also listed in Appendix D.

Request for verification of DOB from selective service records must be signed by the applicant or registrant and furnish the following information:

- Name of registrant at time of registration
- Place of registration
- Alleged DOB
- Place of Birth
- Address at time of registration
- Order of elective service number, if known.

4.2.21 Indian Tribal Census Rolls and Archives

A. Navajo Indian Tribal Census Rolls - See Section A6 of Appendix A. The applicant should sign the letter requesting the certification from the Navajo Tribe and authorizing its release to RRB. It is suggested that these requests be sent through the RRB district office in Albuquerque NM.

B. Seneca Indian Tribal Census Rolls - See Section A7 of Appendix A. Both locations at which records of the Seneca Nation are held in rotation are in the servicing area of the RRB district office in Buffalo NY, so forward the letter addressed to the clerk of the Seneca Nation to that office. The letter should authorize the release of the certification to RRB.

C. National Archives Indian Records - Records of the Bureau of Indian Affairs, outlined in Section A8 of Appendix A, are available in the National Archives. Send the letter requesting the search of the archives to the RRB branch office in Washington DC; the letter should authorize the release of any certification to RRB.

4.2.22 U. S. Census Records

The Bureau of the Census (BofC) has records taken every ten years, starting 1900 for all 50 states; information for Puerto Rico begins with 1910; and records for other U.S. Territories begin 1920.

If, after reasonable effort, the applicant is unable to secure acceptable evidence to establish a date of birth, or, the evidence available is of limited value, a search of the BofC records may be undertaken at no expense to the applicant.

A. Request for Census Record - To secure a search of the census records, the applicant must complete a Form G-256 authorizing the BofC to conduct a search and report the results to the RRB. If the F/O has no other proof of age, they will prepare and release the Form G-256 to the BofC according to instructions in FOM 1720.25.

When a Form G-256 is prepared to support another proof of relatively low value, all copies of the Form G-256, and a Form G-91 completed for the other proof(s), will be submitted to headquarters with the application or for advance evidence collection. In such cases, explore online resources to determine if an official date of birth can be established without a census record. When necessary, release the Form G-256 (original and one copy) to the BofC at the address shown on the form. Fold the pages so a window envelope displays the pre-printed address.

NOTE: The BofC will search records for only two census years in each request. If a Form G-256 is received from the F/O with extra years in Item 11, retain the two years with the most legible and complete information, and delete the other data on the copies sent to the BofC.

B. Reply From Bureau of the Census - The BofC will furnish a full or partial transcript of their record or inform us that they are unable to furnish a transcript.

1. When the transcript verifies the DOB claimed, establish that date as the official date of birth.

2. When the transcript does not agree with the DOB claimed, reconcile the discrepancy in accordance with RCM 4.2.65. If the transcript involves the 1910, 1920, or 1930 census, see subsection C below.

3. If the BofC reports the family record found but nothing showing a DOB or age for the applicant, do not pursue the search of the census records. Instead, establish the official date of birth based on any evidence available.

4. The information shown is obviously for another person, forward the Form BC-648 to the applicant. Use code letter 613 as a transmittal cover sheet to ask the applicant to verify that the record found in the census is for his family and to return the completed Form BC-648 to the RRB. Provide a pre-addressed envelope for the reply.

   When the BC-648 is returned by the applicant with confirmation that the record pertains to him, release it to the B of C. If the partial record is not for the applicant, make the DOB decision based on whatever other evidence may be obtained.

5. When the census searches do not provide a match, the B of C will search the same two years again, without additional charge, if the RRB is able to secure additional or corrected details. Ask the F/O to develop for details such as an alternate address, different county name, or spelling of a family name.

   If additional details are provided, reply to the B of C by letter. Give the date and census case number of the prior request. Do not use another G-256 for this purpose. Handle the reply as described for initial Form G-256 responses. If no other details are given, establish the official date of birth based on any other available evidence.

C. Evaluating the 1910, 1920, and 1930 Census Records - The census record may be the best evidence if no other records made early in life are available. However, the 1910 through 1930 censuses have a pattern of errors. At times, the age varies by one year, an error which occurred by recording a person's age rather than the actual date of birth. Error also resulted if the census taker recorded an age attained on the date of the interview rather than on Census Day.

Consider the census reply in comparison to other evidence. If the age on the transcript is shown only in completed years, the 1910, 1920, or 1930 census confirms the claimed date of birth when:

- the claimed DOB agrees with the age on the census record or differs only by one year; and
- all file or online evidence is in substantial agreement with the claimed date of birth; or
- a discrepancy involves evidence of low value, but most file and online evidence indicates a one year variance is due to the census taker's error.

EXAMPLE: An employee's file reflects evidence as follows:

Document	DOB Indicated
Form AA-1 application	8-1-24
Life insurance policy dated	10-49
showing age 25 next birthday	8-1-25
Delayed birth certificate from 1941	8-1-24
Five year old Medicare application	8-1-24
1930 census record showing age six	8-1-23

The employee has consistently maintained that he was born in 1924. Most of the evidence points to 1924 as the year of birth, and the life insurance policy has comparatively low probative value. By applying the one year presumption to the census record, the weight of evidence, including the census record, supports the claimed date of birth.

4.2.23 State Census Records

Iowa, Kansas, Minnesota, New Jersey, New York, Oregon, Rhode Island, South Dakota, and Wisconsin conducted individual census polls during the years 1905, 1915, and 1925.

Special individual letters were required to request a search of those records which only included persons born before 1926. Due to the difficulty of securing the information from State government bodies such as historical or archives departments, and the limited occasion for use, State census records are no longer used as an age proof source.

4.2.24 School Records

In many localities at various times, a yearly census was taken of all children within a particular age group who could be expected to enroll for the next school year. Such records as well as the actual records of enrollment may be available.

Before 1923, the school census in Mississippi was taken each year between February 1, and the first Monday in June. The child was of the age shown in the list on the recording date, but the recording date varied from year to year and county to county. Even though a school superintendent certifies an age as of a given date check the case against the list, "Recording Dates of Mississippi School Census Records," for verification of the recording date. Each unit supervisor has been furnished with a copy. School census records ended in 1920; and should not be confused with enumerations (school records), which began in 1923.

Effective with 1923, enumerations (school records) were made every two years by the school principal. The enumeration was made no later than March 1 of each year and the age shown is the age attained as of the preceding January 1. Those persons who had not reached age 6 by January 1 or who had reached age 21 by January 1 were not enumerated.

4.2.25 Insurance Records

A. Ordinary Life Insurance Policies - Theses policies are issued in amounts of $1,000 or more with premium payable on an annual, semiannual, quarterly, or monthly basis and usually show only the age of the insured as of the birthday nearest to the date the policy was issued. However, the policy will usually have attached a copy of the application for the policy and such application will show the exact DOB of the individual. Whenever possible, the information as to DOB should be taken from this form rather than the policy which shows only age. When the application is not attached and only the age is stated, consider the age shown to give been attained as of the NEAREST birth date.

B. Industrial Life Insurance Policies - These are issued in small amounts usually not over $500. Premiums are stated in weekly amounts and are generally collected at the home by an agent of the company. An industrial life insurance policy generally shows only the age of the insured and does not have the application attached to the policy. In the absence of a showing to the contrary, the age given on an industrial policy is the age at the NEXT birthday as of the time policy was issued.

C. Pullman Company Insurance Record - Consider a photostat of an application for Pullman Company group insurance an acceptable insurance record (as distinguished from an employer record) to establish an employee's age or DOB if the record was made more than 5 years before the official filing date of the annuity application.

D. Other Insurance Policies - The file should contain sufficient information to indicate what type of policy is involved. If the DOB or the age as of a particular birthday (last, next, or nearest) is not shown, develop further to determine the type of policy. If the insurance policy is a type other than ordinary life or industrial life (e.g., group or burial insurance), in the absence of evidence to the contrary, the age will be considered to have been given as of either the next or last birthday if to do so would yield the same DOB as other documentary evidence in file; otherwise, additional development is required.

4.2.26 Labor Union or Fraternal Record

Accept as POA a statement as to the applicant's DOB on the stationery of a labor organization or fraternal order (or which bears the seal of the lodge) and is signed by the lodge secretary (or officer responsible for the duties of a secretary). The statement should be in the form shown in the example below or should show the age or DOB of the applicant and the date the record was established.

EXAMPLE:

(Date)

Dear (Name of Applicant):

The records of Lodge (name and number) show that you joined it on (date) and at that time gave the date of your birth as (date) ..... or ..... your age as (number of years).

(Signed) John Doe

Secretary

4.2.27 Employer's Records

An employer's records, which is either on official company stationery or on Form AA-2P, is acceptable as POA if the DOB or age was entered on their records has not been verified by other evidence.

If the date entered on employer records is not shown, accept the record if the AA-2P was completed more than 5 years before the filing date of the application, e.g., Form AA-2P was completed in 1943 and the application was not filed until 1981.

Form CER-1 completed at or before the date a record reported on Form AA-2P was established would be of equal or higher probative value, depending upon the date of the two records. See Sec. 4.2.52.

4.2.28 Marriage Records

The application for a marriage license filed before a license is issued will normally call for the bride's and grooms' DOB or age. The age or DOB may also be shown on the marriage certificate itself.

A chart in Appendix C of this chapter shows the minimum legal age for marrying without consent of parent or guardian in effect in each State at various time intervals since 1900. It is furnished solely for use in considering the probative values of a marriage record as proof of age. The chart is to alert you to those situations in which the applicant may have given an incorrect age in order to marry without parental consent. It should not be used to determine the validity or invalidity of a particular marriage. No information is given regarding certain specific exceptions in some State laws such as previous marriages, pregnancy, no parent or guardian competent to act, etc.

4.2.29 Affidavits Completed or Filed Five Years or More Before Application Filing Date

Consider as documentary evidence affidavits or statements completed or filed five years or more before the filing date of the application. Refer to sec. 4.2.53 if an applicant offers to secure statements of affidavits from individuals having personal knowledge of his/her DOB or age.

If the affiant is the parent of the individual, assume that he or she had sufficient basis for knowing when the individual was born, unless the claim file suggests otherwise. For example, a delayed birth certificate recorded in the 1940's based on a parent's affidavit would usually be considered convincing.

Likewise, parents' affidavits made many years ago but not used as a basis for a delayed birth certificate may also be considered convincing. In evaluating such an affidavit, consider when the affidavit was made, who had custody of the affidavit over the years, and why the affidavit was made. If the affidavit does not show the date of recordation, try to establish when the affidavit was made. For example, an affidavit signed by a parent who died in 1947 would clearly establish at the affidavit was made before 1947, the claimant may state convincingly that this parent's affidavit was a prerequisite for his obtaining employment in a defense plant during World War II, etc. Also consider these facts regarding the entry: judging by the handwriting and general appearance, does the affidavit appear to have been made at the time purported? Are there any other pertinent facts of observations relevant to a proper evaluation of the affidavit?

4.2.40 POA Filed Through D/O

The CR uses the Advanced Evidence Collection (AEC) screens of the Initial Claims (IC) system to record acceptable POA filed before or after an application. The CR will submit a photocopy of the evidence or form G-91 as folder documentation. The CR returns original evidence to the submitter with an acknowledgment that the document has served its purpose. PCS will not prepare an RL-103a in this situation unless the

D/O requests one. If the CR indicates the evidence was entered into AEC, PCS will treat the advance POA as "File Only" correspondence.

The CR will not use AEC if headquarters evaluation of evidence is required. PCS will route requests for review of advance POA to the adjudication unit.

The claims examiner should compare the claimed DOB with the birth evidence and with the DOB recorded on the G-90 and other forms or documents in file. Handle unacceptable evidence per RCM 4.2.42. Record acceptable evidence as explained in RCM 4.2.43.

4.2.41 POA Not Filed Through D/O

A. Record Made Within Five Years of Birth - Examine the evidence for acceptability in accordance with this chapter. Then, compare the DOB claimed with the DOB recorded on the G-90 and any other forms in file (AA-2P, AA-11a, AA-15, etc.). If the POA is acceptable and there is no discrepant DOB information, record the evidence as explained in sec. 4.2.43. Also prepare an RL-103a in triplicate. Send the original to the employee, one copy to the servicing D/O (indicate on the D/O's copy that the POA was filed direct) and file one copy in the claim folder.

   RCM 4.1.5 explains when and how original documents should be returned.

   If the POA is unacceptable, or there is a discrepant DOB, see RCM 4.2.42. Release a RL-85 to the employee at the time the servicing D/O is requested to develop.

B. Other Types of Evidence - If three proofs are submitted with a statement that a primary proof cannot be secured, examine the evidence for acceptability and compare the DOB claimed with any DOB shown in the file. If there is no indication as to whether a primary proof can be secured or three proofs were not submitted, refer the POA to the servicing D/O for development of additional evidence. Release a RL-85 to the employee at the time the D/O is requested to develop POA. Secure a photocopy of the evidence for the file.

   If the evidence is acceptable, record it as discussed in RCM 4.2.43.

4.2.42 Action When POA Unacceptable Or DOB Discrepant

A. POA Unacceptable - Explain why the POA is unacceptable or insufficient and request the D/O to develop for acceptable or additional evidence. If the POA was not submitted through the D/O, secure photocopies for the file and attach the evidence to the field assignment.

B. DOB Discrepant - Determine whether the claimed DOB is reasonably supported by other information in file in accordance with sec. 4.2.66.

If the claimed DOB is reasonably supported, record the evidence in accordance with sec. 4.2.43.

If the discrepancy is the result of a different DOB shown on the G-90 which cannot be supported by information in file, handle as follows.

- If any of the three proofs have a high probative value (a numerical value of 24 or more), handle Form G-91 in accordance with sec. 4.2.43.

- If all three proofs have a very low probative value (a numerical value of 23 or less), release a G-563 requesting the DOB and registration dates of all CER-1's filed by the employee. When the G-563 is returned, determine the weight of the oldest CER-1 by giving it a numerical value of 5 ("other record") for type of document, plus the appropriate numerical value (as high as 18) for the registration date (see sec. 4.2.60). No CER-1 could have a numerical value of more than 23.

If the discrepancy results from conflicting DOB's in file which cannot be resolved, request the D/O to secure an explanation from the employee and better POA if needed.

4.2.43 Recording Established DOB

A. G-91 Submitted by D/O - If the POA is not shown on the AEC screen of the IC database, forward the G-91 to BFS--Program Services Section. Note "AEC" in the Remarks section of the G-26. BFS will return the G-91 with a notation of the date the proof was entered into AEC. If the CR submits form G-91c, do not send it to keypunch.

B. G-91 Completed by RM - Prepare a G-91 per RCM 11 and sign it as the transcriber. If the POA document or a photocopy is being retained in file, item 19 does not require the signature of a reviewer.

Forward the G-91 to BFS as explained in A above.

C. Correcting IC-AEC) Record - If it is necessary to correct the DOB after it is on the Initial Claims database but before the application is on RASI, prepare a file note and refer the case to BFS-Program Services Section.

4.2.50 Information To Establish Arbitrary DOB

When acceptable evidence has not been obtained after a reasonable effort to secure documentary POA, determine whether any of the following types of information can be used:

- DOB information in "SCORE File Data" (check Item 3D of G-90, Page 2, and refer to secs. 4.2.51 and 4.2.52).

- DOB information in "SSA Wage Tape Information" or "SSA Master Benefit (MBR) Information" (See Items 7C and 8B of G-90, Page 2,).

- Employee's statement of DOB on Forms AA-11a and AA-15 and employer's DOB information on Form AA-2P or in correspondence.

If Item 8B of G-90 shows that SSA has established a DOB for the applicant, release Form RR-15 (see sec. 4.2.70). Do not secure SS-5 if Item 8B of the G-90, Page 2, shows that SSA has established a DOB; SSA would have considered the SS-5 Record in making its DOB determination.

If none of the above information is available or acceptable, determine whether statements or affidavits can be secured from two individuals having personal knowledge of the age or DOB of the applicant.

4.2.51 Securing SS-5 Records To Establish Age

Item 7C of the G-90 shows the month and year of birth on SSA's wage records. If the information shown in this item would establish a desired DOB and SSA has not established one (no entry in Item 8B of the G-90), release a G-563 to BCC to secure a photocopy of Form SS-5 from SSA. See instructions in RCM Part 11 on completing the G-563. After receiving the photocopy, determine the acceptability of the use of the SS-5 in accordance with sec. 4.2.52ff.

4.2.52 Use Of SS-5

Check information on Forms AA-11a, AA-15, and G-90, and make determination as follows:

A. No Conflicting Information in File - Accept the SS-5 as POA of a retirement annuity applicant if:

- No other acceptable evidence has been received; and

- No other acceptable evidence can be secured by the D/O; and

- The SS-5 was signed more than 5 years before the official filing date of the application; and

- The DOB shown on the forms agrees with claimed on the application; and

- There is nothing in the claim folder showing that the DOB shown on the application and the SS-5 as POA if it is apparent that the certificate of S/S by BCC relates to the employee.

A discrepancy between the names shown on the application and the CER-1 does not invalidate the SS-5 as POA if it is apparent that the certificate of S/S by BCC relates to the employee.

B. Differing Information on DOB in File - If SS-5 would be acceptable under Subsection A above, but the employer's record on AA-2p or in correspondence or a Form AA-11a is of earlier origin, do not use the SS-5. Establish the DOB on the basis of the earliest information or the date supported by the weight of evidence. If conflict cannot be resolved on the basis of information of file, secure statements or affidavits, if possible, from individuals having personal knowledge of the age or DOB of the applicant.

4.2.53 Affidavits Or Statements Of Other Persons

If no proofs can be secured, the sworn statements of two persons having personal knowledge of the age or DOB of an applicant may be considered. These statements should contain the following information:

- The applicant's age, approximate age, or DOB; and
- The circumstances under which the affiant has knowledge of the facts sworn to; and
- The extent of the affiant's knowledge upon which the statement is based.

Current statements or affidavits of age by other persons can be weak evidence or strong evidence depending on the circumstances of the case. Generally, a meaningful and convincing statement or affidavit will demonstrate that the affiant has a concrete basis for knowledge of the claimant's DOB. Concrete knowledge can be demonstrated by the affiant's recall of such facts as attendance at birthday celebrations, attendance at school in the same grade, seeing the DOB in a family Bible which is no longer available, history of family incidents or events, perhaps even evidence of the affiant's age, etc. A recollection of a personal event pertaining to an individual's age will have more value if the affiant can associate it with a commonly known historical event.

Even though such statements and affidavits are not, as a rule, convincing evidence in themselves, they can become valuable in corroborating alleged DOB's in material discrepancy case when evidence in file does not clearly establish one DOB or the other.

When it is known that an affidavit is to be obtained by an applicant, it is desirable for the D/O to have a personal contact with the affiant for the completion of the affidavit. A personal contact with the affiant will not only be useful in the completion of a meaningful statement but will also enable the D/O to observe the affiant and ask additional questions to assist in determining whether the affidavit is convincing.

It is during such a D/O contract that statements such as, "I have always known that the applicant was two months younger than myself," can become meaningful and convincing. A D/O contract could determine when the affiant first gained knowledge of

the applicant's DOB, and a spontaneous recall of the event with surrounding details should strengthen such a statement considerably. For example, the affiant might recall that he first met the applicant when they became neighbors in August 1914, and that he attended the applicant's birthday party later that same month, just after World War I was declared. He might also recall that both he and the applicant entered the fifth grade the following month and that in childhood it was always a point of pride to be two months older than the applicant. Thus, a weak statement becomes meaningful and convincing.

In evaluating the strength of a statement or affidavit, care must be taken to avoid generalities and to weigh each statement on its merits. An aged affiant can give a lucid and convincing statement, particularly when some event in his/her own life recalls an association with the applicant's DOB, he or she appears alert, etc.

4.2.54 Summarizing Data And Establishing DOB

Summarize evidence and information regarding the applicant's age or DOB. If the SS-5 or other forms were completed more than five years before the filing date of the application, the claims examiner will establish the DOB. If they are less than five years old, refer the claim to the division chief with a recommendation as to the DOB to be established.

4.2.60 Determining Probative Value Of POA

A. General - Determining the probative value of a particular piece of birth evidence is a matter of judgment. Evaluate each piece of evidence in file to determine the respective probative values. In making the determination consider all of the following factors:

- Age of evidence or data evidence was established.
- Purpose for which evidence was established (i.e., would it have been to the person's advantage to falsify his age).
- Basis for the record (i.e., was proof of the person's age required).
- Formality of the record (i.e., was the record made under oath, witnessed, or was there a penalty provided for a false statement).
- Numerical value of the evidence. (See B below.)

A probative value judgment should not be based solely on any one factor. For instance, while the age of the evidence is important factor, because the earlier a record was made the more reliable it tends to be, do not base the probative value decision on this factor alone.

B. Numerical Value of Evidence - The following tables, which have been developed for EDP purposes, are merely a guide for determining the relative weight of birth

evidence. The document with the highest numerical value is not necessarily the one with the highest probative value.

To determine the numerical value, total the values assigned for the type of document and the age of the document. For example, a census record made 25 years after birth would have a value of 30 (15 based on type and 15 based on age).

Type of document	**Numerical value**
Civil Record of Birth Church Record of Birth or Baptism Notification of Registration of Birth	30
Hospital Birth Record or Certificate Physician's or Midwife's Birth Record Bible or Other Family Record	25
Naturalization Record Military Record Immigration Record Passport Draft Registration Record	20
Census Record School Record Vaccination Record	15
Insurance Record Labor Union or Fraternal Record Employers Record Marriage Record	10
Other record not classified above	3

Number of years after DOB record was made	Numerical value
Record made within five years of DOB	24
Record made five through 10 years after DOB	21
Record made 11 through 20 years after DOB	18
Record made 21 through 30 years after DOB	15
Record made 31 through 40 years after DOB	12
Record made 41 through 50 years after DOB	9
Record made 51 through 60 years after DOB	6
Record made 61 through 70 years after DOB	3

4.2.61 Requirements For Acceptability

Any form of evidence which meets the requirements specified in this chapter is acceptable, even though it is not in agreement with the applicant's claimed DOB. However, to VERIFY the applicant's claimed DOB, the evidence must meet the following requirements.

A. General - The document must be the original or a certified copy of the original document, must meet the requirements for the individual document as described in this chapter, and must NOT contain:

1. Material alterations in age, DOB, or in the name of the person which are sufficient to cause doubt that the entry pertains to the person for whom it was submitted.

   An alteration in the day of the month will not discredit entries showing the month and year of birth if there is no indication that either of those entries has been altered. Likewise, an alteration in the month will not discredit the year of birth if the latter entry is unaltered.

   When there are alterations in a family Bible or other family record, refer to sec. 4.2.15. Points are to be deducted for each alteration on the page and each alteration in the entry for the applicant.

2. Material difference in the name claimed and the name shown on the evidence. A discrepancy between the name claimed and the name shown on a document will not disqualify the evidence, provided the variation in name is reconciled.

B. POA of Employee - In addition to the requirements in A above, the original entry of the age or DOB (shown on the evidence submitted) must have been made more than 5 years before the filing date of the application. If the evidence submitted is not convincing, request additional proof. (In the absence of any acceptable documentary evidence, use an employee's CER-1 or secure affidavits to establish his age for a retirement annuity as outlined in secs. 4.2.50 - 4.2.54.)

C. POA of Dependent or Survivor - In addition to the requirements in A above, evidence submitted to establish the age of a dependent or survivor must have been recorded more than 5 years before the date of submission or the filing date of the application, whichever is first; accept evidence submitted to establish the age of a child under 5 years of age, if recorded at or near the time of such child's birth and it is otherwise acceptable.

Additional POA of a widow(er) is NOT required in cases in which (s)he was awarded a spouse annuity before the employee's death even though age was established on the basis of evidence showing only that (s)he was married 50 or more years before the spouse's ABD.

D. Foreign Documents as POA - When a G-91 is prepared based on a document from a foreign country (except Canada), a photocopy of the document should be permanently filed in the claim folder.

4.2.63 Evidence Showing Only The Person's Age

When the evidence submitted as POA (other than an insurance record or Mississippi school census record) shows only the person's age and no DOB, and it does not state whether it refers to the next or nearest birth date, consider the age shown to have been attained as of the LAST birth date. For the special rules pertaining to insurance policies, see sec. 4.2.23. For the special rules pertaining to Mississippi school census records, see sec. 4.2.22.

4.2.64 Determining The Nearest DOB

When the evidence submitted shows only the person's age and indicates that it was recorded as of the NEAREST birth date, verify it by deducting the DOB claimed by the applicant from the date the evidence was issued or the date the insurance policy was effective. If the age so arrived at falls exactly six months (or less) of the age indicated, either over or under, accept the birth date claimed.

EXAMPLE: John Doe claims to have been born 6-3-04 and submits as POA an insurance policy effective 9-10-44 showing his age as 40 as of the NEAREST birth date.

9-10-44

- 6- 3-04

_____

3 mos - 40 yrs = age 40 on birth date nearest to date policy was effective

4.2.65 When Claimed DOB Agrees With Evidence

Establish the claimed DOB unless such a finding would not be reasonably supported by other information in file. If there is any doubt as to the correct DOB, request the D/O to obtain better evidence or an explanation from the applicant regarding any inconsistencies found in the file.

The determination of whether a finding would be reasonably supported is a matter of judgment based on the probative value of the evidence and the information regarding the DOB in file. Use the following examples as a guide in making a determination:

EXAMPLE 1: The applicant claims 9-27-05 as his DOB and submits a baptismal certificate made on 11-5-05 showing 9-27-05 as the DOB. Since this is obviously the best evidence that could probably be obtained, establish the claimed DOB even if an AA-2P, AA-11a, or AA-15 shows a different DOB.

EXAMPLE 2:The applicant claims 4-7-09 as his DOB and submits a driver's license made 7 years ago showing 4-7-09 as his DOB. Examination of the file shows that he has claimed various DOB's over the years. In 1940, he showed 4-7-10 on an AA-15; in 1942, he showed 4-8-10 on an AA-11. Establishing the employee's DOB as 4-7-09 based solely on the evidence of low probative value in this case would not be reasonable supported by the information in file. In a situation like this, the D/O should be requested to obtain better evidence or, if non can be obtained, a complete explanation from the applicant regarding the discrepancies.

4.2.66 When Claimed DOB Conflicts With Evidence

When acceptable evidence is in file, determine whether it establishes the claimed DOB in accordance with A and B below. The evidence referred to in this section includes documentary evidence submitted by the applicant and his employer records, but does not include the CER-1.

A. Claimed DOB Established - Establish the claimed DOB if the evidence of highest probative value agrees with the claimed DOB, and such evidence is clearly superior to any conflicting evidence in file. If only two pieces of evidence are in file and they have almost identical probative value, secure a third piece of evidence before resolving the conflict.

   If the evidence of highest probative value does not agree, establish the claimed DOB IF the discrepancy would not affect:

   - The current or future eligibility of the applicant for an annuity or Medicare benefits; or

- The ABD of the employee or spouse by more than 30 days; or
- The monthly rate of benefits by more than the current tolerance amount.

See sec. 4.2.22C for a special rule to consider in evaluating the 1910, 1920, or 1930 census record.

B. Claimed DOB Not Established - When the claimed DOB cannot be established under A above, give the applicant an opportunity to submit additional evidence unless this opportunity was previously afforded or the applicant has stated that no other evidence is available.

1. If Claimed DOB Would Result in Earlier ABD or HI Entitlement Date Than Evidence Proves - Establish the DOB on the basis of ALL evidence in file. If only one form of evidence has been submitted, establish the DOB as shown by this evidence.

   When two or more forms are evidence have been submitted, determine the probative values of each piece of evidence and determine the correct DOB accordingly. When the DOB established in this manner appears to be inequitable or incorrect, submit the case with a memorandum to the division chief summarizing the facts and making an appropriate recommendation.

2. If Claimed DOB Would Result in Later ABD or HI Entitlement Date Than Evidence Proves - If the applicant INSISTS the claimed DOB is correct, establish the claimed DOB. If the DOB established by the evidence was used in such a case, the applicant would receive benefits which (s)he does not claim.

4.2.67 Finality Of DOB Established

A. DOB Material to Case - Once a DOB has been established and it is material to an award (even though only a partial award has been made or is the basis for a determination of entitlement to Medicare, the DOB is final for the purpose(s) for which it was established and may be changed only if the claim is reopened under RCM Chapter 6.2 because:

- The determination was caused by fraud or other fault of the applicant (do not develop these factors if the claim folder does not indicate them), or
- There is a clear and obvious mistake of fact or a clear and obvious mistake of law, or
- New and material evidence received after the determination would result in a decision favorable to the applicant.

Normally evidence that establishes that an applicant is older is considered favorable to him. However, do not consider that the evidence would result in a decision favorable to the applicant if establishing an earlier DOB changes an employee's closing date and disqualifies him from receiving a SUP ANN. NOTE: Effective October 1, 1981, the "closing date" provision applies only to employees born before September 2, 1916. Employees born on or after

September 2, 1916, no longer have a SUP ANN "closing date."

A DOB determination is not material to the award in some cases:

- A disabled employee begins receiving an occupational disability annuity. His DOB would not be material to the award until he reaches age 65. If at or before age 65, it is determined that SSA has POA or higher probative value or has enrolled the employee for SMIB under a DOB different from the one on our records, change the DOB the agree with the one established by SSA.

- A widow or spouse is receiving an annuity on the basis of having a child in her care. Depending upon other adjudicative factors in the case, the DOB would not be material until the widow reaches age 60 or 65 or until the spouse reaches age 62 or 65.

In a case where the DOB is not material to the award, the DOB may be changed on the basis of evidence of higher probative value even though the change would be considered unfavorable to the annuitant. However, at the point that the DOB on our records is material to the award, the determination is final.

B. Change in DOB is Favorable - If the DOB is material to the case and the criteria for reopening are met, adjust the age reduction factor as shown:

- If the change in DOB occurs within one year after the date of the RRB award notice, recalculate the age reduction from the earliest permissible annuity beginning date or age reduction date of entitlement, using the reduction factor that applies to the new DOB. The earliest permissible date for the recalculation of the annuity cannot be earlier than the date protected by the application filing date.

The same recalculation rule applies for cases where a person was not offered an opportunity to prosecute a claim at RRB for DOB change because SSA's evidence is accepted without reconciliation. SSA's evidence would be accepted without reconciliation only in cases in which RRB is paying the SSA benefit and

- SSA's evidence clearly has a higher probative value than RRB's and

- the DOB established by SSA's evidence is clearly favorable to the annuitant.

- Pay the retroactive increase from the earliest permissible annuity beginning date as discussed in Sec. 6.2.32B.1. If no applicable, restrict payment of the increase to the first day of the 12th month the person began prosecuting the claim as shown in Sec. 6.2.32B.2.

The same retroactive payment rules apply for cases where a person was not offered an opportunity to prosecute a claim at RRB for a DOB change because SSA's birth evidence is accepted without reconciliation. In such cases, consider that the evidence or document was received at RRB and that the person began prosecuting the claim at RRB for the DOB change on the date the document was submitted to SSA. If that date is not available, use the date the document was received at RRB. If neither date is available, use the date the change is being made at RRB as the date the person began prosecuting the claim for DOB change.

C. Change in DOB is Unfavorable - If new evidence, superior to the original birthdate evidence, establishes that the annuitant is younger than was previously believed, administrative finality will be applied to the DOB used in any annuity awarded or Medicare determination made prior to the time the new evidence is received, provided that the original determination was not caused by fraud or other fault of the annuitant.

When administration finality is applied to a DOB determination, action should be taken to correct any previous Medicare entitlement determinations or awards (i.e., the PIA used in the calculations, the age reductions and the date of entitlement should not be changed). All future adjustments, whether caused by cost-of-living increases, amendments or changes in a family group, should be based upon the original DOB.

A DOB will be established for the annuitant on the basis of the superior evidence for all new awards and Medicare-entitlement determinations, such as the award of a regular annuity following a determination of entitlement to Medicare, the later award of a SUP ANN of spouse annuity, or the including of a husband or wife in the award under the overall SSA minimum.

Forward for review any claim in which administrative finality could be applied under the above to the modular group supervisor or modular unit supervisor in the division of retirement and survivor benefits, or to the section supervisor in CCR. However, before making a determination that the new evidence establishes that the employee is younger; take action as outlined in Sec. 4.2.71 to reconcile the discrepant DOB.

4.2.70 Reconciling RRB Date of Birth With SSA

SSA and RRB have agreed that, when both agencies are concerned with the DOB for an applicant or annuitant, the same DOB should be established by both agencies. This section and section 4.2.71 explain how to contact SSA and reconcile discrepant DOB's

when it is found that SSA has established or intends to establish a DOB different from ours.

A. Informing SSA's PSC of Discrepant DOB - During the adjudication process SSA reports DOB's on the on-line G-90 (GOLD), through the PAM system, or on the MBR. When the DOB shown in the RRB request and one of record in SSA disagree, the following message is displayed in the remarks section of the On-line G-90 (GOLD), "MBR DISAGREES ON DOB." When a different DOB is reported on any of those forms or in correspondence from SSA, complete Form RR-15 in triplicate and forward two copies to the SSA PC or reviewing office having jurisdiction of the applicant's SS account or claim number. The examiner must secure certified copies of the birth-date evidence and furnish copies to the PC or reviewing office.

B. Information From SSA's PC on Discrepant DOB - SSA's PSC furnishes RRB the information that we furnish on Form RR-15 when they discover a discrepant DOB. However, most of the discrepant DOB's are uncovered by RRB on the basis of claims information furnished by SSA.

4.2.71 Reconciliation Of Discrepant DOB

When the SSA PSC furnishes the information requested in FORM RR-15, determine the probative value of their evidence in accordance with sec. 4.2.60 to see if it is of higher value than ours.

A. When SSA's Evidence Clearly Has a Lower Probative Value Than RRB's - SSA's PSC will, in most such cases, change the DOB on their records to agree with our date. If they indicate on the copy of Form RR-15 returned to us that they have changed their date, no further action on our part is necessary. If, for some reason the PC indicates that they will not accept our date or reopen their decision do not take any further action to reconcile the DOB. Claim should be handled to completion using date of birth in RRB’s records.

B. When SSA's Evidence Clearly Has a Higher Probative Value Than RRB's – Release an e-mail to the appropriate D/O to:

- Secure evidence of higher probative value, from annuitant, than that furnished to SSA; and
- An explanation of the discrepant DOB's and
- A signed statement from the person IF he desires to amend the age or DOB previously claimed with the Board; and
- A copy of the evidence used by SSA if not in file.

NOTE: If the applicant does not submit evidence of higher probative value than that used by SSA, determine whether the DOB should be changed under sec. 4.2.67 or administrative finality applied. If administrative finality could be applied forward the claim to the section supervisor. If the applicant submits evidence of higher probative value than SSA has, handle in accordance with the preceding subsection.

C. When SSA's and RRB's Evidence Have Almost Identical Probative Values - If SSA will not accept our DOB and their evidence's probative value is almost equal to ours, use DOB based on RRB's evidence. Do not take any further action to reconcile the DOB. Document the file of the decision. NOTE: If the annuitant's DOB is changed on our records as a result of our reconciliation with SSA any notice to the annuitant regarding that decision must be on stationery containing the appeals paragraph (AB-25). Also, when "administrative finality" applies to the initial award in this type of case, prepare a statement showing why.

Appendices

Appendix A - Proof Of Birth, Death, Divorce And Marriage

A1. Listing of State Sources and Fees For Birth, Death, Divorce and Marriage Records

A. PROCEDURE

To request records, ask:

- The applicant to write directly or call the custodian for a copy of the record. The RRB does not accept credit card information. The applicant should provide this information directly to the BVS involved.

- The assistance of the field office (F/O) parallel to the custodian of the record if an out-of-state or in-state (unless otherwise directed) F/O needs to assist the applicant.

Provide as much as possible of the following:

- full name of person who was born or who died; or for divorce and marriage records, the full names of the husband and wife (including a maiden name and nicknames);

- date of event;

- place of event;

- sex (for birth and death records);

- parents' full names, including mother's maiden name (for birth records).

Annotate that the request is for RRB purposes. Have the applicant enclose payment for the certificate.

B. LIST OF STATE REGISTRARS

The following is a listing of the State registrars, including Puerto Rico, the Virgin Islands of the U.S., American Samoa, Guam, Northern Mariana Islands and an entry for a U.S. citizen born abroad with U.S. citizenship at birth.

Also included is the cost, type of payment and remarks pertinent to each State.

ALABAMA

Department of Public Health

Center for Health Statistics

P.O. Box 5265

Montgomery, AL 36103-5625

RRB F/O code 111 SSA F/O code 623

Cost of copy: $12.00.

Type of payment: Money order, certified check or personal check.

Can F/O verify, certify, or obtain a free copy of birth/death record? No

The F/O should write directly to BVS for all records. The fee is $12.00 each and $4.00 for each additional copy. Make check payable to Alabama State Board of Health. Send requests for expedited search by overnight express mail service and add $10.00 to fee.

ALASKA

Bureau of Vital Statistics

State Department of Health & Social Services

P.O. Box 110675

Juneau, AK 99811-0675

RRB F/O code 371 SSA F/O code 996

Cost of copy: $10.00

Type of payment: Money order or certified check.

Can F/O verify, certify or obtain a free copy of birth/death record? No

Divorce records are available since 1950. The state office has some records beginning 1913. State office also has some records for the following cities and towns beginning with the date shown:

Anchorage	1916	Nome	1913
Cordova	1920	Palmer	1937
Fairbanks	1913	Petersburg	1913
Haines	1913	Seward	1913
Homer	1950	Sitka	1913
Juneau	1913	Skagway	1913
Kenai	1913	Soldotna	1913
Ketchikan	1913	Valdez	1913
Kodiak	1913	Wrangell	1913

An assumption can be made that births of Alaskan natives, except in the towns and cities listed above, were not recorded until 1930 or later. The BVS will accept bank cards for all record requests made by telephone to (907)465-3392. There is a $10.00 charge for this service. No other telephone requests will be honored.

AMERICAN SAMOA

Registrar of Vital Statistics

Pago Pago

American Samoa 96799

SSA F/O code 025

Cost of copy: $2.00

Type of payment: Cash, check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

Birth records from 1930 on are on computer. Prior to 1930 some records may not be recorded due to the manner in which birth information was recorded.

ARIZONA

Vital Records

Department of Health Services

P.O. Box 3887

Phoenix, AZ 85030

Divorce/marriage - Clerk of superior court in county where divorce was granted or license issued

RRB F/O code 379 SSA F/O code 907

Cost of copy: $9.00 - Birth (Long)

$6.00 - (Short, 1950 to present only)

$5.00 - Death - Marriage/Divorce varies

Type of payment: Money order or certified check.

Can F/O verify, certify, or obtain free copy of birth/death record? Yes, but hardship or suspected fraud cases only and the request must be documented to show these conditions exist.

The applicant needs a picture identification with signature (or a photocopy of same) to acquire a birth or death record. (There is no change in certification requirements for SSA.) If the picture ID has no signature, then a notarized signature must be presented also. State individual's relationship to the requestor (e.g., self, spouse, parent) as well as the need for the birth record. If a personal check is used for payment, no birth record will be released until the check clears.

Thirty days after the request has been received, individuals may call (602)255-3260 if the check has cleared to receive the BC or DC sooner. They must provide the four digit verification number and date stamp on the back of the cancelled check.

ARKANSAS

Arkansas Department of Health

Division of Vital Records

4815 West Markham Street, Slot 44

Little Rock, AR 72205-3867

RRB F/O code 161 SSA F/O code 755

Cost of copy: $5.00 - Birth/Divorce/Marriage

$4.00 - Death

Type of payment: No restrictions.

Can F/O verify, certify, or obtain free copy of birth/death record? No

Request birth and death records directly from DVR by letter. DVR will accept VISA and MASTERCARD requests for records made by telephone to (501) 661-2726. Request marriage and divorce records from the county in which the license or decree was obtained. Make payment by check or money order payable to the County Clerk.

CALIFORNIA

Department of Health Services

Vital Statistics Section

P.O. Box 730241

Sacramento, CA 94244-0241

RRB F/O code 381 SSA F/O code 955

Cost of copy: $12.00 - Birth/Divorce/Marriage

$ 8.00 - Death

Type of payment: Money order, certified check or personal check.

Can F/O verify, certify, or obtain free copy of birth/death record? No

The F/O should write directly to above address to obtain birth/death or marriage records. For final divorce decrees entered from January 1, 1962 through December 31, 1984, the $8.00 fee to the above address will provide only information as to the county that issued the divorce decree and the case number; it will not provide a copy of the divorce decree. If the county is known, go directly to the county. See the county listing. California Civil Code 4213 permits a cohabiting couple to marry privately without a license. As a private marriage is not a matter of public record, it is not recorded. A record of a section 4213 private marriage can be obtained only as follows:

1. The applicant may furnish the marriage certificate.

2. The applicant (or F/O with the applicant's permission) may seek a certified copy from whoever performed the marriage.

3. The applicant may obtain a certified copy from the county. (Tell the applicant to inquire about getting a record which is sealed from the public. The applicant may not realize the degree of secrecy with which these records are maintained.)

The DHS will accept bank cards for birth/death/marriage record requests made by telephone to (916) 445-2684. There is a $5.00 fee. FAX requests paid for by bank cards can be made to 1-(800) 858-5553. The FAX should include the name, date of event, place of event, father's name, mother's maiden name, customer's name, daytime phone, return address, credit card number and expiration date. There is a $15.50 fee. BVS will express mail the response to requests received by phone or FAX.

COLORADO

Records and Statistics Section

Department of Health, Vital Records

4300 Cherry Creek Drive, S.

No. A-1

Denver, CO 80222-1530

RRB F/O code 373 SSA F/O code 882

Cost of copy: $12.00 - All Records

($ 6.00 - for additional copies at the same time.)

Type of Payment: Money order, check or charge.

Can F/O verify, certify or obtain free copy of birth/death record? No

Colorado has birth records for the entire state since 1910. Legislation passed in 1943 provides for the filing of delayed BCs for persons who were born prior to the legislation date, or whose births were not recorded at the time of birth. Mail requests take at least 3 weeks to process. Certified copies of divorce and marriage records are available only at the county level. The county may be determined from a partial index of records at the state level. The index covers marriages from 1900-1939 and 1975-1984 and divorces from 1968-1984.

Telephone requests for birth or death records, using a bank card, can be made by calling (303) 692-2224. The charge is $16.50 and the record will be mailed within 5 work days. Telephone requests for marriage or divorce records can be made by calling (303) 692-2234. The charge is $12.00. Requests for status of a record search can be made by calling (303) 756-4464. FAX requests for

birth/death records using a bank card can be made by calling 1-(800) 423-1108. The charge is $16.50 and the record will be mailed within 5 work days. Make all requests directly to the Bureau of Vital Statistics.

CONNECTICUT

Department of Health Services

Attn: Vital Records

150 Washington Street

Hartford, CT 06106

RRB F/O code 231 SSA F/O code 080

Cost of copy: $15.00 - Birth

$ 5.00 - Marriage/Death

$10.00 - Divorce (Uncertified)

$15.00 - Divorce (Certified)

Type of payment: Money order or personal check.

F/O can verify or certify. A free copy can be obtained only for documented hardship or fraud cases.

The state BVS office only has a limited index of divorce records since June 1, 1947. Direct inquiries to the Superior Court in the district where the divorce was granted. Birth, marriage and death records are indexed for 1948 to present. Records for 1896-1947 are available but not indexed.

Any 1963 Connecticut birth records volumes 176 - 187 bearing State registration numbers 106-63-52501 through 106-63-55801 submitted as proof of birth, age, citizen, or identity should be verified with the State of Connecticut BVS through the office shown above.

DELAWARE

Bureau of Vital Statistics

State Board of Health

P.O. Box 637

Dover, DE 19903-0637

RRB F/O code 221 SSA F/O code 268

Cost of copy: $5.00 - except divorce, see county listing.

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The BVS will accept bank cards for all record requests made by telephone (302) 739-4721.

DISTRICT OF COLUMBIA

Birth/Death Vital Records Branch

9th Floor

613 G Street, N.W.

Washington, DC 20001

Marriage D.C. Superior Court

Family Division

Room 4485

500 Indiana Avenue, N.W.

Washington, DC 20001

Divorce Clerk of the D.C. Superior Court

Family Division

Room 4230

500 Indiana Avenue, N.W.

Washington, DC 20001

Attention: Mrs. Asbury

RRB F/O code 221 SSA F/O code 270

Cost of copy: $12.00 - Birth (short form)

$18.00 - Birth (long form)

$12.00 - Death

$ 5.00 - Marriage

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? No

The F/O should request birth and death records by mail directly from the vital records branch and the request must be accompanied by the correct fee. Use letter-head paper and include the following information:

- What record is needed,
- Child's full name,
- Child's sex and date of birth,
- Certificate number (if known),
- Mother's full maiden and married names,
- Father's full name,
- Child's place of birth (include the name of hospital),
- Money order number,
- Return address of the F/O.

The cost of divorce records varies. Records since September 16, 1956 can be obtained from Superior Court, Family Division, Room 4335, 500 Indiana Avenue, N.W., Washington, DC. The cost of copy is $.50 per page, plus $1.00 certification stamp. Obtain records prior to September 16, 1956 from the clerk of the U.S. District Court, Washington, DC 20001 without charge.

FLORIDA

Office of Vital Statistics

Box 210

Jacksonville, FL 32231

RRB F/O code 121 SSA F/O code 655

Cost of copy: $9.00 - Birth

$5.00 - Death/Divorce/Marriage

$4.00 - Additional copies of all records.

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The State office has divorce and marriage records since June 6, 1927. Additional year searches are $2.00 per year. This fee includes a copy of the record, if found.

GEORGIA

Vital Records Service

State Department of Public Health

Room 217 H

47 Trinity Avenue, S.W.

Atlanta, GA 30334

RRB F/O code 101 SSA F/O code 600

Cost of copy: $10.00 - A certified copy of a birth or death record. Each additional copy released at the same time is $5.00 (all wallet size copies will be $10.00 no matter when ordered).

Type of payment: Money order, cashier's check or certified check.

Can F/O verify, certify or obtain free copy of birth/death record? No

The state office only has divorce and marriage records since June 9, 1952 and no certified copies are available. Inquiries will be forwarded to the appropriate office.

GUAM

Birth/Death/Marriage Office of Vital Statistics

Department of Public Health and Welfare

Government of Guam

Box 2816

Agana, GU 96910

Divorce Clerk Island Court of Guam

Agana, GU 96910

SSA F/O code 168

Cost of copy: $5.00 Birth/Death/Marriage

Divorce varies.

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? No

HAWAII

Vital Records Section

State Department of Health

Box 3378

Honolulu, HI 96801

RRB F/O code 377 SSA F/O code 990

Cost of copy: $2.00

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

Divorce records are available since July 1, 1951.

IDAHO

Bureau of Vital Statistics

State Department of Health

450 W. State Street

Boise, ID 83702

RRB BP code 383 SSA F/O code 893

Cost of copy: $8.00 for certified copy,

$6.00 for verification.

Type of payment: Money order or check.

Can F/O verify, certify or obtain copy of birth/death record? Yes, but copy costs $6.00.

Idaho requires a release signed by the applicant or his/her representative for a certified copy. Divorce and marriage records are available since July 1947.

ILLINOIS

State of Illinois

Department of Public Health

Division of Vital Records

605 W. Jefferson

Springfield, IL 62702-5097

RRB F/O code 285 SSA F/O code 488

Cost of copy: $10.00 - Birth Records, for computer-generated record,

$15.00 - for file copy (includes parents' names and other identifying information).

$15.00 - Death Records, for file copy (no computer copy available). Each additional copy ordered with the original request is $2.00.

Marriage/Divorce verifications are $5.00 for individuals, $10.00 for agencies.

Search - $10.00 fee charged for unsuccessful searches. Short - $10.00.

Type of payment: Money order, certified or personal check,Third party draft from F/O.

The F/O may verify date of death in discrepancy cases caused by the state death match only.

F/O may verify authenticity of birth record presented by first time applicant for SSN over age 18.

Certified copies of divorce/marriage records are not available from the state office. The state office only has an index of divorce/marriage records since January 1, 1962. Certified copies of marriage/divorce records must be obtained from county records.

Requests for birth/death records can be made via telephone to (217)782-6553 using a bank card. Field offices should write directly to the Division of Vital Records to obtain any records. In hardship cases, include a third party draft. It may be less expensive to request a record from the county.

INDIANA

Birth/Death - State Board of Health

1330 West Michigan St.

Room 111

Indianapolis, IN 46206-1964

RRB F/O code 289 SSA F/O code 690

Cost of copy: $6.00 - Birth

$4.00 - Death

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The state office does not have copies of marriage records; it only has an index of records since 1958. Marriage records are kept at the county level.

IOWA

Iowa Department of Public Health

Vital Records Bureau

Lucas State Office Building

321 E. 12th Street

Des Moines, IA 50319-0075

RRB F/O code 374 SSA F/O code 690

Cost of copy: $10.00 (See remarks for divorce records).

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? No

The state office now has no divorce records. The decree must be obtained from county records. Make all requests directly to the Vital Records Bureau. There is only a microfiche listing which indicates the county in which the divorce record may be found. Birth, death and marriage certificates may be requested by phone at (515) 281-4944, using VISA, Discover, or MASTERCARD. There is a $5.00 surcharge for the service (in addition to the $10.00 fee for the certificate). The record is normally mailed in three work days. If FEDEX service is requested, add $11.00 (for a total of $26.00).

KANSAS

Office of Vital Statistics

900 Southwest Jackson

Topeka, KS 66612-1290

RRB F/O code 383 SSA F/O code 768

Cost of copy: $10.00 - Birth

$ 7.00 - Death/Divorce/Marriage.

Type of payment: Personal check, money order, third party draft or call (913) 296-1400 to use MASTERCARD, Discover, or VISA. There is a $5.00 fee for use of charge card.

Can F/O verify, certify or obtain free copy of birth/death record? No

Birth records are available July 1911 on; marriage records May 1913 on; divorce records January 1951 on. Applicant-signed request must accompany payment; expect response in 7-10 days; one-day service on charge card requests and for certified mail requests when stamp plus $1.00 enclosed.

KENTUCKY

Office of Vital Statistics

State Department of Health

275 East Main Street

Frankfort, KY 40602

RRB F/O code 155 SSA F/O code 441

Cost of copy: $9.00 - Birth

$6.00 - Death/Divorce/Marriage

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The state office has divorce and marriage records since July 1, 1958.

LOUISIANA

Louisiana Division of Vital Records

Bureau of Vital Statistics

Box 60630

New Orleans, LA 70160

RRB F/O code 181 SSA F/O code 800

Cost of copy: $10.00 - Birth

$ 5.00 - Death/Marriage.

Type of Payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The state office does not provide certified copies of divorce and marriage records; it maintains an index of these records since 1946. Inquiries will be forwarded to the appropriate office. See county listing for marriage records from the City of New Orleans. Signed consent forms are needed for release of birth certificates. Requests can be FAXED to (504)568-5391 if using a charge card.

MAINE

Office of Data, Research and Vital Statistics

32 Winthrop Street State House

Station 11

Augusta, ME 04333-0011

RRB F/O code 231 SSA F/O code 003

Cost of copy: $10.00 - Birth/Death/Marriage

$10.00 - Divorce

Type of payment: Money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? No

Requests for any record, using a bank card, can be made via telephone to (207) 289-3184. Additional certified copies of the same record requested at the same time are $4.00. A certified copy of a delayed birth certificate (BC), new BC as a result of an adoption or legitimation of registrant or amended BC for processing court ordered legal name changes are $20.00 each. Make all personal checks or money orders payable to "Treasurer of State."

MARYLAND

Birth/Death - Department of Vital Records

Metro Executive Building

4201 Patterson Avenue

Baltimore, MD 21215

Divorce/Marriage - Clerk of Circuit Court where divorce was granted or marriage license issued, if marriage before June 1951. For marriages after May 1951, write to the Division of Vital Records.

RRB F/O code 221 SSA F/O code 199

Cost of copy: $4.00 for Birth/Death, no charge for divorce.

Type of payment: Money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? No, but only a 2 year search.

See county listing for birth and death records from Baltimore City, telephone/birth/death/marriage/divorce records by calling (410) 764-3174. In addition to the regular $4.00 charge for the record, the following additional charges apply: $4.00 per order; $5.00 service charge for using bank card; $11.25 Fed Express 2 day mail time; $10.00 airborne - overnight mail. This procedure applies to deceased individuals only. Requests for live persons must

be made in writing. Regular mail should be used in hardship cases, unless there is a critical need.

MASSACHUSETTS

The Massachusetts BVS is closed temporarily because of water damage. All requests to the BVS will be delayed until it re-opens. Consider contacting the field office servicing the city or town where the birth or death occurred. We will advise when the BVS is re-opened.

Department of Public Health

Registry of Vital Statistics,

150 Tremont Street, Room B3,

Boston, MA 02111

RRB F/O code 231 SSA F/O code 030

Cost of copy: $ 6.00 if request made in person,

$11.00 by mail and

$14.00 for expedited two-day service.

Type of payment: Cash, money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes. The F/O must pay to certify records.

The state office has an index of divorce records since 1952. The inquirer will be directed where to forward the request. See county listing for birth and death records from Boston. The state BVS accepts charge card requests for birth records only. Call (617) 727-0036. There is a $19.00 fee.

MICHIGAN

Vital Statistics Section

Department of Public Health

P.O. Box 30195

Lansing, MI 48909

RRB F/O code 286 SSA F/O code 354

Cost of copy: $13.00 - Birth/Death

$ 2.00 - Divorce/Marriage.

Type of Payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The state office has marriage records beginning April 1867. Additional copies of the same birth or death record requested at the same time are $4.00 each. Except for Detroit, a recent birth record can more quickly be obtained from the appropriate city or county clerk. However, records for adopted children before 1980 or illegitimate children before 1979 are available only from the Vital Statistics Section. Telephone requests can be made, using a bank card for payment, for any record by calling (517) 335-8666.

MINNESOTA

Birth/Death/Marriage Minnesota Department of Health

Section of Vital Records

P.O. Box 9441

Minneapolis, MN 55440

RRB F/O code 382 SSA F/O code 675

Cost of copy: $11.00 - Birth

$ 8.00 - Death/Marriage

$ 5.00 - Divorce, for the first page,

$ .25 for each additional page.

Type of payment: No restrictions.

Can F/O verify, certify or obtain free copy of birth/death record? Yes, but no free copy.

Requests for birth certificates for illegitimate children must be accompanied by a consent statement signed by the subject individual (if 18 or over) or by the parent or guardian. The state office only has an index of marriage records since January, 1958. Requests for records should be sent to the county where the marriage license was issued or the divorce was granted.

MISSISSIPPI

Division of Public Health Services

State Department of Health

Box 1700

Jackson, MS 39215-1700

RRB F/O code 181 SSA F/O code 641

Cost of copy: $12.00 - Birth (long form)

$ 7.00 - Birth (short form) (see remarks)

$10.00 - Death/Marriage

Type of payment: Personal checks on Mississippi banks, money orders or cashiers checks.

Can F/O verify, certify or obtain free copy of birth/death record? No

The cost of a full copy is $7.00 if the birth occurred less than one year before the request. Abstract copies of birth records are $7.00 for all years. Marriage records are available from January 1, 1926 to June 30, 1938 and from January 1, 1942 to the present. Certified copies of divorce records are not available from the state office; an index of these records is available since January 1, 1926. Inquiries will be forwarded to the appropriate office.

MISSOURI

Bureau of Vital Records

Department of Health

P.O. Box 570

Jefferson City, MO 65102

RRB F/O code 186 SSA F/O code 740

Cost of copy: $10.00 - Birth/Death

Divorce - see remarks

Marriage - free

Type of payment: Personal check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? No, but privacy release and hardship statement signed by applicant must be provided.

Divorce and marriage records are available since July, 1948. The state office does not provide certified copies of divorce records. Inquiries will be forwarded to appropriate office. "Beginning July 1, 1993, send all requests directly to the Bureau of Vital Records.

MONTANA

Birth/Death Department of Health and Environmental Sciences

Vital Records and Statistics Bureau

1400 Broadway

Helena, MT 59620

Divorce/Marriage - see remarks

RRB F/O code 372 SSA F/O code 865

Cost of copy: $10.00 - Birth/Death

Type of payment: Cash, check or money order.

Can F/O verify, certify or obtain a free copy of birth/death records? Yes, but no free copy.

An index of divorce and marriage records since July 1943 is available from the state office. The index is organized by calendar year and alphabetically by surname within each year. The divorce and marriage records themselves are available only in the counties. Telephone requests for birth/death records, using a bank card, are accepted by calling (406) 444-4228. There is an additional charge of $5.00 for this service. The state also charges a $10.00 per hour (or fraction thereof) fee to search the index of divorce and marriage records, the adoption processing records, or the delayed birth certificate (DBC) filing records. If a certified copy of the divorce/marriage record is needed and the county in which the event occurred is known, contact the clerk of the district court in the county in which the event occurred rather than the state. If the state locates the adoption or DBC, a certified copy of the adoption or DBC record will be provided at no additional cost.

NEBRASKA

Bureau of Vital Statistics

State Department of Health

P.O. Box 95007

Lincoln, NE 68509-5007

RRB F/O code 377 SSA F/O code 726

Cost of copy: $8.00 - Birth

$7.00 - Death/Marriage/Divorce

Type of payment: Cash, check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? No

Make all requests directly to the Bureau of Vital Statistics.

NEVADA

Birth/Death Department of Health & Welfare

Division of Health

Bureau of Vital Statistics

Kinkead Building, 1st Floor

505 E. King Street

Carson City, NV 89710

Marriage/Divorce - County Recorder in county where marriage license or divorce recorded.

RRB F/O code 381 SSA F/O code 945

Cost of copy: $11.00 - Birth

$ 8.00 - Death

$ 3.00 - Divorce, plus $1.00 per page

$ 7.00 - Marriage

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? No

NEW HAMPSHIRE

Bureau of Vital Records

Health and Welfare Building

6 Hazen Drive

Concord, NH 03301-6527

RRB F/O code 231 SSA F/O code 010

Cost of copy: $10.00 (Additional copies $6.00)

Type of payment: Money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? No

Telephone requests, using a bank card, can be made for any record by calling (603) 271-4650 or 4652.

NEW JERSEY

Birth/Death/Marriage State Department of Health

Bureau of Vital Statistics

CN 370

Trenton, NJ 08625-0370

Divorce Superior Court Chancery Division

House CN 967

Trenton, NJ 08625-0967

RRB F/O code 261 SSA F/O code 171

Cost of copy: $4.00 - Birth/Death/Marriage (See remarks)

$3.00 - Divorce

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

If the year of the event is unknown, the fee is an additional $1.00 for each calendar year to be searched. No fee is required for a birth record if the request shows that the birth certificate is needed for social security purposes. Divorce records from 1980 on are obtained from Clerk, Superior Court, Chancery Division, Zip Code 08625-0967. For divorce records prior to 1980, write to Superior Court, Records Information Center on 967, Trenton, New Jersey 08625-

0967. Phone requests cannot be made for divorce records. Divorce records cost $10.00 for first five pages, $.75 each for pages 6-10 and $.50 each for pages 11-20. Requests for records, using a bank card, can be made by calling (609) 633-2860. There is a $5.00 surcharge for this service.

NEW MEXICO

Birth/Death Vital Records & Statistics

Department of Health

1190 St. Francis Drive

P.O. Box 26110

Santa Fe, NM 87502

Marriage/Divorce - County Clerk in county where divorce granted or marriage performed.

RRB F/O code 370 SSA F/O code 860

Cost of copy: $10.00 - Birth

$ 5.00 - Death,

Marriage/Divorce varies

Type of payment: No restrictions

Can F/O verify, certify or obtain free copy of birth/death record? Yes

NEW YORK

New York State Department of Health

Bureau of Vital Statistics

Empire State Plaza, Tower Building

Room 244

Albany, NY 12237

RRB F/O code 211 SSA F/O code 102

Cost of copy: $15.00 - Birth/Death/Divorce

$ 5.00 - Marriage (free if SSI is certified.

Type of payment: Third party draft or check.

Can F/O verify, certify or obtain free copy of birth/death record? No

Divorce records are available from the state office since January 1, 1963. See county listing for New York City records. Signed consent forms are needed for release of birth certificates. Requests for all records, using a bank card, can be made by calling (212) 788-4505 through (212) 788-4511 for NYC or (518) 474-3038 for NY State. There is s surcharge for this service. F/Os should write directly to NY BVS.

NORTH CAROLINA

North Carolina Office of Vital Records

P.O. Box 29537

Raleigh, NC 25626-0537

RRB F/O code 117 SSA F/O code 322

Cost of copy: $10.00

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? No

Divorce records are available from January 1, 1959 and marriage records since January 1, 1962. Births were first recorded beginning October 1913; deaths beginning January 1, 1930. Make all requests directly to the Office of Vital Records.

NORTH DAKOTA

Division of Vital Records & Statistics

Department of Health

State Capitol

600 E. Blvd.

Bismarck, ND 58505-0200

RRB F/O code 376 SSA F/O code 708

Cost of copy: $7.00 - Birth

$5.00 - Marriage/Death

Divorce (see remarks)

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? No

Certified copies of divorce records are not available from the state office. The state office has an index of divorce records since July 1, 1949. Inquiries for divorce records can be made to the parallel F/O which will forward the request to the appropriate county office after contacting the state by phone.

Marriage records are available from July 1, 1925 on at the state office. Contact the county for records prior to that date, DVR will accept bank cards for birth or death record requests made by telephone to (701) 224-2360. Requests for birth certificates for illegitimate children must be accompanied by a consent statement signed by the subject individual (if 18 or over) or by the parent or guardian.

NORTHERN MARIANA ISLANDS

Birth/Death/Marriage - Registrar Superior Court

Vital Statistics

Box 307

Saipan, MP 96950

Divorce/Adoption Decrees - Superior Court

Clerk of Court

Box 307

Saipan, MP 96950

SSA F/O code 307

Cost of copy: $3.00 - Birth/Death/Marriage

Divorce $.50 per page

Type of payment: Cashier's check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? No

Birth/death records are generally available since November 21, 1952, divorce since 1969 and marriage records since 1987 when marriage records were first

required for local citizens. Roman Catholic Church records of birth/baptism/death/marriage since 1900 are available from individual parishes.

OHIO

Vital Statistics

Ohio Department of Health

P.O. Box 15098

Columbus, OH 43215-0098

RRB F/O code 282 SSA F/O code 389

Cost of copy: $7.00 (see remarks)

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? No

Certified copies of divorce and marriage records are not available from the state office. An index of these records is available since 1948 and inquiries will be forwarded to the appropriate office. If the applicant's year of birth is unknown, the fee is $7.68 for each 10-year period to be searched. No records available prior to 1909.

OKLAHOMA

Birth/Death BVS State Department of Health

P.O. Box 53551

Oklahoma City, OK 73152

Marriage/Divorce - Clerk of Court in county where divorce was granted or marriage license was issued.

RRB F/O code 182 SSA F/O code 783

Cost of copy: $5.00 - Birth/Death

Marriage/Divorce varies

Type of payment: Money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The parallel F/O is not able to follow up on requests sent by the applicant directly to the BVS.

OREGON

State Health Division

Vital Records Unit

P.O. Box 14050

Portland, OR 97214

RRB F/O code 380 SSA F/O code 932

Cost of copy: $15.00 - Birth/Death/Marriage/Divorce

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? Yes, but hardship cases only (see remarks).

In hardship cases, the F/O generally obtains free verification of vital statistics data from the index of records. However, these records can be considered preferred evidence of age only if the birth occurred in 1939 or later and the entry is not annotated as a delayed record. If preferred evidence is needed and the index is insufficient, the F/O can purchase a copy of the individual's record. Divorce records are available from the state office since May 1925. Telephone requests for all records, using a bank card, can be made by calling (503) 229-5899. Such requests require an additional charge of $10.00.

PENNSYLVANIA

Birth/Death Division of Vital Statistics

State Department of Health

Box 1528

New Castle, PA 16103

Marriage/Divorce - Prothonotary or Marriage License Clerk in County where divorce was granted or marriage license was issued.

RRB F/O code 293 SSA F/O code 210

Cost of copy: $4.00 - Birth

$3.00 - Death

Marriage/Divorce varies

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

Birth and death records will be furnished free to veterans, their spouses and dependents if the veterans name, serial number, rank and organization are provided. The veteran or dependent must sign the request and have the certificate sent to his/her mailing address. The DVS will accept telephone requests for birth/death records, using a bank card, by calling (412) 656-3100.

PUERTO RICO

Birth/Death/Marriage - Division of Demographic Registry and Vital Statistics

Department of Health

San Juan, PR 00908

Divorce - Superior Court where divorce was granted

SSA F/O code 271

Cost of copy: $2.00 - Birth/Death/Marriage

$ .60 - Divorce

Type of payment: Money order.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The fastest way to obtain birth, marriage or death records is for the applicant to request the record directly from the BVS office. The municipal office has records since July 22, 1931. See Section A.2 for records before this date. Show applicant's maternal and paternal surnames (e.g., Gonzalez-Gomez) on all requests for birth records.

RHODE ISLAND

Health Department

Room 101

3 Capital Hill

Providence, RI 02908-5097

RRB F/O code 231 SSA F/O code 072

Cost of copy: $12.00 ($17.00 for expedited mail requests)

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? The F/O can verify only.

The state office has only an index of divorce records beginning January 1962. Inquiries will be forwarded to the appropriate office. Birth certificates for illegitimate children can be obtained only with the written consent of the person named on the certificate, if an adult; or the written consent of a parent or guardian, if the person named is a minor. Expedited mail requests are processed within one week. Same day service is available to non-residents who call (401) 277-2812 and use VISA.

SOUTH CAROLINA

Birth/Death - Bureau of Vital Statistics

State Board of Health

2600 Bull

Columbia, SC 29201

RRB F/O code 117 SSA F/O code 583

Cost of copy: $8.00; additional copies are $3.00 if requested at the same time.

Type of payment: Cash, money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? No

The Columbia F/O can verify uncertified birth/death records for $8.00. No search for a birth record will be made if the mother's name is not shown on the request. Divorce records are available from the state office beginning July 1, 1962, and marriage records beginning July 1, 1950.

SOUTH DAKOTA

Department of Health

Office of Vital Records

445 E. Capitol

Pierre, SD 57501-3185

RRB F/O code 376 SSA F/O code 718

Cost of copy: $5.00, or call (605) 773-4961 to use

VISA/MASTERCARD ($5.00 fee).

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? No (Certified copies made by the state cost $5.00.)

Records were first kept in SD beginning 1905. Veterans can obtain a certified copy from the state at no charge if needed for an RRB claim. Contact the Vital Records Office for the waiver of fee form.

TENNESSEE

Vital Records

421 5th AV N

1st Floor - Central Services Bldg.

TN Dept of Health

Nashville, TN 37247-0450

RRB F/O code 131 SSA F/O code 565

Cost of copy: $ 5.00 - Birth (short form)

$10.00 - Birth (long form)

$ 5.00 - Death

$10.00 - Marriage/Divorce, additional copies of all records are $2.00. For expedited services, see remarks.

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes (certify only)

Only long forms are prepared for birth records before 1950. Divorce and marriage are available from the state office since July 1945. Expedited service fees which must be paid by charge card are:

Expedite $8.40,

Overnight $18.90 on weekdays, $28.90 on weekends.

TEXAS

Birth/Death - Bureau of Vital Statistics

State Department of Health

1100 West 49 Street

Austin, TX 78756-3191

Marriage/Divorce - Clerk of District Court in county where divorce was granted or county clerk in county where license issued (see remarks)

RRB F/O code 182 SSA F/O code 813

Cost of copy: $11.00 - Birth/Marriage/Divorce

$ 9.00 - Death, Additional copies $3.00 each DC.

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? No

The state BVS in Austin maintains an alphabetical, yearly index of marriage licenses from 1966 and divorce decrees from 1968 which can be used to determine the county of divorce. Records are available at both the county and state levels. A "no find" from the county office for any year from 1903 to the present indicates that there is no record at either the county or state office, unless there was a mass loss of records for a certain period because of fires or floods, etc., at the county office.

If expedited service is required, the applicant may send the information by FAX to BVS at (512) 458-7711 using VISA or MASTERCARD bank cards only. The cost of this service is $5.00 plus $11.00 for the birth certificate and $5.00 for same or next day response by airborne overnight mail (total of $21.00), overnight express mail requests are also accepted and processed within 24-48 hours by BVS. The applicant must pay the cost for using express mail both ways if an expedited overnight mail reply is needed. The F/O is not able to follow up on requests sent directly to BVS by the claimant.

TRUST TERRITORY OF THE PACIFIC ISLANDS

Belau (Palau)

Clerk of Court

Western Caroline Islands 96940

SSA F/O code R14

Cost of copy: Varies

Type of payment: --

Can F/O verify, certify or obtain free copy of birth/death record? No

Courts have records beginning November 21, 1952.

UTAH

Birth/Death Bureau of Vital Records

288 North 1460 West Temple

P.O. Box 16700

Salt Lake City, UT 84116-0700

RRB F/O code 383 SSA F/O code 900

Cost of copy: $12.00 - Birth

$ 9.00 - Death

Type of payment: Check or money order payable to Utah Bureau of Vital Records.

Can F/O verify, certify or obtain free copy of birth/death record? No

Certified copies can be obtained without charge if hardship exists. Certified copies of divorce and marriage records are not available from the state office. The primary custodian of marriage and divorce records is the county clerk in the county where the parties applied for the marriage license or where the divorce took place. Divorce records are available since 1958. Telephone requests for birth/death records, using a bank card, can be made by calling (801) 538-6380.

VERMONT

Public Records Division

60 Main Street

P.O. Box 70

Burlington, VT 05402

RRB F/O code 211 SSA F/O code 022

Public Records Division

133 State Street

Montpelier, VT 05633

RRB F/O code 211 SSA F/O code 024

Cost of copy: $5.00

Type of payment: Money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes, but only verify or certify.

Birth, death, marriage and divorce records are available for the current year and approximately the previous ten years in Burlington. Records before that time are in Montpelier.

VIRGINIA

Division of Vital Records

State Department of Health

James Madison Building

Box 1000

Richmond, VA 23208-1000

RRB F/O code 141 SSA F/O code 285

Cost of copy: $5.00

Type of payment: Money order or certified check.

Can F/O verify, certify or obtain free copy of birth/death record? No

The F/O should write directly to the Department of Vital Records to obtain birth/death records. Marriage/divorce records are available from the Clerk of the Circuit Court in the county where the license was issued or the divorce was granted. Cost varies up to $5.00.

VIRGIN ISLANDS OF THE U.S.

Birth/Death Bureau of Health Planning and Statistics

Department of Health

Old Hospital (Municipal Hospital)

St. Thomas, VI 00802

Marriage/Divorce Territorial Court — Marriages from 1919 on and divorces from 1977 on:

Charlotte Amalie

St. Thomas, VI 00802

Divorces from 1950-1976:

District Federal Court

5500 Veterans Drive

3rd Floor

Charlotte Amalie

St. Thomas, VI 00802

Cost of copy: $10.00 - Birth

$10.00 - Death

$ 5.00 - U.S. Divorce

$ 5.00 - Marriage

Type of payment: Check or money order.

Can F/O verify, certify or obtain free copy of birth/death record? Yes

The above addresses are for records from St. Thomas and St. John. Birth and death records for St. Croix may be obtained from Registrar of Vital Statistics, Charles Harwood Memorial Hospital, Christiansted, St. Croix, VI 00820. Divorce records may be obtained from the Deputy Clerk of District Court and marriage records from the Judge of Police Court, Christiansted, St. Croix, VI 00820.

WASHINGTON

Department of Health

Vital Records

P.O. Box 9709

Olympia, WA 98504-9709

RRB F/O code 371 SSA F/O code 918

Cost of copy: $11.00

Type of payment: Money order or check.

Can F/O verify, certify or obtain free copy of birth/death record? No

Birth/death records are available beginning July 1, 1907. Divorce and marriage records are available from the state office beginning January 1, 1968. If a birth certificate issued by the state office does not contain the recordation date, assume, absent information to the contrary, that the record was made soon after birth. Each 10 year search for death record costs $11.00.

WEST VIRGINIA

Birth/Death/Marriage DHHR

Vital Registration Office

Capital Complex

Building 3, Room 516

Charleston, WV 25305

Divorce - Clerk of Circuit Court, Chancery Side, in county where divorce granted.

RRB F/O code 153 SSA F/O code 305

Cost of copy: $5.00 - Birth/Death/Marriage, Divorce varies in each county.

Type of Payment: No restrictions.

Can F/O verify, certify or obtain free copy of birth/death record? No

To expedite the birth/death request, show the appropriate type of document requested as part of the address line after DHHR, Vital Registration. Only an index of marriage records is available from the state office for the years 1921-1963; requests for certified copies will be forwarded to the appropriate county. Certified copies are available from the state office since 1964.

DHHR, Vital Registration has an index of divorces granted beginning 1968. Copies of the decrees must be requested from the county where the divorce was granted. The DVS will accept telephone requests for all records, using a bank card, by calling (304) 558-2931. There is an additional charge of $10.00 for this service. Made all requests directly to the DHHR.

WISCONSIN

State Department of Health and Social Services

Division of Health

Center for Health Statistics

1 W. Wilson Street

P.O. Box 309

Madison, WI 53701-0309

RRB F/O code 291 SSA F/O code 536

Cost of copy: $10.00 - Birth

$ 7.00 - Death/Marriage/Divorce

Type of payment: Money order, certified or personal check.

Can F/O verify, certify or obtain free copy of birth/death records? No

State divorce records are maintained only through 1986. Beginning January 1, 1987 divorce records are kept by the county registrar. Field offices should write directly to the Division of Health to obtain state records. All payments should be made payable to "Center for Health Statistics."

WYOMING

Vital Records Services

Hathaway Building

Cheyenne, WY 82002

RRB F/O code 373 SSA F/O code 876

Cost of copy: $8.00

$6.00 - Death

Type of payment: Money order or personal check.

Can F/O verify, certify or obtain free copy of birth/death record? Yes, for hardship cases only.

Divorce and marriage records are available from the state office since May 1941.

U.S. CITIZENS BORN ABROAD - (With U.S. Citizenship at Birth)

Birth Records Only

Correspondence Br.

Passport Services

Department of State

Room 386

1425 K Street, N.W.

Washington, DC 20522-1705

Cost of copy: $10.00

Type of payment: Check, bank draft from a U.S. bank, or money order payable to "Department of State".

Can F/O verify, certify or obtain free copy of birth/death record? No

A record is available only if the birth was registered with the American Consular Office at birth. Show the location of this consular office in the request. An endorsed copy of the consular report or a birth certificate is furnished; either document is sufficient.

A2. Listing of City and County Sources and Fees for Birth, Death, Divorce and Marriage Records

WHEN TO USE

Use this listing after consulting the State listing.

Use this listing to find exceptions to the general information regarding availability, fees and FO certification found in the State listing.

LIST OF COUNTY REGISTRARS

The following sections list the addresses of specific city and county registrars. They are not an availability listing.

The cost of copy for birth and death records, if known, is indicated in parentheses following the address, (e.g., $1.00 or FREE.)

Whether the FO can certify, verify or obtain a free copy of the county birth or death record is indicated by either a "YES" or "NO", if known, after the cost of copy.

The RRB FO's should notify the Office of Retirement and Survivor Programs, Programs, Procedures and Project Analysis Section, 844 N. Rush Street, Chicago, Illinois 60611-2092 of any changes to information contained in this appendix.

ALABAMA

Divorce and marriage records are available from the county where the divorce or marriage occurred. Fees vary.

LIST OF COUNTIES

Jefferson	Jefferson County Health Department 1400 Sixth Ave., So Birmingham, AL 35233 ($12.00) "YES"
Mobile	Mobile County Health Department Vital Statistics Division Box 2867 Mobile, AL 36652 ($12.00) "YES"

ALASKA

Divorce decrees are available from the Clerk of the Superior Court in the judicial district where the divorce was granted: Juneau and Ketchikan (First District); Nome (Second District); Anchorage (Third District); Fairbanks (Fourth District). The cost of copy varies.

ARIZONA

Marriage/divorce records are available from the Clerk of Superior Court for each county at the address listed below.

LIST OF COUNTIES

Apache	Marriage	Marriage License Dept P.O. Box 365 St. Johns, AZ 85936 ($11.50)

	Divorce	Domestic Relations Dept P.O. Box 365 St. Johns, AZ 85936 (Cost varies)
Cochise	Marriage/divorce	Clerk and Recorder Office P.O. Box 184 Bisbee, AZ 85603
Coconino	Marriage/divorce	100 E Birch Flagstaff, AZ 86001
Gila	Marriage/divorce	1400 E Ash St Globe, AZ 85501 (Marriage $11.50; divorce varies)
Graham	Marriage/divorce	Graham County Courthouse Safford, AZ 85546 (Marriage $11.50; divorce varies)
Greenlee	Marriage/divorce	P.O. Box 1027 Clifton, AZ 85533 (FREE for government use)
Lapaz	Marriage/divorce	P.O. Box 730 Parker, AZ 85344 ($11.50 plus $1.15 per page.)
Maricopa	Marriage/divorce	201 W Jefferson St Phoenix, AZ 85003 (Marriage $11.50; divorce $11.50 plus $1.15 per page.)

Mohave	Marriage/divorce	P.O. Box 7000 Kingman, AZ 86402 (Marriage $11.50; divorce varies)
Navajo	Marriage/divorce	P.O. Box 668 Holbrook, AZ 86025 (Marriage $11.50; divorce $11.50 plus $1.15 per page.)
Pima	Marriage/divorce	110 W Congress Tucson, AZ 85701
Pinal	Marriage/divorce	P.O. Box 889 Florence, AZ 85232 (Marriage $11.50; divorce $11.50 plus $1.15 per page.)
Santa Cruz	Marriage/divorce	P.O. Box 1265 Nogales, AZ 85628 (Marriage $11.50; divorce $11.50 plus $1.25 per page.)
Yavapai	Marriage/divorce	Yavapai County Courthouse Prescott, AZ 86301 (Marriage $11.50; divorce $11.50 plus $1.15 per page.)
Yuma	Marriage/divorce	168 S 2nd Ave Yuma, AZ 85364 (Marriage $11.50; divorce $11.50 plus $1.15 per page.)

ARKANSAS

Divorce records are available from the Clerk of the Circuit or Chancery Court in the county where the divorce was granted. Request marriage records from the county in which the license was obtained.

CALIFORNIA

Divorce records are available from the Clerk of the Superior Court in the county where the divorce was granted. The cost of copy varies. Direct birth record requests to the County Recorder at the address shown unless another custodian is listed. The cost of copy for birth and marriage records is $12.00 and death records $8.00 unless otherwise indicated. All counties and cities are "YES" unless otherwise indicated.

LIST OF COUNTIES

Alameda	County Health Dept. Division of Vital Records 499 5th St. Oakland, CA 94607 County Recorder 1225 Fallon St. Oakland, CA 94612

The County Health Department has birth and death records only for the current year and the prior year. All earlier records should be requested from the County Recorder.

City of Berkeley	Vital Statistics Br. 2180 Milvia St. Berkeley, CA 94704 ($2.00)
Alpine	County Court House Markleeville, CA 96120
Amador	108 Court Jackson, CA 95642
Butte	25 County Center Dr.

	Oroville, CA 95965
Calaveras	Government Center
	San Andreas, CA 95249
	(Death $11.00)
Colusa	County Clerk
	Colusa, CA 95932
Contra Costa	Box 350
	Martinez, CA 94553
	($15.00 birth, $7.00 death) Personal checks are not accepted. Make money order payable to "County Recorder." "NO"
Del Norte	County Recorder
	Court House
	Crescent City, CA 95531

County Record also has Indian census records entitled "Listing of the Indians of California Entitled Under Section 1 of the Act of May 18, 1928." Tribes covered are Hoopa, Yurok, Tolowa, Karuk and Titari.

El Dorado	360 Fair Lane
	Placerville, CA 95667
Fresno	Box 766
	Fresno, CA 93712
	(Death $11.00)
Glenn	526 W. Sycamore St.
	Willows, CA 95988
	(Birth $7.00)
Humboldt	Rm. 235
	Court House

	Eureka, CA 95501
Imperial	County Courthouse
	939 Main St.
	El Centro, CA 92243
Inyo	Box 8
	Independence, CA 93526
	(Death $11.00)
Kern	County Hall of Records
	Civic Center
	1655 Chester Ave.
	Bakersfield, CA 93301
	(Birth/death $10.00)
Kings	Kings County Government Center
	Hanford, CA 93230
	(Death $11.00) "NO" for birth
Lake	Court House
	255 N. Forbes
	Lakeport, CA 95453
	(Death $11.00)
Lassen	County Court House
	Susanville, CA 96130
	(Death $11.00)
Los Angeles	Death/birth/marriage:
	Los Angeles County Registrar/Recorder
	12400 East Imperial Highway

Norwalk, CA 90650

FO should write directly to above address to obtain birth/death/marriage. Cost for birth/death/marriage is $9.00. Include Draft made out to Registrar-Recorder. If RRB letterhead is not used, the cost per copy to the public is birth record $16.00, death record $9.00, and marriage record $13.00.

City of Pasadena	Registrar of Vital Statistics
	City Health Dept.
	100 N. Garfield Ave.
	Pasadena, CA 91101
	(Birth $8.00, Death $7.00, City does not have marriage records)
Madera	County Recorder
	209 W. Yosemite
	Madera, CA 93637
	(Birth /death $10.00)
Marin	County Recorder
	Room 290
	San Rafael, CA 94903
	($2.00)
Mariposa	Auditor's Office
	Courthouse
	Mariposa, CA 95338
Mendocino	County Courthouse
	Ukiah, CA 95482
	(Death $11.00)
Merced	Recorder's Office
	2222 M St.

	Merced, CA 95340
Modoc	Box 850
	Alturas, CA 96101
	($1.00)
Mono	Box 368
	Bridgeport, CA 93517
	(Death $11.00)
Monterey	Box 29
	Salinas, CA 93901
	(Death $8.00)
Napa	Hall of Records
	Napa, CA 94558
	(Death $11.00)
Nevada	Erik Rood Center
	950 Maidew Ave.
	Nevada City, CA 95959
	(Death $11.00) "NO"
Orange	Box 238
	Santa Ana, CA 92702
	(Death $11.00)
Placer	11960 Heritage Oak Place
	Suite 15
	Auburn, CA 95603
	(Death $11.00)

Write directly to county recorder or the superior court unless more than 5 years must be searched. If more than 5 years must be searched send request to the parallel office with a draft made out to county recorder or court clerk.

Plumas	County Courthouse
	Quincy, CA 95971
	(Death $11.00)
Riverside	4080 Lemon St.
	Rm 101, Box 751
	Riverside, CA 92502
Sacramento	Box 1206
	Sacramento, CA 95806
	"NO" for birth
	(Birth, Death $15.00; $8.00 if requested on RRB letterhead.)
San Benito	Courthouse
	Rm. 206
	Holister, CA 95806
	($2.00)
San Bernardino	172 W. 3rd St.
	Hall of Records
	San Bernardino, CA 92401
	(Marriage, $7.00; SSA can certify any records for $7.00.)
San Diego	County Recorder
	Box 1750
	San Diego, CA 92112
	($8.00 to SSA) "NO" for birth

Maintains birth/death records for all years except current and prior year; has all marriage records. For a divorce finalized before 1980 contact: County Clerk, 220 W. Broadway, RM 042, San Diego CA 92101. If divorce finalized after 1980, contact County Clerk, 1501 Sixth Ave.,San Diego, CA 92112

City of San Diego	Dept. of Health Services
	Box 85222
	San Diego, CA 92138-5222
	($8.00 to SSA) "NO" for birth.

Maintains birth/death records for current year and prior year only. The FO can only certify death records from this office.

San Francisco	
Birth/death	Department of Public Health
	101 Grove St.
	San Francisco, CA 94102
Marriage	City/County Recorder
	Room 167, City Hall
	400 Van Ness
	San Francisco, CA 94102
Divorce	County Clerk
	Room 317, City Hall
	400 Van Ness
	San Francisco, CA 94102
	(Divorce records $6.00 plus $.50 per page normally a total of $6.50.)
San Joaquin	222 E. Weber Ave.
	Stockton, CA 95202

(Death $11.00)

San Luis Obispo County Clerk-Recorder, Rm. 102

San Luis Obispo, CA 93408

Personal checks are acceptable from within California. Out of State requests must include a certified check, money order or bank card.

San Mateo County Clerk-Records

401 Marshall

Redwood City, CA 94063

The county recorder will provide parallel FO with BCs only for $5.00)

Santa Barbara Box 1470

Santa Barbara, CA 93102

(Death $11.00)

Santa Clara 70 W. Hedding St.

San Jose, CA 95110

(Birth/death/marriage - $15.00, $8.00 if requested on RRB letterhead.)

Santa Cruz 701 Ocean St, Rm 230

Santa Cruz, CA 95060

(Death $11.00)

Shasta Box 597

Redding, CA 96001

(Death $11.00)

Sierra Courthouse

Downieville, CA 95936

(Death $11.00) "NO"

Siskiyou	Box 8
	Yreka, CA 96097
	(Death $11.00)
Solano	County Courthouse
	Texas St.
	Fairfield, CA 94533
	No personal checks accepted.
Sonoma	2553 Mendocino Ave.
	Santa Rosa, CA 95401
	(Death $11.00)
Stanislaus	Vital Statistics
	Box 1008
	Modesto, CA 95353
Sutter	Hall of Records
	Yuba City, CA 95991
Tehama	P.O. Box 2540
	Red Bluff, CA 96086
	(Death $11.00)
Trinity	Box AK
	Weaverville, CA 96093
	(Death $11.00)
Tulare	County Courthouse
	Visalia, CA 93291
	(Birth/death/marriage - $15.00, $8.00 if RRB letterhead used.)
Tuolumne	Courthouse

	2 S. Green St.
	Sonora, CA 95370
	(Death $11.00)
Ventura	
Birth/death/marriage	Ventura County Government Center
	Recorder's Office
	800 S. Victoria Ave.
	Ventura, CA 93009
Divorce	Ventura County Government Center
	Hall of Justice
	800 S. Victoria Ave.
	Ventura, CA 93009
	($6.00)
Yolo	Box 1820
	Woodland, CA 95695
Yuba	County Courthouse
	Marysville, CA 95901

COLORADO

Divorce and marriage records are available from County Clerk, in the county where the divorce was granted or the license was issued. The cost of copy varies. Birth and death records are available from the counties listed below. The cost of copy is $12.00 unless otherwise indicated and, unless indicated, all counties are "YES."

LIST OF COUNTIES

Adams	Tri-County Health Dept.
	7000 E. Belleview, Suite 301
	Englewood, CO, 80111-1628

	Records from 1970.
Alamosa	County Dept. of Vital Statistics
	402 Edison Ave.
	Alamosa, CO 81101
Arapahoe	Tri-County Health Dept.
	7000 E. Belleview, Suite 301
	Englewood, CO 80111-1628
	Records from 1970.
Archuleta	San Juan Basin Health Unit
	3803 Main Ave.
	Durango, CO 81301
Baca	Registrar of Vital Statistics
	732 College
	Springfield, CO 81073
	"NO"
Bent	Registrar of Vital Statistics Courthouse
	P.O. Box 350
	Las Animas, CO 81054
	"NO"
Boulder	County Health Dept.
	3450 Broadway
	Boulder, CO 80302
	"NO"
Chaffee	Chaffee County Clerk
	P.O. Box 417

	Salida, CO 81201
Cheyenne	Charlene Korrell
	Cheyenne County Hospital
	602 N 6th West
	Cheyenne Wells, CO 80810

Personnel from Colorado Springs must purchase the certificate in person.

Clear Creek	County has no records.
Conejos	County Clerk
	P.O. Box 63
	Sanford, CO 81151
Costilla	County Clerk
	P.O. Box 58
	Chama, CO 81126
	ATTN: Brenda Vialpando
Crowley	Registrar of Vital Statistics Courthouse
	Ordway, CO 81063
Custer	Registrar of Vital Statistics
	Westcliffe, CO 81252
	"NO"
Delta	Delta County Clerk & Recorder
	5th & Palmer
	Delta, CO 81416
	"NO"
Denver	Denver Dept. of Health & Hospitals
	777 Bannock St.

	Denver, CO 80204
	County birth records from 1/1/64. "NO"
Divorce	Denver District Court
	City & City Bldg, Rm 256
	1437 Bannock St.
	Denver, CO 80202
	($6.50)
Marriage	Clerk & Recorder's Office
	Rm 200
	1437 Bannock St.
	Denver, CO 80202
	($3.00)

For all requests, send a self-addressed return envelope.

Dolores	County Clerk
	Courthouse
	Dove Creek, CO 80321
Douglas	
Birth/Death	Tri-County Health Dept.
	7000 E. Belleview
	Suite 301
	Englewood CO 80111-1628
	Records since 1970.
Marriage	Douglas County Clerk and Recorder's Office
	Election Division
	3012 S Wilcox

	Castle Rock, Co. 80104
	($3.00)
Divorce	Douglas County District Court
	355 S Wilcox
	Castle Rock, Co. 80104
	($5.20 in person; $5.75 & SASE by mail.)
Eagle	Eagle County Nursing Services
	P.O. Box 86
	Eagle, CO 81631
	"NO"
Elbert	County has no records.
El Paso	El Paso County Bureau of Vital Statistics
	27 E. Vermijo, Suite 302
	Colorado Springs, CO 80903

Personnel from Colorado Springs must purchase in person.

Fremont	Florence and eastern part of county
	Registrar of Vital Statistics
	116 N. Piloes Peak Ave.
	Florence, CO 81226
	Canon City and western part of county
	Registrar of Vital Statistics
	421 E Main
	Canon City, CO 81212
	"NO"

Cannot release information to RRB; applicant must apply.

Garfield	Mildred Alsdorf, Registrar
	109 8th St., Suite 200
	Glenwood Springs, CO 81601
	"NO"
Gilpin	County has no records.
Grand	Clerk & Recorder Courthouse,
	P.O. Box 120
	Hot Sulphur Springs, CO 80451
	"NO"
Gunnison	Gunnison County Clerk & Recorder
	200 E. Virginia
	Gunnison, CO 80230
	"NO"

The FO cannot certify. They will send free photocopy with note that it is a true and exact copy of record on file.

Hinsdale	Mr. Grant Houston
	Box 517
	Lake City, CO 81235

Must send authorization signed by the individual or next of kin for a certified copy.

Huerfano	Huerfano County Register
	Box 791
	Health Dept.
	Walsenburg, CO 81089
	"NO"

RRB can purchase a record with written authorization from the individual.

Jackson	Clerk & Recorder
	Box 337
	Walden, CO 80480
	"NO"
Jefferson	Registrar
	County Health Dept.
	260 S. Kipling
	Denver, CO 80226
Kiowa	Registrar of Vital Statistics
	P.O. Box 364
	Eads, CO 81036
	"NO"
Kit Carson	Kit Carson County District Court
	P.O. Box 547
	Burlington, CO 80807
La Plata	San Juan Basin Health Center
	3803 Main Ave.
	Durango, CO 81301
	(FREE)
Larimer	Larimer County Health Dept.
	363 Jefferson
	Fort Collins, CO 80521
	(NO)
Las Animas	Health Department
	410 Benedicta

	Trinidad, CO 81082
Lincoln	Lincoln County Registrar
	Box 221
	Hugo, CO 80821
Logan	Northeast Colorado Health Dept.
	Sterling, CO 80751
	"NO"
Mesa	County Public Health Dept.
	515 Patterson Rd
	Grand Junction, CO 81501
	(County birth/death records $6.00)
Mineral	County Registrar
	Box 26
	Creede, CO 81130
Moffat	Northwest Visiting Nurses Assoc.
	793 Russell St.
	P.O. Box 1225
	Craig, CO 81625
	"NO"
Montezuma	County Clerk
	Courthouse
	Cortez, CO 81321

Must be a close relative age 16 or older to get record.

Montrose	Montrose County Clerk & Recorder
	320 S. 1st

	Montrose, CO 81401
	"NO"
Morgan	Northeast Health Dept.
	303 Edison
	Brush, CO 80701
	(FREE)

Request must be in writing on RRB letterhead.

Otero	Registrar of Vital Statistics
	Courthouse
	La Junta, CO 81050
	"NO" (Verify only.)
Ouray	Ouray County Treasurer
	Box 149
	541 4th
	Ouray, CO 81427
	"NO"
Park	County Registrar
	Fairplay, CO 80440
	"NO"
Phillips	Deputy Local Registrar of Vital Statistics
	Holyoke, CO 80734
	"NO"
Pitkin	Local Registrar
	540 E. Main
	Aspen, CO 81611

	"NO"
Prowers	Registrar of Vital Statistics
	P.O. Box 336
	Lamar, CO 81052
	"NO"
Pueblo	County Registrar
	151 Central Main St.
	Pueblo, CO 81003

Requests must be in writing using Pueblo RRB letterhead.

Rio Blanco	Clerk and Recorder
	P.O. Box 1067
	Meeker, CO 81641
	"NO"
Rio Grande	
Eastern Part	County Registrar (East)
	P.O. Box 821
	Monte Vista, CO 81144
	"NO"
Western part	Chula Vista Medical Center
	17228 W. Highway 160
	Del Norte, CO 81132
	"NO"
Routt	Northwest Ct. Visiting Nurses' Association
	Courthouse
	P.O. Box 770417

	Steamboat Springs, CO 80477
	"NO"
Saguache	Deputy Local Registrar
	P.O. Box 74
	Saguache, CO 81149
San Juan	Town Clerk
	Box 250
	Silverton, CO 81433
	"NO"
San Miguel	Deputy Registrar
	Town Hall
	Box 528
	Norwood, CO 81423
	"NO" (Authorization needed.)
Sedgwick	Local Registrar of Vital Statistics
	Julesburg, CO 80737
	(FREE)
Summit	Clerk & Recorder
	P.O. Box 1538
	Breckenridge, CO 80424
	"NO"
Teller	Ethel Pedrie
	Teller County Registrar
	Box 446
	Victor, CO 80860

	If paying by check, make payable to Ethel Pedrie.
Washington	Local Registrar of Vital Statistics
	Akron, CO 80720
	"NO"
Weld	Vital Statistics
	1516 Hospital Rd
	Greeley, CO 80631
	"NO"
Yuma	Local Registrar of Vital Statistics
	Wray, CO 80758
	"NO"

CONNECTICUT

Divorce records are available from the Clerk of the Superior Court where the divorce was granted. The cost is $15.00. Birth, death and marriage records are available from the City or Town Clerk in the city or town where the event occurred. The cost of copy is $3.00.

DELAWARE

Divorce records are available for $2.00 from the family court in the county where the divorce was granted for years after 1975. For years prior to that, the fee is $6.00.

FLORIDA

Divorce records are available from the Clerk of the Circuit Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Judge in the county where the license was issued. The cost of copy varies.

GEORGIA

Divorce records are available from the Clerk of the Superior Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Ordinary in the county where the license was issued. Cost varies. The marriage license will be furnished for $3.25. Birth and death records are available as listed below.

LIST OF COUNTIES

Atlanta	Fulton County Health Department
	Vital Records Service
	99 Butler St., SE.
	Atlanta, GA 30303
	($5.00) "NO"
Chatham	Chatham County Dept. of Public Health
	Bureau of Vital Statistics
	P.O. Box 14257
	Savannah, GA 31416
	($10.00) "NO"
Hancock	Hancock County Court House,
	Board St.
	Sparta, GA 31087
	($10.00)
Washington	Washington County Dept. of Public Health
	201 Morningside Dr.
	Sandersville, GA 31082
	($10.00)

HAWAII

Divorce records are available from the Circuit Court in the county where the divorce was granted. The cost of copy varies.

IDAHO

Divorce records are available from the county recorder in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Recorder in the county where the license was issued.

Birth and death records are not available in the county unless indicated. Unless otherwise indicated, all birth and death certifications are $1.00; all marriage records are $2.00; all divorce records are $1.00 per page. The FO cannot verify, certify or obtain free copies of the records.

LIST OF COUNTIES

Ada	County Recorder
	Courthouse
	Boise, ID 83702
	($2.00)
Adams	Adams County
	Courthouse
	Council, ID 83612
Bannock	
Death only	County Clerk
	Bannock County Courthouse
	Pocatello, ID 83201
Bear Lake	
Death only	County Clerk
	7 East Center
	Paris, ID 83261
Benewah	County Auditor
	Benewah County Courthouse
	St. Maries, ID 83861
	(Marriage/divorce records $1.00 per page.)
Bingham	County Clerk
	Blackfoot, ID 83221

Blaine	County Clerk and Auditor
	County Courthouse
	Hailey, ID 83333
Boise	County Auditor
	Idaho City, ID 83631
	($1.50)
Bonner	County Auditor
	County Courthouse
	Sandpoint, ID 83864
Bonneville	Divorces 1911-1964
	County Clerk's Office
	605 N. Capital Ave.
	Idaho Falls, ID 83401
	Divorces 1965 on; Marriage $1.00 per page.
	District Court
	585 Capital
	Idaho Falls, ID 83401
Boundary	County Auditor
	Box 419
	Bonners Ferry, ID 83805
	(Marriage $.50 per page; certification $.50.)
Butte	Butte County Auditor and Recorder
	248 W. Grand
	Arco, ID 83213
Camas	County Clerk and Auditor

	County Courthouse
	Fairfield, ID 83327
Canyon	County Auditor
	Courthouse
	Caldwell, ID 83605
Caribou	Caribou County Auditor & Recorder
	159 S. Main
	Soda Springs, ID 83276
	(Marriage $1.50)
Cassia	County Clerk and Auditor's Office Courthouse
	Burley, ID 83318 X
	($2.00)
Clark	Clark County Auditor & Recorder
	Clark County Courthouse
	Duboise, ID 83423
	(Marriage $1.50)
Clearwater	Auditor's Office
	County Courthouse
	Orofino, ID 83544
Custer	Custer County Clerk
	P.O. Box 385
	Challis, ID 83226
Elmore	County Auditor
	Mountain Home, ID 83647
Franklin	

Death only	Franklin County Clerk
	39 W. Oneida
	Preston, ID 83063
Fremont	Fremont County Recorder
	151 West First
	North
	St. Anthony, ID 83445
Gooding	Courthouse
Death only	P.O. Box 417
	624 Main
	Gooding, ID 83330
Idaho	County Auditor
	Grangeville, ID 83530
Jefferson	Jefferson County Auditor &Recorder
	P.O. Box 275
	Rigby, ID 83442
Jerome	
Death only	Courthouse
	P.O. Box 407
	Jerome, ID 83338
Kootenai	Kootenai County Courthouse
	501 Government Way
	Coeur d' Alene, ID 83814

Latah

Divorce/Marriage	County Auditor
	Moscow, ID 83843
Lemhi	County Clerk
	Courthouse
	Salmon, ID 83467
Lewis	Nez Perce County Auditor
	Nez Perce, ID 83543
Lincoln	Courthouse
	P.O. Box Drawer A
	Shoshone, ID 83352
Madison	Madison County Auditor & Recorder
	P.O. Box 389
	Rexburg, ID 83440
	(Marriage $1.50; Certification $.50.)
Minidoka	County Clerk
	Courthouse
	Rupert, ID 83350
Nez Perce	County Auditor
	Lewiston, ID 83501
Oneida	County Clerk
	Malad City, ID 83252
Owyhee	County Auditor
	Murphy, ID 83650
Payette	Payette County
	Courthouse

	Payette, ID 83661
	($1.00 per page, Uncertified.)
Power	Power County Clerk
	Power County
	Courthouse
	American Falls, ID 83211
	(FREE, marriage/divorce)
Shoshone	County Recorder
	Shoshone County
	Courthouse
	Wallace, ID 83873
	(Marriage $6.00; Birth 1907-1911 only, $6.00.)
Teton	Teton County Auditor & Recorder
	P.O. Box 70
	Driggs, ID 83422
	(Marriage $1.50; Divorce $1.50 per page.)
Twin Falls	County Auditor
	Twin Falls, ID 83301
	($2.00)
Washington	County Auditor
	Weiser, ID 83672
	($1.00)

ILLINOIS

Divorce records are available from the Clerk of the Circuit Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Clerk in the county where the license was issued.

Personal checks are not accepted unless otherwise stated. The fee for birth, death and marriage records is $5.00 unless otherwise noted.

Send marriage, death and birth record requests to the County Clerk at the address listed below. All are "YES" counties unless otherwise noted.

LIST OF COUNTIES

Adams	Vital Statistics Dept. Adams County Courthouse P.O. Box 1169 Quincy, IL 62306
Alexander	Cairo, IL 62914
Bond	County Courthouse 200 W. College Ave. Greenville, IL 62246
Boone	County Clerk and Recorder's Office 601 N Main St, Suite 202 Belvidere, IL 61008 ($7.00)
Brown	200 Court St., Room 4 Mt. Sterling, IL 62353
Bureau	Vital Statistics Dept. County Courthouse Princeton, IL 61356 ($7.00)
Calhoun	Calhoun County Courthouse

	Hardin, IL 62047
Carroll	Box 152
	Mt. Carroll, IL 61053
	($7.00)
Cass	Courthouse
	Virginia, IL 62691
Champaign	Courthouse Annex
	204 E. Elm
	Urbana, IL 61801
	FO can certify only. ($7.00)
City of Chicago	Birth records established within last 12 months and death records established within last 9-12 months:
	Board of Health
	City of Chicago
	Daley Center
	50 W. Washington, Room CL111
	Chicago, IL 60601
	($10.00) "NO"
Clay	County Clerk
	P.O. Box 160
	Louisville, IL 62858
	Will verify over phone. Will provide free copy in hardship cases.
Clinton	County Courthouse
	Carlyle, IL 62231

	($7.00)
Coles	Courthouse
	Charleston, IL 61920
	($7.00)
	FO can certify only.
Cook	Marriage, birth and death records recorded prior to last 12 months:
	Cook County Clerk
	Vital Records Department
	118 N. Clark St., Lower Level
	Chicago, IL 60602
	($5.00) "NO"
	If information about parents is needed, specify this on request.
	Divorce
	Clerk of Circuit Court
	Daley Center
	50 W. Randolph, Room 802
	Chicago, IL 60602
	($8.50 plus $6.00 for each year being searched prior to 1986.) "NO"
Crawford	P.O. Box 602
	Robinson, IL 62454
Cumberland	County Clerk
	P.O. Box 146
	Toledo, IL 62468

	Will verify over phone. Will provide free copy in hardship cases.
DeKalb	County Courthouse
	133 West State St.
	Sycamore, IL 60178
	($7.00) No charge for birth, death or marriage record if required by FO.
DeWitt	201 W. Washington
	Clinton IL 61727
Douglas	Courthouse
	Tuscola, IL 61953
	FO can certify only.
DuPage	421 N. County Farm Rd.
	Wheaton, IL 60187
	($7.00)
Edgar	Courthouse
	Paris, IL 61944
Edwards	Albion, IL 62806
	($1.00)
Effingham	County Clerk
	P.O. Box 628
	Effingham, IL 62401
	Will verify record exists.
Fayette	County Clerk
	P.O. Box 401

	Vandalia, IL 62471
	Will verify over phone - will provide free copy in hardship cases.
Ford	Courthouse
	Paxton, IL 60957
	FO can certify only.
	($7.00)
Franklin	Courthouse
	Benton, IL 62812
	FO can certify only.
Fulton	Box 226
	Lewistown, IL 61542
	($7.00)
Gallatin	Courthouse
	Shawneetown, IL 62984
Greene	Greene County Courthouse
	Public Square
	Carrollton, IL 62016
	($8.00)
Grundy	County Courthouse
	111 East Washington
	Morris, IL 60450
	($7.00)
Hamilton	McLeansboro, IL 62859
Hancock	P.O. Box 39

	Carthage, IL 62321
Hardin	Courthouse
	Elizabethtown, IL 62931
Henderson	County Courthouse
	Oquawka, IL 61469
Henry	Courthouse Square
	100 S. Main St.
	Cambridge, IL 61238
	($7.00)
Iroquois	Iroquois County Clerk's Office
	1001 E. Grant
	Watseka, IL 60970
	($7.00 for birth/death/marriage; cost for divorce varies.)
Jackson	Murphysboro, IL 62966
	($7.00)
Jasper	County Clerk
	100 W. Jourdan
	Newton, IL 62448
	Will verify over phone; will provide free copy in hardship cases.
Jefferson	Mt. Vernon, IL 62864
Jersey	Courthouse
	201 W. Pearl
	Jerseyville, IL 62052

Jo Daviess	Courthouse 330 N. Bench St. Galena, IL 61036 ($7.00)
Johnson	Courthouse Vienna, IL 62995
Kane	County Courthouse South Third Street Geneva, IL 60134 ($7.00) "NO"
Kankakee	Kankakee County Clerk's Office 189 East Court St. Kankakee, IL 60901 ($5.00 -Birth/death/marriage; divorce varies.)
Kendall	111 W. Fox St. Yorkville, IL 60560
Knox	County Courthouse Galesburg, IL 61401
Lake	Courthouse Waukegan, IL 60085 ($6.00)
LaSalle	Bureau of Vital Statistics Room 107 LaSalle County Courthouse Ottawa, IL 61350 ($7.00)

Lawrence	Courthouse Lawrenceville, IL 62439
Lee	County Courthouse Box 385 Dixon, IL 61021 ($7.00)
Livingston	112 W. Madison Pontiac, IL 61764
Logan	Courthouse Lincoln, IL 62656
McDonough	McDonough County Courthouse Macomb, IL 61455
McHenry	McHenry County Government Center 2200 N. Seminary Woodstock, IL 60098
McLean	Law & Justice Center 104 W. Front St. Bloomington, IL 61701
Macon	Decatur, IL 62523 ($7.00)
Macoupin	Courthouse Carlinville, IL 62626 Money orders only.
Madison	County Courthouse N. Main St.

	Edwardsville, IL 62025
	($9.00)
Marion	Salem, IL 62881
Marshall	Lacon, IL 61540
Mason	
Birth/death/marriage	Mason County Clerk
	P.O. Box 90
	Havana, IL 62644
	($5.00)
	FO can certify and verify but cannot obtain free copy.
Divorce	Mason Circuit Clerk
	P.O. Box 446
	Havana, IL 62644
	($2.00 certificate fee plus $.50 per page.) FO can certify and verify but cannot obtain free copy.
Massac	Metropolis, IL 62960
Menard	Courthouse
	Petersburg, IL 62675
	"NO"
Mercer	County Courthouse
	100 SE Third St.
	Aledo, IL 61231
	($7.00)
Monroe	County Courthouse
	Waterloo, IL 62298

Montgomery	Courthouse Hillsboro, IL 62049
Morgan	Courthouse Jacksonville, IL 62650
Moultrie	Sullivan, IL 61951
Ogle	County Clerk's Office P.O. Box 357 Oregon, IL 61061
Peoria	County Courthouse Peoria, IL 61601 ($7.00)
Perry	Pinckneyville, IL 62274
Piatt	County Courthouse Monticello, IL 61856
Pike	Pike County Courthouse Pittsfield, IL 62363
Pope	Courthouse Golconda, IL 62938
Pulaski	Mound City, IL 62963 ($7.00)
Putnam	County Courthouse Hennepin, IL 61327
Randolph	Chester, IL 62233 ($7.00)
Richland	Courthouse

	Olney, IL 62450
Rock Island	County Office Building
	1504 3rd Ave.
	Rock Island, IL 61201
	($7.00; $12.00 VISA card.)
St. Clair	County Courthouse
	10 Public Sq.
	Belleville, IL 62220
	($8.60)
Saline	Courthouse
	Harrisburg, IL 62946
Sangamon	County Building
	Springfield, IL 62701
	($7.00) "NO" except hardship.
Schuyler	P.O. Box 190
	Rushville, IL 62681
Scott	Courthouse
	Winchester, IL 62694
	"NO"
Shelby	Courthouse
	Shelbyville, IL 62565
Stark	Toulon, IL 61483
Stephenson	Courthouse
	15 N. Galena Ave.

	Freeport, IL 61032
	($10.00)
Tazewell	
Birth/death/marriage	Tazewell County Clerk
	4th & Court St.
	Mckenzie Bldg -2nd Floor
	Pekin, IL 61554
	($5.00) FO can certify and verify but cannot obtain free copy.
Divorce	Tazewell Circuit Clerk
	Tazewell County Courthouse
	Court St.
	Pekin, IL 61554
	($1.00 first page, $.50 pages 2-19 and $.25 pages 20 on.) FO can certify and verify but cannot obtain free copy.
Union	Jonesboro, IL 62952
Vermilion	Courthouse
	Danville, IL 61832
Wabash	Courthouse
	Mt. Carmel, IL 62863
Warren	County Courthouse
	Monmouth, IL 61462
Washington	County Courthouse
	Nashville, IL 62263
Wayne	Fairfield, IL 62837

White	Courthouse
	Carmi, IL 62821
Whiteside	County Courthouse
	Morrison, IL 61270
	($7.00)
Will	County Building
	302 N. Chicago St.
	Joliet, IL 60431
Williamson	Courthouse
	Marion, IL 62959
	FO can get free certified copy.
Winnebago	Courthouse
	400 West State Street
	Room 107
	Rockford, IL 61101
	($7.00)
Woodford	Eureka, IL 61530
	($7.00)

INDIANA Divorce records are available from the County Clerk in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the Clerk of the Court of the county where the license was issued. The cost of copy varies.

Birth and death records are available for the counties listed below for $1.00, unless otherwise indicated. The FO can certify, verify or obtain a free copy unless otherwise indicated below.

LIST OF COUNTIES

Adams	Dept. of Health

	Annex No. 2
	804 Mercer Ave.
	Decatur, IN 46733
	($2.00) No free copy or certification.
Allen	Vital Statistics
	Fifth Floor
	City - County Bldg.
	1 Main St.
	Fort Wayne, IN 46802
	($6.00) No personal checks.
Bartholomew	440 Third Street
	Suite 303
	Columbus, IN 47201
	($4.00) Cash or money order only.
Benton	County Health Dept.
	706 E. 5 St., Suite 15
	Fowler, IN 47944
	($3.00) Cash or money order only.
Blackford	County Health Dept.
	Courthouse
	Hartford City, IN 47348
	($4.00) "NO" except hardship.
Boone	County Health Dept.
	County Courthouse
	Lebanon, IN 46052

	($5.00)
Brown	Courthouse Annex Nashville, IN 47448 ($3.00) Cash or money order only.
Carroll	County Health Dept. Courthouse 101 W. Main St. Delphi, IN 46923-1566 ($4.00)
Cass	County Health Dept. 200 Court Park Logansport, IN 46947 ($2.00)
Clark	Clark County Health Dept. Vital Records 1220 Missouri Ave. Jeffersonville, IN 47130 ($4.00)
Clay	County Health Office Courthouse Brazil, IN 47834 ($3.00)
Clinton	County Board of Health 211 N. Jackson Street Frankfort, IN 46041

	($3.00)
Crawford	County Health Office
	Courthouse
	English, IN 47118
	($2.00)
Daviess	Daviess County Health Dept.
	Courthouse
	Washington, IN 47501
	($3.00) Cash or money orders only, no checks. Proof of identity for requestor required.
Dearborn	County Health Department
	215 B. West High St.
	Lawrenceburg, IN 47025
	($6.00 Birth, $4.00 Death)
Decatur	801 N. Lincoln
	Greensburg, IN 47240
	($2.00) Cash or money order only.
DeKalb	County Board of Health
	County Courthouse
	Auburn, IN 46706
	($3.00)
Delaware	County Board of Health
	Courthouse
	Muncie, IN 47305
	($3.00)

Dubois	County Health Department Courthouse 1 Courthouse Square Jasper, IN 47546 ($5.00 birth, $6 death) No personal checks. FO can verify for free only on hardship cases.
Elkhart	Health Department 315 South Second St. Elkhart, IN 46516 ($5.00) FO can certify or verify but cannot obtain free copy.
Fayette	County Health Dept. 111 W. 4 St. Connersville, IN 47331 ($3.00) No personal checks.
Floyd	County Health Dept. Rm. 225 City County Bldg. New Albany, IN 47150 ($3.00)
Fountain	Fountain-Warren County Health Dept. 210 S. Perry Attica, IN 47918 ($3.00)
Franklin	County Health Dept. Courthouse Annex

	459 Main St. Brookville, IN 47012 ($5.00) No personal checks.
Fulton	Fulton County Health Dept. 802 Jefferson Rochester, IN 46975 ($2.00) No personal checks.
Gibson	County Health Dept. Courthouse Annex 800 S. Prince St. Princeton, IN 47670 ($2 birth, $3 death) Money order or certified check only. No personal checks. FO can verify for free.
Grant	County Health Dept. County Complex 401 S. Adams St. Marion, IN 46953 ($4.00)
Greene	County Health Dept. Courthouse Bloomfield, IN 47424 ($5.00)
Hamilton	County Health Dept. Government Center - Basement Noblesville, IN 46060

	($4.00)
	FO can certify or verify but cannot obtain free copy.
Hancock	County Health Dept.
	Courthouse 1st Floor
	Greenfield, IN 46140
	($3.00)
	FO can certify or verify but cannot obtain free copy.
Harrison	County Health Dept.
	Box 12
	Corydon, IN 47112
	($3.00 for birth/death.)
Hendricks	
Birth/death	County Health Dept.
	P.O. Box 310
	Danville, IN 46122
	($3.00)
Marriage/divorce	County Clerk
	P.O. Box 599
	Danville, IN 46122
	(Marriage - $2.00, Divorce $1.00 plus $1.00 per page.)
Henry	County Board of Health
	1000 N. 16 St.
	New Castle, IN 47362
	($4.00)

Howard	Board of Health 120 E. Mulberry Kokomo, IN 46901 ($4.00)
Huntington	County Board of Health 205 Courthouse Huntington, IN 46750 ($5.00)
Jackson	Poplar and Bruce Sts. 2nd Floor, Jackson County Hospital Seymour, IN 47274 ($2.00) Cash or money order only.
Jasper	County Dept. of Health 105 W. Kellner Blvd. Rensselaer, IN 47978-2623 ($3.00)
Jay	County Board of Health Courthouse Portland, IN 47371 ($3.00)
Jefferson	County Health Department 715 Green Rd Madison, IN 47250 ($2.00)
Jennings	County Health Dept.

	P.O. Box 323
	Vernon, IN 47282
	($2.00)
Johnson	County Board of Health
	Courthouse Annex, 86 W. Court St.
	Franklin, IN 46131
	($3.00) Cash or money order only.
Knox	Knox County Health Office
	102 North 7th St.
	Vincennes, IN 47591
	($2.00)
	Proof of identity for requestor required.
Kosciusko	County Health Unit
	Courthouse
	Warsaw, IN 46580
	($4.00) FO can certify or verify but cannot obtain free copy.
LaGrange	County Health Unit
	101 North High St.
	LaGrange, IN 46761
	($5.00)
	FO can certify or verify but cannot obtain free copy.
Lake	Lake County Health Dept.
	2293 Main St.
	Crown Point, IN 46307

	($2.00)
City of East Chicago	East Chicago Board of Health 3901 Indianapolis Blvd. East Chicago, IN 46312 ($2.00)
City of Gary	Gary Board of Health 1145 West 5th Ave. Gary, IN 46402 ($3.00)
City of Hammond	Hammond Board of Health 649 Conkey St. Hammond, IN 46320 ($2.00) No personal checks. FO can certify, but to obtain copy, FO must have a signed release and photocopy of claimant's ID.
LaPorte	County Health Dept. 604 Jefferson Ave. LaPorte, IN 46350
Michigan City	City Dept. of Health 104 Brinckman Ave. Michigan City, IN 46360
Lawrence	County Health Dept. Courthouse 1410 I St. Bedford, IN 47421

	($2.00)
Madison	County Health Department
	Government Center
	16 E. 9th St., 3rd Floor
	Anderson, IN 46016
	($3.00)
	FO can certify or verify but cannot obtain free copy.
Marion	
Birth/death	Marion County Health Department
	Vital Records Office
	3838 N. Rural St.
	Indianapolis, IN 46205
	($6.00)
Marriage/divorce	Marion County Clerk - Records Division
	200 E. Washington St.
	Indianapolis, IN 46204
	(Fee varies.)
Marshall	Marshall County Health Dept.
	112 W. Jefferson
	Plymouth, IN 46563
	($3.00)
Martin	Martin County Health Dept.
	Box 368
	Shoals, IN 47581
	($3.00)

	Proof of identity for requestor required.
Miami	City-County Health Dept. Courthouse Peru, IN 46970 ($4.00 by mail; $2.00 in person.)
Monroe	County Health Dept. Courthouse Annex 119 W 7th St. Bloomington, IN 47404 ($5.00)
Montgomery	County Health Officer 124 E. Main Crawfordsville, IN 47933 ($5.00)
Morgan	County Board of Health 607 Morton Ave. Martinsville, IN 46151 ($3.00)
Newton	County Board of Health Brook, IN 47922 ($3.00)
Noble	Noble County Board of Health Courthouse Annex P.O. Box 13 Albion, IN 46701

	($5.00) No personal checks.
Ohio	County Health Dept. 502 Second St. Rising Sun, IN 47040 ($3.00)
Orange	Orange County Health Dept. 205 E. Main St. Paoli, IN 47454 ($2.00)
Owen	County Health Dept. Assessor's Office Courthouse Spencer, IN 47460 ($5.00) Request must be on RRB letterhead.
Parke	County Health Dept. 116 W. High St. Rockville, IN 47872 ($2.00)
Perry	Perry County Health Dept. Courthouse Annex Cannelton, IN 47520 ($2.00)
Pike	Pike County Board of Health Courthouse

	Petersburg, IN 47567
	Proof of identity for requestor required.
Porter	County Health Officer
	1401 Calumet
	Valparaiso, IN 46383
	($2.00)
Posey	County Health Department
	126 East 3rd St.
	Mt. Vernon, IN 47620
	($2 birth, $3 death) No personal checks. FO can verify for free only on hardship cases.
Pulaski	County Health Dept.
	County Bldg.
	Suite 205
	125 S. Riverside Dr.
	Winamac, IN 46996-1528
	($3.00)
Putnam	County Health Dept.
	Courthouse
	Greencastle, IN 46135
	($2.00)
Randolph	County Board of Health
	Courthouse
	Winchester, IN 47394
	($3.00)

Ripley	County Health Dept. P.O. Box 423 Versailles, IN 47042 ($6.00 birth, $4.00 death) No personal checks.
Rush	County Health Dept. Rm. 5 County Courthouse Rushville, IN 46173 ($3.00)
St. Joseph	St. Joseph County Health Dept. County-City Building 8th Floor South Bend, IN 46601 ($5.00) No personal checks.
City of Mishawaka	St. Joseph County Health Dept. County Service Bldg 219 Lincolnway West Mishawaka, IN 46544 ($5.00) No personal checks.
Scott	County Health Department Rural Route 3 Box 9B Scottsburg, IN 47170 ($5.00)
Shelby	County Board of Health Courthouse

	53 W. Polk St. Shelbyville, IN 46176 ($2.00) Cash or money order only.
Spencer	County Health Dept. Courthouse Rockport, IN 47635 ($5.00) No personal checks. FO can verify for free only on hardship cases.
Starke	County Health Dept. Courthouse Knox, IN 46534 ($3.00 for first copy; $5.00 for wallet size.)
Steuben	County Board of Health County Courthouse Annex 205 S. Martha Angola, IN 46703 ($3.00) No personal checks.
Sullivan	Sullivan County Department Vital Records 102 N. Section St. Sullivan, IN 47882
Switzerland	County Health Dept. P.O. Box 14 Vevay, IN 47043 ($4.00)
Tippecanoe	Board of Health

	20 N. 3rd St. Lafayette, IN 47901 ($4.00)
City of Lafayette	City Health Dept. 20 No. 6th St. Lafayette, IN 47901 ($4.00)
City of West Lafayette - (for home births prior to 1977)	
	City Health Officer 609 W. Navajo W. Lafayette, IN 47906-0609 ($5.00)
Tipton	County Health Dept. Courthouse Tipton, IN 46072 ($4.00; $3.00 for additional copies of death record.)
Union	County Health Dept. County Courthouse 26 W Union, Room 11 Liberty, IN 47353 ($5.00)
Vanderburgh	County Health Department Civic Center Building, Room 127 Evansville, IN 47708

	($5.00 birth, $6 death) Certified check or money order only. No personal checks. FO can verify for free only on hardship cases.
Vermillion	Vermillion County Health Dept.
	825 S. Main St.
	Clinton, IN 47842
	($2.00)
Vigo	County Health Dept.
	Attn: Vital Records
	201 Cherry St.
	Terre Haute, IN 47807
	($2.00) No personal checks.
Wabash	County Health Dept.
	Memorial Hall
	Wabash, IN 46992
Warren	Fountain-Warren County Health Dept.
	210 S. Perry
	Attica, IN 47918
Warrick	County Health Department
	215 S. First St.
	Boonville, IN 47601
	($5.00 birth, $6 death) No personal checks. FO can verify for free only on hardship cases.
Washington	Washington County Health Department
	Courthouse Annex
	35 Public Square

	Salem, IN 47167
	($3.00) No personal checks.
Wayne	County Health Department
	401 East Main St.
	Administration Building
	Richmond, IN 47374
	($4.00) No personal checks. Application from Health Department must be used.
Wells	County Board of Health
	Courthouse
	Bluffton, IN 46714
	($3.00)
White	County Health Dept.
	P.O. Box 838
	Monticello, IN 47960
	($4.00)
Whitley	County Board of Health
	Courthouse
	Columbia City, IN 46725
	($3.00) "NO" except hardship.

IOWA

Divorce records are available from the county clerk in the county where the divorce was granted. All county records are $7.

KANSAS

Divorce records are available from the Clerk of the District Court where the divorce was granted. The cost of copy varies. Marriage records are available from the Probate Judge in the county where the license was issued. The cost of copy varies.

NOTE: Marriage records are no longer available from Shawnee County. Request those marriage records from the state office of vital statistics.

KENTUCKY

Divorce records are available from the Clerk of the Circuit Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the Clerk of the County Court in the county where the license was issued. The cost of copy varies.

Birth and death records are only available from one county; obtain records from the State office.

LIST OF COUNTIES

Covington	Covington-Kenton County Health Dept.
	921 Scott St.
	Covington, KY 41011
	(FREE) "YES"

LOUISIANA

Divorce records are available from the Clerk of the Court in the parish where the divorce was granted. The cost of copy varies. Marriage records are available from the Clerk of the Court in the parish where the license was issued for $5.00. For marriage records from the City of New Orleans, write to the Bureau of Vital Statistics, City Health Department, 1W03 City Hall, New Orleans, LA 70112. The cost of copy is $5.00.

MAINE

Divorce records are available from the Clerk of the District Court where the divorce was granted. The cost of copy varies. Birth, death and marriage records are available from the City or Town Clerk in the city or town where the event occurred for $2.00.

MARYLAND

For birth and death records in Baltimore City, obtain records from the Bureau of Vital Records, City Health Department, Municipal Office Building, Baltimore, MD 21202 (FO Code 273). The cost of copy is $2.00 and the FO can certify, verify, or obtain a free copy.

Divorce records and marriage records (if marriage before 6/51) are available from the Clerk of the Circuit Court in the county where the divorce was granted or the license was issued at the addresses below. The cost of copy varies.

LIST OF COUNTIES

Baltimore City	Criminal Courts Bldg. Rm. 140 Baltimore, MD 21202 ($4.50)
Allegany	Cumberland, MD 21502
Anne Arundel	Annapolis, MD 21401
Baltimore	Towson, MD 21204
Calvert	Prince Frederick, MD 20678
Caroline	Denton, MD 21629
Carroll	Westminster, MD 21157
Cecil	Elkton, MD 21921
Charles	La Plata, MD 20646
Dorchester	Cambridge, MD 21613
Frederick	Frederick, MD 21701
Garrett	Oakland, MD 21550
Harford	Bel Air, MD 21014
Howard	Ellicott City, MD 21043
Kent	Chestertown, MD 21620
Montgomery	Rockville, MD 20850
Prince Georges	Upper Marlboro, MD 20772
Queen Anne	Centreville, MD 21617
St. Marys	Leonardtown, MD 20650

Somerset	Princess Anne, MD 21853
Talbot	Easton, MD 21601
Washington	Hagerstown, MD 21740
Wicomico	Salisbury, MD 21801
Worcester	Snow Hill, MD 21863

MASSACHUSETTS

Divorce records are available from the Superior Court or Probate Court where the divorce was granted. The cost of copy varies. For birth, death, and marriage records from Boston, write to City Registrar, Registry Division, Health Department, Room 705, City Hall Annex, Boston, MA 02133. The cost of copy is $6.00 (money order only).

MICHIGAN

Divorce records are available from the County Clerk in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Clerk in the county where the license was issued. The cost of copy varies.

For birth record requests, write to the County Clerk at the address shown below unless otherwise indicated. The cost of copy is $5.00 unless otherwise indicated. The FO can verify, certify, or obtain a free copy of the record (except for the City of Detroit).

LIST OF COUNTIES

Alcona	Box 308 Harrisville, MI 48740
Alger	101 Court St. Munising, MI 49862
Allegan	113 Chestnut St. Allegan, MI 49010 ($7.00)
Alpena	Alpena County Clerk 720 W. Chisholm Alpena, MI 49707

Antrim	P.O. Box 520 Bellaire, MI 49615
Arenac	Box 747 Standish, MI 48658
Baraga	Courthouse L'Anse, MI 49946
Barry	220 W. State Hastings, MI 49058 ($10.00)
Bay	515 Center Ave. Bay City, MI 48708
Benzie	Courthouse Beulah, MI 49617
Berrien	Room 102, Courthouse St. Joseph, MI 49085 ($7.00)
Branch	Branch County Clerk 31 Division Coldwater, MI 49036 (Divorce $1.00 per page)
Calhoun	Calhoun County Clerk 315 W. Green St. Marshall, MI 49068 ($10.00)
Cass	Courthouse

	Cassopolis, MI 49031
	($10.00)
Charlevoix	County Building
	Charlevoix, MI 49720
Cheboygan	County Bldg.
	Cheboygan, MI 49721
	($3.00)
Chippewa	Courthouse
	Sault Ste.
	Marie, MI 49783
	($4.00)
Clare	Courthouse
	Harrison, MI 48625
	($7.00)
Clinton	Courthouse
	St. Johns, MI 48879
Crawford	County Bldg.
	Grayling, MI 49738
	($6.00)
Delta	County Bldg.
	Escanaba, MI 49829
	($6.00)
Dickinson	Courthouse
	Iron Mountain, MI 49801
Eaton	Courthouse

	Charlotte, MI 48813
Emmet	County Bldg.
	Petoskey, MI 49770
	($7.00)
Genesee	202 Courthouse
	Flint, MI 48502
	($10.00)
Gladwin	401 W. Cedar Ave.
	Gladwin, MI 48624
Gogebic	Courthouse
	Bessemer, MI 49911
Grand Traverse	County Bldg.
	P.O. Box 552
	Traverse City, MI 49685
Gratiot	Courthouse
	Ithaca, MI 48847
	($10.00)
Hillsdale	Courthouse
	209 N. Howell, Room 1
	Hillsdale, MI 49242
	(517) 437-3391
	($7.00)
Houghton	Courthouse
	4016 Houghton Ave.
	Houghton, MI 49931

Huron	Courthouse Bax Axe, MI 48413 ($10.00)
Ingham	Courthouse Mason, MI 48854 ($5.00)
Ionia	Courthouse 100 Main Ionia, MI 48846 ($10.00)
Iosco	P.O. Box 838 Tawas City, MI 48764
Iron	Courthouse Crystal Falls, MI 49920
Isabella	County Bldg. Mt. Pleasant, MI 48858 ($10.00)
Jackson	
Birth/death/marriage	Jackson County Clerk 120 W. Michigan Jackson, MI 49201 (517) 788-4265 ($5.00)
Divorce	Jackson County Building

	Jackson County Clerk 312 S. Jackson 4th Floor Jackson, MI 49201 (517) 788-4268 ($1.00 per page)
Kalamazoo	
Birth/death/marriage	County Bldg. 201 W. Kalamazoo Ave. Kalamazoo, MI 49007 ($13.00)
Divorce	Circuit Court Clerk County Courthouse 227 W. Michigan Kalamazoo, MI 49007 ($13.00)
Kalkaska	P.O. Box 10 Kalkaska, MI 49646
Kent	Kent Co. Clerk's Office 300 Monroe N.W. Grand Rapids, MI 49503 ($7.00)
Keweenaw	Courthouse Eagle River, MI 49924 ($3.00)

Lake	Courthouse
	1153 Michigan Ave.
	Baldwin, MI 49304
Lapeer	287 Nepessing St.
	255 Clay St.
	Lapeer, MI 48446
	($7.00)
Leelanau	P.O. Box 467
	Leland, MI 49654
Lenawee	Judicial Building
	425 N. Main Street
	Adrian, MI 49221
	($10.00 birth/death/marriage)
Livingston	Courthouse
	Howell, MI 48843
Luce	Courthouse
	Newberry, MI 49868
	($10.00)
Mackinac	Courthouse
	St. Ignace, MI 49781
Macomb	MaComb County Courthouse - 1st Floor
	40 N. Gratiot Ave.
	Mt. Clemens, MI 48043
	($10.00)
Manistee	Courthouse

	Manistee, MI 49660
	($10.00)
Marquette	County Bldg.
	Marquette, MI 49855
	($6.00)
Mason	Courthouse
	300 E. Ludington Ave.
	Ludington, MI 49431
Mecosta	Courthouse
	Big Rapids, MI 49307
	($7.00)
Menominee	County Clerk's Office
	Courthouse Building
	839 10th Ave.
	Menominee, MI 49858
	(906) 863-9968
Midland	Midland County Clerk
	220 W. Ellsworth
	Midland, MI 48640
	($7.00)
Missaukee	Courthouse
	Lake City, MI 49651
Monroe	County Courthouse
	106 E. First St.
	Monroe, MI 48161

	($7.00)
Montcalm	Courthouse
	211 W. Main
	Stanton, MI 48888
Montmorency	Montmorency County Clerk
	P.O. Box 415
	Atlanta, MI 49709
Muskegon	Courthouse
	990 Terrace
	Muskegon, MI 49442
	($10.00)
Newaygo	1087 Newell
	P.O. Box 885
	White Cloud, MI 49349
Oakland	1200 N. Telegraph Rd.
	Pontiac, MI 48341
	No personal checks.
Oceana	Courthouse
	100 State St.
	Hart, MI 49420
Ogemaw	Courthouse
	P.O. Box 8
	West Branch, MI 48661
Ontonagon	725 Greenland Rd.
	Ontonagon, MI 49953

Osceola	Courthouse Reed City, MI 49677 (Birth/death/marriage $7.00; divorce $2.00.)
Oscoda	Box 399 Mio, MI 48647
Otsego	Courthouse Gaylord, MI 49735
Ottawa	414 Washington Grand Haven, MI 49417 ($10.00)
Presque Isle	Presque Isle County Clerk P.O. Box 110 Rogers City, MI 49779
Roscommon	Box 98 Roscommon, MI 48653
Saginaw	Courthouse County Clerk 111 N. Michigan Saginaw, MI 48602 ($5.00)
St. Clair	County-City Bldg. Port Huron, MI 48060 ($7.00)
St. Joseph	County Courthouse Centreville, MI 49032 ($10.00)

Sanilac	Courthouse Sandusky, MI 48471 ($10.00)
Schoolcraft	Courthouse Manistique, MI 49854 ($10.00)
Shiawassee	Courthouse Corunna, MI 48817 ($8.00)
Tuscola	Courthouse 440 N. State St. Caro, MI 48723 ($10.00)
Van Buren	Courthouse Paw Paw, MI 49079 ($7.00)
Washtenaw	147 County Courthouse 101 E. Huron Ann Arbor, MI 48107 ($8.00)
Wayne	201 City-County Bldg. Detroit, MI 48226 ($17.00)
City of Detroit	Bureau of Vital Statistics

	Detroit Dept. of Health
	Herman Kiefer Health Complex
	1151 Taylor
	Detroit, MI 48202
	($13.00) FO can certify or verify but can obtain free copy only of death record.
Wexford	Courthouse
	P.O. Box 492
	Cadillac, MI 49601
	($10.00)

MINNESOTA

Divorce records are available from the County Official in the county where the divorce was granted for $5.00 for 1st page and $.25 each additional page. Marriage records are available from the County Official in the county where the license was issued for $8.00.

Copies of birth or death records may be obtained from the Clerk of the District Court of the county where the event occurred. For birth or death records in Minneapolis or St. Paul, write to the charge $11.00 for a birth certificate and $8.00 for a death certificate.

LIST OF COUNTIES

Aitkin	Court Administrator
	209 2nd St., NW
	Aitkin, MN 56431
	(218) 927-2107
Anoka	Court Administrator
	Courthouse
	Anoka, MN 55303
	(612) 422-7399
Becker	County Recorder

	P.O. Box 595
	Detroit Lakes, MN 56501
	(218) 847-2151
Beltrami	Court Administrator
	P.O. Box 1008
	Bemidji, MN 56601
	(218) 759-4120
Benton	County Recorder
	Courthouse
	Foley, MN 56329
	(612) 968-6254
	County Recorder
	P.O. Box 218
	Ortonville, MN 56278
	(612) 839-2308
Blue Earth	Director, Vital Statistics
	Blue Earth County
	Mankato, MN 56001
	(507) 389-8343
Brown	County Recorder
	Brown County Courthouse
	New Ulm, MN 56072-0248
	(507) 359-7900, Ext. 31
Carlton	Court Administrator
	P.O. Box 190

	Carlton, MN 55718
	(218) 384-4281
Carver	County Recorder
	Carver County Courthouse
	600 E. 4th St.
	Chaska, MN 55318
	(612) 448-3435, Ext. 295
Cass	County Treasurer
	Cass County Courthouse
	300 Minnesota Ave.
	(218) 547-3300, Ext. 247
Chippewa	Court Administrator
	11th St. and Hwy. 7
	Montevidea, MN 56265
	(612) 269-7774
Chisago	Court Administrator
	Chisago County Courthouse
	Center City, MN 55012
	(612) 257-1300
Clay	County Recorder
	P.O. Box 280
	Moorhead, MN 56560
	(218) 299-5034
Clearwater	Court Administrator
	Clearwater County Courthouse

	Bagley, MN 56621
	(218) 694-6177
Cook	Court Administrator
	P.O. Box 1150
	Grand Marias, MN 55604
	(218) 387-2282
Cottonwood	County Recorder
	P.O. Box 326
	(507) 831-1168
Crow Wing	Court Administrator
	Crow Wing County
	Brainerd, MN 56401
	(218) 828-3959
Dakota	Vital Statistics
	Government Center
	1560 Highway 55
	Hastings, MN 55033
	(612) 438-4312
Dodge	Court Administrator
	Box 96
	Mantorville, MN 55955
	(507) 635-6260
Douglas	County Recorder
	305 8th Ave. W
	Alexandria, MN 56308

	(612) 762-2381
Faribault	County Recorder
	P.O. Box 130
	Blue Earth, MN 56013
	(507) 526-6252
Fillmore	County Recorder
	Preston, MN 55965
	(507) 765-4852
Freeborn	Court Administrator
	411 S. Broadway
	Albert Lea, MN 56007
	(507) 377-5153
Goodhue	County Recorder
	P.O. Box 408
	Red Wing, MN 55066
	(612) 388-8261, Ext. 173
Grant	County Recorder
	Grant County Courthouse
	Elbow Lake, MN 56531
	(218) 685-4133
Hennepin	Director of Licensing
	Government Center
	Public Service Level West
	300 S. Sixth St.
	Minneapolis, MN 55487-0026

	(612) 348-8241
Houston	Court Administrator
	Caledonia, MN 55921
	(507) 724-5211
Hubbard	County Recorder
	Park Rapids, MN 56470
	(218) 732-3552
Isanti	County Recorder
	237 SW 2nd Ave.
	Cambridge, MN 55008
	(612) 689-1191
Itasca	Court Administrator
	Courthouse
	123 4th St., NE
	Grand Rapids, MN 55744-2600
	(218) 327-2870
Jackson	Court Administrator
	Jackson County Courthouse
	P.O. Box G
	Jackson, MN 56143
	(507) 847-4400
Kanabec	County Recorder
	18 N. Vine St.
	Mora, MN 55051

	(612) 679-1441
Kandiyohi	County Recorder
	P.O. Box 736
	Willmar, MN 56201
Kittson	Court Administrator
	P.O. Box 39
	Hallock, MN 56728
	(218) 843-3632
Koochichinn	Court Administrator
	County Courthouse
	4th St. and 8th Ave.
	International Falls, MN 56649
	(218) 283-6260
Lac Qui Parle	County Recorder
	P.O. Box 132
	Madison, MN 56256
	(612) 598-3724
Lake	Court Administrator
	Lake County Courthouse
	601 3rd Ave.
	Two Harbors, MN 55616
	(218) 834-8330
Lake of the Woods	Court Administrator
	P.O. Box 808
	Baudette, MN 56623

	(218) 634-1451
LeSueur	County Recorder
	88 S. Park Ave.
	LeCenter, MN 56057
	(612) 357-2251, Ext. 235
Lincoln	Court Administrator
	P.O. Box 15
	Ivanhoe, MN 56142
	(507) 694-1355
Lyon	County Recorder
	607 W. Main St.
	Marshall, MN 56258
	(507) 537-6722
Mahnomen	Court Administrator
	County Courthouse
	Mahnomen, MN 56557
	(218) 935-2251
Marshall	Court Administrator
	County Courthouse
	Warren, MN 56762
	(218) 745-4921
Martin	County Recorder
	County Courthouse
	P.O. Box 785
	Fairmont, MN 56031

	(507) 238-3213
McLeod	County Recorder
	County Courthouse
	P.O. Box 127
	Glencoe, MN 55336
	(612) 864-5551, Ext. 216
Meeker	County Treasurer
	County Courthouse
	Litchfield, MN 56355
	(612) 693-6234
Mille Lacs	Court Administrator
	County Courthouse
	Milaca, MN 56353
	(612) 983-8318
Morrison	County Recorder
	County Courthouse
	231 SE 1st Ave.
	Little Falls, MN 56345
	(612) 632-2941, Ext. 105
Mower	County Recorder
	201 1st St. NE
	Austin, MN 55912
	(507) 836-6148
Murray	Local Registrar
	Vital Statistics

	Slayton, MN 56172-0057
	(507) 836-6148
Nicollet	County Recorder
	County Courthouse
	P.O. Box 493
	St. Peter, MN 56082
	(507) 931-6800, Ext. 237
Nobles	County Recorder
	County Courthouse
	P.O. Box 757
	Worthington, MN 56187
	(507) 372-8232
Norman	Court Administrator
	County Courthouse
	Ada, MN 56510
	(218) 784-7131
Olmstead	County Recorder
	515 2nd St. SW
	Rochester, MN 55902
	(507) 285-8195
Otter Trail	County Recorder
	P.O. Box 867
	Fergus Falls, MN 56538
	(218) 739-2271
Pennington	County Recorder

	P.O. Box 619
	Thief River Falls, MN 56701-0619
	(218) 681-2522
Pine	Court Administrator
	County Courthouse
	Pine City, MN 55063
	(612) 629-6781
Pipestone	Court Administrator
	County Courthouse
	Pipestone, MN 56164
	(507) 825-4550
Pope	County Treasurer
	County Courthouse
	Glenwood, MN 56334
	(612) 634-5301, Ext. 175
Ramsey	Court Administrator
	1215 Court House
	15 Kellogg Blvd.
	St. Paul, MN 55102
Red Lake	County Recorder
	124 N. Main St.
	Red Lake Falls, MN 56750-0003
	(218) 253-2997
Redwood	County Recorder
	P.O. Box 45

	Redwood Falls, MN 56283
	(507) 637-8330
Renville	County Recorder
	500 E. DePue
	Olivia, MN 56277
	(612) 523-1000
Rice	County Recorder
	218 NW 3rd St.
	Faribault, MN 55021
	(507) 334-2281
Rock	Court Administrator
	Box 245
	Luverne, MN 56156
	(507) 283-9501
Roseau	Court Administrator
	216 Center St., SW
	Roseau, MN 56751
	(218) 463-2541
St. Louis	Court Administrator
	100 N. 5th Ave. E., Room 320
	Duluth, MN 55802
	(218) 726-2438
St. Paul	Division of Public Health
	Vital Statistics

	555 Cedar St.
	St. Paul, MN 55101
	(612) 292-7728
Scott	County Recorder
	428 S. Holmes
	Shakopee, MN 55379
	(612) 496-8141
Sherburne	County Recorder
	P.O. Box 320
	Elk River, MN 55330
	(612) 241-2860, Ext. 38
Sibley	County Recorder
	County Courthouse
	400 Court St.
	Box 44
	Gaylord, MN 55334
	(612) 237-5526
Stearns	County Auditor
	705 Courthouse Square
	Room 125
	St. Cloud, MN 56303
	(612) 656-3925
Steele	Court Administrator
	County Courthouse
	P.O. Box 487

	Owatonna, MN 55060
	(507) 451-8040
Stevens	County Recorder
	County Courthouse
	P.O. Box 530
	Morris, MN 56267
	(612) 589-4422
Swift	County Treasurer
	P.O. Box 50
	Benson, MN 56215
	(612) 843-3544
Todd	County Recorder
	215 1st Ave. S
	Long Prairie, MN 56347
	(612) 732-4459
Traverse	Court Administrator
	Box 867
	(612) 563-4343
Wabasha	Court Administrator
	625 Jefferson Ave.
	Wabasha, MN 55981
	(612) 565-3579
Wadena	County Recorder
	P.O. Box 415
	Wadena, MN 56482

	(218) 631-2362
Waseca	Court Administrator
	307 N. State St.
	Waseca, MN 56093
	(507) 835-0540
Washington	Court Administrator
	Government Center
	14900 61st St. N
	Stillwater, MN 55082
	(612) 430-6260
Watonwan	Court Administrator
	P.O. Box 518
	St. James, MN 56081
	(507) 375-3341, Ext. 402
Wilkin	County Treasurer
	Breckenridge, MN 56520
	(218) 643-5112
Winona	Court Administrator
	County Courthouse
	171 W. 3rd St.
	Winona, MN 55987
	(507) 457-6395
Wright	Court Administrator
	10 NW 2nd St.
	Buffalo, MN 55113

	(612) 682-3900
Yellow Medicine	County Recorder
	415 9th Ave.
	Granite Falls, MN 56241
	(612) 564-2529

MISSISSIPPI

Divorce records are available from the Chancery Clerk in the county where the divorce was granted for $1.00. Marriage records are available from the Circuit Clerk in the county where the license was issued for $2.00.

MISSOURI

Divorce records are available from the Clerk of the Circuit in the county where the divorce was granted. The cost of copy is free. Marriage records are available from the Recorder of Deeds in the county where the license was issued. The cost of copy varies.

Birth and death records are available from the following cities and counties. The fee is $10.00.

LIST OF COUNTIES

Kansas City	Bureau of Vital Statistics
	414 East 12th St.
	Kansas City, MO 64106
	($5.00)
St. Louis (city)	Bureau of Vital Records
	Dept of Health
	PO Box 570
	Jefferson City MO 65102
	($10.00) "NO" except hardship cases. Make all requests directly to the Bureau.
St. Louis (county)	Bureau of Vital Records

Dept of Health,

PO Box 570

Jefferson City, MO 65102

Make all requests directly to the BVR. Short-form birth certificate will be issued when only the mother is shown on the birth record. St. Louis County will no longer allow RRB access to birth records of illegitimate children. Those records will only be certified to the mother or authorized relative with proof of identity. The registrar will search only the current year and last year's records, or one prior year's record.

MONTANA

Divorce records are available from the Clerk of the District Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the Clerk of the District Court in the county where the license was issued. The cost of copy varies.

Send birth/death record requests to the County Clerk and Recorder at the address shown below. Unless otherwise noted, the cost of copy is $5.00 for a birth record and $3.00 for a death record. Unless otherwise noted, the FO can certify, verify or obtain a free copy of the record.

LIST OF COUNTIES

Beverhead	County Courthouse
	Dillon, MT 59725
	(FREE, only to veterans.)
Big Horn	County Courthouse
	Drawer H
	Hardin, MT 59034
	Request must be in writing.
Blaine	County Courthouse
	Chinook, MT 59523
Broadwater	County Courthouse
	Townsend, MT 59644

	"NO"
Carbon	County Courthouse
	Box 887
	Red Lodge, MT 59068
	Need a signed release. - $.50 per page for first 5 pages and $.25 per page thereafter.
Carter	County Courthouse
	Box 315
	Ekalaka, MT 59324
	Request must be in writing. $2.00 certification fee plus: marriage - $2.50, divorce - $.50 per page for the first 5 pages and $.25 per page thereafter.
Cascade	County Courthouse
	Great Falls, MT 59401
	"NO"
Chouteau	County Courthouse
	Fort Benton, MT 59442
	"NO"
Custer	County Courthouse
	1010 Main
	Miles City, MT 59301
	No records available - requests must be made to the State BVS.
Daniels	County Courthouse
	Scobey, MT 59263
Dawson	County Courthouse

	207 W Bell
	Glendive, MT 59330
	No records available - requests must be made to the State BVS.
Deer Lodge	County Courthouse
	Anaconda, MT 59711
	(FREE)
Fallon	County Courthouse
	Box 1521
	Baker, MT 59313
	"No" $2.00 certification fee plus: marriage $2.50, divorce $.50 per page for the first 5 pages and $.25 per page thereafter.
Fergus	County Courthouse
	Box 1074
	Lewistown, MT 59457
	Request must be in writing.
Flathead	County Courthouse
	800 S Main
	Kalispell, MT 59901
	"NO" (FREE)
Gallatin	Clerk & Recorder of Gallatin County
	PO Bx 1905
	Bozeman, MT 59715
Garfield	County Courthouse
	Box 8

	Jordan, MT 59337
	(Marriage/divorce $2.00)
Glacier	County Courthouse
	Cut Bank, MT 59427
	(FREE)
Golden Valley	County Courthouse
	Box 10
	Ryegate, MT 59074
	"No" (Marriage/divorce $2.00)
Granite	County Courthouse
	Philipsburg, MT 59858
	(FREE)
Hill	County Courthouse
	Havre, MT 59501
	"NO"
Jefferson	County Courthouse
	Boulder, MT 59632
	"NO"
Judith Basin	County Courthouse
	Stanford, MT 59479
	Need a signed release and written explanation for request.
Lake	Clerk & Recorder
	Lake County Courthouse
	Polson, MT 59860

Lewis & Clark	County Courthouse Helena, MT 59601
Liberty	County Courthouse Chester, MT 59522 "NO"
Lincoln	County Courthouse 418 Mineral Ave. Libby, MT 59923 (FREE)
McCone	County Courthouse Bx 190 Circle, MT 59215 "NO" Request must be in writing with reason. Cost for marriage/divorce is $.50 per page for the first 5 pages and $.25 per page thereafter plus a $2.00 certification fee.
Madison	County Courthouse Virginia City, MT 59755
Meagher	County Courthouse White Sulpher Springs, MT 59645 "NO"
Mineral	Clerk & Recorder Mineral County Courthouse Superior, MT 59872 "NO"
Missoula	Clerk & Recorder

	Missoula County Courthouse
	Missoula, MT 59802
	"NO" by mail. "YES" in person.
Musselshell	County Courthouse
	Bx 686
	Roundup, MT 59072
Park	Clerk & Recorder of Park County
	PO Bx 1073
	Livingston, MT 59047
Petroleum	Country Courthouse
	Bx 226
	Winnett, MT 59087
	"NO" Requests must be made to the State BVS.
Phillips	County Courthouse
	Malta, MT 59353
	"NO"
Pondera	County Courthouse
	Conrad, MT 59425
	"NO" (FREE if not certified.)
Powder River	County Courthouse
	Box G
	Broadus, MT 59317

	"NO" ($2.00 to certify plus: Marriage $2.50, divorce $.50 per page for the first 5 pages and $.25 per page thereafter.)
Powell	County Courthouse
	Deer Lodge, MT 59722
Prairie	County Courthouse
	Bx 125
	Terry, MT 59349
	"YES" ($2.00 certification fee plus $.25 a page for marriage/divorce.)
Ravalli	Clerk & Recorder
	Ravalli County Courthouse
	Hamilton, MT 59840
Richland	County Courthouse
	201 W. Main
	Sidney, MT 59270
	"NO"
Roosevelt	County Courthouse
	Wolf Point, MT 59201
Rosebud	County Courthouse
	Box 47
	Forsyth, MT 59327
	"NO" Requests must be in writing.
Sanders	Clerk & Recorder
	Sanders County Courthouse
	Thompson Falls, MT 59873

Sheridan	County Courthouse Plentywood, MT 59254
Silverbow	County Courthouse Butte, MT 59701 (FREE)
Stillwater	County Courthouse Box 367 Columbus, MT 59019 "NO" Requests must be in writing. (For marriage/divorce, there is a $2.00 certification fee plus $.50 per page for the first 5 pages and $.25 per page thereafter.)
Sweet Grass	Clerk & Recorder of Sweet Grass County PO Bx 460 Big Timber, MT 59011
Teton	County Courthouse Choteau, MT 59422 Verify only.
Toole	County Courthouse Shelby, MT 59422
Treasure	County Courthouse Box 392 Hysham, MT 59038 "NO" (Marriage/divorce $2.00 certification fee and $.50 per page)
Valley	County Courthouse Glasgow, MT 59230

Wheatland	County Courthouse Box 1903 Harlowton, MT 59036 "NO"
Wibaux	County Courthouse Box 199 Wibaux, MT 59353
Yellowstone	County Courthouse 27th & 3rd Billings, MT 59107 "NO" FO can verify only. ($2.00 certification fee and $.50 per page for the first 5 pages, $.25 per page thereafter.)

NEBRASKA

Divorce records are available from the Clerk of the District Court where the divorce was granted. The cost of copy varies. Birth records ($8.00) and death records ($7.00) are available in Douglas County by writing Douglas County Bureau of Vital Statistics, Omaha/Douglas County Civic Center, 1700 Farnam Street, Omaha, NE 68102. The FO cannot certify or obtain free copy.

NEVADA

Divorce records are available from the County Clerk in the county where the divorce was granted. The cost of copy is $3.00 plus $1.00 per page. Marriage records are available from the County Recorder in the county where the license was issued. The cost of a copy is $7.00.

Birth and death record requests should be sent to the County Recorder at the addresses listed below for births prior to 7/1/11 and Clark County births. Birth records for 7/1/11 and later except for Clark County must be requested from the State BVS. The FO cannot certify, verify, or obtain a free copy.

LIST OF COUNTIES

Carson	Carson County Recorder 198 N. Carson St.

	Carson City, NV 89701
	(702) 887-226
	($5.00)
Churchill	County Courthouse
	Fallon, NV 89406
	County Recorder
	10 W. Williams Ave
	Fallon NV 89406
Divorce	Third Judicial District Court
	73 N. Main St
	Fallon NV 89406
	(702) 423-6080
Clark	
Birth/Death	Clark County Health District
	Vital Records
	625 Shadow Lane
	Las Vegas, NV 89127
	($7.00)
Marriage Certificate	County Recorder's Office
	3rd Floor
	300 S. 3rd St.
	Las Vegas, NV 89101
Divorce	County Clerk
	200 S. 3rd St, Third Floor
	Las Vegas, NV 89101

	(702) 455-3156
Douglas	County Recorder
	Box 218
	Minden NV 89423
Divorce	District Court Clerk
	Box 219
	Minden NV 89423
	(702) 782-9024
Elko	County Recorder
	Room 103
	571 Idaho St
	Elko NV 89801
	County Clerk
	Room 204
	571 Idaho St
	Elko NV 89801
	(702) 738-3044
Esmeralda	County Recorder
	Box 458
	Goldfield, NV 89013
	County Clerk
	Box 547
	Goldfield, NV 89013
	(702) 485-6337
Eureka County	County Recorder

	Box 556
	Eureka, NV 89316
	County Clerk
	Box 677
	Eureka NV 89316
	(702) 237-5262
Humbolt	County Recorder
	24 W. 4th St
	Winnemucca, NV 89445
	County Clerk
	50 W. 5th St
	Winnemucca NV 89445
	(702) 623-6343
	($5.00)
Lander	County Recorder or County Clerk
	315 S. Humboldt St
	Battle Mountain, NV 89820
	(702) 635-5173
	($5.00)
Lincoln	
Birth/death/marriage	County Recorder
	Box 218
	Pioche, NV 89043
Divorce	County Clerk
	Box 90

	Pioche, NV 89043
	(702) 962-5390
Lyon	County Recorder
	Box 927
	Yerington, NV 89447
	County Clerk
	Box 916
	Yerington NV 89447
	(702) 463-3341
Mineral	County Recorder
	Box 1447
	Hawthorne, NV 89415
	County Clerk
	Box 1450
	Hawthorne NV 89415
	(702) 945-2446
Nye	
Birth/death/marriage	County Recorder
	Box 1111
	Tonopah, NV 89049
Divorce	County Clerk
	Box 1031
	Tonopah, NV 89049
	(702) 482-8155
Pershing	County Recorder

	Box 736
	Lovelock, NV 89419
	County Clerk
	Box 820
	Lovelock, NV 89419
	(702) 273-2208
Storey	County Recorder
	Box 493
	Virginia City, NV 89440
	County Clerk
	P.O. Drawer D
	Viginia City NV 89440
	(702) 847-0969
Washoe	County Recorder
	County Clerk
	County Complex
	Box 11130
	Reno, NV 89520
Birth/death/marriage	Marriage Recorder's Office
	County Complex
	P.O. Box 11130
	Reno, NV 89510
	($5.00)
White Pine	County Recorder
	Box 68

Ely NV 89301

County Clerk

Box 659

Ely, NV 89301

(702) 289-2341

NEW HAMPSHIRE

Divorce records are available from the Clerk of the Superior Court that issued the decree. The cost of copy varies.

Birth, death, and marriage records are available from the City or Town Clerk where the event occurred for $10.00. Additional certified copies are $6.00.

NEW MEXICO

Marriage and divorce records are available in the county where the marriage was performed or the divorce was granted.

LIST OF COUNTIES

Bernalillo	County Clerk
	P.O. Box 542
	Albuquerque, NM 87103
Catron	County Clerk
	P.O. Box 197
	Reserve, NM 87830
Chaves	County Clerk
	P.O. Box 580
	Roswell, NM 88201
Cibola	County Clerk
	320 East High St.
	Grants, NM 87020

Colfax	County Clerk
	P.O. Box 159
	Raton, NM 87740
Curry	County Clerk
	P.O. Box 1168
	Clouis, NM 88101
Dona Ana	County Clerk
	Courthouse 103
	Las Cruces, NM 88005
DeBaca	County Clerk
	P.O. Box 347
	Fort Sumner, NM 88119
Eddy	County Clerk
	P.O. Box 850
	Carlsbad, NM 88221
Grants	County Clerk
	P.O. Box 898
	Solver City, NM 88061
Guadalupe	County Clerk
	Guadalupe Courthouse
	Santa Rosa, NM 88435
Harding	County Clerk
	P.O. Box 1002
	Mosquero, NM 87733
Hidalgo	County Clerk

	300 S. Shakespeare
	Lordsburg, NM 88045
Lea	County Clerk
	P.O. Box 1507
	Lovington, NM 88260
Lincoln	County Clerk
	P.O. Box 338
	Carrizozo, NM 88301
Los Alamos	County Clerk
	P.O. Box 30
	Los Alamos, NM 87544
Luna	County Clerk
	P.O. Box 1838
	Deming, NM 88031
McKinley	County Clerk
	P.O. Box 1268
	Gallup, NM 87301
Mora	County Clerk
	P.O. Box 360
	Mora, NM 87732
Otero	County Clerk
	P.O. Box 780
	Alamogordo, NM 88310
Quay	County Clerk
	P.O. Box 1225

	Tucumari, NM 88401
Rio Arriba	County Clerk
	P.O. Box 158
	Tierra Amarilla, NM 87575
Roosevelt	County Clerk
	Roosevelt Courthouse
	Portales, NM 88130
Sandoval	County Clerk
	P.O. Box 40
	Bernalillo, NM 87004
San Juan	County Clerk
	P.O. Box 550
	Aztec, NM 87410
San Miguel	County Clerk
	San Miguel Courthouse
	Las Vegas, NM 87701
Santa Fe	County Clerk
	P.O. Box 1985
	Santa Fe, NM 87501
Sierra	County Clerk
	300 Date St.
	Truth or Consequences, NM 87901
Socorro	County Clerk
	P.O. Box I
Socorro	County Clerk

	P.O. Box I
	Socorro, NM 87801
Taos	County Clerk
	P.O. Box 678
	Taos, NM 87571
Torrance	County Clerk
	P.O. Box 48
	Estancia, NM 87016
Union	County Clerk
	P.O. Box 430
	Clayton, NM 88415
Valencia	County Clerk
	P.O. Box 969
	Los Lunas, NM 87031

NEW YORK

Divorce records are available from the County Clerk in the county where the divorce was granted. The cost of a certified copy is $8.00. Birth and death records from New York City are available for $15.00 from the Bureau of Records and Statistics, Department of Health of New York City, 125 Worth Street, New York, NY 10013. The FO can verify or certify at no charge but cannot obtain a free copy. Marriage records are available from the place listed below for $15.00.

LIST OF COUNTIES

New York City Records prior to May 13, 1943, Residents-City Clerk's Office in borough of bride's residence; non-residents-City Clerk's Office in borough in which license was obtained. Records from May 13, 1943, to date: City Clerk's Office in borough in which license was issued.

Bronx Borough	Board of Health
	1826 Arthur Ave.

	Bronx, New York 10457
Brooklyn Borough	Municipal Building
	Brooklyn, New York 11201
Manhattan Borough	Municipal Building
	New York, New York 10007
Queens Borough	Office of City Clerk
	120-55 Queens Boulevard
	Borough Hall Station
	Jamaica, New York 11424
Richmond Borough	Borough Hall
	St. George
	Staten Island, New York 10301

NORTH CAROLINA

Divorce records are available from the Clerk of the Superior Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the Register of Deeds in the county where the marriage was performed. The cost of copy varies.

NORTH DAKOTA

Divorce records are available from the Clerk of the District Court servicing the county where the divorce was granted. Marriage records are available from the County Judge in the county where the license was issued.

OHIO

Divorce records are available from the Clerk of the Court of Common Pleas in the county where the divorce took place. The cost of a record varies.

Marriage records are available from the probate judge in the county where the license was issued. The cost of a record varies.

Send birth and death records requests to the Health Department at the address shown unless the records are prior to 1909, then send to the Probate Court. The cost of the record varies. Unless otherwise noted, FO can certify, verify or obtain a free copy.

LIST OF COUNTIES

Adams	
Birth/death	Board of Health
	116 W. Mulberry St.
	West Union, OH 45693
	($7.00) FO can only certify.
Marriage	Probate Court
	Courthouse, 2nd Floor
	West Union, OH 45693
	FO can only certify.
Divorce	Clerk of Courts
	Courthouse, 2nd Floor
	West Union, OH 45693
	FO can only certify.
Allen	County Health Department
	Lima, OH 45801
	($7.00)
Ashland	Ashland City-County Health Dept.
	110 Cottage St.
	Ashland, OH 44805
	($7.00)
Ashtabula	County Health Department
	Courthouse
	Jefferson, OH 44047
	($7.00)

City of Ashtabula	City Health Department Municipal Building 4400 Main Ave. Ashtabula, OH 44004 ($7.00)
City of Conneaut	Board of Health 864 Main St. Conneaut, OH 44030 ($7.00)
Athens	
Birth/death	Athens County Health Department 278 W. Union Athens, OH 45701
Marriage	Probate Court 2nd Floor Courthouse Athens, OH 45701 ($3.00)
Auglaize	County Health Department Wapakoneta, OH 45895
Belmont	St. Clairsville, OH 43950 ($3.00) Records for probate court only until 1982.
City of Bellaire	Birth 1982 on Bellaire Health Dept. Bellaire, OH 43906 ($7.00)

City of Martins Ferry	Birth 1982 on Martins Ferry Health Dept. Martins Ferry, OH 43935 ($7.00)
Brown	
Birth/death from 1909 on:	Brown County Health Dept. 204 D. East Cherry St. Georgetown, OH 45121 ($7.00)
Marriage	Brown County Probate Court Main St. (Courthouse) Georgetown, OH 45121 ($2.00)
Divorce	Brown County Clerk of Courts Main St. (Courthouse) Georgetown, OH 45121 ($1.00 plus $.25 per page)
Butler	
Birth/death	County Health Department County Courthouse, 1st Floor Hamilton, OH 45011
Marriage	County Courthouse 4th Floor Hamilton, OH 45011
Divorce	Probate Court

	County Courthouse
	Hamilton, OH 45011
City of Hamilton	Health Dept.
	High & Monument St.
	Hamilton, OH 45011
	($7.00)
City of Middletown	City Health Department
	1214 Central Ave.
	Middletown, OH 45042
	($7.00)
Carroll	
Birth/death	Board of Health
	24 2nd St. NE
	Carrollton, OH 44615
	(216) 627-4866
	($7.00)
Marriage	Probate Court
	Courthouse
	Carrollton, OH 44615
	(216) 627-2323
Divorce	Common Pleas Court
	Courthouse
	(216) 627-2450
	($1.00 plus $.25 per page)
Champaign	Courthouse

	200 N. Main St. Urbana, OH 43078
Clark	50 E. Columbia St. Springfield, OH 45502
Clermont Birth and death prior to 1950/marriage	Clermont County Probate Court Market & North Sts. Batavia, OH 45103 ($3.00) Birth/death from 1909 on: Clermont County Health Department 2400 Clermont Center Dr. Batavia, OH 45103 ($7.00)
Divorce	Clermont County Clerk of Courts 270 E. Main St. Batavia, OH 45103 ($1.00 for certification plus $.25 per page)
Clinton	Courthouse-Health Dept. Wilmington, OH 45177 ($7.00)
Columbiana	105 S. Market St. Lisbon, OH 44432
Coshocton	County Health Dept. Coshocton, OH 43812

	($7.00 certified, $1.00 uncertified)
City of Coshocton	City Health Dept.
	760 Chestnut St.
	Coshocton, OH 43812
	($7.00 certified, $1.00 uncertified)
Crawford	Crawford County Board of Health
	112 E. Mansfield
	Bucyrus, OH 44820
	($7.00)
City of Bucyrus	Bucyrus City Health Dept.
	500 S. Sandusky Ave.
	Bucyrus, OH 44820
	($8.00)
City of Galion	Galion Health Dept.
	113 Harding Way East
	Galion, OH 44833
	($7.00)
Cuyahoga	Birth/death prior to 1909:
	County Archives
	2905 Franklin Blvd.
	Cleveland, OH 44113
City of Cleveland/Cuyahoga County	
(other than the suburbs listed below)	
Birth/death from 1909 on:	Registrar

	Bureau of Vital Statistics
	City Hall, Room 122
	601 Lakeside
	Cleveland, OH 44114
	(216) 664-2317
	($10.00) SSA can certify or verify but cannot obtain free copy.
Marriage:	Probate Court
	1 Lakeside Ave, Room 146
	Cleveland, OH 44113
	($1.00)
Divorce:	Clerk of Courts Office
	1200 Ontario St.
	Cleveland, OH 44113
	Attn: Certified Copy
	($1.00)

Additional information: some suburbs in Cuyahoga County keep their own birth and death records. The following is a list of suburbs which have a hospital (presumably the birth occurred in a hospital). These cities keep their own records of birth and death. These records are not available at any other board of health in the county.

Cleveland(DTN)	Bedford
Cleveland(WEST)	Berea
Cleveland(EAST)	Cleveland Heights
Cleveland(EAST)	Euclid
Cleveland(DTN)	Garfield Heights
Cleveland(WEST)	Lakewood

Cleveland(DTN)	Maple Heights
Cleveland(WEST)	Parma
Cleveland(WEST)	Parma Heights
Cleveland(WEST)	Rocky River
Cleveland(EAST)	Shaker Heights
Cleveland(EAST)	South Euclid
Cleveland(EAST)	University Heights
Darke	
Birth/death	County Health Dept. 300 Garst Ave. Greenville, OH 45331 ($7.00)
Marriage/divorce	Courthouse 540 S. Broadway Greenville, OH 45331
Defiance	Defiance County Health Dept. 197 C. Island Park Ave. Defiance, OH 43512 ($7.00)
Delaware	
Birth/death	Health Department 115 N. Sandusky Delaware, OH 43015
Marriage	Probate Court Delaware County Courthouse

	Delaware, OH 43015
Divorce	Common Pleas
	Delaware County Courthouse
	Delaware, OH 43015
Erie	Erie County Health Dept
	420 Superior St.
	Sandusky, OH 44870
Fairfield	
Birth/death	Lancaster City Health Dept.
	117 W. Wheeling St.
	Lancaster, OH 43130
Marriage/divorce	Probate & Common Pleas
	Hall of Justice
	224 E. Main St.
	Lancaster, OH 43130
Fayette	Board of Health
	317 S. Fayette
	Washington Courthouse, OH 43160
	($7.00)
Franklin	Franklin County Courthouse
	373 S. High St.
	4th Floor (for divorce)
	or 23rd floor (for marriage)
	Columbus, OH 43215

	Records prior to 1909 only. (Birth/death free; marriage $3.00; divorce varies.)
City of Columbus	(Covers all of Franklin County)
	Dept of Health
	181 Washington Blvd.
	Columbus, OH 43215
	"NO" (Birth $7.00 if 1909 or later)
Fulton	Fulton County Health Dept.
	724 S. Shoop
	Wauseon, OH 43567
	($7.00)
Gallia	Gallia County Health Dept
	Courthouse
	Locust St.
	Gallipolis, OH 45631
	($7.00) "NO"
Geauga	County Health Department
	Courthouse Annex
	Chardon, OH 44024
	($7.00)
Greene	45 N. Detroit St.
	Xenia, OH 45385
Guernsey	
Birth/death	City-County Health Dept
	326 Highland Ave.

	Cambridge, OH 43725
Marriage/divorce	Probate and Common Pleas
	Guernsey County Courthouse
	Cambridge, OH 43725
Hamilton	County Health Dept.
	County Admin. Bldg.
	138 E. Court St., Rm. 707
	Cincinnati, OH 45202
	($7.00)
City of Cincinnati	City Health Dept.
	Bureau of Vital Records
	1525 Elm St.
	Cincinnati, OH 45210
	($7.00)
Hancock	Hancock County Health Dept.
	222 Broadway, Rm. 14
	Findlay, OH 45840
	($7.00)
City of Findlay	Findlay City Health Dept.
	115 Municipal Bldg.
	Findlay, OH 45840
	($7.00)
Hardin	County Health Dept.
	Kenton, OH 43326
	($7.00)

Harrison	Cadiz, OH 43907
Henry	Henry County Health Dept.
	104 E. Washington, Suite 302
	Napoleon, OH 43545
	($7.00)
Highland	Board of Health
	135 N. High St.
	Hillsboro, OH 45133
	($7.00)
Hocking	
Birth/death	Hocking County Health Dept.
	605 Star Route 664 N.
	Logan, OH 43138
Marriage/divorce	Probate & Common Pleas
	Hocking County Courthouse
	1 E. Main St.
	Logan, OH 43138
Holmes	
Birth/death	Health Department
	2 Hospital Dr.
	Millersburg, OH 44654
	(216) 674-5035
	($7.00)
Marriage	Probate Court

	E. Jackson St.
	Millersburg, OH 44654
	(216) 674-5881
	($2.00)
Divorce	Clerk of Common Pleas Court
	E. Jackson St.
	Millersburg, OH 44654
	(216) 674-1876
	($1.00 plus $1.00 per page)
Huron	Huron County Health Department
	180 Milan Ave.
	Norwalk, OH 44857
City of Bellevue	Health Department
	423 W. Main St.
	Bellevue, OH 44811
Jackson	Jackson County Health Department
	226 E. Main St.
	Jackson, OH 45640 ($7.00)
	"NO"
Jefferson	County Health Department
	814 Adams St.
	Steubenville, OH 43952
	($7.00)
City of Steubenville	City Health Department
	312 Market St.

	Steubenville, OH 43952
City of Toronto	City Health Department
	309 N. 5th St.
	Toronto, OH 43964
	($7.00)
Knox	Knox County Health Department
	117 E. High St.
	Mt. Vernon, OH 43050
	($7.00)
Lake	County Health Department
	Vital Statistics
	Lake County Administration Bldg.
	Painesville, OH 44077
	($7.00)
Lawrence	Lawrence County Courthouse
	Ironton, OH 45638
	($7.00)
Licking	Licking County Health Department
	675 Price Rd.
	Newark, OH 43055
	($7.00)
City of Newark	Newark City Health Dept.
	40 W. Main St.
	Newark, OH 43055
Logan	Courthouse

	Bellefontaine, OH 43311
Lorain	Birth/death (Except for cities of Elyria and Logan): Lorain County Administration Bldg. 9880 S. Murray Ridge Rd. Elyria, OH 44035 ($7.00)
City of Elyria	Elyria City Health Department 202 Chestnut St. Elyria, OH 44035
City of Lorain	Lorain City Health Department 205 W. 14 St. Lorain, OH 44052 ($7.00)
Lucas	County Probate Court Adams and Erie Toledo, OH 43624 ($2.00) FO can certify or verify but cannot obtain free copy. No personal checks accepted.
City of Toledo	Toledo Health Dept. Bureau of Vital Statistics 635 N. Erie Toledo, OH 43624 ($7.29) FO can certify or verify but cannot obtain free copy. No personal checks accepted.
Madison	Courthouse

	London, OH 43140
Mahoning	Marriage License Dept.
	120 Market St.
	Youngtown, OH 44503
	(Birth $1.00)
Marion	
Birth/death	Health Department
	City Hall
	233 W. Center St.
	Marion, OH 43302
Marriage	Probate Court
	Marion County Courthouse
	Marion, OH 43302
Divorce	Common Pleas
	Marion County Courthouse
	Marion, OH 43302
Medina	93 Public Sq.
	Medina, OH 44256
Meigs	
Birth/death	Meigs County Health Department
	P.O. Box 631
	Pomeroy, OH 45769
	($7.00)
Marriage	Probate Court
	Meigs County Courthouse

	Pomeroy, OH 45769
	($3.00)
Mercer	County Health Department
	Celina, OH 45822
	($7.00)
Miami	
Birth/death	County Health Department
	3232 N. County Road 25A
	Troy, OH 45373
	($7.00)
Marriage/divorce	Safety Building
	201 W. Main St.
	Troy, OH 45373
City of Piqua	Health Department
	219 W. Water St.
	Troy, OH 45356
Monroe	
Birth/death	Health Department
	47029 Moore Ridge Rd.
	Woodsfield, OH 43793
	($7.00)
Marriage	Probate Court
	Courthouse
	Woodsfield, OH 43793
	($5.00)

Divorce	Court of Common Pleas
	Courthouse
	Woodsfield, OH 43793
	($1.00 per page)
Montgomery	Montgomery County Courts Building
	41 N Perry St.
	Dayton, OH 45402
City of Dayton/Montgomery County	Division of Health
	Bureau of Vital Statistics
	103 W. Third St.
	Dayton, OH 45402
Morgan	Health Dept.
	4275 N. S.R. 376 N.W.
	McConnellsville, OH 43756
	($7.00 certified, $1.00 uncertified)
Morrow	
Birth/death	Health Department
	Morrow County Courthouse
	Mt. Gilead, OH 43338
Marriage	Probate Court
	Morrow County Courthouse
	Mt. Gilead, OH 43338
Divorce	Common Pleas

	Morrow County Courthouse
	Mt. Gilead, OH 43338
Muskingum	City-County Health Dept.
	205 N. 7th St.
	Zanesville, OH 43701
	($7.00 certified, $1.00 uncertified)
Noble	
Birth/death	Health Department
	RD 4
	Caldwell, OH 43724
Marriage/divorce	Probate & Common Pleas
	Noble County Courthouse
	Caldwell, OH 43724
Ottawa	Ottawa County Health Dept.
	Bureau of Vital Statistics
	315 Madison St.
	Port Clinton, OH 43452
	($7.00) FO can certify or verify but cannot obtain free copy. No personal checks accepted.
Paulding	Paulding County Health Department
	101 E. Perry
	Paulding, OH 45879 ($7.00)
Perry	Health Dept.
	121 W. Brown St.
	New Lexington, OH 43764

	($7.00 certified, $1.00 uncertified)
Pickaway	Board of Health
	110 Island Road
	Circleville, OH 43113
	($7.00)
Pike	Board of Health
	229 Valleyview Dr.
	Waverly, OH 45690
Portage	203 West Main St.
	Ravenna, OH 44266
Preble	
Birth/death	Preble County Board of Health
	119 S. Barron St.
	Eaton, OH 45320
Marriage/divorce	Preble County Courthouse
	Eaton, OH 45320
Putnam	County Health Department
	Ottawa, OH 45875
	($7.00)
Richland	Richland County Health Dept.
	555 Lexington Avenue.
	Mansfield, OH 44907
	($7.00) For all births in Richland Co. (and those occurring in the city of Shelby through 1967).
City of Shelby	Director of Finance

	23 W. Main St.
	Shelby, OH 44875
	($7.00) For births in Shelby in 1968 or later.
Ross	Board of Health
	425 Chestnut St.
	Chillicothe, OH 45601
	($7.00)
Sandusky	Sandusky County Health Department
	2000 Countryside Dr.
	Fremont, OH 43420
	($7.00)
Scioto	
Birth/death	Scioto County Health Department
	Scioto County Courthouse, 3rd Floor
	Portsmouth, OH 45662
	($7.00) FO can certify.
Marriage	Probate Court
	Courthouse, 2nd Floor
	Portsmouth, OH 45662
	FO can certify
Divorce	Clerk of Courts Office
	Courthouse, 2nd Floor
	Portsmouth, OH 45662
	FO can certify

City of Portsmouth

Birth/death	Portsmouth Health Department
	740 2nd St.
	Portsmouth, OH 45662
	($7.00)
	FO can certify.
Seneca	Seneca County General Health District
	3100 South St. Rt.100
	Tiffin, OH 44883
	($7.00)
Shelby	
Birth/death	County Health Department
	Shelby County Courthouse
	Sidney, OH 45365
	($7.00)
Marriage/divorce	Courthouse
	Sidney, OH 45365
Stark	
Births (from 1867-1908 only)	County Probate Court
	Canton, OH 44702
Births (after 1908, outside Canton)	County Health Department
	3951 Convenience Circle NW
	Canton, OH 44718
City of Canton	City Health Department

	428 Market Ave. North
	Canton, OH 44702
Summit	
Birth/death	(County of Summit)
	Health Department
	1100 Graham Circle
	Cuyahoga Falls, OH 44224
	($7.00)
Marriage	Summit County Probate Court
	Attn: Marriage Records
	209 S. High St.
	Akron, OH 44308
	($7.00)
Divorce	Summit County Clerk of Courts
	Attn: Domestic Relations Division
	209 S. High St.
	Akron, OH 44308
	(Send request and they will provide copy with bill.)
City of Akron	
Birth/death	Health Department
	Morley Health Center
	177 S. Broadway St.
	Akron, OH 44308
	($7.00)
City of Barberton	

Birth/death	Health Department 571 W. Tuscawaras Ave. Barberton, OH 44203 ($7.00)
Trumbull	Warren Health Dept. 518 S. Main St. Warren, OH 44481 ($7.00) All areas of county except city of Girard.
City of Girard	Girard Health Dept. 100 W. Main St. Girard, OH 44420

Tuscarawas

Birth/death	(Outside city of New Philadelphia): Tuscarawas County Health Department 897 E. Iron Ave. Dover, OH 44622 (216) 343-5555 ($7.00)
Marriage/divorce	Tuscarawas County Probate Court Courthouse New Philadelphia, OH 44663 (216) 364-8811 ($7.00)

City of New Philadelphia	(Inside city of New Philadelphia)
Birth/death	New Philadelphia City Health Department
	166 E. High St.
	New Philadelphia, OH 44663
	(216) 364-4491
	($3.00) "NO"
Union	
Birth/death	Health Department
	621 S. Plum St.
	Marysville, OH 43040
Marriage	Probate Court
	Union County Courthouse
	Marysville, OH 43040
Divorce	Common Pleas
	Union County Courthouse
	Marysville, OH 43040
Van Wert	County Health Department
	Medical Arts Bldg.
	140 Fox Rd.
	Van Wert, OH 45891
	($7.00)
Vinton	Board of Health
	S.R. 93 N.
	McArthur, OH 45651
Warren	Health Dept.

	416 S. East St. Lebanon, OH 45036 ($7.00)
Washington Birth/Death	(Outside city of Marietta) Health Department 342 Muskingum Dr. Marietta, OH 45750 ($7.00)
Marriage	Probate Court Courthouse Annex Marietta, OH 45750 ($5.00)
Divorce	Court of Common Pleas Courthouse Marietta, OH 45750 ($1.00 plus $.25 per page)
City of Marietta	Health Department 304 Putnam St. Marietta, OH 45750 ($7.00)
Wayne	107 W. Liberty St. P.O. Box 116 Wooster, OH 44691
Williams	Williams County Health Department

	310 Lincoln Ave.
	Montpelier, OH 43543
	($7.00)
City of Bryan	Bryan City Clerk's Office
	Bryan, OH 43506
	($7.00)
Wood	Probate Division of Common Pleas Court
	Bowling Green, OH 43402
Wyandot	Wyandot County Health Dept.
	127 S. Sandusky Ave.
	Upper Sandusky, OH 43351
	($7.00)

OREGON

The following counties do not maintain records of birth: Baker, Benton, Clackamas, Clatsop, Crook, Deschutes, Douglas, Grant, Jefferson, Klamath, Lake, Lane, Lincoln, Linn, Marion, Morrow, Polk, Tillamook, Umatilla, Union, Wallowa, Washington, and Yamhill.

Divorce records are available from the county clerk in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the counties listed below.

LIST OF COUNTIES

Baker	Courthouse
	Third and Court
	Baker, OR 97814
Benton	Courthouse
	Corvallis, OR 97330
Clackamas	Clerk of the Court

	Oregon City, OR 97045
Clatsop	County Clerk
	County Courthouse
	Astoria, OR 97103
Coos	County Clerk
	Coos County
	Courthouse
	Coquille, OR 97423
Crook	County Clerk
	County Courthouse
	Prineville, OR 97754
Curry	County Clerk
	Curry County
	Courthouse
	Gold Beach, OR 97444
Deschutes	County Clerk
	1164 N.W. Bond
	Bend, OR 97701
Douglas	Clerk and Recorder's Office
	Roseburg, OR 97470
Gilliam	County Clerk's Office
	County Courthouse
	Condon, OR 97823
Grant	County Courthouse
	Canyon City, OR 97820

Harney	Harney County Courthouse Burns, OR 97720
Hood River	Dept. of Records and Elections County Courthouse Hood River, OR 97031
Jackson	County Courthouse Medford, OR 97501
Jefferson	County Clerk County Courthouse 657 C Street Madras, OR 97741
Josephine	County Courthouse Grants Pass, OR 97526
Klamath	County Courthouse Klamath Falls, OR 97601
Lake	County Courthouse Lakeview, OR 97630
Lane	County Courthouse Eugene, OR 97401
Lincoln	County Courthouse S.W. Olive Street P.O. Box 947 Newport, OR 97365
Linn	County Courthouse

	P.O. Box 100
	Albany, OR 97321
Malheur	Clerk of the Court
	Malheur County
	Vale, OR 97918
Marion	County Courthouse
	Salem, OR 97321
Morrow	County Courthouse
	Heppner, OR 97836
Multnomah	Oregon State Health Division
	Vital Statistics Section
	P.O. Box 116
	Portland, OR 97207
Polk	County Courthouse
	850 Main Street
	Dallas, OR 97338
Sherman	County Clerk's Office
	County Courthouse
	Moro, OR 97039
Tillamook	County Clerk
	County Courthouse
	Tillamook, OR 97141
Umatilla	County Courthouse
	216 SE 4th St.
	Pendleton, OR 97801

Union	County Courthouse
	La Grande, OR 97850
Wallowa	County Courthouse
	Enterprise, OR 97828
Wasco	County Clerk's Office
	County Courthouse
	The Dalles, OR 97058
Washington	County Clerk's Office
	Administration Building
	150 N. First Avenue
	Hillsboro, OR 97123
Wheeler	County Clerk's Office
	County Courthouse
	Fossil, OR 97830
Yamhill	County Courthouse
	5th and Evans
	McMinnville, OR 97128

PENNSYLVANIA

Birth ($4.00) and death ($3.00) records are available from the cities listed below. The FO can certify or verify but cannot obtain a free copy. For death records from Philadelphia, write to the State office.

LIST OF COUNTIES

Pittsburgh	Division of Vital Statistics
	Room 512
	State Office Bldg.

	Pittsburgh, PA 15222
Scranton	Division of Vital Statistics
	100 Lackawanna Ave.
	Scranton, PA 18503

PUERTO RICO

Birth records before July 22, 1931, are available from the Office of the Demographic Registry (Oficina Registro Demografico) at the address shown below for $2.00. The FO can verify, certify, or obtain a free copy. Show the claimant's maternal and paternal names (e.g., Gonzalez-Gomez) on all requests for birth records.

LIST OF COUNTIES

Adjuntas	Adjuntas, PR 00601
Aguada	Box 671
	Aguada, PR 00602
Aguadilla	Hospital de Distrito
	Aguadilla, PR 00603
Aguas Buenas	Aguas Buenas, PR 00607
Aibonito	Centro de Salud
	Aibonito, PR 00609
Anasco	Public Health Center
	Anasco, PR 00610
Arecibo	Unidad Salud Publica Box 81
	Arecibo, PR 00612
Arroyo	Arroyo, PR 00615
Barceloneta	Unidad Salud Publica
	Munoz Rivera St.
	Barceloneta, PR 00617

Barranquitas	Barcelo St.
	Barranquitas, PR 00618
Bayamon	Rossy and Marti St.
	Bayamon, PR 00619
Cabo Rojo	Public Health Center
	Cabo Rojo, PR 00623
Caguas	Caguas, PR 00625
Camuy	Centro de Salud
	Camuy, PR 00627
Carolina	Carolina, PR 00630
Catano	Dr Veve St.
	Catano, PR 00632
Cayey	Cayey, PR 00633
Ceiba	Ceiba, PR 00635
Ciales	General Delivery
	Ciales, PR 00638
Cidra	Cidra, PR 00639
Coamo	Centro de Salud
	Aibonito, PR 00609
Comerio	Georgetti St.
	Comerio, PR 00642
Corozal	Nueva St.
	Corozal, PR 00643
Culebras	Culebras, PR 00645
Dorado	Mendez Vigo St.

	Dorado, PR 00646
Fajardo	Fajardo, PR 00648
Guanica	Centro de Salud
	Guanica, PR 00653
Guayama	42 Ashford St.
	Guayama, PR 00654
Guayanilla	Centro de Salad
	Guayanilla, PR 00656
Guaynabo	Guaynabo, PR 00657
Gurabo	Gurabo, PR 00658
Hatillo	Centro de Salud
	Hatillo, PR 00659
Hormigueros	Public Health Center
	Hormigueros, PR 00660
Humacao	Humacao, PR 00661
Isabela	Box 530
	Isabela, PR 00662
Jayuya	Centro de Salud
	Box 92
	Jayuya, PR 00664
Juana Diaz	Centro de Salud
	Juana Diaz, PR 00665
	Juncos Juncos, PR 00666
Lajas	Public Health Center
	Lajas, PR 00667

Lares	Edificio
	Unidad Salud Publica
	Lares, PR 00669
Las Marias	Public Health Center
	Las Marias, PR 00670
Las Piedras	Las Piedras, PR 00671
Loiza	Loiza, PR 00672
Luquillo	Luquillo, PR 00673
Manati	Unidad Salud Publica
	Manati, PR 00701
Maricao	Public Health Center
	Maricao, PR 00706
Maunabo	Maunabo, PR 00707
Mayaguez	Public Health Center
	Mayaguez, PR 00708
Moca	Box 38
	Moca, PR 00716
Morovis	Unidad Salud Publica
	Morovis, PR 00707
Naguabo	Naguabo, PR 00718
Naranjito	Georgetti St.
	Naranjito, PR 00719
Orocovis	Unidad y Centro de Salud
	Orocovis, PR 00720
Patillas	Patillas, PR 00723 Penuelas

	Centro de Salud
	Penuelas, PR 00724
Ponce	Ponce, PR 00731
Quebradillas	Unidad y Centro de Salud
	Uebradillas, PR 00742
Rincon	Centro de Salud
	Rincon, PR 00743
Rio Grande	Rio Grande, PR 00745
Sabana Grande	Public Health Center
	Sabana Grande, PR 00747
Salinas	Salinas, PR 00751
San German	Public Health Center
	San German, PR 00753
San Juan	San Juan, PR 00900
San Lorenzo	San Lorenzo, PR 00754
San Sebastian	Centro de Salud
	San Sebastian, PR 00755
Santa Isabel	Municipal Hospital
	Santa Isabel, PR 00757
Toa Alta	Health Center
	Toa Alta, PR 00758
Toa Baja	Health Center
	Toa Baja, PR 00759
Trujillo Alto	Trujillo Alto, PR 00760
Utuado	Centro de Salud

	Utuado, PR 00761
Vega Alta	Road No. 2 and Laureano Vega St.
	Vega Alta, PR 00762
Vega Baja	Centro de Salud
	Vega Baja, PR 00763
Vieques	Vieques, PR 00765
Villalba	Centro de Salud
	Villalba, PR 00766
Yabucoa	Yabucoa, PR 00767
Yauco	Parroquia Nuestra Senora del Rosario
	Yauco, PR 00768

RHODE ISLAND

Divorce records are available from the Clerk of the Family Court where the divorce was granted. The cost of copy varies. Marriage, birth and death records are available from the Town Clerk in the town or City Clerk in the city where the event took place for $10.00.

SOUTH CAROLINA

Divorce records since April 1949 are available from the Clerk of the county where the petition was filed. The cost of copy varies. Marriage records since July 1911 are available from the Probate Judge in the county where the license was issued. Cost varies.

Birth and death records are available from the two following cities. FOs can verify, certify and obtain free copies.

LIST OF CITIES

Charleston	Charleston County Health Department
	ATTN: Vital Records
	334 Calhoun St.
	Charleston, SC 29401

($8.00)

Florence — Florence County Health Department

1705 W. Evans St.

Florence, SC 29501

($6.00)

SOUTH DAKOTA

Divorce records are available from the Clerk of the Court in the county where the divorce was granted. The cost is $5.00. Obtain marriage records from the Treasurer's Office of the county where the marriage certificate was purchased. The cost is $5.00. All counties are "YES" unless otherwise noted.

Veterans can obtain a certified copy of a birth/death record from a county office at no charge if the document is needed for an RRB claim. Request all records for illegitimate children from the State BVS.

LIST OF COUNTIES

Aurora — County Courthouse

Plankinton, SD 57368

Beadle — County Courthouse

Huron, SD 57350

Bennett — County Courthouse

Martin, SD 57551

BonHomme — BonHomme County Registrar of Deeds

300 W Cherry

Tyndall, SD 57066

1905 to present available

Brookings — Brookings Registrar of Deeds

Courthouse

Brookings, SD 57006

	1905 to present available
Brown	Brown County Registrar of Deeds
	P.O. Box 1307
	Aberdeen, SD 57401
	1905 to present available
Brule	County Courthouse
	Chamberlain, SD 57325
Buffalo	County Courthouse
	Gann Valley, SD 57341
Butte	County Courthouse
	Belle Fourche, SD 57717
Campbell	Register of Deeds
	P.O. Box 148
	Mound City, SD 57646
	1905 to present available
Charles Mix	County Courthouse
	Lake Andes, SD 57356
Clark	Register of Deeds
	County Courthouse
	Clark, SD 57225
Clay	Clay County Register of Deeds
	Courthouse
	Vermillion, SD 57069
Codington	Register of Deeds
	County Courthouse

	Watertown, SD 57201
Corson	Register of Deeds
	P.O. Box 256
	McIntosh, SD 57640
	1909 to present available
Davison	County Courthouse
	Mitchell, SD 57301
Day	Register of Deeds
	710 W. Day County Courthouse
	Webster, SD 57274
	1910 to present available
Deuel	Register of Deeds
	County Courthouse
	Clear Lake, SD 57226
Dewey	Register of Deeds
	P.O. Box 117
	Timber Lake, SD 57656
	1910 to present available
Douglas	County Courthouse
	Armour, SD 57313
Edmunds	Register of Deeds
	P.O. Box 386
	Ipswich, SD 57451
	1905 to present available
Faulk	Register of Deeds

	Faulk County
	Courthouse Faulkton, SD 57438
Grant	Register of Deeds
	County Courthouse
	Milbank, SD 57252
Gregory	County Courthouse
	Burke, SD 57523
Hamlin	Register of Deeds
	County Courthouse
	Hayti, SD 57241
Hand	County Courthouse
	Miller, SD 57362
Hanson	County Courthouse
	Alexandria, SD 57311
Hughes	County Courthouse
	Pierre, SD 57501
Hutchinson	Hutchinson County Register of Deeds
	140 E Euclid
	Box 37
	Olivet, SD 57052
Hyde	County Courthouse
	High More, SD 57345
Jackson	County Courthouse
	Kadoka, SD 57543
Jerauld	County Courthouse

	Wessignton Springs, SD 57382
Jones	County Courthouse
	Murdo, SD 57559
Kingsbury	County Courthouse
	DeSmet, SD 57231
Lake	Lake County Register of Deeds
	Courthouse
	P. O. Box 266
	Madison, SD 57042
Lawrence	County Courthouse
	Deadwood, SD 57732
	"NO"
Lincoln	Lincoln County Register of Deeds
	Courthouse
	100 E 5 St
	Canton, SD 57013
Lyman	County Courthouse
	Kennebec, SD 57544
Marshall	Register of Deeds
	All Vander Horck
	Britton, SD 57430
	1910 to present available
McCook	McCook County Register of Deeds
	130 Wessex P. O. Box 338
	Salem, SD 57058

McPherson	Register of Deeds P.O. Box 129 Leola, SD 57456 1884 to present available
Meade	County Courthouse Sturgis, SD 57785 "NO"
Mellette	County Courthouse White River, SD 57579
Miner	County Courthouse Howard, SD 57349
Minnehaha	Minnehaha County Register of Deeds Courthouse Sioux Falls, SD 57102
Moody	Moody County Register of Deeds Court House Flandreau, SD 57028
Pennington	County Courthouse Rapid City, SD 57701 "NO"
Perkins	County Courthouse Box 127 Bison, SD 57620 "NO"

Potter	Register of Deeds 207 S. Exene Gettysburg, SD 57442 1905 to present available
Roberts	Register of Deeds 411 2nd Ave. E. Roberts County Courthouse Sisseton, SD 57262 1900 to present available
Rock	Rock County Clerk of Court Courthouse Luverne, MN 56156 (FREE)
Sanborn	County Courthouse Woon Socket, SD 57385
Spink	Register of Deeds P.O. Box 266 Redfield, SD 57469 1905 to present available
Stanley	County Courthouse Ft Pierre, SD 57532
Sully	County Courthouse Onida, SD 57564
Todd	County Courthouse Winner, SD 57580

Tripp	County Courthouse
	Winner, SD 57580
Turner	Turner County Register of Deeds
	Courthouse
	P. O. Box 485
	Parker, SD 57053-0485
Walworth	Register of Deeds
	P.O. Box 159
	Selby, SD 57472
	1905 to present available
Washabaugh	County Courthouse
	Kadoka, SD 57543
Yankton	Yankton County Register of Deeds
	3 and Broadway
	Yankton, SD 57078
Ziebach	Register of Deeds
	P.O. Box 68
	Dupree, SD 57623
	1911 to present available

TENNESSEE

Divorce records are available from the Clerk of the Court where the divorce was granted. The cost of copy varies. Marriage records are available from the County Clerk in the county where the license was issued for $0.50.

TEXAS

Send birth record requests to the County Clerk (unless otherwise indicated) at the address shown below. Unless otherwise noted, the cost of copy is $7.50. The FO can certify, verify or obtain a free copy except in Dallas County or the City of Dallas.

LIST OF COUNTIES

Anderson	Box 547
	Palestine, TX 75801
Andrews	Courthouse
	P.O. Box 727
	Andrews, TX 79714
Angelina	Courthouse
	P.O. Box 908
	Lufkin, TX 75901
Aransas	Courthouse
	301 N. Live Oak
	Rockport, TX 78382
Archer	Archer City, TX 76351
Armstrong	Box 309
	Claude, TX 79019
Atascosa	Room 6-1
	Circle Drive
	Jourdanton, TX 78026
Austin	Box 87
	Bellville, TX 77418
Bailey	Box 735
	Muleshoe, TX 79347
Bandera	Bandera, TX 78003

Bastrop	P.O. Box 577
	Bastrop, TX 78602
Baylor	Courthouse
	Seymour, TX 76380
Bee	Box 339
	Beeville, TX 78104
Bell	Courthouse
	Belton, TX 76513
City of Belton	City Secretary
	Belton, TX 76513
	Records begin 6/1/51.
City of Killeen	City Tax Office
	Killeen, TX 76541
	Records begin 6/1/51.
City of Temple	City Secretary
	Temple, TX 76501
Bexar	Courthouse
	San Antonio, TX 78204
City of San Antonio	Metropolitan Health
	District Statistical Service
	332 W. Commerce
	San Antonio, TX 78285
Blanco	P.O. Box 65
	Johnson City, TX 78636
Borden	Box 124

	Gail, TX 79738
Bosque	Box 617
	Meridan, TX 76665
Bowie	Boston, TX 75557
Brazoria	Courthouse
	111 E. Locust
	Angleton, TX 77515
Brazos	300 E. 26th St.
	Suite 120
	Bryan, TX 77803
Brewster	Box 119
	Alpine, TX 79831
Briscoe	Box 375
	Silverton, TX 79257
Brooks	P.O. Box 427
	Falfurrias, TX 78355
	($3.00)
Brown	Brownwood, TX 76801
Burleson	P.O. Box 57
	Caldwell, TX 77836
Burnet	220 S. Pierce
	Burnet, TX 78611
Caldwell	Box 906
	Lockhart, TX 78644
Calhoun	Courthouse

	211 S. Ann
	Port Lavaca, TX 77979
Callahan	Baird, TX 79504
Cameron	Cameron Vital Statistics
	P.O. Box 2178
	Brownsville, TX 78520
City of Brownsville	Bureau of Vital Statistics
	P.O. Box 911
	Brownsville, TX 78520
City of Harlingen	City of Harlingen
	118 E. Tyler
	Harlingen, TX 78550
City of San Benito	City of San Benito
	P.O. Drawer 1870
	San Benito, TX 78586
Camp	Courthouse
	Pittsburg, TX 75686
Carson	Courthouse
	Panhandle, TX 79068
Cass	Linden, TX 75563
Castro	Courthouse
	Dimmitt, TX 79027
Chambers	Drawer 728
	Anahuac, TX 77514
Cherokee	Courthouse

	Rusk, TX 75785
Childress	Courthouse
	Box 4
	Childress, TX 79201
Clay	Henrietta, TX 76365
Cochran	Courthouse
	Morton, TX 79346
Coke	P.O. Box 150
	Robert Lee, TX 76945
Coleman	Coleman, TX 76834
Collin	Suite 124
	210 S. McDonald St.
	McKinney, TX 75069
Collingsworth	Wellington, TX 79095
Colorado	Courthouse
	Columbus, TX 78934
Comal	100 Main Plaza, Rm 104
	New Braunfels, TX 78130-5144
City of New Braunfels	City Secretary
	P.O. Box 311747
	New Braunfels, TX 78130
Comanche	Comanche, TX 76442
Concho	P.O. Box 98
	Paint Rock, TX 76866
Cooke	Courthouse

	Gainsville, TX 76240
Coryell	Box 237
	Gatesville, TX 76528
Cottle	P.O. Box 717
	Paducah, TX 79248
Crane	Box 578
	Crane, TX 79731
	Records begin 1927.
Crockett	Drawer C
	Ozona, TX 76943
Crosby	Courthouse
	Crosbyton, TX 79322
Culberson	Box 158
	Van Horn, TX 79855
Dallam	Box 1352
	Dalhart, TX 79022
Dallas	Records Building
	500 Main Street
	Dallas, TX 75202
City of Dallas	City of Dallas
	Bureau of Vital Statistics
	1500 Manilla
	Room 1-F-N
	Dallas, TX 75201

Dawson	P.O. Drawer 1268
	Lamesa, TX 79331
Deaf-Smith	Room 304 (for divorce)
	Room 203 (for birth/death/marriage)
	235 East 3rd
	Hereford, TX 79045
Delta	Courthouse
	Copper, TX 75432
Denton	P.O. Box 2187
	Denton, TX 76202
City of Denton	City Corporation
	215 E. McKinney Ave.
	Denton, TX 76201
City of Lewisville	City Secretary
	P.O. Box 299002
	Lewisville, TX 75029
	Records begin 01/67.
DeWitt	Courthouse
	307 N. Gonzales
	Cuero, TX 77954
Dickens	Courthouse
	Dickens, TX 79229
Dimmit	Courthouse
	Carrizo Springs, TX 78834
Donley	P.O. Drawer U

	Clarendon, TX 79226
Duval	Box 248
	San Diego, TX 78384
Eastland	Courthouse
	Eastland, TX 76448
Ector	P.O. Box 797
	Odessa, TX 79760
Edwards	Rocksprings, TX 78880
Ellis	Waxahachie, TX 75165
El Paso	Vital Statistics
	City-County Bldg., Room 105
	El Paso, TX 79901
Erath	Courthouse
	Stephenville, TX 76401
Falls	Box 458
	Marlin, TX 76661
Fannin	Box 389
	Bonham, TX 75418
Fayette	P.O. Box 296
	LaGrange, TX 78945
Fisher	Roby, TX 79543
Floyd	Box 476
	Floydada, TX 79235
Foard	P.O. Box 539
	Crowell, TX 79227

Fort Bend	Box 520
	Richmond, TX 77469
	"NO"
Franklin	Courthouse Mt.
	Vernon, TX 75457
Freestone	P.O. Box 1017
	Fairfield, TX 75840
Frio	P.O. Box X
	Pearsall, TX 78061
Gaines	Courthouse
	Seminole, TX 79360
Galveston	Galveston Co. Health District
	1207 Oak
	La Marque, TX 77568
City of Galveston	Galveston Co. Health District
	4428 Avenue "N"
	Galveston, TX 77550
	Births within city limits.
Texas City	City Secretary
	City Hall
	1801 Ninth Avenue North
	Texas City, TX 77590
Garza	Courthouse Post, TX 79356
Gillespie	Box 551
	Fredericksburg, TX 78624

Glasscock	Courthouse
	Garden City, TX 79739
Goliad	Courthouse
	127 S. Courthouse Sq.
	Goliad, TX 77963
Gonzales	P.O. Box 77
	Gonzales, TX 78629
Gray	Pampa, TX 79065
Grayson	Courthouse Sherman, TX 75090
City of Denison	Box 347
	Denison, TX 75020
City of Sherman	City Clerk
	Box 1106
	Sherman, TX 75090
Gregg	Box 3049
	Longview, TX 75606
Grimes	P.O. Box 209
	Anderson, TX 77830
Guadalupe	Courthouse
	Sequin, TX 78155
Hale	Courthouse
	Plainview, TX 79072
Hall	Box 8
	Memphis, TX 79245
City of Memphis	City Registrar

	Stevenson Clinic
	1645 N. 18th
	Memphis, TX 79245
Hamilton	Courthouse
	Hamilton, TX 76531
Hansford	Courthouse
	Spearman, TX 79081
Hardeman	Courthouse
	P.O. Box 30
	Quanah, TX 79252
Hardin	P.O. Box 38
	Kountze, TX 77625
Harris	City of Houston
	Health Dept. Bureau of Vital Statistics
	8000 N. Stadium Drive
	Houston, TX 77054
	"NO"
City of Baytown	Baytown City Clerk
	P.O. Box 424
	Baytown, TX 77520
	Records begin mid-1930s.
City of Houston	City of Houston
	Health Dept. Bureau of Vital Statistics
	8000 N. Stadium Dr.

	Houston, TX 77054
City of Pasadena	Pasadena Health Dept.
	1211 E. Southmore
	Pasadena, TX 77502
	Records begin 11/53.
Harrison	Box 1365
	Marshall, TX 75671
City of Marshall	P.O. Box 698
	Marshall, TX 75671
Hartley	P.O. Box T
	Channing, TX 79018
Haskell	Haskell, TX 79521
Hays	137 N. Guadalupe
	San Marcos, TX 78666
City of San Marcos	Health Dept.
	630 E. Hopkins
	San Marcos, TX 78666
Hemphill	Canadian, TX 79014
Henderson	Courthouse
	Athens, TX 75751
Hidalgo	P.O. Box 58
	Edinburg, TX 78540
Hill	Box 398
	Hillsboro, TX 76645
Hockley	Courthouse

	Box 13
	Levelland, TX 79336
Hood	Courthouse
	Granbury, TX 76048
Hopkins	Box 288
	Sulphur Springs, TX 75483
Houston	Courthouse
	P.O. Box 370
	Crockett, TX 75835
Howard	Box 1468
	Big Springs, TX 79720
Hudspeth	Drawer A
	Sierra Blanca, TX 79851
Hunt	P.O. Box 1316
	Greenville, TX 75401
Hutchinson	Courthouse
	Stinnett, TX 70983
Irion	P.O. Box 736
	Mertzon, TX 76941
Jack	Courthouse
	Jacksboro, TX 76056
Jackson	Courthouse
	115 W. Main
	Edna, TX 77957
Jasper	P.O. Box 2070

	Jasper, TX 75951
Jeff Davis	Box 398
	Ft. Davis, TX 79734
Jefferson	P.O. Box 1151
	Beaumont, TX 77704
City of Beaumonth	Bureau of Vital Statistics
	Box 3827
	Beaumont, TX 77704
City of Nederland	City of Nederland
	P.O. Box 967
	Nederland, TX 77627
City of Port Arthur	City Health Dept
	Vital Statistics
	P.O. Box A
	Port Arthur, TX 77641
City of Port Neches	City of Port Neches
	P.O. Box 758 Port
	Neches, TX 77651
Jim Hogg	P.O. Box 878
	Hebbronville, TX 78361
	($4.00)
Jim Wells	Box 1459
	Alice, TX 78333
Johnson	Courthouse
	Cleburne, TX 76031

Jones	Anson, TX 79501
Karnes	Courthouse
	101 N. Panna Maria
	Karnes City, TX 78118-2929
Kaufmann	Courthouse
	Kaufman, TX 75142
Kendall	Courthouse
	Boerne, TX 78006
Kenedy	P.O. Box 7
	Sarita, TX 78385
	Records begin 1921.
Kent	Jayton, TX 79528
Kerr	Kerrville, TX 78028
Kimble	Courthouse
	501 Main St.
	Junction, TX 76849
King	Courthouse
	Guthrie, TX 79236
Kinney	Courthouse
	Brackettville, TX 78832
Kleberg	Box 1327
	Kingsville, TX 78363
Knox	Box 196
	Benjamin, TX 79505
Lamar	Courthouse

	Paris, TX 75460
Lamb	Courthouse
	Room 103
	Box 3
	Littlefield, TX 79339
Lampasas	Courthouse
	Lampasas, TX 76550
LaSalle	Courthouse
	P.O. Box 340
	Cotulla, TX 78014
Lavaca	P.O. Box 326
	Hallettsville, TX 77964
Lee	P.O. Box 419
	Giddings, TX 78942
Leon	P.O. Box 98
	Centerville, TX 75833
Liberty	P.O. Box 369
	Liberty, TX 77575
Limestone	Box 350
	Groesbeck, TX 76642
Lipscomb	Lipscomb, TX 79056
Live Oak	Box 280
	George West, TX 78022
Llano	107 W. Sandstone

	Llano, TX 78643
Loving	Box 194
	Mentone, TX 79754
	($2.00) Records begin 1931.
Lubbock	Courthouse
	Lubbock, TX 79401
City of Lubbock	City Health Dept.
	1902 Texas Ave.
	Box 2548
	Lubbock, TX 79408
Lynn	Box 937
	Tahoka, TX 79373
Madison	101 W. Main, Room 102
	Madisonville, TX 77864
Marion	Courthouse
	P.O. Box F
	Jefferson, TX 75657
Martin	Box 906
	Stanton, TX 79782
Mason	Box 702
	Mason, TX 76856
Matagorda	Courthouse
	1700 - 7th Street
	Bay City, TX 77414
Maverick	Courthouse

	Eagle Pass, TX 78852
McCulloch	Courthouse Square
	Brady, TX 76825
McLennan	Box 1727
	Waco, TX 76703
City of Waco	City Health Dept.
	225 W. Waco Drive
	Waco, TX 76707
McMullen	Box 235
	Tilden, TX 78072
Medina	Courthouse
	Hondo, TX 78861
Menard	P.O. Box 1028
	Menard, TX 76859
Midland	P.O. Box 211
	Midland, TX 79702
Milam	Courthouse
	Cameron, TX 76520
Mills	Goldthwaite, TX 76844
Mitchell	P.O. Box 1166
	Colorado City, TX 79512
Montague	Montague, TX 76251
Montgomery	P.O. Box 959
	Conroe, TX 77305-0959
Moore	Room 105 (for birth/death/marriage)

	Room 109 (for divorce)
	Dumas, TX 79029
Morris	Courthouse
	Daingerfield, TX 75638
Motley	Courthouse
	Box 66
	Matador, TX 79244
Nacogdoches	Nacogdoches, TX 75963
Navarro	P.O. Box 423
	Corsicana, TX 75151
Newton	P.O. Box 484
	Newton, TX 75966
Knucks	Box 2627
	Corpus Christi, TX 78403
City of Corpus Christi	Bureau of Vital Statistics
	P.O. Box 9727
	Corpus Christi, TX 78469
Nolan	Box 1067
	Sweetwater, TX 79556
Ochiltree	Courthouse
	Perryton, TX 70970
Oldham	Box 360
	Vega, TX 79092
Orange	Box 1536
	Orange, TX 77630

City of Orange	City of Orange
	P.O. Box 520
	Orange, TX 77630
Palo Pinto	Courthouse
	Palo Pinto, TX 76072
City of Mineral Wells	City Clerk
	City Hall
	Mineral Wells, TX 76067
Panola	Courthouse
	Carthage, TX 75633
Parker	Courthouse
	Weatherford, TX 76086
Parmer	Box 356
	Farwell, TX 79325
Pecos	103 W. Callaghan
	Fort Stockton, TX 79735
Polk	Courthouse
	Livingston, TX 77351
Potter	Birth (Except 1941 through May 1951)/death
	Bureau of Vital Statistics
	P.O. Box 1971
	Amarillo, TX 79186

See Randall County. Death records include those which occurred inside city limits of Amarillo, a bi-county city located in Potter and Randall Counties.

Birth/marriage	for 1941 through May 1951

	County Clerk
	P.O. Box 9638
	Amarillo, TX 79105
Divorce	District Clerk
	P.O. Box 9638
	Amarillo, TX 79105
Presidio	Box 789
	Marfa, TX 79843
Rains	Box 187
	Emory, TX 75440
Randall	County Clerk
	P.O. Box 660
	Canyon, TX 79015
Divorce	District Clerk
	P.O. Box 1096
	Canyon, TX 79015
City of Canyon	Bureau of Vital Statistics
	301 16th Street
	Canyon, TX 79015
Reagan	P.O. Box 100
	Big Lake, TX 76932
Real	Leakey, TX 78873
Red River	Courthouse, Annex Bldg.
	200 N. Walnut
	Clarksville, TX 75426

Reeves	P.O. Box 867 Pecos, TX 79772
Refugio	P.O. Box 704 Refugio, TX 78377
Roberts	Miami, TX 79059
Robertson	P.O. Box 1029 Franklin, TX 77856
Rockwall	Courthouse Rockwall, TX 75087
Runnels	Box 189 Ballinger, TX 76821
Rusk	Courthouse Henderson, TX 75652
Sabine	P.O. Box 580 Hemphill, TX 75948
San Augustine	106 Courthouse San Augustine, TX 75972
San Jacinto	P.O. Box 669 Coldspring, TX 77331
San Patricio	Box 578 Sinton, TX 78387
San Saba	Courthouse San Saba, TX 76877
Schleicher	P.O. Drawer 580

	Eldorado, TX 76936
Scurry	Courthouse
	Snyder, TX 79549
Shackelford	Box 247
	Albany, TX 76430
Shelby	Box 592
	Center, TX 75935
Sherman	Box 270
	Stratford, TX 79084
Smith	Courthouse
	Tyler, TX 75701
City of Tyler	Health Dept.
	815 N. Broadway
	Tyler, TX 75701
Starr	Courthouse
	Room 201
	Rio Grande City, TX 78582
Somervell	Courthouse
	Glen Rose, TX 76043
Stephens	Courthouse
	Breckenridge, TX 76024
Sterling	P.O. Box 55
	Sterling City, TX 76951
Stonewall	Aspermont, TX 79502
Sutton	300 E. Oak, Suite 3

	Sonora, TX 76950
Swisher	Courthouse
	Tulia, TX 79088
Tarrant	Fort Worth Registrar
	Courthouse
	Fort Worth, TX 76102
City of Arlington	Vital Statistics
	City of Arlington
	P.O. Box 231
	Arlington, TX 76010
	Birth records begin 04/71.
City of Bedford	Vital Statistics
	City of Bedford
	P.O. Box 157
	Bedford, TX 76021
	Birth records begin 04/72.
City of Euless	City Secretary
	City of Euless
	201 N. Ector
	Euless, TX 76039
	Birth records begin 09/73.
City of Fort Worth	Registrar of Vital Statistics
	Public Health Center
	1800 University Drive
	Fort Worth, TX 76107

City of Grapevine	Grapevine City Clerk P.O. Box 729 Grapevine, TX 76051 Birth records begin 08/73.
City of Hurst	Vital Statistics City of Hurst 1505 Precinct Line Road Hurst, TX 76054 Birth records begin 03/73.
City of North Richland Hills	Vital Statistics City of North Richland Hills 7301 N.E. Loop 820 North Richland Hills, TX 76118 Birth records begin 07/81.
City of White Settlement	Vital Statistics City of White Settlement 214 Meadow Park Drive White Settlement, TX 76108
Taylor	Courthouse Abilene, TX 79602
Terrell	Drawer 410 Sanderson, TX 79848
Terry	Courthouse Room 105 5th and Main

	Brownfield, TX 79316
Throckmorton	Throckmorton, TX 76083
Titus	Courthouse
	Mt. Pleasant, TX 75455
Tom Green	112 W. Beauregard
	San Angelo, TX 76903
Travis	P.O. Box 1748
	Austin, TX 78767
Trinty	Courthouse
	P.O. Box 456
	Groveton, TX 75845
Tyler	100 Courthouse
	Woodville, TX 75979
Upshur	Courthouse
	Gilmer, TX 75644
Upton	Box 465
	Rankin, TX 79778
Uvalde	Uvalde, TX 78801
Val Verde	Courthouse
	Del Rio, TX 78840
Van Zandt	Courthouse
	Canton, TX 75103
Victoria	P.O. Box 2410
	Victoria, TX 77902-2410
Walker	P.O. Box 210

	Huntsville, TX 77342-0210
Waller	Box 554
	Hempstead, TX 77445
Ward	Courthouse
	Monahans, TX 79756
Washington	Brenham, TX 77833
Webb	Courthouse
	P.O. Box 599
	Laredo, TX 78042
City of Laredo	P.O. Box 579
	Laredo, TX 78042
Wharton	P.O. Box 69
	Wharton, TX 77488
Wheeler	Wheeler, TX 79096
Wichita	Courthouse
	Wichita Falls, TX 76301
Wilbarger	Courthouse
	Vernon, TX 76384
Willacy	540 W. Hidalgo
	Raymondville, TX 78580
City of Raymondville	142 South Seventh
	Raymondville, TX 78580
	Birth records begin 12/48.
Williamson	Vital Statistics

	P.O. Box 18
	Georgetown, TX 78627
City of Taylor	City of Taylor City Hall
	Taylor, TX 76574
	Birth records begin 1951.
Wilson	Courthouse
	Box 27
	Floresville, TX 78114
Winkler	Courthouse
	P.O. Box 1007
	Kermit, TX 79745
Wise	Box 359
	Decatur, TX 76234
Wood	Courthouse
Wood	Courthouse
	Quitman, TX 75783
Yoakum	Box 309
	Plains, TX 79355
Young	Courthouse
	Graham, TX 76046
Zapata	P.O. Box 789
	Zapata, TX 78076
Zavala	Courthouse
	Crystal City, TX 78839

UTAH

Divorce records are available from the Clerk of the District Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Clerk in the county where the license was issued. The cost of copy varies.

Unless otherwise noted the FO can certify or verify a birth/death certificate.

LIST OF COUNTIES

Beaver	Health Dept. SW District
	354 E. 600 S
	St George, UT 84770
	1969 to present available
Box Elder	Bear River District Health Dept.
	170 N. Main
	Logan, UT 84321
	($12) YES
	1976 to present available
Cache	Bear River District Health Dept.
	170 N. Main
	Logan, UT 84321
	($12) YES
	1976 on available.
	1900 on for Logan City.
Carbon	Southeastern Utah Health District
	6 E. Main St.
	Price, UT 84501
	"NO"
	1969 to present available
Davis	County Court House

	Farmington, UT 84025
	"NO"
	1973 to present available
Doggett	No Records - Contact State BVS
Duchesne	No Records - Contact State BVS
Emery	Southeastern Utah Health District
	6 E. Main St.
	Price, UT 84501
	"NO"
	1969 to present available
Garfield	Health Dept. SW District
	354 E. 600 S
	St. George, UT 84770
	1969 to present available
Grand	No Records - Contact State BVS
Iron	Health Dept SW District
	354 E 600 S
	St. George, UT 84770
	1969 to present available
Juab	No Records - Contact State BVS
Kane	Health Dept. SW District
	354 E 600 S
	St. George, UT 84770
	1969 to present available
Piute	Health Dept.

	201 E 500 N
	Richfield, UT 84701
	Birth 1974 on; death 1979 on.
Rich	Bear River District Health Dept.
	170 N. Main
	Logan, UT 84321
	($12) YES
	Records since 1976.
Salt Lake	Bureau of Vital Statistics
	P.O. Box 16700
	Salt Lake City, UT 84116
San Juan	All Requests Must Be Made to BVS
Sanpete	All Requests Must Be Made to BVS
Sevier	Health Dept. Central District
	201 E. 500 N.
	Richfield, UT 84701
	"NO" Birth 1974 on; death 1979 on.
Summit	County Courthouse
	60 N. Main
	Coalville, UT 84017
	$2 Cost only 1898 - 1905 available
Tooele	County Courthouse
	47 S. Main Tooele, UT 84074
	only 1898-1904 available
Uintah	All Requests Must Be Made to BVS

Utah	City-County Health Dept
	589 S. State
	Provo, UT 84601
	"NO"
Washington	Health Department SW District
	354 E. 600 S
	St. George, UT 84770
	1969 to present available
Wasatch	All Requests Must Be Made to BVS
Wayne	Health Dept. Central District
	201 E. 500 N.
	Richfield, UT 84701
	Birth 1974 on; death 1979 on.
Weber	Weber County Health Dept.
	2570 Grant Ave.
	Ogden, UT 84401
	($12) NO
	July 1958 on available.
	1890 on for Ogden City only.

VERMONT

Divorce records from 1972 to present are available from the Clerk of the Family Court in the County where the divorce was granted. Fee for certification is $2.00 plus $.25 per page. Records before 1972 are in Montpelier. Marriage, birth and death records are available from the Town Clerk in the town where the event occurred for $5.00.

VIRGINIA

Divorce records are available from the Clerk of the Court in the county or city where the divorce was granted. The cost of copy varies. Marriage records are available from the Court Clerk in the county where the license was issued. The cost of copy varies.

LIST OF COUNTIES

Accomack	Accomack, VA 23301
Albemarle	Crozet, VA 22932
Alleghany	Montebello, VA 24464
Amelia	Amelia, VA 23002
Amhurst	Amhurst, VA 24521
Appomattox	Appomattox, VA 24522
Arlington	Arlington, VA 22212
Augusta	Verona, VA 24482
Bath	Warm Springs, VA 24484
Bedford	Bedford, VA 24523
Bland	Bland, VA 24315
Botetourt	Fincastle, VA 24090
Brunswick	Lawrenceville, VA 23868
Buchanan	Grundy, VA 24614
Buckingham	Buckingham, VA 23921
Campbell	Rustburg, VA 24588
Caroline	Bowling Green, VA 22427
Carroll	Hillville, VA 24343
Charles City	Charles City, VA 23030
Charlotte	Charlotte, VA 23923
Chesterfield	Chesterfield, VA 23832
Clarke	Berryville, VA 22611

Craig	New Castle, VA 24127
Culpeper	Culpeper, VA 22701
Cumberland	Cumberland, VA 23040
Dickenson	Clintwood, VA 24228
Dinwiddie	Dinwiddie, VA 23841
Essex	Tappahannock, VA 22560
Fairfax	Fairfax, VA 22030
Fauquier	Warrenton, VA 22186
Floyd	Floyd,VA 24091
Fluvanna	Palmyra, VA 22963
Franklin	Rocky Mount, VA 24151
Frederick	Stephens City, VA 22656
Giles	Pearisburg, VA 24134
Gloucester	Gloucester, VA 23061
Goochland	Goochland, VA 23063
Grayson	Independence, VA 24348
Greene	Stenardsville, VA 22973
Greensville	Emporia, VA 23847
Halifax	Halifax, VA 24558
Hanover	Hanover, VA 23069
Henrico	P.O. Box 27032 Richmond, VA 23273
Henry	Collinsville, VA 24078
Highland	Monterey, VA 24465
Isle of Wight	Isle of Wight, VA 23397

James City	Toano, VA 23168
King and Queen	King Queen, VA 23085
King George	King George, VA 22485
King William	King William, VA 23086
Lancaster	Lancaster, VA 22503
Lee	Jonesville, VA 24263
Loudon	Leesburg, VA 22075
Louisa	Louisa, VA 23093
Lunenburg	Lunenburg, VA 23952
Madison	Madison, VA 22727
Mathews	Mathews, VA 23109
Mecklenburg	Boydton, VA 23917
Middlesex	Saluda, VA 23149
Montgomery	Christiansburg, VA 24073
Nelson	Lovingston, VA 22949
New Kent	New Kent, VA 23124
Northampton	Eastville, VA 23124
Northumberland	Heathsville, VA 22473
Nottoway	Nottoway, VA 23955
Orange	Orange, VA 22960
Page	Luray, VA 22835
Patrick	Stuart, VA 24171
Pittsylvania	Chatham, VA 24531
Powhatan	Powhatan, VA 23139
Prince Edward	Farmville, VA 23901

Prince George	Prince George, VA 23875
Prince William	Manassas, VA 22110
Pulaski	Pulaski, VA 24301
Rappahannock	Washington, VA 22747
Richmond	Warsaw, VA 22572
Roanoke	Salem, VA 24153
Rockbridge	Lexington, VA 24450
Rockingham	Bridgewater, VA 22812
Russell	Lebanon, VA 24266
Scott	Gate City, VA 24251
Shenandoah	Woodstock, VA 22664
Smyth	Marion, VA 24354
Southampton	Courtland, VA 23837
Spotsylvania	Spotsylvania, VA 22553
Stafford	Stafford, VA 22554
Surry	Surry, VA 23883
Sussex	Sussex, VA 23884
Tazewell	Tazewell, VA 24651
Warren	Front Royal, VA 22630
Washington	Abingdon, VA 24210
Westmoreland	Montross, VA 22520
Wise	Wise, VA 24293
Wythe	Wytheville, VA 24382
York	Yorktown, VA 23690

LIST OF INDEPENDENT CITIES

Alexandria	Alexandria, VA 22301
Bristol	Bristol, VA 24201
Buena Vista	Buena Vista, VA 24416
Charlottesville	Charlottesville, VA 22901
Clifton Forge	Clifton Forge, VA 24422
Colonial Heights	Colonial Heights, VA 23834
Covington	Covington, VA 24426
Danville	Danville, VA 24541
Fairfax	Fairfax, VA 22030
Falls Church	Falls Church, VA 22046
Franklin	Franklin, VA 23851
Fredericksburg	Fredericksburg, VA 22401
Galax	Galax, VA 24333
Hampton	Hampton, VA 23669
Harrisonburg	Harrisonburg, VA 22801
Hopewell	Hopewell, VA 23860
Lynchburg	Lynchburg, VA 24501
Martinsville	Martinsville, VA 24112
Newport News	Newport News, VA 23602
Norfolk	Norfolk, VA 23510
Norton	Norton, VA 23510
Petersburg	Petersburg, VA 23803
Portsmouth	Portsmouth, VA 23705
Roanoke	Roanoke, VA 24001

South Boston	South Boston, VA 24592
Staunton	Staunton, VA 24401
Suffolk	Suffolk, VA 23432
Virginia Beach	Virginia Beach, VA 23450
Waynesboro	Waynesboro, VA 22980
Williamsburg	Williamsburg, VA 23185
Winchester	Winchester, VA 22601

WASHINGTON

Divorce records are available from the County Auditor or Clerk in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Auditor in the county where the license was issued. The cost of copy varies.

Send birth and death record requests to the County Auditor at the address listed below unless the Health Department is shown as custodian.

LIST OF COUNTIES

Adams	210 W. Broadway
	Ritzville, WA 99169
Asotin	Asotin, WA 99402
Benton	Courthouse
	Prosser, WA 99350
	No birth or death records.
Chelan	Chelan-Douglas, County
	Health Department
	316 Washington, St.
	Wenatchee, WA 98801
	Birth and death records are available for review only until end of month of event. No certified copies.

Marriage/divorce	Courthouse Wenatchee, WA 98801
Clallam	Clallam Courthouse
	223 E. 4th Street
	Port Angeles, WA 98362
	Not available in Certificate form; applicant or FO will get only a written verification and not actual B/C. Only available for current year and ten prior years.
Clark	Courthouse
	Vancouver, WA 98660
Columbia	Courthouse
	Dayton, WA 99328
	Death records only.
Cowlitz	Courthouse
	Kelso, WA 98626
Douglas	(See Chelan County for birth and death records.)
Marriage/divorce	Courthouse
	Waterville, WA 98858
Ferry	Republic, WA 99166
Franklin	Courthouse
	Pasco, WA 99301
Garfield	Courthouse
	Pomeroy, WA 99347
Grant	Douglas County Auditor
	Courthouse
	Ephrata, WA 98823

	No birth or death records available.
Grays Harbor	County Auditor
	P.O. Box 751
	Montesano, WA 98563
Island	Courthouse
	Coupeville, WA 98239
Jefferson	Box 563
	Port Townsend, WA 98368
	Records are not available in certificate form. Applicant or FO will get only written verification and not an actual B/C.
King	Dept. of Records
	Courthouse
	Seattle, WA 98104
City of Seattle	City-County Dept. of Public Health
	Vital Statistics Section
	1300 Public Safety Bldg.
	Seattle, WA 98104
Kitsap	614 Division St.
	Port Orchard, WA 98366
	No birth or death records available.
Kittitas	Health Dept.
	507 Nunum St.
	Ellensburg, WA 98926
Klickitat	S.W. Washington Health District
	2000 Fort Vancouver Way

	Vancouver, WA 98663
Lewis	Chehalis, WA 98532
	"NO" except hardship. Death records are available only until the 7th day of the following month.
Lincoln	Box 366
	Davenport, WA 99122
Mason	Shelton, WA 98584
	"NO" except hardship. Death records only.
Okanogan	Courthouse
	Okanogan County Health Department
	P.O. Box 231
	Okanogan, WA 98840
	Birth and death records are available for one month after event. Certified copies available for only that period.
Marriage/divorce:	Courthouse
	Okanogan, WA 98840
Pacific	County Auditor
	P.O. Box 97
	South Bend, WA 98586
Pend Oreille	County Courthouse
	Newport, WA 99156
Pierce	County Auditor
	County-City Bldg.
	Tacoma, WA 98402
City of Tacoma	City-County Health Dept.

	Rm 654
	County-City Bldg.
	Tacoma, WA 98402
San Juan	Courthouse
	Friday Harbor, WA 98250
Skagit	Courthouse
	Mount Vernon, WA 98273
Skamania	Courthouse
	Stevenson, WA 98648
	Death records only.
Snohomish	
Birth/death	County Health District
	Vital Statistics
	Courthouse
	Everett, WA 98201
Marriage	County Auditor
	3000 Rockefeller
	Dept R
	Everett, WA 98201
Divorce	County Clerk
	Courthouse
	Mission Bldg.,
	Room 246
	3000 Rockefeller
	Everett, WA 98201

City of Everett	County Health District Vital Statistics Courthouse Everett, WA 98201
Spokane	County Auditor W. 1116 Broadway Spokane, WA 99201
City of Spokane	City Health Dept. Rm. 551 N. 221 Wall Spokane, WA 99201
Stevens	Colville, WA 99114
Thurston	2000 Lakeridge Drive SW Olympia, WA 98502 (206)786-5430
Wahkiakum	Courthouse Cathlamet, WA 98612
Walla Walla	County-City Health Dept. Courthouse Walla Walla, WA 99362 Death records only.
Whatcom	County Auditor County Courthouse Bellingham, WA 98225
Whitman	Colfax, WA 99111

Yakima	
Birth/death	Yakima Health Department
	104 North First Street
	Yakima, WA 98901
Marriage/divorce	Yakima Courthouse
	North Second and "B" Streets
	Yakima, WA 98901

WEST VIRGINIA

Marriage records are available from the Clerk of the Court in the county where the license was issued. The cost of copy varies. Divorce records are available from the Clerk of the Circuit Court in the County where the divorce was granted. The cost of copy varies.

Send birth record requests to the County Clerk at the address shown below. Unless otherwise noted, the cost of copy is $1.00. The FO can certify, verify or obtain a free copy.

LIST OF COUNTIES

Barbour	Philippi, WV 26416
Berkeley	Courthouse
	Martinsburg, WV 25401
	(FREE)
Boone	Madison, WV 25701
Braxton	Sutton, WV 26601
Brooke	Box 272
	Wellsburg, WV 26070
Cabell	Courthouse
	Huntington, WV 25701
Calhoun	Courthouse

	Grantsville, WV 26147
Clay	Clay, WV 25043
Doddridge	West Union, WV 26456
Fayette	Box 120
	Fayetteville, WV 25840
Gilmer	Glenville, WV 26351
Grant	Courthouse
	Petersburg, WV 26847
Greenbrier	Lewisburg, WV 24901
Hampshire	Courthouse
	Romney, WV 26757
	($.50)
Hancock	New Cumberland, WV 26047
Hardy	Courthouse
	Moorefield, WV 26836
Harrison	Clarksburg, WV 26301
Jackson	Courthouse Ripley, WV 25271
Jefferson	Courthouse
	Charles Town, WV 25414
Kanawha	Charleston, WV 25301
Lewis	Weston, WV 26452
Lincoln	Hamlin, WV 25523
Logan	Vital Statistics Office
	Logan, WV 25601
McDowell	Welch, WV 24801

Marion	Fairmont, WV 26554
Marshall	Courthouse
	Moundsville, WV 26041
Mason	Pt. Pleasant, WV 25550
Mercer	Princeton, WV 24740
Mineral	Courthouse Keyser, WV 26726
Mingo	Vital Statistics Office
	Williamson, WV 25661
Monongalia	Courthouse
	Morgantown, WV 26505
Monroe	Union, WV 24983
Morgan	Courthouse
	Berkeley Springs, WV 25411
Nicholas	Summersville, WV 26651
Ohio	Wheeling, WV 26003
Pendleton	Franklin, WV, 26806
Pleasants	Courthouse
	St. Marys, WV 26170
Pocahontas	Marlinton, WV 24954
Preston	Kingwood, WV 26537
Putnam	Winfield, WV 25213
Raleigh	Courthouse
	Beckley, WV 25801
Randolph	Elkins, WV 26241
Ritchie	Courthouse

	Harrisville, WV 26362
Roane	Courthouse
	Spencer, WV 25276
Summers	Box 97
	Hinton, WV 25951
Taylor	Grafton, WV 26354
Tucker	Parsons, WV 26287
Tyler	Courthouse
	Middlebourne, WV 26149
Upshur	Buckhannon, WV 26201
Wayne	Wayne, WV 25570
Webster	Webster Springs, WV 26288
Wetzel	Courthouse
	New Martinsville, WV 26155
Wirt	Courthouse
	Elizabeth, WV 26143
Wood	Courthouse
	Parkersburg, WV 26101
Wyoming	Pineville, WV 24874

WISCONSIN

Birth and death records are available for $10.00 ($2.00 for second copy if ordered at the same time), marriage and death records are available for $7.00 ($2.00 for second copy if requested at the same time), and divorce records are available for $7.00 at the following addresses from the Registrar of Deeds. Unless otherwise noted, the FO can certify from the county records.

LIST OF COUNTIES

Adams	Box 219 Friendship, WI 53934 "NO" except hardship
Ashland	Registrar of Deeds Courthouse 201 W. Main St., Room 206 Ashland, WI 54806 (715) 682-7008
Barron	Courthouse Barron, WI 54812
Bayfield	Registrar of Deeds P.O. Box 813 Washburn, WI 54891 (715) 373-6119
Brown	Green Bay, WI 53405
Buffalo	Courthouse 407 S. 2nd St. Alma, WI 54610
Burnett	Registrar of Deeds Burnett County Government Bldg. 7410 County Road K - # 103 Siren, WI 54872 (715) 349-2183
Calumet	206 Court Street Chilton, WI 53014

Chippewa	Courthouse 711 Bridge St. Chippewa Falls, WI 54729
Clark	Courthouse Neillsville, WI 54456
Columbia	Columbia Courthouse Portage, WI 53901
Crawford	Courthouse Prairie du Chien, WI 53821
Dane	City-County Building Madison, WI 53709 Cost varies for divorce depending on length, send written request and county will bill requestor.
Dodge	Dodge County Register of Deeds Administration Building 127 E. Oak St. Juneau, WI 53039
Door	Courthouse Sturgen Bay, WI 54235
Douglas	Register of Deeds 1313 Belknap Street Superior, WI 54880 (715) 394-0463
Dunn	Courthouse

	800 Wilson Ave.
	Menomonie, WI 54751
Eau Claire	721 Oxford Avenue
	P.O. Box 718
	Eau Claire, WI 54702
Florence	501 Lake Avenue
	Florence, WI 54121
Fond du Lac	Fond du Lac County Register of Deeds
	P.O. Box 509
	Fond du Lac, WI 54936-0509
Forest	Courthouse
	Crandon, WI 54520
Grant	Courthouse
	Lancaster, WI 53813
Green	Courthouse
	Monroe, WI 53566
Green Lake	Courthouse
	Green Lake, WI 54941
Iowa	Courthouse
	Dodgeville, WI 53533
	Cost varies for divorce depending on length. Send written request and county will bill.
Iron	Courthouse
	Hurley, WI 54534
Jackson	Courthouse

	307 Main St.
	Black River Falls, WI 54615
Jefferson	Courthouse
	Jefferson, WI 53594
Juneau	220 E. State Street
	Mauston, WI 53948
	"NO" except hardship
Kenosha	Courthouse
	912-56 Street
	Kenosha, WI 53140
Kewaunee	613 Dodge Street
	Kewaunee, WI 54216
LaCrosse	Courthouse
	LaCrosse, WI 54601
Lafayette	626 Main
	Darlington, WI 53530
Langlade	Courthouse
	Antigo, WI 54409
Lincoln	Courthouse
	Merrill, WI 54452
Manitowoc	Courthouse
	1010 S. 8th Street
	Manitowoc, WI 54220
Marathon	Courthouse
	Wausau, WI 54401

Marinette	
Birth/death/marriage	Registrar of Deeds
	P.O. Box 320
	Marinette, WI 54143
	(715) 732-7553
Divorce	Clerk of Courts
	P.O. Box 320
	Marinette, WI 54143
	(715) 732-7457
	($5.00 plus $1.25 per page)
Marquette	P.O. Box 236
	Montello, WI 53949
Menominee	Courthouse
	Keshena, WI 54135
Milwaukee	901 N. Ninth Street
	Milwaukee, WI 53233
	"NO"
Monroe	Courthouse
	Sparta, WI 54656
Oconto	Courthouse
	Oconto, WI 54153
Oneida	Courthouse
	Rhinelander, WI 54501
Outagamie	Courthouse

	410 S. Walnut Street
	Appleton, WI 54911
	(414) 832-5095
Ozaukee	121 W. Main Street
	Port Washington, WI 53074
Pepin	740 7 Ave. W.
	P.O. Box 39
	Durand, WI 54736-0039
Pierce	414 W. Main St.
	P.O. Box 267
	Ellsworth, WI 54011
Polk	Courthouse
	Balsam Lake, WI 54810
Portage	1516 Church Street
	Stevens Point, WI 54481
	"NO" except hardship
Price	Courthouse
	Phillips, WI 53403
Racine	730 Wisconsin Avenue
	Racine, WI 53403
	"NO" except hardship
Richland	Courthouse
	Richland Center, WI 53581
Rock	Courthouse
	51 S. Main Street

	Janesville, WI 53545
Rusk	Courthouse
	Ladysmith, WI 54848
St. Croix	911 4th St.
	P.O. Box 226
	Hudson, WI 54016
Sauk	Courthouse
	Baraboo, WI 53913
Sawyer	Registrar of Deeds
	P.O. Box 686
	Hayward, WI 54843
	(715) 634-4867
Shawano	Courthouse
	Shawano, WI 54166
Sheboygan	615 N. 6th Street
	Sheyboygan, WI 53081
Taylor	Courthouse
	Medford, WI 54451
Trempealeau	Courthouse
	1720 Main St.
	Whitehall, WI 54773
Vernon	Courthouse
	Viroqua, WI 54665
Vilas	Courthouse
	Eagle River, WI 54521

Walworth	Courthouse
	Elkhorn, WI 53121
Washburn	Registrar of Deeds
	P.O. Box 607
	Shell Lake, WI 54871
	(715) 468-7421
Washington	432 E. Washington Street
	West Bend, WI 53095
Waukesha	Courthouse
	515 W. Moreland Blvd.
	Waukesha, WI 53186
Waupaca	Courthouse
	811 Harding
	Waupaca, WI 54981
	(715) 258-6250
Waushara	P.O. Box 338
	Wautoma, WI 54982
Winnebago	415 Jackson Street
	Oshkosh, WI 54901
Wood	400 Market Street
	Wisconsin Rapids, WI 54494
	"NO" except hardship

WYOMING

Divorce records are available from the Clerk of the District Court in the county where the divorce was granted. The cost of copy varies. Marriage records are available from the County Clerk in the county where the license was issued. The cost of copy varies.

A4 Age Information in Census Records

A. General

In most years the census taker asked individuals their age in terms of "age at last birthday" as of the Census Day. The person's age was written in whole years, except as noted in the last column of the table below. At no time has the exact day of birth ever been asked.

Except for the 1950 census (see "Note" in F below), the census transcript shows complete years and months.

B. Example 1

The transcript shows "0/12 months." This indicates that the child was not yet one month old on the Census Day for that year's enumeration.

C. Example 2

The transcript shows "1 3/12", indicating that the child was one year and three months old on the Census Day.

D. Example 3

A child enumerated in the 1920 census who was born on 10/20/18 would be shown on the transcript as "1 2/12".

E. Use judgment

Since the census was rarely taken on Census Day, the census transcripts may not always reflect accurate information as of the Census Day. Exercise judgement when evaluating a census transcript which shows the age in months.

F. Census Day for period 1900 - 1970

The following table shows the date of the Census Day for the period 1900 - 1970, and how the age was asked for each census.

1900	June 1	age, month, and year Age shown in years and months if under 1 year old.
1910	April 15	age at last birthday

	Age shown in years and months if under 2 years old.
1920	January 1 age at last birthday Age shown in years and months if under 5 years old.
1930	April 1 age at last birthday Age shown in years and months if under 5 years old
1940	April 1 age at last birthday Age shown in years and months if under 1 year old
1950	April 1 age at last birthday Age shown in years and months if under 1 year old (see note below).
1960	April 1 quarter of year in which birth occurred and year
1970	April 1 age, month, and year

NOTE: In the 1950 census, the month of birth is shown for children who were less than 1 year old on April 1.

G. Different Census Day

In the following areas, the Census Day was not always the same as the Census Day for the rest of the U.S.

Area	Census Years	Census Taken As Of...
Alaska	1910	12/31/09
	1930	01/01/29
	1940	10/01/29
U.S. Virgin Islands	1920	11/01/17

A6 Navajo Indian Tribal Census Rolls

A. Policy

Certifications from the official Navajo Indian tribal census rolls of the U.S. Bureau of Indian Affairs may be treated as public records of birth. Thus, a birth or religious record need not be sought if:

- the file contains such a certification, and
- the individual was enrolled in the tribal census before age 5.

B. Basis for records

Navajo tribal census records are normally established at birth based on copies of the same hospital notice as those sent to the various public recorders serving the Navajo reservations.

C. Location of records

These records are maintained at Window Rock, Arizona.

D. How to request information from records

Make requests for information from these records by letter to the Navajo Tribe through the RRB F/O, Albuquerque, NM.

Include the following information about the claimant:

- Full name (including Indian name and nicknames), and
- Date of birth, and
- Place of birth (if known), and
- Parents' names (including Indian names and nicknames), and
- Parents' census number, and
- The individual Navajo census number involved.

Note: Altered Tribal Census Records must be carefully evaluated in combination with other documents if a material discrepancy exists.

A7 Seneca Indian Tribal Census Rolls

A. Policy

Certifications from the tribal census rolls of the Seneca Nation of Indians may be treated as public records of birth under the same conditions as for Navajo Indians (see Section A6 above).

B. Basis for records

From 1882 until about 1940, a yearly census was conducted in the Seneca Indian Nation. Beginning about 1906, these census records were based on New York State birth records. The individual's specific DB was recorded in the first census taken after his/her birth.

C. Location of records

The records are maintained by the clerk of the Seneca Nation. The clerk is changed every 2 years when the headquarters of the Nation is rotated between the Allegheny reservation in Salamanca, N.Y. (serviced by the Olean FO) and the Cattaraugus reservation in Irving, N.Y. (serviced by the Dunkirk FO). Both are serviced by RRB F/O, Buffalo, NY.

The records will be in Salamanca from November 1982 to November 1984; they will then return to Irving for 2 years and continue to rotate in November of even-numbered years.

D. How to request records

Make requests for these records by letter to the clerk of the Seneca Nation through the RRB F/O, Buffalo, NY.

Include the following information about the claimant:

- Name at birth, date of birth, and parents' names.

NOTE: There is no charge to members of the Seneca Nation.

A8 National Archives Indian Records

A. Types

The National Archives in Washington, D.C. has extensive records from the Bureau of Indian Affairs. Two types of records are especially helpful for establishing age for Indian claimants, the Indian Census Rolls, and the Quarterly Reports of Indian Schools.

B. Indian Census Rolls 1885-1940

Indian Census Rolls (1885-1940) are grouped by families. They show the age or DB of each person and his/her relationship to the head of the family.

The records are not complete because:

- A census was not taken for every reservation or group of Indians for each year.

- Some Indians are not listed because they did not maintain a formal affiliation with a tribe under Federal supervision.

Few records are kept for the following Oklahoma tribes:

- Cherokee, Chickasaw, Choctaw, Creek, Seminole

C. Quarterly Reports of Indian Schools, 1910 - 1939

Quarterly Reports of Indian Schools (1910-1939) involve both Federal Government - operated and private contract schools. They list students and their ages. The records are not complete in that they do not list all schools or even all students in a given school.

D. Other records

For a particular tribe, other types of records may be available Because of the variety of information contained in the National Archives, it is best to consider each case on an individual basis. If enough information about a claimant is known, the personnel at the National Archives can determine what types of records might list the claimant.

E. Requests for Information

Make requests for information from Indian records in the National Archives, Washington (Downtown), D.C. District Office, 2100 M Street, NW, Washington, D.C. 20203.

The request should contain the following information regarding the claimant:

- Name (including Indian name and nicknames), and
- Tribe, band, reservation, or agency if known, and
- Date and place of birth, and
- Parent's names (including Indian names and nicknames), and
- Place(s) of residence as a child, and
- Siblings' names, and
- Name and location of Indian school(s) attended, and
- Approximate dates of school attendance.

Appendix C - Chart: Minimum Age For Marriage Without Parental Consent

State	Age of Males	Age of Females	Effective Date
Alabama	21	18	----------
Alaska	21	18	1917-present
Arizona	21	18	----------
Arkansas	21	18	----------
California	21 18	18 15	7-29-21-present through 7-28-21
Colorado	21	18	----------
Connecticut	--	--	law not specific
Delaware	21	18	----------
District of Columbia	21	18	1901-present
Florida	21	21	----------
Georgia	17	18	----------
Hawaii	20 20 20	18 20 18	6-6-69-present 1929-6-5-69 through 1928
Idaho	18	18	----------
Illinois	21	18	----------
Indiana	21	18	----------
Iowa	21	18	----------
Kansas	21	18	1905-present
Kentucky	21	21	----------
Louisiana	21	21	----------

Maine	21	18	----------
Maryland	21 21	18 16	1920-present through 1919
Massachusetts	21	18	----------
Michigan	18	18	----------
Minnesota	21	18	----------
Mississippi	-- 21	-- 18	no requisite age from 7-1-58-present through 6-30-58
Missouri	21	18	----------
Montana	21	18	----------
Nebraska	21 21	21 18	1921-present through 1920
Nevada	21	18	----------
New Hampshire	20 18	18 16	1923-present 1907-1922
New Jersey	21	18	----------
New Mexico	21	18	----------
New York	18 21	18 18	9-1-74-present 1907-8-31-74
North Carolina	18	18	----------
North Dakota	21	18	----------
Ohio	18 21 21	18 21 18	1974-present 1923-1973 through 1922

Oklahoma	21	18	----------
Oregon	21	18	----------
Pennsylvania	21	21	----------
Rhode Island	--	--	law not specific
South Carolina	18	18	1911-present
South Dakota	21	18	----------
Tennessee	16 18 16	16 18 16	1937 to present 1919-1936 through 1918
Texas	21	18	----------
Utah	21	18	----------
Vermont	21	18	----------
Virginia	21	21	----------
Washington	21	18	----------
West Virginia	21	21	----------
Wisconsin	21	18	----------
Wyoming	--	--	law not specific
Puerto Rico	21	21	----------

NOTE: There is no provision for consent by parents and the age referred to is the minimum marriageable age fixed by statute in the following States:

- Georgia
- Michigan
- South Carolina
- Tennessee (for 1919-1936 and 1937-present records).

Appendix D - Location Of World War II Selective Service Records

World War II draft records were transferred in 1971 and 1972 from the State Directors of Selective Service to the various Federal Records Centers (FRC's).

NOTE: WWI draft records for persons born before 9/13/00 are located in the East Point, Georgia Federal Records Center (address shown below).

Use the following chart to determine which FRC possesses a particular claimant's WW II draft records by

- Locating the State where the claimant registered for the draft
- Determining the "locator" number shown for that State
- Determining the FRC shown for that number.

EXAMPLE: If the claimant registered for the draft in Iowa, the "locator" number is "8" and the "8" FRC is Kansas City, MO. The Kansas City FRC possesses the claimant's WW II draft records.

Locator Number	Federal Records Center
(1)	Federal Records Center, GSA Military Ocean Terminal Building 22 Bayonne, NJ 07002
(2)	Federal Records Center, GSA 7358 South Pulaski Rd. Chicago, IL 60629
(3)	Federal Records Center, GSA 2400 West Dorothy Lane Dayton, OH 45439
(4)	Federal Records Center, GSA Bldg. 48, Denver Federal Center

	Denver, CO 80225
(5) (6)	Washington National Records Center Washington DC 20409 Federal Records Center, GSA 1557 St. Joseph's Ave East Point, GA 30344
(7)	Federal Records Center, GSA Box 6216 Forth Worth, TX 76115
(8)	Federal Records Center, GSA 2306 E. Bannister Rd. Kansas City, MO 64131
(9)	Federal Records Center, GSA Federal Building 24000 Avila Rd. Laguna Niguel, CA 92677
(10)	Federal Records Center, GSA Naval Supply Depot, Bldg. 308 Mechanicsburg, PA 17055
(11)	Federal Records Center, GSA 5000 Wissahickon Ave. Philadelphia, PA 19144
(12)	Federal Records Center, GSA 1000 Commodore Dr.

	San Bruno, CA 94066
(13)	Federal Records Center, GSA 6125 Sand Point Way Seattle, WA 98115
(14)	National Personnel Records Center, GSA Military Personnel Records 9700 Page Blvd. St. Louis, MO 63132
(15)	Federal Records Center, GSA 380 Trapelo Rd. Waltham, MA 02154

Place of Registration	**Locator Number**
Alabama	6
Alaska	13
Arizona	4
Arkansas	7
California	12
Colorado	4
Connecticut	15
Delaware	11
District of Columbia	5
Florida	6
Georgia	6

Hawaii	12
Idaho	13
Illinois	2
Indiana	2
Iowa	8
Kansas	8
Kentucky	2
Louisiana	7
Maine	15
Maryland	5
Massachusetts	15
Michigan	2
Mississippi	6
Missouri	
(St. Louis area)	14
(All other areas)	8
Montana	13
Nebraska	8
Nevada	
(Clark County)	9
(Except Clark County)	12
New Hampshire	15
New Jersey	1
New Mexico	4

New York	1
North Carolina	6
North Dakota	8
Ohio	2
Oklahoma	7
Oregon	13
Pennsylvania	10
Puerto Rico	1
Rhode Island	15
South Carolina	6
South Dakota	4
Tennessee	6
Texas	7
Utah	4
Vermont	15
Virginia	5
Washington	13
West Virginia	5
Wisconsin	2
Wyoming	4

4.3.1 Meaning Of "Marriage" Under RRA

A. General - A marriage relationship is determined, either by applicable State law, or by the deemed marriage provision of the RR Act. Under State law, a marriage relationship may be created by participation in a ceremony (civil or religious), or being eligible to inherit intestate property as the deceased's spouse, or by living together in a common-law relationship. Under our deemed marriage provision, however, we can establish a marriage relationship when a ceremonial marriage would not be recognized under State law due to certain impediments or defects.

NOTE: The deemed marriage provision can only be applied when there are no adverse claimants. Therefore, when there are no adverse claimants, a marriage relationship may be developed under the deemed marriage provision or applicable State law, whichever way is quicker or easier.

B. Validity of Marriage - The validity of a marriage is ordinarily determined by the law of the State in which the marriage took place. If valid in that jurisdiction, the marriage is ordinarily held valid in other jurisdictions.

A miscegenous marriage is valid even though State law may bar such a marriage. Such laws were declared unconstitutional by the Supreme Court in 1967. If a claim is found which was previously denied because of a miscegenous marriage, reopen it and allow full retroactivity.

4.3.2 When POM Required

Documentary POM is required from an applicant for a monthly annuity, LSDP, or RLS (except a designated beneficiary) who claims status as the wife, husband, widow(er), or stepparent of an employee.

Documentary POM may also be required as to the marriage of any other person when such person's marriage is relevant in the determination of payments under the RR Act.

Before 6-1-58, a spouse applicant's statement on the application that (s)he was ceremonially married to the employee was accepted as POM under certain circumstances if the employee verified the statement on Form G-346 (or G-345). Effective 6-l-58, documentary POM is required in all cases, except those in which the spouse's application was filed before that date. Therefore, in a survivor case the widow(er) need not submit POM if a spouse annuity began to accrue to such person before the employee's death and marriage was proved in accordance with procedures in effect prior to 6-1-58.

4.3.3 Establishing Marital Relationship Without Documentary Evidence

Accept the applicant's statement on the application that a ceremonial marriage was performed without securing documentary evidence when there are no annuities payable on a monthly basis and it is apparent that the total amount payable does not exceed $25.

4.3.10 Preferred Proof

The following are preferred POM:

- The original certificate of marriage
- A copy of, or statement regarding, a public record of the marriage certified by the custodian of such record or by an RRB employee.
- A copy of, or statement regarding, a church record of the marriage certified by the custodian of such record or by an RRB employee.

NOTE: Religious ceremonial marriages performed in Mexico by a clergyman have no legal status. Ordinarily, however, when a religious ceremony of marriage is shown to have been performed, it can reasonably be inferred in the absence of evidence to the contrary that a civil ceremony preceded the religious ceremony. Accept as proof of a civil marriage any certification from Mexico that a religious marriage ceremony took place, absent volunteered statements or evidence to the contrary.

4.3.11 Secondary Proof

A. Types of Evidence - If none of the preferred proofs of marriage can be furnished, obtain a signed statement from the applicant giving the reasons and one of the following forms of evidence:

1. The sworn statement of the clergyman or official who performed the marriage ceremony; or

2. Other evidence of probative value such as:

   - The sworn statements of two persons who have knowledge as to the facts of the marriage (preferably eyewitnesses to the marriage ceremony) showing the time and place of the marriage and the basis of the affiant's knowledge; or

   - Excerpts from naturalization certificates, deeds, immigration records, insurance policies, passports, or from original business, employment,

labor, fraternal, school, church, or other records that show the relationship of husband and wife.

NOTE: The evidence in 2 above is used only if the preferred proof in sec. 4.3.10 or the secondary proof in 1 above cannot be submitted.

If none of the proofs in sec.4.3.10 or in items 1 or 2 above can be furnished, evidence of cohabitation, such as a sworn statement from a knowledgeable person showing when and where cohabitation took place and the basis of that person's knowledge, will establish a marriage in certain states.

Evidence of cohabitation should be developed only if the applicant lived in a state where such evidence can be used to establish a marriage and if the applicant claims to have participated in a marriage ceremony but cannot submit proof. Therefore, if cohabitation is indicated or claimed in a case in which a ceremonial marriage is claimed but cannot be proved, submit the case to the attorney-advisor. Do not initiate special development for evidence of cohabitation before the attorney-advisor requests it.

B. Evaluating Secondary Proof - In determining the acceptability of secondary evidence, consider the statements and conduct of the parties. Also consider the length of time during which the parties have lived together as man and wife; the longer the period, the stronger the inference. When children were born of the relationship, the inference is even stronger.

4.3.15 De Facto (Deemed) Marriage

A deemed marriage is created when the claimant's marriage to the employee would have been valid under applicable state law except for a legal impediment (see sec. 4.3.17), provided:

- There was a marriage ceremony; and
- The claimant went through the marriage ceremony in good faith not knowing of the impediment at the time of the marriage; and
    - The Claimant was living in the same household with the employee at the time of the death of the employee, or, in a life case, at the time (s)he files the application (in a survivor case, this requirement must be met even if the claimant was entitled to a spouse annuity at the time of the employee's death); and
    - At the time of the filing an application there is no other person (based on a valid marriage or inheritance rights under state law) who had filed and been found entitled to any type of survivor benefit, or, in a life case, there is no other person who is or was entitled to a spouse's benefit at SSA; and

- The impediment is one resulting from a prior undissolved marriage or otherwise arising out of a prior marriage or its dissolution, or one arising from a defect in the procedure followed in connection with the purported marriage.

4.3.16 Marriage Ceremony

This requirement may be met by a ceremony conducted under civil, religious or tribal practices, and situations in which certain formalities were observed (such as securing a marriage license), but no ceremony was actually performed although the parties believed a ceremony had been performed. The term includes all ceremonial marriages we would otherwise recognize as valid were it not for the defect, but does not include common-law marriages.

4.3.17 Legal Impediment

The deemed marriage provision applies only:

- To marriages that are invalid because the prior marriage was not dissolved, or the attempted dissolution was not valid (e.g., Mexican mail order divorce), or, if dissolved, there was a restriction against marriage still in effect at the time of remarriage; or

- When the marriage is invalid because of a procedural defect in connection with the marriage. Examples of such defects are: Religious marriage in a country which requires a civil ceremony for a valid marriage, or failure to comply with state licensing requirements. When a valid marriage is alleged, do not look for a procedural defect which makes the marriage invalid; however, if it comes to your attention, it must be considered since it would require deemed marriage development. (However, for Mexico, see sec. 4.3.10.)

When the marriage is invalid for other reasons under state law (e.g., because it was incestuous), the deemed marriage provision does not apply. If in doubt as to whether the defect which makes the marriage invalid is procedural, submit the case to the DGC, in the absence of precedent opinion.

NOTE: In any case in which both a legal widow and a de facto widow survive the employee, determine the de facto widow's entitlement to any RRB survivor benefits, including the RLS in an SSA jurisdiction case, by the rules set forth in RCM sec. 2.1.28.

4.3.18 Good Faith

The claimant must establish that (s)he acted in good faith and in ignorance of any legal impediment which invalidated the marriage as of the time (s)he went through the marriage ceremony. Good faith or lack of it, on the part of the employee makes no difference; nor does it matter if the claimant learned of the invalidity of the marriage after the marriage took place.

The test for determining whether the claimant acted in good faith is the individual claimant's belief at the time of the ceremony. If the claimant believed that the marriage was valid, the requirement is met. The fact that another person might not have had the same belief under the same circumstances, or that a more prudent course could have been adopted, will not prevent a finding that the claimant acted in good faith.

State law definitions of "good faith" or interpretations of the term by state courts do not determine "good faith" under the deemed marriage provision. Thus, a claimant who fails to meet a "good faith" requirement under a state law which imposes a "reasonable person" standard may meet the good faith test described above.

Generally, if the action taken was based on the advice of an attorney or other person who the claimant believes would know the law (e.g., minister, marriage license clerk, etc.), consider the claimant to have acted in good faith in the absence of evidence to the contrary. Other factors which may be helpful in resolving the question in doubtful cases (i.e., whether the claimant's allegation of believing the marriage valid is creditable) are the claimant's education, experience in worldly affairs and age.

4.3.19 Living In The Same Household

To determine whether or not the claimant was living in the same household as the employee at the time of the employee's death or at the time the application was filed in a life case, use the applicable rules in chapter 4.6

4.3.20 Development Of A Deemed Marriage

A. General - Usually, if entitlement is possible under the deemed marriage provision, it is not necessary to determine the legality of the relationship under state law before developing deemed marriage. Development may be under state law, or under the deemed marriage provision, whichever is quicker and easier. However, if two people are claiming the status of a widow(er), you must develop under state law; in such cases, the deemed marriage provision cannot be applied.

B. Good Faith - Generally, the statement of the claimant is sufficient to determine whether there was good faith. If the marriage was invalid because of an undissolved prior marriage and the prior spouse is living and her address is known, secure a signed statement from the prior spouse. A reasonable effort should be made to locate the prior spouse (e.g., by contacting relatives and friends); a report should be submitted if the prior spouse is not located.

   The statement of the prior spouse should include information as to whether the claimant knew of the previous marriage (before the claimant married the employee) and how the prior spouse became aware of the claimant's knowledge.

   The statement of the claimant should say why, at the time of the ceremony, (s)he believed the marriage valid. If a prior marriage is involved, the statement should

also show whether (s)he knew of it and its invalid dissolution or lack of dissolution; or if there was a restriction on remarriage and, if so, the reason for believing the restriction did not apply.

C. Prior Spouse's Entitlement - If, in the course of developing good faith under section 3 above, the prior spouse inquires about benefits, explain the requirement for entitlement and the necessity of filing an application.

4.3.25 Common-Law and Similar Marriages

In an ordinary case, a common-law marriage is entered into upon the mutual agreement of the parties to become husband and wife from that time on, and is not solemnized by a ceremony. If a ceremonial marriage is claimed, do not attempt to establish a common-law marriage until all reasonable efforts have been made to secure proof of the ceremonial marriage or the applicant admits a ceremony did not take place.

To bring a common-law marriage into being, the parties must have the intent to marry, must consider themselves as husband and wife, and in some States must cohabit and hold themselves out to the public as husband and wife. Both persons must also be legally capable of entering into a valid marriage, and the marriage must be contracted in a State in which common-law marriages are recognized (see FOM1 Chapter 9 Appendix D).

4.3.26 General Rules For Determining Validity

Subject to the exceptions in the different States the following rules apply in States where a common-law marriage can be, or could have been, contracted.

A. How Created - Ordinarily, a common-law marriage is created when parties free to contract marriage enter into a present agreement to be husband and wife, and actually live together after the agreement as husband and wife.

B. Bigamous Marriage Contracted in Good Faith by at Least One Party - A valid common-law marriage may arise in some States if at least one of the parties to a bigamous marriage contracted it in good faith and they lived together as husband and wife in a State which recognizes common-law marriages after the impediment is removed.

An agreement of marriage after removal of the impediment may, in some States, be inferred from the parties continued cohabitation.

C. Both Parties Enter Into Bigamous Marriages Knowing That Such Marriage Is Void - Ordinarily, a common-law marriage will not arise when both parties enter into a bigamous marriage knowing that such marriage is void, even after removal of the impediment unless the parties enter into a new agreement of marriage and live together as husband and wife after the new agreement.

D. Parties Domiciled in State Which Does Not Recognize Common-Law Marriages - If the parties were domiciled in a State which does not recognize common-law marriages but they contracted a marriage in a State where such marriages are recognized, their marriage will be considered valid by the State of their domicile except in Utah.

E. Cohabitation in State Not Recognizing Common-Law Marriage - No inference of marriage can arise from cohabitation and repute in a State not recognizing common-law marriage after removal of an impediment to a bigamous marriage. (Wisconsin is an exception to this general rule.)

F. Cohabitation Requirement - After a present agreement to be husband and wife, some States require cohabitation but the cohabitation need not always be in the State where the agreement was made.

G. Marriage Not Valid in Beginning - When the marriage was not valid in the beginning, generally the relationship is presumed to be the same after removal of the impediment. However, the contrary can be shown by convincing evidence that the parties intended to establish a valid marital relationship after the removal of the impediment.

4.3.27 When Proof Of Common-Law Marriage Required

A. The Parties Agreed To Be Husband and Wife and/or Lived Together as Such in a State That Recognizes Common-Law Marriages - If the parties lived together as husband and wife while living temporarily or visiting in a State which recognizes common-law marriages, a valid common-law marriage may arise from their temporary stay in that State. Therefore, if a valid marriage cannot be established under the laws of the State where the parties have been domiciled, it may be possible to establish a common-law marriage in a State in which the couple visited (ask about the places they visited together).

B. Ceremonial Marriage Alleged, Supporting Evidence Not Submitted - When a ceremonial marriage is alleged but evidence that such marriage was solemnized by a clergyman, justice of the peace, or other civil official authorized to perform the marriage ceremony has not been submitted, do not try to establish a common-law marriage until all reasonable efforts have been made to establish the relationship on the basis of the alleged ceremonial marriage.

C. Ceremonial Marriage Void - If a ceremonial marriage was void when entered into because of a legal impediment and the parties continued to live together as husband and wife after removal of the impediment, develop for a common-law relationship.

4.3.28 Proof When Husband And Wife Are Both Living

A. Primary Proof - Obtain a completed G-124, "Statement of Marital Relationship", from both husband and wife, and a completed G-124a, "Statement Regarding Marriage," from a blood relative of each party.

When a G-124a cannot be obtained from a blood relative of one party, secure a G-124a from another blood relative of the other party. If no statements can be secured from blood relatives, or a statement is secured from only one, obtain a written explanation from the applicant. For each statement not obtained from a blood relative, obtain a completed G-124a from another person who knows the facts.

B. Evidence in Lieu of G-124a - Although G-124a does not indicate the absence of a ceremonial marriage, an applicant may object to its completion. The fact that completion of a G-124a might prove embarrassing is not sufficient reason why the form should not be secured. If the claimant explains satisfactorily in writing why use of a G-124a would be actually detrimental to the parties or to children born of the relationship, accept other evidence of equal value. Acceptable substitute evidence includes documents identifying the parties as husband and wife, such as:

- Copies of purchase agreements;
- Contracts and leases executed by both parties;
- Bank accounts;
- Correspondence;
- Insurance policies, employment, church, or fraternal records;
- Other documents of equal value.

4.3.29 Proof When One Spouse Deceased

Obtain a completed G-124 from the surviving spouse and a completed G-124a from each of two blood relatives of the deceased husband or wife.

If you cannot secure statements from blood relatives, or if you can only secure a statement from one, obtain a written explanation from the applicant. For each statement not obtained from a blood relative of the decedent, secure a completed G-124a from a person who knows the facts. (See the preceding section on substituting other evidence for G-124a.)

4.3.30 Proof When Husband And Wife Are Both Deceased

Secure a completed G-124a from a blood relative of each deceased party. Obtain a G-124a completed by an individual other than a relative as a substitute upon written explanation if such relative's statement is not reasonably obtainable. (See sec. 4.3.28 on substituting other evidence for G-124a.)

4.3.31 Proof When Ceremonial Marriage Void Due To Legal Impediment

If both or one of the parties who entered into a ceremonial marriage that was void because of a legal impediment are alive there may be a valid common-law marriage if:

- The impediment is later removed; and
- The parties continued to live together as husband and wife; and
- Such marriages are recognized under applicable State law.

Signed statements by blood relatives and others are not required in these cases. Obtain proof of the ceremonial marriage and Forms G-124 completed by both the husband and wife or by the surviving party. This rule applies even though the State law requires proof of a new agreement to be husband and wife after the impediment is removed.

If the parties were separated temporarily for reasons such as ill health, financial trouble, employment away from home, or service in the Armed Forces, the living-together requirement may be met in some States.

If both parties are alive but did not live together as husband and wife after the impediment was removed, see sec. 4.3.28. When one party is deceased, see sec. 4.3.29. Similar proofs are required when the parties were not living in the same household when the application was filed (if the employee was alive) or when the employee died and the separation was other than temporary.

EXAMPLES OF IMPEDIMENT:

1. A prior marriage of one or both of the parties had not been ended. The impediment was later removed by annulment of the prior marriage, divorce, or death of the former spouse.

2. One of the parties was precluded from remarrying or from remarrying for a specific period pursuant to a divorce decree. The impediment is later removed by expiration of the waiting period, removal of the parties to another State where the restriction would not be effective, or by death of the former spouse.

3. A State law barred a valid marriage because the parties were too closely related, and the parties later go into a State where a marriage between them would be recognized.

4.3.32 Foreign Common-Law Marriages

If the employee was not domiciled in any State, but rather in a foreign country, the law of the District of Columbia would govern. In the District of Columbia, a marriage not valid in the place where it is contracted is not valid anywhere. Therefore, a common-law marriage is only recognized if it is valid under the applicable law in the place where it was contracted.

For example, Legal Opinion L-97-26 determined that common-law marriages were not recognized in Ontario, Canada. Since the relationship between the claimant and the deceased employee could not be recognized as a valid marriage under the laws of Ontario, Canada, the relationship does not create a valid marriage under the laws of the District of Columbia, and the claimant could not be recognized as the widow for purposes of awarding her a widow's insurance annuity under the Railroad Retirement Act.

Cases involving foreign common-law marriages should be submitted to the attorney advisor assigned to the unit through the claims specialist or senior claims examiner for a determination on the validity of the marriage.

4.3.40 Termination Of Prior Marriage

A ceremonial or common-law marriage is terminated by death of a spouse, divorce, or annulment. In determining whether the last marriage is valid, the first question to resolve is whether a prior marriage has been terminated.

A. Separation or Abandonment - If an applicant states that a prior marriage was terminated by divorce, but does not appear to understand the difference between a divorce and a mere separation, find out what (s)he really means. The fact that the parties to the marriage separated or that one party abandoned the other does not necessarily mean that a divorce followed such action, and terminated the marriage.

B. Prior Marriage Terminated After Later Marriage - If the prior marriage terminated after the later marriage, a valid marriage may come into being under applicable State law. The following sections explain when the validity of the last marriage may be presumed and when a common-law marriage may be established after an impediment is removed.

4.3.41 When To Accept Allegation That Marriage Was Terminated

Accept a statement that a marriage was terminated by death of a spouse, divorce, or annulment when at least the year and State of termination are provided and when there is no evidence to the contrary creating a reasonable doubt. Accept such a statement even though complete information is not furnished as to the exact date, place of termination, or the identity of the other party and even though a common-law marriage is claimed in the present or in a former marriage.

When the year or State of termination is not provided or when there is a reasonable doubt that the prior marriage was not terminated, secure proof of death, divorce, or annulment. If preferred proofs cannot be secured, obtain any available secondary evidence such as a statement from the other spouse of the prior marriage, correspondence referring to the terminating event, statements from friends or relatives of both parties to the prior marriage, newspaper accounts, or other evidence of probative value. Also, secure a statement giving the reason a preferred proof cannot be furnished.

4.3.42 When Date Of Termination Of Prior Marriage Is Material

In determining the validity of a later marriage, the date the prior marriage terminated is material when the length of time between the marriages is short. In such cases, if the prior marriage ended by divorce, there might be a restriction on remarriage within a certain period of time; such a marriage may be invalid in some States.

Accept a statement of the approximate time the prior marriage was terminated only if there is no evidence that creates reasonable doubt as to the correctness of the statement.

4.3.43 Applicant Does Not Know Prior Marital Status Or Whether Prior Marriage Was Terminated

A. Prior Marital Status Unknown - If the applicant does not know whether the employee was previously married and there is no evidence to the contrary, assume that there was no prior marriage.

B. Termination of Prior Marriage Uncertain - If the applicant alleges a prior marriage but does not know whether it was terminated, tell the applicant to get information from other sources such as relatives or friends. The applicant has the burden of securing the evidence necessary to establish the claim. If the evidence shows that the prior marriage was terminated but not all the details are known, handle in accordance with the preceding sections.

4.3.44 Presumption Of Validity Of Last Marriage

Most States follow a presumption in favor of the validity of the last of several conflicting marriages. If the State of the employee's domicile at death or (in a life case) at the time of filing has such a presumption, it must be applied where all the evidence and information the applicant can supply still leaves the termination of a former marriage in doubt.

In many cases, you might find development of a deemed marriage more convenient (RCM 4.3.15). However, in a case involving a person with an undissolved prior marriage who applies for a widow's, widower's or parent's annuity based on a deemed marriage, you must determine that the prior marriage ultimately ended.

A State's presumption of the validity of the last marriage does not mean that the applicant need only submit proof of such last marriage and thereby qualify as the legal spouse of the insured individual. Even though there is no adverse claimant, the applicant must submit information which will enable a determination to be made on the facts.

All leads must be exhausted. If after complete development, enough evidence cannot be obtained to determine whether or not the prior marriage was terminated, use the presumption applicable in the particular State as to the validity of the last marriage. In the absence of a precedent opinion, submit the case to the Bureau of Law for a ruling.

Under the presumption of the validity of the last marriage, a divorce is presumed to have occurred on the first day on which the prior spouse's whereabouts are unknown. When the duration of marriage is material to the claim, the applicant must establish that the marriage lasted at least ten years.

Consult precedent opinions in cases involving the following States:

Georgia applies a presumption of validity of a subsequent ceremonial marriage until evidence is adduced that the spouse of the first marriage is living.

Louisiana does not apply a presumption of validity of the last marriage with respect to a party who was in bad faith; in such cases, the burden is upon such party to show the dissolution of a prior marriage. With respect to a party who was in good faith, Louisiana does apply a presumption of validity of the last marriage.

Nebraska and South Carolina apply an equal presumption in favor of each of two successive marriages.

Ohio applies a presumption that the first marriage continues in the absence of conclusive proof that it has terminated.

Wisconsin determines validity of a marriage by reasonable inferences drawn from all facts and circumstances in the case with the burden on the spouse of the last marriage to prove the dissolution of the earlier marriage.

4.3.45 Development Required Before Applying Presumption

A. General - The development required before applying a presumption of validity of the last marriage is the same whether the employee or the applicant entered into a prior marriage. If both parties to the prior marriage still survive and are available, secure statements from each as to whether the prior marriage was terminated by divorce or annulment. If it is stated that the prior marriage had been terminated by divorce or annulment, accept the statement in the absence of evidence creating a reasonable doubt to the contrary. If there is evidence creating a reasonable doubt, secure a certified copy of the divorce or annulment decree. If both parties answer that no divorce or annulment was obtained, this is sufficient to determine that the prior marriage has not been terminated. Whether the validity of a prior marriage is to be developed will depend upon applicable State law.

   Development is more complicated, however, when one of the parties to the prior marriage is deceased or cannot be located.

B. How to Develop - In addition to obtaining statements from the parties involved, use the following forms when applicable:

   - G-237 (Statement/Regarding Marital Status);
   - G-238 (Statement of Residence);
   - G-238a (Statement Regarding Divorce or Annulment).

   It is not always necessary to secure each of these forms; their usefulness depends on how much information is in file and how much additional information is needed. Use the information in 4.3.46 and 4.3.47 as a general guide for securing these forms in conjunction with statements from the parties involved.

4.3.46 Development When Living Employee Or Applicant Was Previously Married, Other Party's Whereabouts Unknown

A. Initial Development - Have the employee or applicant submit the dates of the prior marriage and separation, a G-238 showing the places of residence of the other party including the dates of such residence (from the date of separation until the present), and the names and addresses of the other party's relatives and friends if a G-237 is not in file.

If the other party is located from this information, secure a G-237 from that person. If the other party is not located but it is alleged that the prior marriage was terminated, secure corroboration, i.e., POD or proof of divorce or annulment.

If the other party is not located and the relatives and friends are unable to furnish information about termination of the prior marriage, have them complete G-238's corroborating the list of the other party's place of residence. Limit the initial development to securing and evaluating information outlined in this subsection before taking any development under subsection B below.

B. Additional Development - If development under subsection A above has not resolved the issue, have the employee or applicant submit G-238a's from the court clerks having jurisdiction in the places where the other party resided as to whether a divorce or annulment is shown. Do not request these statements if the other party's whereabouts cannot be traced for the entire period from the date of separation to the date the application was filed. If a record of a divorce or annulment is shown to exist, secure a certified copy of the public record.

If the other party's whereabouts cannot be traced for the entire period, apply the presumption of validity of last marriage. When the information secured covers the other party's whereabouts from the date of separation and the statements of the clerks or custodians show no divorce, annulment, or death, do not apply the presumption.

4.3.47 Development When Deceased Employee Previously Married

A. Other Party's Whereabouts Unknown - Follow the instructions in the preceding section with respect to the other party, except that the period to be covered extends from the date of separation to the date of the employee's death. In addition, the claimant must submit similar information about the deceased employee. Develop the information pertaining to the employee in the same manner as for the other party. Do not request the statements from the court clerks if the whereabouts of both parties cannot be traced for the entire period.

If the whereabouts of either or both are unknown for certain periods of time, apply the presumption of validity of the last marriage. When the information relating to both parties covers their places of residence for the entire period and the statements of the clerks or custodians show that neither party secured a divorce or annulment, do not apply the presumption.

B. Other Party's Whereabouts Known - If the other party denies that the marriage was terminated, have the applicant submit information with respect to the employee similar to that called for in the preceding section.

If the employee's whereabouts cannot be traced for the entire period, apply the presumption of validity of last marriage. When the information secured covers the

employee's whereabouts for the entire period and the statements of the clerks or custodians show no divorce or annulment, do not apply the presumption.

4.3.48 Validity Of Last Marriage When Prior Marriage Subsequently Terminated By Divorce

The fact that the prior marriage was terminated after the date the current marriage was entered into does not necessarily make the current marriage invalid. In some States, the current marriage will become valid after the removal of the impediment. In those States where the current marriage does not become valid merely upon removal of the impediment, such marriage may still be valid based upon the presumption of validity of the second marriage.

When the employee or the claimant was the defendant in the divorce action, it is reasonable to assume that the other party did not secure a divorce previously. If the employee (still living) was a party to the prior marriage, his statement that no divorce had previously been secured is also sufficient to rebut the presumption. However, if the employee is deceased, follow the development instructions in sec. 4.3.46.

If the employee or the applicant was the plaintiff in the divorce action to terminate the prior marriage, attempt to locate the other party to the marriage. If the other party can be located, a statement that (s)he did not secure a divorce or annulment will be sufficient to rebut the presumption. If the other party cannot be located, examine the divorce or annulment records. If an answer was made to the Bill of Complaint without indicating that such prior marriage was previously terminated, that is sufficient to determine that the other party did not secure a termination of such prior marriage, and the presumption of validity of the last marriage cannot be applied. However, if no answer was filed and the other party cannot be located, develop in accordance with sec. 4.3.46.

4.3.49 Statement From Court Clerk Or D/O As To Search Of Records

The statement G-238a from the court clerk as to the search of the records should be signed by such clerk and show:

- The name of the court and county where the court is located; and
- The records searched (i.e., both divorce and annulment records) and whether a record of a divorce or annulment is shown; and
- The dates for which these records were searched.

Occasionally, a custodian of the public records will not search his records or will not furnish such a report. In these cases, if a D/O employee makes the search he should submit a statement covering the above items. He should also indicate his title, D/O name, and show that he made the search.

NOTE: A request for a search of public records by a D/O employee should only be made upon the authorization of the section supervisor.

4.3.50 Restrictions On Remarriage After Divorce

Many States provide that one or both parties to a divorce may not remarry for a specified period and sometimes impose other restrictions on remarriage. Some States have special restrictions; they provide for the imposition of restrictions on remarriage at the discretion of the court or jury, or impose restrictions only on the guilty party, or impose restrictions only if the divorce is obtained on certain grounds. (See FOM1 Article 9, Appendix M.) When a restriction on remarriage could have existed as of the date of remarriage, the field has instructions to secure a statement either on the application form or on a separate sheet as to whether or not such a restriction existed.

A marriage in violation of these restrictions is not necessarily void; in some States it is valid and in some it is merely voidable (i.e., valid unless annulled by a court). In some jurisdictions, a remarriage outside the State where the divorce was granted may be valid even though a remarriage within the State would be void. Even if a remarriage is void, a valid marriage may come into being under the laws of some States when the restriction expires. Submit doubtful cases to the Bureau of Law.

4.3.51 Final And Interlocutory Decrees Of Divorce And Waiting Period

A. Final Decree - Interlocutory Decree - Do not confuse a final decree with one that requires further action.

- An interlocutory decree and decree nisi are not final decrees of divorce. They become final only after a specified period, and in some States, additional action is required to make them final.

- If the divorce decree contains the Latin phrase “nunc pro tunc” (now for then) and two dates, submit to the attorney advisor to determine the correct date of divorce. This is an entry made now for something previously done and has a retroactive effect. For example, a judge may issue a “nunc pro tunc” order to correct a trial record made earlier. The correction would be considered effective from the date of the original record rather than the date of the correction.

- If the effective date of the divorce is material to the claim and the correct date cannot be determined from the decree, submit to the attorney advisor.

B. Waiting Period After Final Decree of Divorce - The date of divorce is material in determining the validity of a later marriage when a waiting period is imposed after the divorce. If the date of the divorce is not known, a statement of the approximate time the divorce was granted is sufficient. However, there must not be any evidence to the contrary in such a case. Include in the file a statement showing the basis for the applicant's claim.

4.3.52 When To Assume No Restriction Imposed

Do not try to find out whether a restriction on remarriage was imposed unless there is a reason to believe that one may have been imposed.

In some States, special restrictions may be imposed by the court or jury; if the divorce was obtained in such a State, assume no restriction was imposed on a person who has remarried, unless the evidence indicates that the restriction may have been imposed or that the conditions which require its imposition may have existed. Some States impose a restriction only on the defendant, and then only if the divorce was granted on a particular ground (e.g., adultery). If the divorce was granted in such a State, find out whether the person in question was the defendant and whether divorce was granted on that ground.

4.3.53 Development When Restriction Involved

The usual restriction bars marriage to anyone and is for a fixed period. Therefore, when the person in question was subject to a restriction, merely find out the dates of divorce and remarriage; these dates will show whether the marriage violated the restriction.

In some States, however, the restriction bars remarriage of a defendant only to the other party to the defendant's adultery; in some States the restriction lasts as long as the other party to the divorce is alive, and in some both these restrictions are combined. (See FOM1, Article 9, Appendix M)In these cases, if the person in question was subject to the restriction find out if it was violated; that is, find out if the other party to the divorce was alive at the time of remarriage or whether the remarriage was to the other party to the adultery.

4.3.54 Place Of Divorce Unknown

If the place of divorce is not known, assume that the remarriage did not violate any restrictions. However, if the State of employee's domicile imposes a waiting period and the available facts indicate that the remarriage would violate that restriction, try to find out whether the divorce was obtained in that State. If the place of divorce cannot be ascertained and there is no other evidence which casts doubt on the validity of the remarriage, assume the remarriage did not violate any restriction.

4.3.55 Advance POM

A. Acceptable Proof Filed Through D/O - The CR uses the Advanced Evidence Collection (AEC) screens of the Initial Claims (IC) system to record acceptable POM filed before or after an application. The CR will submit a photocopy of the evidence or form G-91 as folder documentation. The CR returns original evidence to the submitter with an acknowledgment that the document has served its purpose. PCS will not prepare an RL-103a in this situation. If the CR indicates

the evidence was entered into AEC, PCS will treat the advance POM as "file only" correspondence.

B. Proof Not Filed Through D/O Or Requests For Review - The CR will not use AEC if headquarters evaluation of evidence is required. PCS will route requests for review and direct submissions of advance POM to the adjudication unit. If the examiner finds the evidence acceptable, a G-91 should be prepared per RCM 11 and forwarded to BFS - Program Services Section. Note "AEC" in the Remarks section of the G-26. BFS will return the G-91 with a notation of the date the proof was entered into AEC.

If the examiner finds the evidence unacceptable, the D/O should be contacted to develop better evidence. Return original documents and acknowledge evidence not submitted through the D/O per RCM 4.1.5 - 4.1.6.

4.3.60 Validity of Divorce

A. Validity - A divorce is valid if it was granted by the court in whose jurisdiction at least one of the parties was domiciled at the time of the divorce. Assume a divorce is valid unless:

- Its validity is challenged by another applicant or potential applicant who offers a reasonable basis for his contention of invalidity; or
- Reliable evidence (e.g., official records, statements from one of the parties to the divorce or from close relatives) raises a reasonable doubt as to its validity; or
- Evidence indicates that at the time of the divorce neither party was a resident of the country or State in which the divorce was granted; or
- The divorce allegedly took place in a country whose laws do not permit an absolute divorce.

B. Invalidity - The general rule is that a divorce which is valid in the State where it is granted will be recognized in other States, but this is not true if the court of the State that had granted the divorce did not have jurisdiction. A divorce will be held invalid if it is found not valid according to the law of the employee's domicile at the time of the employee's death or at the time of filing an application for a wife's or husband's annuity. Laws in certain countries do not permit absolute divorce. These countries include: Argentina, Brazil, Chile, Columbia, Dominican Republic (in the case of Catholic ceremonies performed after 8/5/54), Ireland, Italy (prior to 1/1/71), Liechtenstein (when either party is a Catholic), Philippines (prior to 1917 and after 8/29/50), Portugal (in case of Catholic ceremonies performed after August 1940), and Spain (except from 3/2/32 through 3/4/38).

C. Questionable Validity - A divorce granted in a jurisdiction in which neither party is domiciled, such as a mail-order divorce, is not valid. Where the plaintiff in a divorce action goes to another jurisdiction solely for the purpose of obtaining a divorce and did not intend to make his home there, the validity of the divorce is questionable. If a divorce is granted by a court in a foreign country where at least one of the parties was domiciled as required, the validity is not questioned on this basis alone. If the claims folder indicates that either party to a foreign divorce had some other connection with that country, it can be assumed that he or she may have been a resident of that country, and no additional development is required. However, the validity of a foreign divorce should be questioned when a person alleges that he or she was divorced in a foreign country and the claims folder does not indicate that either party to the divorce had some other connection with that country, for example, prior residence in that country lasting until the time of the divorce. In such cases, additional development for residence under sec. 4.3.61 should be undertaken.

4.3.61 Developing Validity Of Divorce

A. When Development is Required - Any question about the validity of the divorce must be resolved if:

1. The applicant is filing for benefits as a divorced wife, a surviving divorced wife, or a surviving divorced mother, and (A) another woman has filed as the wife of the employee by a later marriage, or (B) the rights of children by a later marriage are involved, or (C) the applicant cannot meet the requirements for entitlement as a divorced spouse but might be able to establish a entitlement as the legal wife or widow; or

2. The divorce is questioned because of the jurisdiction of the court; or

3. There is a technical defect in the proceedings (e.g., decree was not recorded properly, court costs not paid, etc.).

B. Development Required

1. If a divorce is questioned under A1 or A2 above, obtain a certified copy of the divorce decree and the following information:

- Identity of the plaintiff in the divorce proceeding;
- Domicile of the parties before the divorce;
- How long each party lived in the State or foreign country where the divorce was obtained;
- Reason for establishing residence in that place;

- Whether the defendant was given notice of the divorce proceeding and how;
- Whether the defendant filed an answer in the proceeding or appeared in court;
- Whether there was any property settlement; and
- Whether either party remarried.

2. If the divorce is questioned under A3 above, obtain a certified copy of the divorce decree and the following:

- A statement from the clerk of court as to whether the records substantiate the allegation as to the defect; and
- Certifications of the pertinent court record entries.

4.3.62 Determining Validity Of Divorce

Assume the validity of a divorce unless it is questioned under sections. 4.3.60 or 4.3.61. After complete development, refer questions regarding jurisdiction or defects in the proceedings to the Attorney Advisor. For information about divorce decrees, see 4.3.51.

4.3.65 Effect Of "Estoppel" To Deny Validity Of Divorce In A Survivor Case

A person may, under the law of a particular state, forfeit his or her rights in the estate of the deceased employee, if that person has used or relied on or been a party to a divorce (between that person and the deceased employee), even if the divorce was invalid. If the divorce was invalid, the loss of rights in the estate will not effect that person's entitlement under the RRA since, under state law, she or he would still have the legal status of widow(er).

However, if there is a competing widow(er) in a casein which the other widow(er) has forfeited his or her rights in the estate because of his or her reliance on or participation in an invalid divorce, then both widow(er)'s may be entitled to a widow(er)'s annuity:

(1) the applicant who has forfeited his or her rights in the estate of the deceased employee because of reliance on or participation in an invalid divorce from the employee, but who is, nevertheless, considered to have been validly married to him, and

(2) the applicant who married the employee subsequent to the invalid divorce and who may obtain rights of a widow(er) in the estate of the deceased employee even though not validly married to him at death.

Any conflicting widow(er) case where there is a possibility of entitlement by both applicants should be referred to the General Counsel.

4.3.66 Effect Of Estoppel To Deny Validity Of Divorce In A Retirement Case

It is rare that the principle of estoppel would ever operate in a retirement case. However, where a spouse has relied on or been a party to an invalid divorce from the employee, and the employee has remarried, either or both spouses may be entitled on the same basis as described in section 4.3.62. Any case in which competing spouse applicants are involved and in which there is a question concerning the validity of the divorce from the first spouse should be referred to the General Counsel.

4.3.75 Two Or More Persons Claim Benefits Based On Relationship

Occasionally, conflicting claims are received in a case. Two women may claim to be the widow of an employee, or a woman may claim to be the widow but a child or parent files for the RLS asserting that the employee was not survived by a widow.

When two applicants claim to be the lawful spouse, the basic fact to ascertain is whether a divorce terminated the first marriage. The law of the State of the employee's last domicile determines who is responsible for showing this fact. When the State applies a presumption in favor of the last marriage, as a general rule, the burden of proof is on the spouse alleging the continuation of the prior marriage. Such spouse must show that no divorce was secured in those counties in which both (s)he and the employee lived and in which the residence requirements and provisions for court jurisdiction (venue) would have permitted a divorce action.

When there is no such presumption, the spouse of the last marriage must produce all available evidence as to the termination of the first marriage.

4.3.76 Evidence Required Of Spouse Of Previous Marriage

The alleged spouse of the employee's previous marriage must submit proof of the previous marriage in addition to the information outlined in the following sections.

A. Spouse's Statement of Marital History - The spouse's statement must include the following:

- A brief history of the marital relationship between the spouse and the employee (i.e., how long they lived together, the number of children, if any, born of the marriage, whether there were any periods of prolonged absence or separation, and the cause of any such separation); and

- Why (s)he knows or believes that this marriage was not terminated by divorce; and

- Whether (s)he was served with notice of a divorce proceeding or otherwise got notice that the employee was trying to get a divorce; and

- The places the employee lived from the date of their separation up to the employee's death, and if there are periods for which (s)he cannot furnish this information, (s)he must explain why.

B. Corroboration of Spouse's Statement - In addition to the statement explained in A above, the spouse must submit written statements from persons most likely to know the facts (friends, relatives, employers of the employee, etc.) showing:

- The places the employee lived from the date of marriage to the applicant to the date the employee died; and

- Any information they have about the termination of the marriage; and

- The basis for their knowledge of the facts.

C. Statements From Court Clerks That Employee Did Not Get a Divorce - The spouse must show that the employee did not get a divorce by securing statements G-238a, to this effect from the court clerks handling divorce cases in each county in which the employee lived and where the residence and venue requirements would have permitted a divorce. The statements must cover the period from the date the employee separated from the applicant to the date the employee died.

If a custodian of the public records will not search the records and will not furnish a report that the employee did not get a divorce, a D/O employee may search the records and submit the statement. However, a request for a search of public records by a D/O should only be made upon the authorization of the section supervisor.

4.3.77 Evidence Required Of Spouse Of Latest Marriage

A. General - The alleged spouse of the employee's latest marriage must submit a certified copy of the divorce decree dissolving the employee's prior marriage. If (s)he is unable to submit the divorce decree, the spouse must submit statements in accordance with sections B and C below.

B. Spouse's Statement - The statement must show:

- All information the spouse has about the employee's previous marriage, particularly as to when, where, and how the marriage terminated;

- That the spouse has no information tending to contradict or discredit any statements furnished on the spouse's behalf and knows of no person having such information;

- Places the employee lived during the time the spouse knew the employee, including, if known to the spouse, all places the employee lived after separating from the previous spouse.

C. Corroboration of Spouse's Statement - In addition to the statement explained in B above, the spouse must submit written statement from persons most likely to know the facts (friends, relatives, employers of the employee, etc.) showing:

- The places the employee lived from the date of marriage to the latest spouse to the date the employee died;
- Any information they have as to the employee's previous marriage and its termination;
- The basis for their knowledge of the facts.

NOTE: If the claimant cannot furnish a copy of the divorce decree or the statements required in B and C above, (s)he must state the reason why.

4.3.78 Disqualification From Inheriting Personal Property

If the claim is made that an applicant was disqualified from inheriting the employee's intestate personal property under the intestacy laws of the State in which the employee was last domiciled, informally refer the question to the appropriate attorney advisor.

4.3.79 Decisions In Conflicting Claim Cases

The person properly entitled to benefits may be determined on the basis of a precedent opinion or an opinion from the DGC in the particular case.

A. Precedent Legal Opinion - If the person properly entitled to benefits is determined on the basis of a precedent legal opinion, incorporate the applicable portion of that opinion in the denial letter to the unsuccessful claimant. Also, include the name but not the address of the person found to be entitled to the benefit.

If an unquestionable determination (beyond a reasonable doubt) regarding the proper payee can be made, deny the unsuccessful claimant at the same time you submit the case to authorization for payment to the proper payee. However, if there is a possibility that the decision in BRC could be changed, deny the adverse claimant and advise that payment will not be made for 30 days so that (s)he may, if (s)he wishes, submit new or additional evidence to support the claim.

If the adversely affected claimant offers new evidence or information in support of the claim, submit the case to DGC. If no new evidence or information is received

within the 30-day period, submit the case to the DGC asking if payment can be made before the end of the appellate period.

B. Submission to DGC - When there is no precedent legal opinion by which to determine which claimant is the proper beneficiary, refer the case to the DGC. On receipt of the DGC's opinion, deny the unsuccessful claimant (enclosing a copy of the legal opinion) and certify payment to the person found entitled.

The DGC may indicate in his opinion on a particular case that decision should be withheld for a period to give further opportunity to the unsuccessful claimant to submit something more. If the DGC so indicates, notify the claimant adversely affected of the name but not the address of the person found entitled. Inform the unsuccessful claimant also that payment will not be made for 30 days so that (s)he may, if (s)he wished, submit new or additional evidence to support the claim. With that letter, enclose a copy of the legal opinion in the case.

If the adversely affected claimant offers new evidence or cites a State law or other authority in support of the claim, resubmit the case to the DGC. But if at the end of the call-up period the unsuccessful claimant has not offered new or additional evidence, deny the claim and certify payment to the person found entitled.

Appendices

Appendix B - Common-Law And Similar Marriages

B1. The following is a digest of State laws regarding the recognition of common-law marriages.

This information is contained in FOM1 appendix D.

B2. Putative Marriages

Under the laws of some States, the innocent party to a void marriage may acquire inheritance rights as a spouse. This relationship is called a putative marriage. The essential basis of a putative marriage is a good faith belief in the existence of a valid marriage at its inception, and continuing until the spouse's application is filed in a life case or until the employee dies in a death case. The marriage may be invalid because of some defect of which the putative spouse was unaware, such as a prior undissolved marriage of one of the parties, or failure to meet the requirement of solemnization. Putative marriages should be distinguished from deemed marriages, discussed in RCM section 4.3.15.

A person who maintained a putative marriage with the employee under applicable State law and who was then divorced from the employee may qualify as a divorced spouse or surviving divorced spouse. The good faith belief must have lasted until a final divorce was obtained.

B3. Arizona

A person who maintained a good faith belief in the validity of a legally invalid marriage is accorded certain inheritance rights to property acquired during the course of the relationship, and therefore, acquires the status of putative spouse in Arizona. ORSP will submit to the General Counsel any case in which either party alleges a putative marriage in Arizona. Where the putative spouse learned of the defect in the marriage before the time as of which status as a spouse must be established, but the parties undertook within a reasonable time to legalize their marriage, then the status as a spouse continues.

B4. California

Prior to February 4, 1983, where at least one of the parties to an invalid marriage, either ceremonial or common-law, entered into the marriage in good faith, believing that it was valid, a spouse has status as a putative spouse and inheritance rights as a spouse so long as such good faith belief continued. Where the putative spouse learned of the defect in the marriage before the time as of which status as a spouse must be established, but the parties undertook within a reasonable time to legalize their marriage, then the status as a spouse continued.

With one limited exception noted below, a putative marriage based on a common-law relationship is no longer recognized in California. This is a change of position effective for claim determinations on or after February 4, 1983. A putative marriage can now be established only on the basis of an invalid ceremonial marriage.

EXCEPTION: If the parties secured a marriage license but did not go through a marriage ceremony, and if they were inexperienced foreigners unfamiliar with U.S. customs and California laws, they might have had reason to believe that the license alone made them legally married.

ORSP will submit any such case to the General Counsel, after development of the statement regarding the parties' good faith belief, their language ability, length of stay in the U.S., and general information on the marriage laws in their native country.

B5. Colorado

Any person who has cohabited with another to whom he/she is not legally married, in the good faith belief that he/she was married to that person, is a putative spouse, until knowledge of the fact that he/she is not legally married terminates his/her status and prevents acquisition of further rights. Children born of putative spouses are legitimate. A putative spouse acquires the rights conferred upon a legal spouse, whether or not the marriage is prohibited under State law, declared invalid, or otherwise terminated by court action. If there is a legal spouse or other putative spouses, rights acquired by a putative spouse do not supersede the rights of the legal spouse or those acquired by other putative spouses.

A putative marriage may be established in Colorado to give the status of wife or husband to a person who applies for benefits as the spouse of a railroad employee on or after January 1, 1974, or to give the status of widow or widower to a person who applies for benefits as the surviving spouse of a railroad employee who died on or after January 1, 1974.

Any case in which either party alleges a putative marriage in Colorado will be submitted by ORSP to the General Counsel.

B6. Illinois

Effective October 1, 1977, the Illinois Marriage and Dissolution of Marriage Act provides the following with regard to the concept of putative spouse in Illinois:

Any person, having gone through a marriage ceremony, who has cohabited with another to whom he/she is not legally married in the good faith belief that he/she was married to that person is a putative spouse; until knowledge of the fact that he/she is not legally married terminates his/her status and prevents acquisition of further rights. A putative spouse acquires the rights conferred upon a legal spouse, whether or not the marriage is prohibited or declared invalid under state law. If there is a legal spouse or other putative spouse, rights acquired by a putative spouse do not supersede the rights of the legal spouse or those acquired by other putative spouses. The provision of Illinois law concerning putative marriages does not apply to common-law marriages contracted in the State after June 30, 1905.

B7. Louisiana

If at least one of the parties of a ceremonial marriage, or to what one of the parties actually believes was a ceremonial marriage, reasonably and in good faith believes that the marriage is valid, a putative marriage may be created under Louisiana law. A putative marriage, if in force at the death of one party, gives inheritance rights to the innocent spouse and any children born of the relationship even though the marriage is bigamous or otherwise void.

B8. Minnesota

Any person who has cohabited with another to whom he/she is not legally married, in the good faith belief that he/she was married to that person, is a putative spouse until knowledge of the fact that he/she is not legally married terminates his/her status and prevents acquisition of further rights. A putative spouse acquires the rights conferred upon a legal spouse whether or not the marriage is prohibited or declared a nullity.

A putative marriage may be established in Minnesota to give the status of wife, husband, widow, or widower to a person who applies for benefits as a spouse or surviving spouse on or after March 1, 1979, or who filed an application before March 1, 1979, that has not yet been finally adjudicated.

Any case in which a putative marriage is alleged in Minnesota will be submitted by ORSP to the General Counsel.

B9. Texas

The one year time limit is satisfied if an applicant seeking to prove a common-law marriage:

1. Files an application with the RRB no later than one year after the relationship ended (usually the date of separation or death). The determination does not have to be made before the end of the time limit; or

2. Submits a favorable determination from a Texas judicial or administrative proceeding.

B10. Utah

The one year time limit is satisfied if the determination or establishment of a common law marriage occurs during the relationship or within one year following the termination of that relationship. To ensure that the determination is timely, develop promptly any claim where a Utah common law marriage is alleged.

If a Utah common law marriage has not been proved timely in a Utah proceeding, the marriage never existed.

4.4.1 Scope of Chapter

This chapter covers the various types of parent-child relationships and how they may be established. It also contains information on establishing other family relationships which may be necessary in order to award benefits under the RR Act.

The chapter is oriented to establishing the relationship of a child to the employee parent, but unless otherwise indicated, the same conditions apply in establishing the relationship of a parent to the employee child.

4.4.2 When POR Is Required

A. Applicant for Recurring Payment or O/M Inclusion - An applicant for a recurring payment as the child or parent of the employee must prove such relationship. Likewise, a child must establish such relationship to qualify for inclusion in the O/M.

B. Applicant for Nonrecurring Payment - POR is always required when the applicant's share is more than $25.00. POR is also required when the share is less than $25.00 and the relationship is questionable.

When children or grandchildren of a deceased employee share in a nonrecurring payment, consider POR of each child verified if at least one child:

- Has established his relationship to the deceased employee by regular documentary evidence; and
- Has listed in his application (or in another writing) the names and relationships of the remaining children entitled to share the payment with him and the relationships so stated are the same as those alleged by such remaining children who file applications.

However, if any claimed relationship is questioned or if the file contains evidence indicating a relationship is other than as claimed, each person whose relationship is questionable must furnish regular documentary POR.

If the employee died before 10-1-58, the old order of precedence for nonrecurring payments applies. Under that order, children and grandchildren and other lineal descendants may share in a nonrecurring payment in those proportions provided by applicable State law. In such a case, consider POR verified for each such entitled survivor if one entitled child (or grandchild if no child survived) fulfills the above requirements and no relationship is questionable.

C. Developing POR for Multiple Payees - Cases may occur in which one or more apparently eligible survivors do not file applications or answer inquiries. Their failure to do either will not in itself prevent verification of relationships under these

instructions. Allow 30 days for the person to furnish the required information or document, after which dispose of any claim on which final action can be taken.

Should an applicant fail to list the names and relationships of all the other apparently eligible survivors, ask him to explain the omission. If the information was omitted in error and he does not challenge the relationship of the survivors in question, such omission will not prevent verification of relationships under these instructions.

If the survivor whose relationship is questioned has not filed, see whether he wishes to file; if so, obtain documentary POR along with the application. If he does not wish to file, secure his statement giving the reason he does not.

4.4.5 Natural Child

The term "natural legitimate child" includes:

- A child of a valid ceremonial or common-law marriage;
- A child of a voidable marriage not judicially declared void;
- A child held legitimate under a void marriage statute (see Appendix D);
- A posthumous child (a child of the employee born alive after the employee's death);
- A child legitimated under applicable State law (see RCM 4.4.61);
- Any child who is legitimate under State law even though there has been no marriage or act of legitimation (see RCM 4.4.61).
- Any child who is deemed to be a "child" under the RR Act.

4.4.6 Legal Relationship Of Parent And Child

A. General - To determine if a claimant is the natural child of the employee, the inheritance laws of the state of the employee's domicile apply. If, under state inheritance laws, the claimant could inherit a child's share of the employee's personal property if the employee were to die intestate, the claimant is considered the child of the employee. If deceased, the inheritance laws of the state in which the employee was domiciled at the time of death apply.

If the employee's domicile was not in one of the 50 states, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, or the Northern Mariana Islands, the laws of the District of Columbia apply. When in doubt, refer the case to the Office of General Counsel (OGC).

B. Life cases - Apply the state law in effect when the annuity may first be increased under the Social Security Overall Minimum. If, under a version of state law in effect at that time, a person does not qualify as a child of the employee, look to all versions of state law in effect from when the employee's annuity may first have been increased, until you make a final decision. Apply the version of the state law most favorable to the employee.

C. Survivor Cases - Apply the version of state law in effect at the time of the final decision on the application for benefits. If, under that version of state law, the claimant does not qualify as the child of the employee, apply the state law in effect when the employee died, or any version of state law in effect from the month of potential entitlement to benefits until a final determination is made on the application. Apply the version most beneficial to the claimant. The following rules determine the law in effect as of the employee's death:

1. Any law enacted after the employee's death, if that law would have retroactive application to the employee's date of death, will apply; or

2. Any law that supersedes a law declared unconstitutional, that was considered constitutional at the time of the employee's death, will apply.

4.4.7 Natural Parent-Child Relationship

A. General - The preferred evidence of a natural parent-child relationship is a certified copy of a civil or church record of birth. However, accept any of the forms of documentary evidence used to establish age or DOB (see chapter 4.2) if it shows the relationship claimed and there is no information in file which casts doubt on the existence of the relationship.

Records originating after the death of an employee are always of doubtful value, unless based upon evidence predating the death of the employee.

Newspaper or magazine clippings are never acceptable as evidence.

If no documentary evidence is obtainable, the applicant must:

- Furnish a written statement giving the reason why documentary evidence is not obtainable; and

- Submit affidavits from two disinterested persons showing the name of the child and the name of the parent, that to their knowledge such child is the child of such parent, and the basis of their knowledge.

B. POA of Child as Proof of Natural Parent-Child Relationship - When the POA of the child shows that the employee is his parent, the relationship is established. Sometimes this proof will show only the mother's name; in such a case, if the father is the employee, the relationship is established if the child's surname is the

same as the employee's and other evidence establishes a marital relationship between the employee and the child's mother before the child's birth.

C. Short Form Birth Certificates - Accept a short form birth certificate (i.e., one that does not have space for showing the names of the parents) as proof of the child's relationship when the child's given name and surname are shown on the certificate. The child's surname shown must be the same as that of the employee at the time the child is born, and there must be no information in file which cases doubt on the existence of the relationship. This includes a short form certificate based on a hospital birth record or a church baptismal record.

D. Child of a Void Marriage - Any of the proofs in subsections B and C above will also establish the relationship of a child of a void marriage considered legitimated under a void marriage statute.

4.4.8 Presumption Of Legitimacy Under State Law

Presume that a child born in wedlock is the legitimate child of the mother's husband at the time of the child's birth. If the marriage of the child's mother terminates before the child's birth, deem the child to be the legitimate child of the mother's husband at the time of conception unless the mother remarries before the child's birth. In Louisiana, a child is conclusively presumed the legitimate child of the mother's husband at the time of the child's birth unless its legitimacy is successfully disputed by the husband or his heirs in a statutory action in disavowal.

The presumption of legitimacy is subject to modification in the event of quick successive marriages. Submit cases to the OGC for a determination as to legitimacy when a child is conceived during one marriage and born during a later marriage, except when the child may qualify as a stepchild or the law of Louisiana or Puerto Rico is involved. In Louisiana and Puerto Rico a child is presumed to be the legitimate child of the mother's husband at the time of the child's conception unless the child's legitimacy is successfully disputed in a statutory action in disavowal. However, in such a case, the child may still be able to qualify as a stepchild.

4.4.9 When Presumption Of Legitimacy Is Rebutted

The presumption of legitimacy of a child born during wedlock is rebutted when clear and convincing evidence shows that:

- The husband is sterile at the time of the child's conception; or
- The husband is constantly absent from his wife during the whole period within which the child must have been conceived; or
- The husband is present with his wife only under circumstances which make sexual relations impossible; or

- The child's mother is living in adultery continuously during the time the child must have been conceived and there is no evidence of access by the husband; or

- A statutory action in disavowal is successfully prosecuted in Louisiana or Puerto Rico.

NOTE: Release no correspondence in connection with matters relating to this section unless the unit supervisor approves such release.

4.4.10 When To Question Legitimacy Of Child

Do not question the legitimacy of a child born during wedlock unless there is sufficient cause. The following sections illustrate the situations in which a child's legitimacy may be questionable.

A. Information in File Raises Question - If an adverse claimant or a relative of the employee raises the question of the child's legitimacy, or evidence in file casts doubt on the child's legitimacy, obtain such evidence as the issue involved would require. When the question is raised by a contesting claimant, that claimant must submit evidence to support the allegation.

B. Child's Parent Volunteers Information - If the child's mother and/or her legal husband volunteer information which raises doubt as to the child's legitimacy, the acceptability of their statements to show that the child is not legitimate depends on whether the State applies the Lord Mansfield Rule.

C. Employee Not Mother's Legal Husband When Child Born - If the mother is married to the employee (or employee annuitant) at the time the child is conceived, deem the child to be his legitimate child even though the marriage is terminated before birth (see sec. 4.4.8 in case of Louisiana or Puerto Rico). However, if the mother is married to the employee at the time of conception but remarries after the child's conception and before the child's birth, submit the case to the OGC.

D. Extended Period of Gestation - If the child is born more than 287 days after the death of the mother's husband or her divorce from him, submit to the OGC for a determination under applicable State law.

E. Parents Divorced in Tennessee - If the law of Tennessee applies and the child is conceived after his parents begin divorce proceedings, go through the proceedings in apparent good faith, and are divorced, submit the case to the OGC.

F. Louisiana Divorce From Bed and Board - If the child is conceived after a divorce from bed and board in Louisiana, submit the case to the OGC.

4.4.11 When POM Of Child's Parents Is Required

Documentary proof of marriage is only required when the child's legitimacy is in question.

4.4.12 Development And Burden Of Proof Of Legitimacy

If a child's legitimacy cannot be established under the preceding sections, or if a question of the child's legitimacy is raised by another claimant, a relative of the employee or by other evidence, obtain additional evidence depending on the issue raised.

If a contesting claimant raises a question about the child's legitimacy, ask the claimant to submit evidence in support of his allegations. The evidence which is required or admissible to rebut a presumption of legitimacy varies from State to State. However, mere suspicion is not enough to rebut the presumption.

When there is some evidence, rather than mere suspicion, that the child is illegitimate and there is a question whether the evidence is enough to rebut the presumption of legitimacy under applicable State law, or there is doubt as to the need for more development, submit the case to the OGC through the section chief for a determination.

4.4.13 Acceptable Evidence Disproving Child's Legitimacy

A. General - Acceptable types of evidence showing that the child is not legitimate include statements from neighbors, friends, and relatives of the parties, or from other persons in a position to know the facts. The statements of the mother and her legal husband as to illegitimacy are only acceptable if the State does not apply the Lord Mansfield Rule.

B. Information To Be Obtained - Acceptable evidence should show:

1. The continuity of the relationship between the mother and the alleged father; whether they lived together continuously and whether they are considered husband and wife in the communities where they lived.

2. The whereabouts of the mother, her legal husband, and the alleged father during the entire period when the child in question could have been conceived.

3. When the child could have been conceived and the circumstances under which the alleged father and mother are together (in cases in which the legal husband is not constantly absent from the mother during the whole period).

4. When pertinent, whether the child is born prematurely or whether the gestation period is normal or abnormal. (Since this constitutes medical

evidence, it must be based on the statement of the physician in attendance.)

5. Who is considered the child's natural father among the family group and others in a position to know the facts at the time of the child's birth.

This list is not exhaustive; it shows only the most common development. Other types of acceptable evidence should be presented whenever the situation warrants.

An allegation that the mother's husband is sterile must be supported by the statement of a reputable physician. His statement must show the basis of his knowledge.

4.4.14 Lord Mansfield Rule

In many States, the Lord Mansfield Rule bars the mother of the child and her legal husband at the time the child is conceived or born from giving testimony which might prove the child to be illegitimate. Do not accept evidence submitted by the parents that tends to prove a child illegitimate if the evidence is not acceptable under applicable state law. In such States, if the only available evidence is the testimony of the mother or her legal husband, the presumption of the child's legitimacy is not rebutted.

In some States, a married woman can testify concerning the non-access of her husband in proceedings seeking to establish the paternity of her child. This does not, however, affect the application of the Lord Mansfield Rule when making a determination. If the Lord Mansfield Rule applies in those States in proceedings relating to property rights, do not accept such statements.

When the testimony of the mother and/or her legal husband does not tend to establish illegitimacy, i.e., merely shows the child to be a legitimate child of a marriage after the child's conception, submit the case to the OGC unless the child can qualify for benefits as a stepchild.

4.4.15 State Law On Applicability Of Lord Mansfield Rule

If the State of the employee's domicile follows the Lord Mansfield Rule, do not accept the testimony of the child's mother or the person who is her legal husband when the child is conceived or born as evidence disproving the child's legitimacy.

List of States and which State Law to Apply Lord Mansfield Rule

Alabama

Follows the rule except that the mother can testify to circumstances from which non-access and impossibility of parenthood may be inferred.

Alaska

Does not follow the rule.

American Soma

Does not follow the rule. Rather, where paternity of child is in dispute, if the mother is married, both she and her husband are considered competent to testify concerning non-access of either married party to the other at the time of conception. Additionally, the mother and alleged father (not the husband) are considered competent to testify.

Arizona

Does not follow the rule.

Arkansas

Does not follow the rule effective 7/2/89.

California

Does not follow the rule. Effective 1/1/76, the presumed legitimacy of a child born in wedlock may be challenged by any interested person who has relevant evidence to present. Prior to 1/1/76, the presumption could be disputed only by the mother, her husband, or the descendent of one or both of them; in which case, evidence of any person is admissible.

Colorado

Does not follow the rule.

Connecticut

Follows the rule in that the mother may not testify as to the non-access of her husband; however, the mother may testify as to any other independent facts affecting the legitimacy of the child even though some of the facts may result in establishing the child's illegitimacy.

Delaware

Does not follow the rule effective 1953.

District of Columbia

Does not follow the rule.

Florida

Does not follow the rule.

Georgia

Does not follow the rule; prior to 11/1/82, neither husband nor wife could give evidence that a child born during their marriage was illegitimate, i.e., they could not give direct evidence of the mother's adulterous conduct but could give other evidence from which a child's adulterous conception may be inferred.

Guam

Does not follow the rule but the presumed legitimacy of a child born in wedlock may be disputed only by the mother, her husband, or the descendant of one or both of them; in which case, evidence of any person is admissible.

Hawaii

Does not follow the rule, effective 1/1/76.

Idaho

Does not follow the rule.

Illinois

Does not follow the rule. This is a change of position effective 1/10/83. However, although the husband of married mother may testify as to non-access, the husband's testimony alone is not sufficient to prove illegitimacy. The husband's testimony as to non-access must be corroborated by other evidence or testimony. Similarly, the testimony of the married mother is not sufficient evidence, standing alone, to overcome the presumption of legitimacy where she continued to live with her legal husband.

Indiana

Does not follow the rule.

Iowa

Does not follow the rule.

Kansas

Follows the rule.

Kentucky

Does not follow the rule; however, declaration by the mother or husband is admissible only if evidence from other sources show non-access.

Louisiana

Does not follow the rule; however, a child is presumed the legitimate child of his/her mother's husband at the time of the child's birth unless legitimacy is disputed by the husband or his heirs in a statutory claim.

Maine

Does not follow the rule.

Maryland

Does not follow the rule.

Massachusetts

Does not follow the rule, effective 2/21/90.

Michigan

Does not follow the rule, effective 10/24/77.

Minnesota

Does not follow the rule.

Mississippi

Does not follow the rule to the extent that husband or wife may testify to the fact(s) disclosing that the parties were so separated that husband could not have had access during the time child was conceived.

Missouri

Does not follow the rule.

Montana

Does not follow the rule; however, the presumed legitimacy of a child born in wedlock may be disputed only by the mother, her husband, or the descendant of one or both of them; in which case evidence of any person is admissible.

Nebraska

Follows the rule.

Nevada

Does not follow the rule: however, if presumed father died before 7/1/71, submit to P&S – RAC.

New Hampshire

Follows the rule.

New Jersey

Does not follow the rule.

New Mexico

Does not follow the rule.

New York

Follows the rule.

North Carolina

Does not follow the rule.

North Dakota

Does not follow the rule.

Ohio

Does not follow the rule.

Oklahoma

Follows the rule until 5/1/73. As of this date, the presumption of legitimacy can be disputed only by the husband or wife or the descendants of one or both of them. If a child is born during wedlock and is reared by the husband and wife as a member of their family without disputing the child's legitimacy for a period of 2 years, the presumption cannot be disputed by anyone.

Oregon

Follows the rule.

Pennsylvania

Does not follow the rule, effective 9/22/75.

Puerto Rico

Does not follow the rule; however, a child is presumed the legitimate child of the mother's husband at the time of the child's birth unless the child's legitimacy is successfully disputed by the husband or his heirs or by the child in a statutory action.

Rhode Island

Follows the rule.

South Carolina

Does not follow the rule, effective 3/22/84.

South Dakota

Does not follow the rule.

Tennessee

Does not follow the rule, effective 3/15/55.

Texas

Does not follow the rule effective 4/9/75.

Utah

Follows the rule.

Vermont

Follows the rule

Virgin Islands

Forward to P&S-RAC

Virginia

Does not follow the rule.

Washington

Does not follow the rule.

West Virginia

Follows the rule.

Wisconsin

Does not follow the rule.

Wyoming

Does not follow the rule.

4.4.16 Child Of Void Or Voidable Marriage

A. Child of Void Marriage - A child of an illegal or void marriage is held legitimate under void marriage statues in many States (see Appendix D).

B. Child of Voidable Marriage - Voidable marriages are deemed valid and the children legitimate unless the marriage is judicially declared void. If the marriage is declared void (see POMS GN 00306.090), submit the case to the DGC unless the State has a true void marriage statute (see Appendix D). However, first consider whether the child can qualify under the SS Act invalid marriage provision (see sec. 4.4.66) or the illegitimate child provisions (see sec. 4.4.55ff).

4.4.25 Legally Adopted Child

A child who is legally adopted by the employee under applicable adoption laws of a state or foreign country is a "child" of the employee. Legal adoption is distinguished from equitable adoption by the fact that the contemplated adoption is completed under applicable adoption laws of the state or foreign country, and the proceedings are not defective.

In survivor cases, a child adopted after the employee's death by the widow(er), under certain conditions, is deemed to be the employee's child.

4.4.26 Child Legally Adopted By Employee's Widow(er)

A. Child Adopted Within Two Years After Employee's Death - Effective 1-1-91 (for applications filed after 12-31-90), deem a child who is legally adopted by the employee's widow(er), within two years after the day the employee died to be a child of the employee if:

- Such child was living with the employee at the time of the employee's death; or

- Such child received at least one half of his/her support from the employee in the year prior to the employee's death.

NOTE: Prior to 1-1-91, the following requirements applied: the child must have been living with the employee at the time of his death and at the time of the employee's death, the child is not receiving regular and substantial contributions for support from any public or private welfare organization which furnishes assistance or services for children, or from any person other than the employee or spouse.

Do not determine entitlement before the legal adoption is completed even though payment may be made for earlier months. (The determination is not required if the child can qualify as an equitably adopted child.)

B. Child Adopted Any Time After Employee's Death - Effective 1-1-91 (for applications filed after 12-31-90), deem a child who is legally adopted by the employee's widow(er) any time after the employee's death to be a child of the employee if:

- The employee instituted proceedings to adopt the child before death, and
- Such child was living with the employee at the time of the employee's death; or
- Such child received at least one-half of his/her support from the employee in the year prior to the employee's death.

NOTE: Prior to 1-1-91, the following requirements applied: the employee instituted proceedings to adopt child before death; and the child was living in the employee's household at the time of death; and at the time of the employee's death, the child is not receiving support from any public or private welfare organization which furnishes assistance or services for children or from any person other than the employee or spouse.

Do not determine entitlement before the legal adoption is completed even though payment may be made for earlier months.

C. Development When Child Legally Adopted by Employee's Widow(er) More Than Two Years After Death - Develop in accordance with the following section. However, in addition, it is necessary to establish whether proceedings to adopt the child are instituted by the employee before death.

Consider adoption proceedings to be instituted by the employee before death if the employee takes some specific action toward the child's legal adoption. The specific action may include arrangements for the adoption with approved adoption agencies or other qualified persons, as well as initial court proceedings for the adoption. Of course, development should cover all possibilities that the employee instituted adoption proceedings before death and should not be confined to only the above examples. Evidence of action to adopt a child may be on adoption certificates, contracts, affidavits, etc., or it may be necessary to contact appropriate officials for verification.

4.4.27 Proof Of Legal Adoption

A. Preferred Proof - The preferred POR of a legally adopted child to the adopting parent is:

- Copy of the decree or order of adoption, certified by the custodian of the record; or

- A photocopy of the above.

B. Other Acceptable Proof - In a number of States (see Appendix B), the record of adoption is sealed and cannot be obtained without a court order. In such an event, accept the following types of evidence as proof of adoption:

- An official notice received by the adopting parents at the time of adoption stating that the adoption has been completed; or

- A birth certificate issued as a result of an adoption proceeding.

C. Adoption Established by Birth Certificate - When a birth certificate or a certified copy of the record of birth is used as proof of adoption, it is not necessary that the date of adoption be shown if:

- The certificate is issued before the requested ABD; or

- In the case of a child to be included in the O/M after 8-1958, the certificate is issued before the effective date of the O/M (before 9-1958, the certificate must have been issued more than 3 years before the effective date of the O/M); or

- In a survivor case, the certificate is issued before the death of the employee.

A certificate that does not meet these requirements must be accompanied by a statement from the official having custody of the records which indicates the date the record is changed to reflect the adopting parent's names.

4.4.35 Equitably Adopted Child

Sometimes a child cannot qualify as a legally adopted child because:

- The adoption proceedings are defective under State law; or

- A contemplated adoption is never completed.

Such a child may, in the States listed in Appendix C, qualify as an equitably adopted child for inheriting intestate personal property from the "adopting" parent; he may, therefore, qualify for O/M purposes, become entitled to a CIA, and entitled to an RLS based on the creditable earnings of his "adopting" parent. Under the theory of equitable adoption, must States grant relief to a child who is the subject of a contract to adopt and has performed as a child for such a length of time that failure to permit the child to take property as if he were legally adopted would operate as a fraud upon the child.

Equitable adoption applies only if the question of the child's entitlement to benefits is involved. It does not qualify an equitably adopting parent as a parent under the Act.

4.4.36 Requirements For Equitable Adoption

The statutory requirements for equitable adoption appear in Appendix C which should be used as a guide for statutory requirements applying in a case. For equitable adoption to occur there must be:

- An express or implied (in some States) contract to adopt the child; and
- A legal consideration for the adopting parent's promise to adopt; and
- In some States, a promise to give the child inheritance rights in the adopting parent's personal property; and
- Surrender of the child to the adopting parent; and
- Performance by the child under the contract; and
- Sufficient lapse of time so that the child could have been legally adopted under applicable State law prior to the time the child is included under the O/M in a life case, or prior to the employee's death in a survivor case.

4.4.37 Contract To Adopt

A. General - The essential basis for equitable adoption is an express or implied contract to adopt the child legally. This contract is ordinarily between the adopting parents and the child's natural parents or the person or agency which has custody and control of the child.

In establishing a contract to "legally adopt," the specific word "adopt" need not be used and the legal process by which it may be accomplished need not be named. There need be only a clear indication that the parties are obligated to take whatever steps necessary to meet the statutory requirements for legal adoption. If this obligation is established, equitable adoption may be found to have taken place even though the parties have no knowledge of the adoption laws or the required legal proceedings. They must believe in good faith that they meet all legal requirements.

Generally, all States recognizing equitable adoption will require the child's parents (if alive) either to be parties to the contract or at least to consent to it. However, this participation or consent may be waived under certain conditions, e.g., if the child is illegitimate and paternity has not been established, the father's participation in the contract or his consent is not required. If the consent of a parent living at the time of the agreement is not obtained, submit the case to the AGC.

If the mother of an illegitimate child acts through an authorized agent, the agent's agreement with the adopting parents and surrender of the child to them are to be given the same consideration as if the child's mother had dealt directly with the adopting parents.

B. Oral or Written Agreement - See Appendix C to determine whether an oral agreement is acceptable or whether the agreement must be in writing.

4.4.38 Express Contract

An express contract to adopt is one in which the parties expressly agree, in writing or orally, that the child is to be legally adopted. The word "adopt" need not be used in the agreement; it is enough if direct evidence shows that the parties actually assumed an obligation under the agreement to legally adopt the child.

4.4.39 Implied Contract

A. General - In most States, equitable adoption can be established even though there is no express contract to adopt. A contract to adopt in exchange for the child's surrender may be implied if the circumstances of the transfer of the child and the later conduct and statements of the parties clearly indicate that they intend to adopt the child and no other inference can reasonably be drawn. There need be no allegation or direct evidence of a contract to adopt; the contract is implied from the circumstances and conduct of the parties. If, however, the terms of an agreement are known, no contract other than that indicated in the agareement may be implied.

B. When a Contract to Adopt May Be Implied - There are no exact rules as to when a contract may be implied. Unless other facts refute the inference, a contract to adopt may be implied when:

1. The circumstances under which the transfer of the child took place indicate that the promise to relinquish absolute custody and control of the child is exchanged for the promise of the "adopting parents" to give him the same rights and considerations he would have by law had he been born their natural child; and

2. The subsequent conduct of all parties is indicative of this mutual exchange of promises, e.g., the natural parents completely give up custody and control of the child, the adopting parents take the child into their home (give him their name, support, educate, and treat him as their own over a period of time), the child is known in the community as their child, and the child conducts himself, according to his age, as if they are his parents.

Acts such as baptizing the child in the employee's family name when the child has a different surname, entering the adopting parents' names on the child's public birth record, etc., are indications of an intent to adopt.

C. When a Contract to Adopt May Not Be Implied - An implied contract does not exist if there are reasonable grounds for believing that the parties involved have some other intent at the time of the the child's transfer. For example, if the transfer is originally made to provide for the child until the natural parent can establish a home for him, do not assume an implied contract to adopt. In such a case, even if the intent later changes into an intent to adopt, an express contract has to be shown.

An implied contract does not exist when the terms of an agreement are known. If the terms are known, the agreement is express.

The evidence must be strong to justify a finding of an implied contract to adopt when the adopting parents are close relatives of the child. That relationship tends to weaken an inference that an adoption is intended; relatives are often motivated by affection and desire to help the child's parents when they take a child into their home, rather than by an intent to adopt.

Even if the intent of all the parties involved can be reasonably implied, do not consider a child equitably adopted unless the implied contract is enforceable in the courts of the State. The contract is not enforceable, for instance, if the consent to give over the custody of the child is made by a legally incompetent natural parent or grandparent or by another person who is incapacitated to enter into such an agreement. It is not enforceable if for any reason a legal adoption would not be granted had such proceedings been started. For example, in some States, a person over age 60 is not qualified to adopt a child.

4.4.40 Adoption By Estoppel - No Evidence Of Valid Contract

When a valid contract to adopt, either express or implied, cannot be found, it is possible in some States for a child to be granted the rights of an adopted child under the theory of "estoppel." This means that the adopting parents are barred from denying that a child's performance is pursuant to a valid contract to adopt.

The courts of a number of States have not yet considered whether the doctrine of estoppel applies to adoption. The majority of States which do apply this doctrine to adoption restrict its application to those cases in which an attempt is made to legally adopt but the preceedings are imperfect because of some technicality or oversight. (Some States use the doctrine of estoppel interchangeably with an implied contract.)

States in which the possibility of adoption by estoppel needs to be considered are:

- Missouri - The only State in which it is known that the courts apply the doctrine of estoppel to enforce an invalid contract to adopt; and

- The States in which information to date is that the courts have not ruled as to whether the doctrine of estoppel does or does not apply to adoption. This includes all States EXCEPT Alabama, Iowa, Ohio, South Dakota, Tennessee, and Texas.

These six States require a valid contract and/or restrict the application of the doctrine of estoppel to situations in which a statutory adoption proceeding is instituted but in some way is defective.

When all elements for equitable adoption are present except for evidence of a valid contract to adopt in Missouri and all States other than the exceptions mentioned above, submit the case to the DGC for a determination under applicable State law.

4.4.41 Legal Consideration For Promise To Adopt

The promise to adopt by the adopting parent(s) must be based on a legal consideration. The absolute surrender of the child by the natural parent(s) or by the person or agency having legal custody of the child upon a promise by the adopting parent(s) to adopt the child is such a legal consideration. If, however, the contract to adopt is made some time after the child is placed in the care of the adopting parent(s), it must be shown that the surrender is then made absolute and permanent in exchange for the promise of the adopting parent(s) to adopt the child.

If the contract to adopt does not include an agreement of absolute surrender of the child to the adopting parent(s), submit the case to the DGC as the contract may contain some other legal consideration.

4.4.42 Promise To Give Child Inheritance Rights

In many States the agreement to adopt need provide only for the adoption of the child. In some States (see Appendix C), however, the agreement to adopt must be coupled with a promise to give the child inheritance rights in the adopting parent's personal property when the child otherwise would have no inheritance rights.

The promise of inheritance rights need not be stated precisely as a separate promise. It is sufficient if the words in the promise to adopt clearly show the obligation to give the child inheritance rights. When the language is ambiguous, consider the later words and actions of the adopting parent(s) for an indication of an original agreement to give the child inheritance rights. Each case must be decided in the light of all the facts. Submit questionable cases to the DGC for a determination under applicable State law.

4.4.43 Surrender Of Child

There must be a surrender of the custody and control of the child to the adopting parents pursuant to the contract of adoption. The surrender must be complete and absolute. To meet this requirement of surrender:

- The agreement must not reserve to the person or agency placing the child authority to regain custody, or to the adopting parent the right to return the child; and

- No rights must be retained by the person or agency placing the child to exercise control and supervision of the child.

Thus, when the child is placed with the adopting parents for a probationary period during which the child may be returned at the option of either party, do not deem the surrender complete and absolute until the trial or probationary period expires, unless both parties agree to make the contract final prior to the expiration of the probationary period.

After the expiration of the probationary period, if the agency takes no action to recover the child and the adopting parents keep the child, deem the surrender of the child complete and absolute, unless the agency continues to exercise control and supervision over the child.

4.4.44 Performance By Child

A child can be equitably adopted only if there is such performance by the child under a contract to adopt (as distinguished from a foster parent relationship) as to create equities which would impel a court to grant him a child's share in the employee's property. Among the factors showing such performance are:

- A parent-child relationship is created between the adopting parent and the child (i.e., they conduct themselves just like an actual parent and child); and

- The child occupies the position of a child, rendering filial obedience until eligibility for inclusion under the O/M in a life case, or until the employee's death in a survivor case.

In some States, performance by the child for a relatively short period will suffice; in others a longer period is necessary; in still others performance along is not enough to justify a finding of equitable adoption. Submit all cases to the AGC for which there are no precedents covering the facts under the applicable State law.

Do not confuse the period of performance with the trial or waiting period requirements of the various States in Appendix C.

4.4.45 Equitable Adoption Must Meet Time Requirement For Legal Adoption

For a child to qualify as an equitably adopted child of an employee, it must be possible under applicable State law for the child to be legally adopted before the date the child is included in the O/M in a life case, or before the employee's death in a survivor case.

Some State laws provide that the child must live with the adopting parents for a specified period before the granting of an adoption decree. Some States provide that there must be a waiting period after the petition for adoption is filed or after the final decree of adoption is granted. In those States, the child must start living with the

employee early enough so that the required waiting period has run before the child is taken into account for O/M purposes in a life case, or before the employee's death in a survivor case. However, if the State law permits the courts to waive the waiting period, treat the case as if no waiting period is required.

4.4.46 Developing Equitable Adoption

When adoption is alleged but there is no formal legal adoption, obtain proof of equitable adoption. Such proof should consist of:

- The original or transcribed copy of any written contract or agreement; and
- G-118 completed by the applicant (regardless of whether or not a written contract or agreement exists); and
- G-118 completed by a responsible person who has knowledge of the facts, preferably a natural parent (regardless of whether or not a written contract or agreement exists).

However, if affidavits executed by the applicant and another responsible person containing substantially the same information called for on the G-118 are in file, accept the affidavits in lieu of Form G-118.

4.4.47 Adoption Contract Made Outside State Of Employee's Domicile

A contract to adopt, like other contracts, is usually governed by the law of the State where the contract is made. However, if the contract is made or executed in a State other than the State of the employee's domicile, submit the case to the GC for a ruling as to the validity of the contract under the applicable State law.

4.4.48 Responsibility For Equitable Adoption Determinations

The payment or denial of benefits based upon a finding pursuant to precedent opinion as to the existence or non-existence of equitable adoption, or the submission of appropriate equitable adoption cases to the GC, must be approved by section supervisors. Determination of the existence or non-existence of equitable adoption must be based on both analogous precedent legal opinions and existing instructions. However, exercise caution when making any determination pursuant to precedent opinion.

4.4.55 Illegitimate Child

An employee's illegitimate child (one born out of wedlock) may have the status of a child and meet the definition of a child for benefit purposes if the child is:

- Legitimated under applicable state law (such a child is treated the same as one born in wedlock); or

- Recognized or acknowledged under applicable state law for the purpose of inheriting intestate personal property (see RCM 4.4.61).

NOTE: Effective 2-1968, an illegitimate child may usually be deemed to be a "child" of the employee regardless of the child's status under applicable state law. Refer to RCM secs. 4.4.66 and 4.4.68.

4.4.56 Child Recognized By Father For Inheritance Rights But Not Legitimated

An illegitimate child, even if not legitimated, has the status of the employee's natural child if he/she has been recognized or acknowledged under applicable state law for inheriting personal property if the employee were to die without a will. Provisions concerning inheritance rights but not legitimating the child are preceded by an "I" in the state law entries in RCM 4.4.61. Such a child is deemed dependent and does not have to prove dependency.

4.4.57 Evidence Of Written Acknowledgement

If state law provides that a child may be legitimated, or acknowledged for inheritance purposes, by a statement in writing signed in the presence of a witness and if there is no requirement that the writing be in a certain form, be acknowledged before a justice of the peace, be filed in court, etc., there is a great variety of written statements which may suffice. For example: A soldier's application for an allotment is sufficient if the application lists the child as his child; an application for social security benefits on behalf of a child signed by the father before a witness would suffice if he listed the child either as legitimate or illegitimate. When there is a writing acknowledging paternity, but it is not apparent that it is signed by the father in the presence of a witness, submit the case to the Office of General Counsel (OGC) for a determination as to whether such acknowledgement complies with the statute of that state.

4.4.58 Informal Acknowledgement Or Recognition

An informal (i.e., oral) acknowledgement or recognition is sufficient in some states. When RCM 4.4.61 does not show clearly whether or not informal acknowledgement or recognition is acceptable, submit the case to the OGC for a determination as to compliance with the state law.

4.4.59 Effect Of Change In Father's Domicile

The usual rule is that a child who is legitimate under the law of the father's domicile at the time of the child's birth, OR who is legitimated in accordance with the law of the

father's domicile at the time the legitimating act is performed, is recognized as legitimate and able to inherit as a child from the father in all states.

A different rule prevails when a child is illegitimate at birth under the law of the father's domicile at that time, and the father performs acts (such as acknowledgement) which fall short of giving the child a legitimate status under the law of the father's domicile at the time the acts are performed. Generally, acts of this sort will not enable the child to inherit as a child from the father under the law of another state, even though such acts may bestow inheritance rights on the child under the law of the father's domicile at the time of performance.

Nevertheless, in a few states, a child will be allowed to inherit as a child from the father if the latter has performed certain specified acts, regardless of the effect of the acts under the law of the father's domicile at the time of performance.

Submit the case to the OGC when the following conditions exist:

- The father performs acts which constitute legitimation or acknowledgement (which confers inheritance rights on the child) under the law of the state where the father is domiciled at death or at the time of the child's O/M inclusion, as the case may be; but

- When he performs the acts the father is domiciled in another state where such acts do not confer a legitimate status. (It is immaterial whether or not the acts constitute acknowledgement which confers inheritance rights on the child in the other State.)

4.4.60 Effective Date of Legitimation

Most states follow the rule that a child legitimated after birth is considered legitimate from birth. See SSA POMS (GN 00306.085)

The exception is Louisiana See SSA POMS (See GN 00306.505) and Puerto Rico (See GN 00306.615); the illegitimate child is legitimate from the date of the legitimating act.

4.4.61 Digest Of State Laws On Legitimation And Inheritance

The Digest of “State Laws” on Legitimation and Inheritance explains how a parent or child can acquire status under state law.

An employee’s illegitimate child, even if not legitimated, may have the status of a “child” under the acts if recognized and acknowledged under applicable state law for the purpose of inheriting intestate personal property. RRB uses the same laws and regulations as the Social Security Administration (SSA). A link has been added to SSA Programs Operations Manual System (POMS) to the list of Digest of State Laws on Legitimation and Inheritance.

NOTE: If there are instructions to submit information or evidence to Regional Chief Counsel (RCC) for determination, forward to Policy and System-RAC.

Alabama

See SSA POMS (GN 00306.405)

Alaska

See SSA POMS (GN 00306.410)

American Samoa

See SSA POMS (GN 00306.415)

Arizona

See SSA POMS (GN 00306.420)

Arkansas

See SSA POMS (GN 00306.425)

California

See SSA POMS (GN 00306.430)

Colorado

See SSA POMS (GN 00306.435)

Connecticut

See SSA POMS (GN 00306.440)

Delaware

See SSA POMS (GN 00306.445)

District of Columbia

See SSA POMS (GN 00306.450)

Florida

See SSA POMS (GN 00306.455)

Georgia

See SSA POMS (GN 00306.460)

Guam

See SSA POMS (GN 00306.465)

Hawaii

See SSA POMS (GN 00306.470)

Idaho

See SSA POMS (GN 00306.475)

Illinois

See SSA POMS (GN 00306.480)

Indiana

See SSA POMS (GN 00306.485)

Iowa

See SSA POMS (GN 00306.490)

Kansas

See SSA POMS (GN 00306.495)

Kentucky

See SSA POMS (GN 00306.500)

Louisiana

See SSA POMS (GN 00306.505)

Maine

See SSA POMS (GN 00306.510)

Maryland

See SSA POMS (GN 00306.515)

Massachusetts

See SSA POMS (GN 00306.520)

Michigan

See SSA POMS (GN 00306.525)

Minnesota

See SSA POMS (GN 00306.530)

Mississippi

See SSA POMS (GN 00306.535)

Missouri

See SSA POMS (GN 00306.540)

Montana

See SSA POMS (GN 00306.545)

Nebraska

See SSA POMS (GN 00306.550)

Nevada

See SSA POMS (GN 00306.555)

New Hampshire

See SSA POMS (GN 00306.560)

New Jersey

See SSA POMS (GN 00306.565)

New Mexico

See SSA POMS (GN 00306.570)

New York

See SSA POMS (GN 00306.575)

North Carolina

See SSA POMS (GN 00306.580)

North Dakota

See SSA POMS (GN 00306.585)

Northern Mariana Islands

See SSA POMS (GN 00306.590)

Ohio

See SSA POMS (GN 00306.595)

Oklahoma

See SSA POMS (GN 00306.600)

Oregon

See SSA POMS (GN 00306.605)

Pennsylvania

See SSA POMS (GN 00306.610)

Puerto Rico

See SSA POMS (GN 00306.615)

Rhode Island

See SSA POMS (GN 00306.620)

South Carolina

See SSA POMS (GN 00306.625)

South Dakota

See SSA POMS (GN 00306.630)

Tennessee

See SSA POMS (GN 00306.635)

Texas

See SSA POMS (GN 00306.640)

Utah

See SSA POMS (GN 00306.645)

Vermont

See SSA POMS (GN 00306.650)

Virgin Islands

See SSA POMS (GN 00306.655)

Virginia

See SSA POMS (GN 00306.660)

Washington

See SSA POMS (GN 00306.665)

West Virginia

See SSA POMS (GN 00306.670)

Wisconsin

See SSA POMS (GN 00306.675)

Wyoming

See SSA POMS (GN 00306.680)

4.4.62 Birth Certificate for Illegitimate Child

The provisions of certain state laws require a father's written consent or a court determination of paternity before the birth certificate of an illegitimate child can show the name of the father and/or the child's surname the same as the father's. Appendix E (State Laws on Entry of Father's Name on Birth Certificate of an Illegitimate Child) gives information about the laws for each state.

A. Presumption that a written consent or court determination exists.

If the birth certificate is from a state that requires a written consent of court determination and information on the certificate indicates or implies the child's illegitimacy, presumption can be made without further development that a written consent or court documentation exists. The birth certificate indicates or implies the child's illegitimacy if any of the following applies:

- The birth certificate has been amended with reference to sections of the annotated code that apply to illegitimate children.

- The child's last name is the same as the mother's and the mother's surname is not the same as the alleged father's surname.

- The birth certificate has a block that can be checked to indicate that the child is illegitimate.

B. Contacting the state of find out if a record exists.

If the birth certificate is from a state that requires a written consent or court determination, but the birth certificate does not contain information indicating or implying the child was considered illegitimate when the certificate was filed, write to the state's Bureau of Vital Statistics (BVS) to find out if they have a consent or court determination in their records.

C. Assumption that the State has no written consent or court documentation on file.

If the birth certificate is from a state that does not require a written consent or court determination, the states BVS is unlikely to have one on file in connection with the birth certificate. If possible, secure the information from some other source.

See Appendix E for State Laws on Entry of Father's Name on Birth Certificate of an Illegitimate Child.

4.4.65 Deemed Child

A deemed child is one who would not be considered a child under State law but who may be considered a child for purposes of the RR Act. If the facts indicate that (s)he is the son or daughter of the employee and is the child of an invalid marriage of its parents or an illegitimate child of the employee under certain conditions, (s)he meets the definition of a child for purposes of the RR Act.

A child is deemed to be the stepchild of the employee if the natural or adopting parent went through a marriage ceremony with the employee (who is not the child's natural or adopting parent) resulting in a de facto marriage.

4.4.66 Child Of Invalid Ceremonial Marriage

A. Natural Child of the Employee - A child is deemed to be the "child" of an insured employee if the employee is the child's natural parent, and the employee and the child's mother or father, as the case may be, when through a marriage ceremony resulting in a purported marriage between them which would be a valid marriage except for the existence of a legal impediment. In this situation it is unnecessary to determine whether the child has inheritance rights under State law. The phrase "legal impediment" includes:

- A prior undissolved marriage or an impediment otherwise arising out of a prior marriage or its dissolution; or

- A defect in the procedure followed in connection with the purported marriage.

See chapter 4.3 for a detailed discussion of legal impediment. For purposes of a child's entitlement only, good faith on the part of either or both of the child's parents at the time of the marriage ceremony is not material. (Good faith is also discussed in chapter 4.3.)

A child of an invalid ceremonial marriage is deemed to be legitimate from birth regardless of when the marriage took place. Although a child of an invalid ceremonial marriage has the status of "child" under the SS and RR Acts for benefit purposes, this Federal provision does not give the father the status of "parent" under the SS or RR Acts. If a parent is claiming benefits on the E/R of a child who is born as the result of an invalid ceremonial marriage, the parent-child relationship must be determined under applicable State inheritance law.

NOTE: For months after 8-1960 and before 2-1968, such a child was deemed to be the employee's stepchild. As such, the child could be included in the O/M in a life case and qualify for a CIA in a survivor case.

B. Stepchild of the Employee - Effective 9-1-60, a child is deemed to be the stepchild if his natural or adopting father or mother went through a marriage ceremony with the employee (who is not his natural or adopting parent) resulting in a purported marriage between them which would have been a valid marriage except for the existence of a legal impediment. The phrase "legal impediment" includes:

- A prior undissolved marriage or an impediment otherwise arising out of a prior marriage or its dissolution; or

- A defect in the procedure followed in connection with the purported marriage.

4.4.67 Evidence To Establish Relationship Of Child Of Invalid Ceremonial Marriage

Documentary evidence of marriage is always required in these cases regardless of whether the marriage occurred before or after the child's birth. Even if the State of domicile follows the Lord Mansfield Rule, disregard the rule in these cases if it is shown that the employee is the biological father. The following paragraphs contain general guides for evaluation the evidence obtained.

When the mother of the child has no legal husband, any pertinent evidence may be used to establish the relationship of the child to the employee. A birth certificate (in addition to POM), hospital record, or school record is sufficient evidence of relationship if it shows the employee as father. The discussion in section 4.4.7, on acceptable proofs of parent-child relationship, applies here also. An acknowledgement by the employee to friends or relatives, or to his employer is also sufficient if it shows the employee is the father.

If the mother is legally married to someone else when the child is conceived but she and the employee are living together at that time as husband and wife, this tends to establish the child's relationship to the employee. When a child is allegedly born to an employee who is not living with the mother when the child is conceived, and the mother of the child has a legal husband other than the employee, the evidence must clearly show that the employee is the child's father. (Use the evidence described in the preceding paragraph for this purpose.) In such a case, if the mother and her legal husband are living together when the child is conceived, only in the most unusual case may the employee be found to be the child's father.

4.4.68 Illegitimate Child Deemed A Child

A. Life Cases - For months after 8-1965, deem a son or daughter of an employee annuitant to be his child for O/M purposes regardless of the child's status under State law. For months after 1-1968, such a child may also qualify a spouse for a full annuity. The child may be included in the O/M or qualify the spouse even though under State law (s)he is presumed to be the legitimate child of another person. However, in order for this provision to apply it must be established that the conditions in 1 or 2 below are met.

1. Court Order or Written Acknowledgement - The employee:

   - Is decreed by a court to be the child's father; or
   - Is ordered by a court to contribute to the child's support because the child is his son or daughter; or
   - Acknowledges in writing that the child is his son or daughter.

   Prior to June, 1974, to meet this part of the test the court action or written agreement must have occurred at least one year before the employee became entitled to an annuity or attained age 65, whichever was earlier. Effective June 1, 1974, the court order or written acknowledgement requirement need be met only at the time the child can be included in the O/M (or any month in the retroactive period for inclusion in the O/M).

2. Other Evidence - If the above conditions are not met, the child may still be included in the O/M or qualify the spouse if the employee annuitant:

   - Is shown to be the child's father by other satisfactory evidence (which may include a written acknowledgement or court action that is not timely established); and
   - Is living with the child or contributing to the child's support at the time he becomes entitled to an annuity or attains age 65, whichever is earlier.

NOTE: Effective June 1, 1974, the living with or contributions requirement need be met only at the time the child can be included in the O/M (or any month in the retroactive period for inclusion in the O/M).

B. Survivor Cases - Effective 2-1968, deem the son or daughter of an employee to be the employee's child for monthly benefits under the RR Act regardless of the child's status under State law, if the requirements below are met. In determining the relationship of a "child" for payment of an RLS, do NOT apply this provision if the employee died before 2-15-68, the enactment date of the 1968 amendments. For payment of an RLS the new definition of a child applies only when the employee died on or after 2-15-68.

An illegitimate child is deemed to be the child of the employee if the employee:

- Acknowledges the child in writing; or
- Is decreed by a court to be the child's father; or
- Is ordered by a court to contribute to the child's support because he is the child's father; or
- Is shown by other satisfactory evidence to be the child's father and is living with or contributing to the support of the child at the time of death.

The child may qualify on the employee's E/R under this provision even if under State law he is presumed to be the legitimate child of another person. This provision may be used not only to establish relationship of a child to his father, but also to his mother in those few jurisdictions where a child does not always have status with respect to his mother. A child may qualify on his mother's E/R under this provision only if either the "court order for support" provision or "written acknowledgement" provision is met.

This provision does not give the father or mother the status of "parent" under the Act. If the parent is claiming on the E/R of the child, the parent-child relationship must be determined under State law.

NOTE: From 9-1-65 through 1-31-68, such a child could only be included in the O/M.

4.4.69 Evidence To Qualify Illegitimate Child As Deemed Child

A. Acknowledgement in Writing Defined - This writing must identify the child in question by name or otherwise, and must acknowledge the child as the employee's son or daughter. There is no requirement that the writing be in any special form as long as it is made before the employee's death. A variety of written statements by the employee may suffice. For example, an income tax return listing the child as his, a soldier's application for allotment listing the child

as his, a will referring to the child as his child, an application for insurance by the employee naming the child as his child. (Definitions or precedents as to what constitutes written acknowledgement under State laws relating to legitimation or recognition are not controlling here.) If clear and convincing evidence shows that the employee acknowledged the child in writing, the requirements are met even if the acknowledgement is no longer in existence or cannot be obtained. Exercise caution in the evaluation of such evidence or acknowledgement. (A posthumous child can be effectively acknowledged.)

There is a question as to whether a "written acknowledgement" must be signed by the employee. If there is evidence establishing that an unsigned writing was prepared by the employee and the child cannot otherwise qualify, submit the case to your supervisor for a determination as to the acceptability of the evidence.

B. Child's Birth Certificate – See RCM 4.4.62

C. Court Decree of Paternity Defined - The court decree must find that the employee is the father of the child. Even though it does not expressly state this, it is sufficient if the order or decree indicates that he is charged and either pleads guilty or is found guilty under a specific statute or provision of a State Code, referred to only by number in the decree, submit the case to the AGC in the absence of a precedent or other information on the nature of the statute.

The decree must name the employee and identify the child. It is not necessary that the child be identified by name as long as it is clear that the reference is to the child in question. Related court records (e.g., complaint, indictment, sentence, etc.) may be considered.

EXAMPLE 1: The employee is found guilty in a bastardy proceeding naming him as the father of a child born on 2-10-64 to Mary Jones. The evidence shows the claimant was born 2-10-64 and is the child of the names Mary Jones.

EXAMPLE 2: The employee is found guilty in a court proceeding naming him as the father of the unborn child of Mary Jones. The claimant is born to

Mary Jones 7 months later (or any date on which the child can be reasonably identified as the subject of the proceeding).

Consider a court decree of paternity issued after the death of the employee as "other evidence" of paternity which may satisfy the requirement of E below, if the employee is living with the child or contributing to the child's support at the time of his death.

D. Court Order for Support Defined - The court order must identify the child and name the employee, and direct the latter to contribute to the child's support. Even though the court order does not name the employee as the child's parent, it is

sufficient if the order is issued under a statute requiring a parent to support his child. The discussion in C above as to the identity of the child and reference to a statute or code number also applies here.

Consider a court order for the child's support issued after the employee's death as "other evidence" under E below.

E. Other Satisfactory Evidence Defined - The evidence must identify the child in question and must establish that the employee is the biological father of the child. There is no requirement that the evidence be in a specific form. Satisfactory evidence may include a court decree, court order, or written acknowledgement which establishes paternity but does not qualify under A-D above. Statements by the employee's relatives that the employee considered the child his own may also constitute evidence.

F. Living With or Contributions Defined

1. Living With - "living with" means that the child and parent share a common roof under conditions which indicate more than mere coincidence of residence. It also means that the parent has the right to exercise, or is exercising, parental responsibility and authority.

   Periodic or temporary separation does not bar "living with" if the circumstances indicate that the child and parent have shared and again expect to share a common roof or resume common residence when conditions permit. Thus, a parent in the Armed Forces who shares a common roof with the child until his induction is deemed to be "living with" the child; "living with" is also deemed when the child is born while the father is in the Armed Forces. However, if the child is in the Armed Forces or committed to a correctional institution, do not consider him to be "living with" his parent, since the parent does not have the right to exercise parental control.

2. Contributions to Support - Contributing to support means regular and substantial contributions in cash or in kind. The amount of contributions must be a material factor in the reasonable cost of the child's support.

   Benefits to a child on the E/R of a living parent are contributions by that parent to support.

   Gifts or donations at special times or for special purposes usually are no contributions. Donations are contributions only if they are given for the child's support and are large enough to provide some of the usual necessities.

   Funds set aside for the child's future use are no contributions.

   An allowance or allotment for a child by a serviceman is a contribution.

Apportionment of a living veteran's VA compensation or pension is a contribution by the veteran. Since these are cash payments out of the veteran's own funds, it is immaterial whether he has agreed to such payments.

Whether contributions or support are voluntary or compulsory does not matter. Therefore, a court order for support alone is not significant; consider only contributions actually made without regard to the amount the court order specifies.

3. Limited-Interruption Rule - Contributing to the support of the child may be found even though:

   - The normal pattern of contributions is disturbed by a temporary interruption (i.e., it does not involve an assumption of support by someone else on a permanent and continuing basis); and

   - The evidence indicates that the interruption is involuntary and that contributions would continue if conditions permitted. Involuntary means the person is unable to contribute because he is ill, disabled, unemployed, etc.

4. Existence and Relationship of Child - In order to establish dependency, the child must be in existence and have the necessary relationship to the employee at the time of his death. If the employee is living with the mother or contributing to her support during the child's period of gestation, the employee is considered to be living with the child or contributing to the child's support during this period.

4.4.70 Development Under Illegitimate Child Provision

A. General - Obtain a full birth certificate showing the parent's names. Some States will not issue such a certificate because it may disclose the child's illegitimacy; if only a short form birth certificate can be obtained because of this, place a written statement to this effect in the file.

Use discretion and develop the child's relationship under State law, under the invalid ceremonial marriage provision as discussed in section 4.4.66, or under the illegitimate child provision in section 4.4.68 whichever is applicable or more expeditious, or develop under each concurrently. However, if benefits for months before 2-1968 are involved, development must be made to determine whether the child meets the inheritance tests under State law.

When the applicant states the child is illegitimate or other information indicates illegitimacy, obtain the full birth certificate and answers to the following questions under "Remarks" on the application, or in a separate statement signed by the applicant.

1. Is the employee living with or contributing to the support of (child's name)?

2. Did he acknowledge in writing that this child is his son or daughter?

3. Is he decreed by a court to be the father of this child?

4. Is he ordered by a court to contribute to this child's support?

If the answer to any of these questions is yes, develop under the following sections.

B. Development of Court Order - Ordinarily, obtain a copy of the court decree of paternity or court order for support certified by the proper court official. However, accept an excerpt from the order or decree certified by the court official if it contains sufficient information to determine that the child qualifies (i.e., there is a finding of paternity or an order to support the claimant as a child of the employee). Identifying information may be completed by considering other papers as explained in section 4.4.69 C and D.

If there is any indication of a modification in a finding of paternity in the decree or the identity of the parent in the court order, the applicant should furnish a current decree ororder with the certification by the proper court official as to whether or not the finding is vacated or changed.

Be sure the decree or order shows the date the court made its ruling.

C. Development of Written Acknowledgement - Include in the file the written acknowledgement or a photocopy of a true and exact copy.

It is not material whether the date is shown as long as it can be determined that the employee made the acknowledgement.

If the acknowledgement is not signed, obtain evidence as to whether the employee prepared it. When the evidence shows that the acknowledgement was prepared by the employee and the child cannot otherwise qualify, submit the case to your supervisor for a determination as to the acceptability of the evidence.

In some instances the appearance of the employee's name as father on an child's birth certificate may suggest development of a written acknowledgement with the State vital statistics office.

D. Development of Other Evidence - Since the evidence offered may be in a variety of forms, exercise judgment in evaluating it, keeping in mind that such evidence must establish biological paternity.

Consider such factors as the age of the evidence and date established, the purpose for which it was established, who furnished the information on which the evidence was based, the formality of the evidence, etc.

In addition to the child's birth certificate, obtain the mother's statement as to paternity if she is not the applicant. If the mother's whereabouts are unknown, or if she is incompetent or deceased, secure other evidence to establish paternity. This may be hospital, church, or school records; a court order or decree; or a statement from the attending physician, relative, or person who knows the child's relationship to the employee including the basis for that knowledge. It may also be evidence that the employee and the child's mother are living together when the child is conceived. This list is not exhaustive and there may be other evidence which can establish the child's relationship to the employee.

If the birth certificate shows the employee as the child's father and this is corroborated by the applicant (and mother's statement if she is not the applicant), this is ordinarily sufficient unless there is evidence to the contrary. If the birth certificate does not show the employee as father, or shows the birth was registered after the employee's death, or if a birth registration cannot be located, develop other evidence of paternity as in the preceding paragraph.

NOTE: In addition to establishing paternity based on "other evidence" it is also necessary to establish that the child was either living with the employee or being supported by him at the time of the employee's death.

E. Development of Living With or Contributions

1. Living With - Obtain the applicant's statement as to whether the child lived with the employee at the time of the employee's death.

   Additional evidence of living with is required if information obtained during the normal course of development raises some doubt as to whether the child is living with the employee; or the applicant on behalf of the child does not have personal knowledge of where the child lived at the time of the employee's death.

2. Contributions - If the child is not living with the employee at the time of the employee's death, have the applicant submit a signed statement regarding the contributions to the child's support by the employee during the year preceding the employee's death. Obtain supporting statements from the best available source with personal knowledge, or obtain corroborating evidence, such as cancelled checks, receipts, etc.

4.4.80 Stepchild

A stepchild of the employee (or employee annuitant) is a child whose relationship is created by the employee's marriage to the child's natural or adoptive parent after the

child's birth. The marriage which creates the relationship need not be valid provided there is a marriage ceremony and the marriage is invalid only because of a legal impediment.

A child conceived before the marriage of his mother to the employee who is not the child's natural father, and born after the marriage, is also considered to be the stepchild of the employee.

A. Life Cases - The marriage of the employee annuitant and the child's parent must take place one year before the child otherwise qualifies for O/M purposes as a stepchild or the spouse otherwise qualifies for a full annuity on the basis of the child. The month in which the first anniversary date occurs is the first month the stepchild may be taken into account under the O/M or may qualify the spouse for a full annuity.

A child conceived and born to one of the parties after the marriage is not the stepchild of the other party. Similarly, a child adopted by one of the parties after the marriage is not the stepchild of the other party.

Death of a spouse does not end the parent-stepchild relationship, but divorce does. Therefore, a stepchild cannot be included in the O/M award of an employee divorced from the child's natural parent. If the divorce occurs after such entitlement, the child’s inclusion in computing the O/M ends the month after the month in which the divorce between the employee and the natural parent becomes final.

If a child is adopted in a State where adoption cuts off inheritance rights between the parent and child, a person who later marries the child's natural mother is not the child's stepfather.

B. Survivor Cases - The marriage of the employee and the child's parent must take place nine months (three months if death is accidental or the employee died while on active duty in the Armed Forces) before the day on which the employee died. (Prior to 2-1968, the marriage must have taken place one year before the day on which the employee died.)

If a child is adopted in a State where adoption cuts off inheritance rights between the parent and child, a person who later marries the child's natural mother is not the child's stepfather.

Death of a spouse does not end the parent-stepchild relationship, but divorce does. When a parent-stepchild relationship is terminated by divorce, the remarriage of the child's natural parent and former stepparent reestablishes the parent-stepchild relationship as of the date of the remarriage. Thus, in order for such a child to qualify for a CIA as a stepchild, such remarriage must take place nine months (three months if death is accidental or the employee died while on active duty in the Armed Forces) before the day of the employee's death.

4.4.81 Proof Of Stepchild Relationship

Obtain proof of relationship of the stepchild to his natural parent as outlined in section 4.4.7 and proof of marriage of that parent to the alleged stepparent.

4.4.85 Grandchild

A child is the grandchild of the employee or his spouse if the child is the natural child or legally adopted child of a parent who is the child of the employee or the employee's spouse. A great-grandchild cannot be entitled under this provision.

4.4.86 Step-Grandchild - Defined

A step-grandchild is a child who has only a step-grandchild relationship to the employee or his spouse. If the child is a grandchild of the employee or his spouse and the step-grandchild of the other party, the child is a grandchild rather than a step-grandchild. Following are examples of step-grandchild relationships:

- A stepchild of the employee's natural child
- A stepchild of the employee's stepchild
- A stepchild of the employee's spouse's natural child
- A stepchild of the employee's spouse's stepchild
- A natural child of the employee's stepchild
- A natural child of the employee's spouse's stepchild

4.4.87 When Proof Of Relationship Is Required

A grandchild or a step-grandchild may qualify for benefits or qualify the employee's wife for benefits effective 1-1-73. In those instances, the relationship of a grandchild to the employee or the employee's wife must be established. A great-grandchild cannot be entitled under this provision.

A. Life Cases - A grandchild or step-grandchild who meets the eligibility requirements can:

- Qualify a wife under age 65 for an unreduced spouse's annuity.
- Be included in the O/M. These benefits cannot be paid prior to 1-1-73.

B. Survivor Cases

1. Monthly Benefits - A grandchild or step-grandchild who meets the eligibility requirements can:

   - Qualify for a CIA; and
   - Qualify a widow under age 65 for a WCIA.

   These benefits cannot be paid prior to 1-1-73.

2. Other Than Monthly Benefits - A grandchild may qualify for the accrued annuities due but unpaid at death or for the RLS in some instances. If these benefits are paid, retroactivity is not limited to 1-1-73. The following rules should be applied to establish a grandchild's relationship when paying the RLS or an annuity due but unpaid at death to a grandchild (for establishing the grandchild's relationship for the purpose of paying monthly benefits, see sec. 4.4.88):

   - Establish the relationship between a deceased employee and his grandchild by first establishing the relationship of the grandchild to its parent and then establishing the relationship of that parent to the deceased employee.
   - The instructions in section 4.4.2B regarding submission of POR by children in non-recurring payment cases also apply to grandchildren.

4.4.88 Grandchild Relationship Requirements

To establish the relationship of a grandchild to the employee or the employee's spouse for the purpose of paying monthly benefits, it is necessary to establish both of the relationships discussed in A and B below.

A. Relationship of Grandchild to His or Her Parent - In order to determine the relationship between the grandchild and his or her parent, it is only necessary to establish the fact of biological relationship, legal adoption or step-relationship through a marriage to the biological or legally adopting parent. If step-relationship is involved, the marriage to the child's parent must be a valid marriage or a voidable marriage, and such marriage must not have ended in divorce or annulment. A void marriage will not serve to create a step-relationship, and the deemed marriage provision cannot apply to a "stepchild" (through deemed marriage) of the grandchild's parent.

B. Relationship of Employee or Employee's Spouse to the Grandchild's Parent - In determining the relationship of the grandchild's parent or stepparent as a child of the employee or the employee's spouse, all of the provisions as to State laws on inheritance, child (or stepchild) of a deemed marriage, and deemed child are applicable. If the relationship to the employee's spouse must be established, consider the spouse as the "insured individual" in applying those provisions. Note

that it is not necessary to establish the dependency of the grandchild's parent on the employee or the employee's spouse. However, factors that are normally considered "dependence" factors attach as a condition to relationship in some cases.

4.4.89 Development Of Proof Of Grandchild Relationship

A. Evidence Necessary to Establish Grandchild's Relationship to His Parent

1. Natural Child or Adopted Child of Parent - Ordinarily, the grandchild's birth certificate showing the name of the employee's or the employee's spouse's child as his parents is sufficient to establish his relationship to such parent. This is true in the case of an original birth certificate of a natural child or an amended birth certificate of a legally adopted child.

   If the employee's or employee's spouse's child is not shown on the grandchild's birth certificate as parent, additional development is necessary. To establish the natural child relationship in such a case, evaluate the evidence submitted, keeping in mind that it must show biological paternity, or in the case of the employee's spouse only, biological maternity. Use sec. 4.4.70D as a guide. The "NOTE" at the end of the section does not apply.

   To establish legal adoption if the birth certificate was not amended, the evidence submitted should be:

   - A copy of the court's record from the court which granted the adoption; or
   - A copy of the official notice received by the adopting parents; or
   - A copy of the record of the State Attorney or child welfare division regarding the adoption.

   A copy of the adoption decree should never be submitted unless no other proof of the adoption can be obtained. The decree can, or course, be accepted as proof of the adoption if either of the adopting parents voluntarily submits it.

2. Stepchild of Parent - In the case of a stepchild, proof of the marriage creating the step-relationship must be obtained in addition to the child's birth certificate. In addition, a statement should be obtained from the person filing on behalf of the child that, to the best of his knowledge, the marriage did not end in divorce or annulment.

B. Evidence Necessary to Establish Relationship of Grandchild's Parent as Child of the Employee or the Employee's Spouse - To establish the relationship of the grandchild's parent to the employee's spouse develop as follows:

1. Natural, Legitimate Child - See sec. 4.4.7.

2. Legitimated or Acknowledged Child (State Law) - See sec. 4.4.57, 4.4.58 and Appendix E. (NOTE: It is not necessary to establish dependency of the grandchild's parent on the employee for purposes of grandchild eligibility.)

3. Child of Void or Voidable Marriage - See Appendix D.

4. Deemed Child - See secs. 4.4.65-4.4.70ff. (NOTE: All factors of this provision are applicable including timeliness of acknowledgement or court action, and living with or contributions when relationship is based on other evidence of paternity.)

5. Child of an Invalid Ceremonial Marriage - See sec. 4.4.66.

6. Legally Adopted Child - Accept an amended birth certificate showing the employee or his spouse as parent as proof that the adoption took place. If not available, follow the instructions in A1 above. It does not matter whether the adoption took place before or after the employee's entitlement to an annuity; no dependence requirements need be met.

7. Equitably Adopted Child - See sec. 4.4.35.

8. Stepchild - See secs. 4.4.80 and 4.4.8l.

4.4.90 Establishing Brother-Sister Relationship

This relationship is established for the claimant by proving that the deceased employee and the claimant have the same two parents.

The preferred proof of a brother or sister relationship is a certified copy of a civil or church record of such brother's or sister's birth. However, any of the forms of documentary evidence shown in chapter 4.2, "Age", is acceptable if it shows the relationship claimed and if none of the information available or furnished to the Board is inconsistent with the existence of the relationship.

Records originating after the death of an employee are always of doubtful value, unless based upon evidence predating the death of the employee.

Newspaper or magazine clippings are never acceptable as evidence.

If no documentary evidence is obtainable, the applicant must:

- Furnish a written statement giving the reason why documentary evidence is not obtainable; and

- Submit affidavits from two disinterested persons. The affidavits must show the name of the employee and the name of the brother or sister, reflect their relationship, and state the source of the affiant's knowledge.

EXAMPLE: An unpaid retirement annuity is payable to the deceased employee's two brothers. The following genealogical table illustrates the manner in which the relationship can be established.

SEE EXHIBIT 1

John or Henry must prove that they and Ronald are the children of Frank and Mary to establish that they are Ronald's brothers.

4.4.91 When Submission Of POR By All Brothers-Sisters Not Required

Establish POR in accordance with the following paragraph, unless the relationship is contested or the folder contains evidence which indicates the relationship is other than as claimed. Request a person whose relationship is questionable for either of these reasons to furnish regular documentary evidence of relationship.

When shares of the benefit are payable to two or more brothers/sisters and/or lineal descendants of brothers/sisters, consider the relationship of such persons to the deceased employee verified if:

- At least one of the applicants has established such relationship to the employee by regular supporting evidence; and

- (s)he has listed in the application or in another writing the names and relationships of the remaining persons entitled to share in the payment; and

- The relationships so stated are the same as those alleged by such remaining persons who file applications.

4.4.95 Establishing Relationship Of Aunt/Uncle To Deceased Employee

This relationship is established by the alleged aunt or uncle proving a brother-sister relationship with the deceased employee's parent after establishing a parent-child relationship between the employee and the parent. Any of the evidence described in this chapter to establish a parent-child and brother-sister relationship is acceptable.

EXAMPLE: An RLS is payable under a State intestacy law to John Smith's two aunts and one uncle since no other relatives survive. The following genealogical table illustrates the manner in which the relationship can be established.

SEE EXHIBIT 2

Etha and Grace are John's paternal aunts, and they must prove that they and Fred are brother and sister (i.e., that they are the children of Frank and Mary). James is John's maternal uncle, and he must prove that he and Betty are brother and sister (i.e., they he and Betty are the children of Wilbur and Amy). They must then prove that John is the child of Fred and Betty to complete the circle of relationship.

4.4.96 Establishing Relationship Of Nephew/Niece To Deceased Employee

This relationship is established by the alleged nephew or niece proving a brother-sister relationship between the employee and the nephew's or niece's parent and then proving their own parent-child relationship to the employee's brother or sister. Any of the evidence described in this chapter to establish a parent-child and brother-sister relationship is acceptable.

EXAMPLE: An RLS is payable to Ronald Smith's 4 nephews and 2 nieces under a State intestacy law. No other relatives survive. The following genealogical table illustrates the manner in which the relationship can be established.

SEE EXHIBIT 3

The nephews and nieces must establish their relationship to their parents and then establish their parent's relationship to the deceased employee.

4.4.97 Establishing Relationship Of Cousin To Deceased Employee

This relationship is established by the alleged cousin proving his or her parent-child relationship, the parent-child relationship of the employee, and the brother-sister relationship of the cousin's parent to the employee's parent. Any of the evidence described in this chapter to establish a parent-child and brother-sister relationship is acceptable.

EXAMPLE 1: An RLS is payable to John Smith's 6 paternal cousins under a State intestacy law. No other relatives survive. The following genealogical table illustrates the manner in which the relationship can be established.

SEE EXHIBIT 4

The cousins (James, Betty, Judy, Brad, Leroy, Nancy) have to establish their own parent-child relationship, the parent-child relationship of John and Fred, and the brother-sister relationship of Fred, Esther, and Albert.

EXAMPLE 2: An RLS is payable to John Smith's 3 paternal cousins and 1 maternal cousin under a State intestacy law. No other relatives survive. The following genealogical table illustrates the manner in which the relationship can be established.

SEE EXHIBIT 5

Ralph, Dennis, and Susan are paternal cousins and their relationship can be established as shown in example 1 above. Roy, however, is a maternal cousin and must establish his own parent-child relationship, the brother-sister relationship of William and Ann, and the husband-wife relationship of Fred and Ann.

Appendices

Appendix A - Right Of Adopted Child To Inherit From Natural Parent

A1. General

The list of States in this appendix deals with the right of an adopted child to inherit from his/her natural parent where the adoption occurred before the death of the natural parent. When an adopted child retains inheritance rights, dependency must be established to be eligible for an insurance annuity; the child must have been living with or receiving contributions from his/her natural parent. Dependency is not a requirement for a lump-sum payment (RLS, deferred LSDP, or annuities due but unpaid at death).

Where a child was adopted in a State in which he/she kept the right to inherit from the natural parent and the natural parent died domiciled in a State where an adopted child may not inherit from a natural parent or visa versa, refer the case to BRC for submission to the DGC.

References below to effective dates based upon the death of the natural parent before or after a given date should also be read to refer to an application for benefits as a child of a living parent filed before or after the given dates.

A2. States Where Adopted Child May Inherit From The Natural Parent

Alabama	Maine	Texas
Alaska	Oklahoma	Utah
Illinois	Rhode Island	Vermont
Kansas	South Dakota	Wyoming
Louisiana	Tennessee	

A3. States Where Adopted Child May Not Inherit From Natural Parent

Connecticut	New Hampshire

South Carolina - Effective 1-1-76

A4. States And Territories Where Adopted Child's Right To Inherit From The Natural Parent Is Questionable

When the natural parent died before the law was amended to provide that an adopted child may not inherit from the natural parent, the law applied will be that in effect at the time the natural parent died.

American Samoa - BRC will submit to DGC.

Arizona - If either an interlocutory or final decree of adoption was entered before 6/26/52, forward to BRC for submission to DGC. If both decrees were entered on or after 6/26/52, child may not inherit unless the natural parent is the spouse of the adopting parent.

Arkansas - May inherit if adopted prior to 7/5/77. Effective with adoptions on or after 7/5/77, child may not inherit unless the natural parent is the spouse of the adopting parent.

California - Child may not inherit unless natural parent is spouse of adopting parent and retains custody and control of child.

Colorado - If natural parent died before 5-1-61, the child may inherit. If the natural parent dies after 4-30-61, the child may not inherit unless the natural parent is the spouse of the adopting parent.

Delaware - If natural parent died before 7-1-52, child may inherit. If natural parent of child, adopted 6-30-52, dies after that date, child may not inherit unless natural parent is spouse of adopting parent. If adoption occurs before 7-1-52, and natural parent dies after that date, BRC will submit to DGC.

District of Columbia - Child adopted after 8-24-37 may not inherit unless natural parent is spouse of the adopting parent.

Florida - On and after 1/1/76, an adopted person can inherit from the adoption parent(s) who die on or after that date but not from the natural parent(s) unless the person is adopted by the spouse of the natural parent. If the adopting or natural parent(s) died prior to January 1, 1976, the adopted person could inherit from either or both the natural and adopting parent(s).

Georgia - Prior to January 1, 1978, may inherit. Effective January 1, 1978, may not inherit, except in limited circumstances where the parent died without having surrendered or terminated parental rights. Circumstances where parental rights have not been surrendered or terminated are: (1) where the child has been abandoned by the parent; (2) where the parent cannot be found after diligent search; or (3) where the parent is insane or otherwise incapacitated form surrendering such rights, and the court is of the opinion that adoption is for the best interest of the child. Also, surrender or termination of parental rights is not a prerequisite to adoption if the petitioner for

adoption is the spouse of the other parent of the child, brother, sister, aunt, or uncle of the child, or son or daughter of either parent if: the parent failed for one year or longer prior to the filing of petition for adoption to (1) communicate (or make a bonafide effort to communicate) with the child; or (2) provide for the care and support of the child under law or pursuant to a judicial decree if court believes adoption is in the best interest of the child. Submit case to the DGC if there is a question about whether parental rights have been surrendered.

Guam - BRC will submit to DGC.

Hawaii - Child may not inherit unless natural parent is spouse of adopting parent and dies on or after 7-1-53. If natural parent is spouse of adopting parent but died before 7-1-53, BRC will submit to DGC.

Idaho - Child adopted on or after 7-1-71 may inherit if natural parent is spouse of adopting parent. Child adopted between 7-1-69 and 6-30-71 inclusive may not inherit. If adoption occurred before 7-1-69, BRC will submit to DGC.

Indiana - If natural parent died before 1-1-54, child may inherit. If natural parent dies after 12-31-53, child adopted during minority may not inherit unless natural parent is spouse of adopting parent. If natural parent dies after 7-5-61, child who was adopted during minority may not inherit unless such deceased natural parent or other natural parent is spouse of adopting parent, and child was born in wedlock.

Iowa - If natural parent died before 7-1-69 or on or after 1-1-77, the child may inherit. If the natural parent died on or after 7-1-69 and before 1-1-77 child may not inherit unless he had attained majority at the time of adoption or was related to one or both of the adopting parents within the fourth degree of consanguinity. Prior to 7-1-72, a child attained majority at age 21 or marriage, whichever occurred first. 7-1-72, or later a child attained majority at age 19 or marriage, whichever occurs first. Cases involving question of whether a child is related to the adoptive parents within the fourth degree of consanguinity will be submitted by BRC to DGC.

Kentucky - If natural parent died before 2-27-56, the child may inherit. If natural parent dies after 2-26-56, child may not inherit unless natural parent is spouse of adopting parent.

Maryland - If natural parent died prior to 6-1-63, child may inherit. If natural parent died after 5-31-63, child may not inherit.

Massachusetts - If natural parent died before 7-4-67, child may inherit. If child is adopted before natural parent's death and natural parent dies after 7-3-67, child may not inherit.

Michigan - If natural parent died before 1/1/75, child may inherit. If natural parent died on or after 1/1/75, child may not inherit.

Minnesota - Child adopted before April 19, 1951, may inherit from natural parent. After April 18, 1951, child may not inherit unless the natural parent is the spouse of an adopting stepparent.

Mississippi - Child may inherit from the natural parent, unless provided otherwise in the decrees of the adoption.

Missouri - Child may not inherit except in some cases where adoption is by stepparent. When adoption is by stepparent, and where natural parent who is spouse of stepparent is joint petitioner, child may inherit from such natural parent who dies after 5-20-48. Other cases where natural parent in question is spouse of adopting stepparent will be submitted to DGC by BRC.

Montana - If the natural parent died before 10/1/81, the child may inherit. If the natural parent dies after 9/30/81, the child may not inherit unless a natural parent is the spouse of the adopting parent.

Nebraska - If the natural parent died before January 1, 1977, the child may inherit unless the child was adopted before August 29, 1943, and the terms and conditions of consent and petition for adoption provide otherwise. If the natural parent dies on or after January 1, 1977, the child may not inherit unless the natural parent is the spouse of the adopting parent.

Nevada - If parent died before 3-28-53, child may inherit. If parent dies after 3-27-53, child may not inherit unless the natural parent is the spouse of the adopting parent.

New Jersey - If the natural parent died before 1-1-54, child may inherit. If natural parent dies after 12-31-53 and prior to 7-21-66, child may not inherit unless the natural parent is the spouse of the adopting parent and consented to the adoption. If either parent dies after 7-20-66, child may inherit from such natural parent provided adopting parent is spouse of one natural parent and natural parent married to adopting parent consented to the adoption.

New Mexico - If natural parent died before 6-8-51, child may inherit. If natural parent dies on or after 6-8-51, child may not inherit unless the natural parent is the spouse of the adopting parent.

New York - If natural parent died before 3-1-64, child may inherit. If natural parent died on or after 3-1-64, child may not inherit unless natural parent is the spouse of the adopting parent and consented to the adoption.

North Carolina - Child adopted before March 15, 1941, may inherit from natural parent. Child adopted for life after March 14, 1941, and before March 11, 1949, may not inherit except where otherwise the estate would escheat to the State. If adopted only for the minority of the child, adopted child may inherit. Child adopted after March 10, 1949, may inherit, except where adoption proceedings had begun before that date and were completed after that date in accordance with law in effect between March 15, 1941 and

March 11, 1949. In such cases above rule covering that period would apply. However, where natural parent dies after 6-30-55, BRC will submit to DGC.

North Dakota - Children who are adopted by proceedings which were pending on or before 7-1-71 may inherit from their natural parents. Where adoption proceedings are instituted after 7-1-71, an adopted child may no longer inherit form his natural parents, except (a) with respect to his natural parent who is the spouse of the petitioner in the adoption proceedings, and (b) with respect to a natural parent who died without the parent-child relationship having been terminated when the child subsequently is adopted by a spouse of the surviving natural parent.

Ohio - After 8-27-51, a child generally may not inherit. However, if the natural parent is the spouse of the adopting parent, inheritance rights are not terminated unless there is evidence of relinquishment or forfeiture of rights by the natural parent. Submit the case to the DGC through BRC if a natural parent is the spouse of the adopting parent and there is reason to believe that the natural parent's rights may have terminated.

Oregon - If the natural parent died before 7-21-53, child may inherit. If the natural parent dies on or after 7-21-53, child may not inherit unless the natural parent is the spouse of the adopting parent. These rules apply regardless of the date or place of adoption.

Pennsylvania - Child may not inherit unless the natural parent is the spouse of the adopting parent.

Puerto Rico - Child adopted after September 12, 1953, may not inherit. Child adopted before September 12, 1953, may inherit unless petition that such adoption be governed by law in effect after September 12, 1953, is granted.

Virgin Islands - Any case which arises involving the laws of the Virgin Islands should be referred to BRC for submission to the DGC.

Virginia - If natural parent died before 6-30-54, child may inherit. If natural parent dies after 6-29-54, child may not inherit unless the child is adopted by a stepparent.

Washington - If natural parent died before 7-1-67, child may inherit. If natural parent died after 6-30-67, child may not inherit.

West Virginia - If natural parent died before 3-11-59, child may inherit. If natural parent dies after 3-10-59, child may not inherit unless the natural parent is the spouse of the adopting parent.

Wisconsin - If natural parent died before 7-1-56, child may inherit. If natural parent dies after 6-30-56, child may not inherit unless the natural parent is the spouse of the adopting parent.

Appendix B - Effective Date And Availability Of Adoption Decree

B1. Explanation Of Entries

In those States followed by symbol (1), certified copies of adoption decrees may be obtained without a court order. In those States followed by symbol (2), adoptive parents may obtain copies without a court order. In those States followed by symbol (3), copies of adoption decrees may not be obtained without a court order.

B2. Effective Date of Adoption Decrees Under State Laws

This digest of State laws below gives the number and types of decrees and the effective dates for entitlement to child's benefits.

Alabama (2)

There is an interlocutory decree to be followed by a final decree after child has lived with adopting parents for 6 months (1 year, prior to 9/15/61). Court has power to omit interlocutory decree where adoption is by stepparent and child has lived with stepparent for 1-year. Also, after 9/14/61, court has power to omit interlocutory decree where adoption is by child's grandparent, brother, sister, aunt, uncle (singly or with their spouses) and child has lived with adopter for 1 year.

Adoption is effective from date of final decree.

Alaska (3)

There is one decree; adoption is effective from date of decree.

American Samoa

There is one decree; adoption is effective from date of the decree. If adoption is by other than judicial proceedings, forward to BRC for submission to DGC.

Arizona (3)

There is an interlocutory decree to be followed by a final decree after the child has lived for 6 months in the home of the adopting parents after entry of interlocutory decree (1 year prior to 6/20/68.)

Adoption is effective from date of final decree.

Arkansas (3)

The Arkansas Supreme Court issued a decision in 1982 to clarify the effective date of adoptions. This decision provides that, "after November 22, 1982, any adoption decree is a final decree unless subsequent hearing is required by the terms of the decree."

There was one decree before June 12, 1947. From 6/12/47 through 7/4/77, an interlocutory decree was granted followed by a final decree after 6 months. The adoption was effective on the date of the interlocutory decree.

On and after 7/5/77, a court may issue either a final decree or an interlocutory decree which automatically becomes a final decree on a day specified therein. An adoption is effective on the date of the final decree or on the date specified in the interlocutory decree as the date that the decree automatically becomes final.

California (2)

There is one decree; adoption is effective from date of the decree.

Colorado (3)

There was one decree before 5/20/49. From 5/20/49 through 3/28/51, there was an interlocutory decree to be followed by a final decree in period of 1 year or less, as court might deem advisable. After 3/28/51, court has discretion to enter final decree immediately or interlocutory decree to be followed by final decree after one year or less, as court may deem advisable.

Adoption is effective from date of final decree.

Connecticut (2)

There is an interlocutory decree to be followed by final decree within not less than 12 or more than 13 months. Court has discretion to omit interlocutory decree and enter final decree immediately.

Adoption is effective from date of interlocutory decree or, if omitted, from date of final decree.

Delaware (3)

Before 7/1/52, there was an interlocutory order to be followed after 1 year by final order. Court had discretion to omit interlocutory order and enter final order immediately. After 6/30/52, there was one decree, a final decree.

Adoption is effective from date of final decree if after 6/30/52. Before 7/1/52, adoption was effective from date of interlocutory order or, if omitted, from date of final order.

District of Columbia (3)

In proceedings instituted before 6/9/54, court could enter either final decree or interlocutory decree reciting date (within 6 months from entry of such decree) upon which it would become final. In proceedings instituted after 6/8/54, court can enter either final decree, or interlocutory decree reciting date (not less than 6 months, nor more than 1 year, from entry of such decree) upon which it will become final.

Adoption was effective from entry of final decree or date interlocutory decree became final, where proceedings were instituted before 6/9/54; adoption is effective from date of entry of final or interlocutory decree if proceedings were instituted after 6/8/54.

Florida (3)

Before 5/20/55, there was in interlocutory decree to be followed by a final decree after period not exceeding 1 year. After 5/19/55, there is a final decree.

Adoption is effective from date of final decree.

Georgia (3)

Where a petition was filed before 5/1/66, there was an interlocutory decree followed after 6 months by a final decree.

Adoption was effective from date of the final decree.

Where a petition is filed after 4/30/66, there is only a final decree which is entered not less than 90 days from the filing of the petition. Adoption is effective from the date of final decree.

Guam

There is one decree; adoption is effective from date of decree.

Hawaii (3)

Statute provides for one decree, but postpones creation of a complete adoptive status for a period not exceeding 6 months at discretion of court. Adoption is effective from date recited therein.

Adoption is effective for termination purposes from date of entry of decree. Forward to BRC for submission to DGC if effective date of decree is subsequent to its entry. Adoption is effective for purposes of entitlement to child's benefits from date recited in decree.

Idaho (3)

There is one decree; adoption is effective from date of decree.

Illinois (1)

There was one decree before 1/1/60. After 12/31/59, there is interim order of custody and control to be followed in 6 months by decree of adoption. Court may waive interim order.

Adoption is effective from date of decree.

Indiana (3)

There is one decree; adoption is effective from date of decree.

Iowa (3)

There is one decree; adoption is effective from date of decree.

Kansas (2)

Before 6/30/51, there was an interlocutory order to be followed after 6 months by final order. After 6/29/51, there is only final order which may be entered not less than 30 days after filing of petition.

Adoption is effective from date of final order.

Kentucky (3)

There is one decree. However, under special acts granting certain orphan homes authority to contract for adoption, no decree is required.

Adoption is effective from date of decree (date contract recorded in County Clerk's office).

Louisiana (3)

In proceedings involving children under 17, an interlocutory decree is first entered, followed in not less than 6 months by a final decree. Court may dispense with interlocutory decree procedure and enter final decree immediately in some cases where child has been in adopter's home for 6 months. Adoption is effective from date of final decree.

For children 17 or over, adoption is by notarial act of adoption, filed with the clerk of the court of the parish where executed (Register of Conveyances in parish of Orleans). Adoption is effective from date of filing. Forward copy of instrument to BRC for submission to DGC for an opinion as to its validity as a deed of adoption.

Maine (3)

There is one decree; adoption is effective from date of decree.

Maryland (3)

On and after 6/1/47, there is usually one decree, but court may enter an interlocutory decree for a period up to 1 year. Adoption is effective from interlocutory or final decree.

With respect to final decrees entered before 6/1/47, and decrees entered in proceedings pending before such date, there is only one decree, enrolled 30 days from entry.

Adoption is effective from date of enrollment for final decrees entered before 6/1/47, or decrees entered in proceedings pending before such date.

Massachusetts (2)

There is one decree; adoption is effective from date of decree.

Michigan (3)

There is an interlocutory order, to be followed after 1 year by final decree. Court may waive 1-year period.

Adoption is effective from final decree.

Minnesota (3)

There is one decree; adoption is effective from date of decree.

Mississippi (3)

There is one decree before 7/1/55. On and after that date the court may enter a final decree or, at its discretion, enter an interlocutory decree with a final decree to be entered not earlier than 6 months from the date of interlocutory decree. Final decree may be entered earlier in cases.

Adoption is effective from date of final decree.

Missouri (3)

There is one decree; adoption is effective from date of decree.

Montana (3)

There is one decree before 7/1/57. After 6/30/57, interlocutory decree is to be followed after 6 months by final decree. Court may waive 6-month period.

Adoption is effective from date of final decree.

Nebraska (3)

There is one decree; adoption is effective from date of decree.

Nevada (3)

There is one decree; adoption is effective from date of decree.

New Hampshire (3)

On or after August 21, 1973, there is an interlocutory decree to be followed by final decree after the child has lived with the adopting parents for six months. The court may extend the interlocutory period. It may also waive the interlocutory decree where the petitioner or the petitioner's spouse is a natural parent of child.

Adoption is effective from the date of the final order completing adoption.

New Jersey (3)

There is one decree; adoption is effective from date of decree.

New Mexico (3)

There is one decree; adoption is effective from date of decree.

New York (3)

There is one decree; adoption is effective from date of decree.

North Carolina (3)

Where proceedings were begun before 3/11/49, interlocutory decree is to be followed after at least 1 year, but not more than 2 years, by final decree. Adoption is effective for termination purposes from date of final decree. Adoption is effective for entitlement proposes from date of petition to adopt (i.e., final decree when granted is retroactive to date petition filed with court.)

Where proceedings are begun after 3/10/49, interlocutory decree is to be followed by final decree within 3 years of filing petition. When child is blood grandchild, nephew, niece, or stepchild, court may waive interlocutory decree. Adoption is effective from date of final decree.

When proceedings are begun after 3/29/53, court may also waive interlocutory decree if child is at least 16 years of age and has resided in home of petitioners for 5 years prior to filing of petition, and child consents to adoption. Adoption is effective from date of final decree.

North Dakota (2)

After June 30, 1971, the court may issue a final decree of adoption or an interlocutory decree of adoption to become final in not less than 6 months or more than 1 year. The adoption is effective from the date of the final decree of adoption or from the date of the interlocutory decree of adoption if the interlocutory decree has not been vacated, amended, or appealed.

Prior to July 1971, there was one decree and the adoption was effective from the date of the decree.

Ohio (2)

There is an interlocutory decree to be followed after 6 months by final decree. Interlocutory decree may be waived in certain specified cases.

Adoption is effective from date of interlocutory decree, or final decree if interlocutory decree has been waived.

Oklahoma (3)

There is one decree before 8/28/57. On and after that date there is an interlocutory decree to be followed after 6 months by final decree. Court has discretion to omit interlocutory decree and enter final decree immediately.

Adoption is effective from date of final decree.

Oregon (3)

There is one decree; adoption is effective from date of decree.

Pennsylvania (3)

There is one decree; adoption is effective from date of decree.

Puerto Rico (2)

If adoption occurred before 5/6/48, submit to regional attorney through channels. On or after 5/6/48, there is one decree; adoption is effective from date decree is signed by judge of court of issue.

Rhode Island (3)

There is one decree; adoption is effective from date of decree.

South Carolina (1)

There is one decree if proceedings commenced on or before 2/3/64. After 2/3/64 there is an interlocutory decree to be followed by final decree after child has lived with adopting parents for 6 months. Court, however, may waive interlocutory decree and 6-month waiting period where child is related by blood to one of petitioners, is a stepchild of petitioner, or court is satisfied that adoption is for child's best interest.

Adoption is effective from date of final decree.

South Dakota (2)

There is one decree; adoption is effective from date of decree.

Tennessee (2)

Prior to 4/11/49, there is one decree, which may limit rights of child. After 4/10/49, and prior to 3/16/51, there is one decree. After 3/15/51, there is an interlocutory decree to be followed by final decree after 1 year. Final decree may be entered earlier in certain cases. Interlocutory decree may be waived where child is by blood, a grandchild, nephew, or niece, or is a stepchild of one of the petitioners.

Prior to 4/11/49, adoption is effective from date of decree if there is no limitation. If limitation is made, forward to BRC for submission to DGC. After 4/10/49 adoption is effective from date of final decree.

Texas (2)

There is one decree; adoption is effective from date of decree.

Utah (3)

There is one decree; adoption is effective from date of decree.

Vermont (3)

There is one decree approving the adoption, which is appended to an instrument of adoption executed by the parties.

Adoption is effective from date of decree.

Virginia (2)

There is an interlocutory decree to be followed by final decree. Interlocutory decree may be waived and court may grant final decree upon first hearing.

Adoption is effective from date of interlocutory decree or, if omitted from date of final decree.

Virgin Islands (1)

There is one decree; adoption is effective from date of decree.

Washington (3)

There is one decree, which remains to a limited extent interlocutory for 6 months. Adoption is effective from date of decree.

West Virginia (2)

There is one decree; adoption is effective from date of decree.

Wisconsin (3)

There is one decree; adoption is effective from date of decree.

Wyoming (3)

Prior to 5/17/63, there is one decree. After 5/16/63, there is an interlocutory decree to be followed by a final decree after child has lived with adopting parents for 6 months. If the child has lived with petitioners for a period of 6 months, the court may waive the entry of the interlocutory decree and forthwith grant a final decree of adoption where the child is related by blood to one of the petitioners, is a stepchild of the petitioner, or if the court finds that the best interests of the child will be furthered thereby.

Adoption is effective from date of final decree.

Appendix D - Void Marriage Statutes

D1. True Void Marriage Statutes

A true void marriage statute gives the child of a void marriage legitimate status without court action. The States listed in sec. D4 have adopted such statutes.

Generally, a child of an attempted marriage contracted in good faith by at least one of the parties is deemed to be in legitimate child of both parents. An attempted marriage may include attempted common-law marriages even if common-law marriage is not recognized under applicable State law. An attempted common-law marriage also includes a marriage which is invalid because an impediment exist to a valid common-law marriage. Exceptions to these general statements are noted in D4.

D2. Statutes Legitimating Children Of Marriages Decreed Void

Some States which have not adopted true void marriages statutes have laws providing that a child of a marriage declared void by judicial decree is or may be decreed legitimate. These States are listed in sec. D5.

In some of these States, the laws have been interpreted to mean that the child of a void marriage may be considered legitimate even though no judicial decree of legitimation was obtained.

D3. Determining Which State Law Is Applicable

The status of a child is determined by applying the law which would be applied by the courts of the State in which the employee was domiciled at his death or, if living, at the time the child's application is filed by applying the law of the State as if the court was deciding the distribution of his personal property in the event that he died without leaving a will.

Sometimes an employee, at his death or when the child's application is filed, is domiciled in a different State than the one in which he was domiciled at the time of the child's birth. In these cases, usually the courts of the State of a person's domicile, in applying laws of inheritance, will look to the law of the State in which he was domiciled

at the time of the child's birth to determine the child's status. (See Appendix E of RCM Chapter 4.4, or Appendix K of FOM Part I, Article 9)

Thus, a child may still be considered legitimate even if the State in which the employee is domiciled at death or when the child applies for benefits is not one of those listed under sec. D4, or if listed, has a requirement such as "ceremonial marriage" or "good faith" which prevents a child from being considered legitimate in that State. The child may qualify as legitimate under the laws of the State of his father's domicile at the child's birth, or he may have been legitimated in a State in which the employee had subsequently been domiciled. By referring to the entries or the appropriate States in Appendix E of RCM chapter 4.4, or Appendix K of FOM Part I, Article 9 and in this appendix, you will, in most cases, be able to determine whether a child is legitimate in the State of the father's domicile at the child's birth or has been legitimated in some State of domicile other than the State of the employee's last domicile. A child found to be legitimate in accordance with the foregoing will usually be recognized as legitimate in all States and able to inherit from the father as a child. Where the child's status cannot be determined, the case will be submitted to the DGC by BRC.

D4. States That Have Adopted True Void Marriage Statutes

Alabama - incestuous marriages only.

Arizona - if child was born after 3/17/21.

Arkansas - good faith need not be shown if marriage was ceremonial. Good faith by at least one party must be shown if marriage was common-law.

California - good faith need not be shown if the marriage was ceremonial. Good faith by at least one party must be shown if marriage was common-law.

Colorado - applies only to child of father alive on 7/1/57. Good faith need not be shown if marriage was ceremonial. Good faith by at least one party must be shown if marriage was common-law.

Connecticut - applies to child or father alive on 10/1/63, if marriage was ceremonial. If father died before 10/1/63, or if nonceremonial marriage alleged, submit to DGC.

Delaware

District of Columbia - legitimate child only of parent capable of contracting a valid marriage.

Georgia - good faith need not be shown if marriage was ceremonial. Good faith by at least one party must be shown if marriage was common-law.

Hawaii - ceremonial marriage only.

Idaho

Illinois - ceremonial marriage only.

Indiana

Kansas

Kentucky - incestuous marriages only.

Maryland - ceremonial marriages only.

Michigan - except bigamous marriage prior to November 2, 1967. Beginning November 2, 1967, unqualified "True Void Marriage Statute" applicable.

Minnesota

Mississippi - applies to children conceived after bigamous ceremonial or common-law marriages entered into before 4/5/56, and to children conceived after bigamous ceremonial marriages entered into on, or after, the date, but does not apply if parent died before 7/16/62.

Missouri

Montana

Nevada

New Jersey - ceremonial marriage only. Good faith need not be shown on part of either parent.

North Carolina - ceremonial marriage only. Applies only to child of father alive on 7/1/51.

North Dakota - if at least one parent did not contract marriage in good faith, or if common-law marriage is alleged, submit to DGC.

Ohio - good faith need not be shown on part of either parent if marriage was ceremonial. If common-law marriage is alleged, good faith on the part of at least one parent must be shown.

Oklahoma

Oregon - Submit to DGC.

Pennsylvania - if void marriage entered into prior to 12/17/59, void marriage statute applies only if the party to whom the relationship is claimed is alive on that date. Good faith need not be shown if marriage was ceremonial. If common-law marriage is alleged, good faith on the part of at least one parent must be shown.

Rhode Island - applies to all void marriages, whether ceremonial or common-law, if at least one of the parties act is good faith in contracting the marriage and the child was

born before the marriage was judicially annulled. If neither party contracted the marriage in good faith or the child was born after the marriage was judicially annulled, submit to DGC.

Unless the marriage is void because it was contracted between persons related within prohibited degrees of consanguinity and affinity; this provision is a change of position, effective 12/10/68. Claims previously disallowed because the void marriage in question was not contracted by such related persons may be reopened as permitted in change of position cases. Otherwise, entitlement may be based only on a new application.

South Carolina - child born on or after 4/13/51, of a bigamous marriage contracted on or after that date is deemed legitimate if either parent is contracted such marriage in good faith and in ignorance of incapacity of other party.

South Dakota

Tennessee - ceremonial marriage only; good faith need not be shown.

Texas

Utah

Virginia

Washington - alleged marriage, whether ceremonial or noncermonial, must be of record. Good faith need not be shown.

West Virginia - except bigamous common-law marriage.

Wisconsin - good faith need not be shown on the part of either party to a ceremonial marriage, but good faith on the part of at least one party must be shown where common-law marriage is alleged.

D5. States In Which A Child Of A Marriage Declared Void By Judicial Decree Is Or May Be Decreed Legitimate

Except for New York, submit cases involving application of the statutes of these States to the DGC for determination as to whether the child may be considered legitimate for annuity purposes.

Iowa

Maine

Massachusetts

New Mexico

New York - Unless State court prior to 4-17-61, has found child to be illegitimate, child born of a void ceremonial marriage is deemed to be legitimate child of either parent. Good faith or competence to marry on the part of either party need not be shown. If common-law marriage is alleged, child born of such "void marriage" may be considered legitimate child of either parent if at least one of the parents entered into the purported marriage in good faith.

Vermont

Wyoming

Appendix E – State Laws on Entry of Father's Name on Birth Certificate of an Illegitimate Child

State law requirements and applicable effective dates relative to the entry of the father's name on the birth certificate of an illegitimate child are summarized in the chart below. The first two columns describe state requirements for naming the father on the birth certificate of an illegitimate child. If both columns show "Yes", the state requires either a written consent or a court determination. If one column is yes and the other is no, the state requires that specific document. If both columns show "No Provision", the state does not require written consent or a court determination. The third and fourth columns describe state requirements for showing the child's surname to be the same as the father's on the birth certificate. The same principle applies for entries in these columns. In these cases an assumption of written acknowledgement or a court order cannot be made and additional development is needed (See RCM 4.4.62C).

State Laws on Entry of Father's Name on Birth Certificate

Of an Illegitimate Child

STATE	Written Consent Required For Father to be named on birth certificate	Court Determination required for father to be named on birth certificate	Written consent required for child's surname to be as father's on birth certificate	Court determination required for child's surname to be same as father's on birth certificate
Alabama	No Provision	Yes-effective 05/92	No Provision	Yes-effective 05/92
Alaska	Yes-effective 7/28/59	Yes-effective 7/28/59	No Provision	No Provision

STATE	Written Consent Required For Father to be named on birth certificate	Court Determination required for father to be named on birth certificate	Written consent required for child's surname to be as father's on birth certificate	Court determination required for child's surname to be same as father's on birth certificate
American Samoa	Yes-effective 5/10/62	No Provision	No Provision	No Provision
Arizona	Yes-effective 1/1/68	Yes-effective 1/1/68	No Provision	No Provision
Arkansas	Yes-effective 2/19/81	Yes-effective 2/19/81	No Provision	No Provision
California	No Provision	No Provision	No Provision	No Provision
Colorado	Yes-effective 1/1/68	Yes-effective 1/1/68	No Provision	No Provision
Connecticut	Yes-effective 1/1/50	Yes-effective 6/6/80	No Provision	No Provision
Delaware	Yes-effective 1915	No Provision	No Provision	No Provision
District of Columbia	Yes-effective 10/8/81	Yes-effective 10/8/81	Yes-effective 10/8/81	Yes-effective 10/8/81
Florida	Yes-effective 7/1/77	Yes-effective 7/1/77	Yes-effective 7/1/77	Yes-effective 7/1/77
Georgia	Yes-effective 7/1/64	Yes-effective 7/1/64	Yes-effective 7/1/64	Yes-effective 7/1/64

STATE	Written Consent Required For Father to be named on birth certificate	Court Determination required for father to be named on birth certificate	Written consent required for child's surname to be as father's on birth certificate	Court determination required for child's surname to be same as father's on birth certificate
Guam	Yes-effective 6/1/69	Yes-effective 6/1/69	No Provision	No Provision
Hawaii	No Provision	No Provision	No Provision	No Provision
Idaho	Yes-effective 1/3/78	Yes-effective 1/3/78	Yes-effective 1/3/78	Yes-effective 1/3/78
Illinois	Yes-effective 1/1/62	Yes-effective 1/1/62	No Provision	No Provision
Indiana	No Provision	Yes-effective 8/18/69	No Provision	Yes-effective 08/16/69
Iowa	Yes-effective 7/1/70	Yes-effective 7/1/70	Yes-effective 7/1/70	No Provision
Kansas	Yes-effective 6/30/63	Yes-effective 6/30/63	No Provision	No Provision
Kentucky	Yes-effective 7/1/75	Yes-effective 7/1/75	Yes-effective 7/1/75	Yes-effective 7/1/75
Louisiana	No Provision	No Provision	No Provision	Yes-effective 9/7/79
Maine	Yes-effective 7/21/45	Yes-effective 10/24/77	No Provision	No Provision

STATE	Written Consent Required For Father to be named on birth certificate	Court Determination required for father to be named on birth certificate	Written consent required for child's surname to be as father's on birth certificate	Court determination required for child's surname to be same as father's on birth certificate
Maryland	No Provision	No Provision	No Provision	No Provision
Massachusetts	Yes-effective 8/31/77	No Provision	No Provision	No Provision
Michigan	Yes-effective 9/30/78	Yes-effective 9/30/78	No Provision	No Provision
Minnesota	Yes-effective 8/1/80	Yes-effective 3/29/78	Yes-effective 3/29/78	Yes-effective 3/29/78
Mississippi	Yes-effective 7/1/89	Yes-effective 7/1/89	Yes-effective 7/1/89	Yes-effective 7/1/89
Missouri	No Provision	No Provision	No Provision	No Provision
Nebraska	Yes-effective 2/18/77	Yes-effective 2/18/77	Yes-effective 2/18/77	Yes-effective 2/18/77
Nevada	Yes-effective 1/1/68	Yes-effective 1/1/68	Yes-effective 1/1/68	No Provision
New Hampshire	Yes- effective 5/12/49	Yes-effective 5/12/49	Yes-effective 5/12/49	Yes-effective 5/12/49
New Jersey	No Provision	No Provision	No Provision	No Provision
New Mexico	Yes-effective 6/11/61	Yes-effective 6/11/61	No Provision	No Provision

STATE	Written Consent Required For Father to be named on birth certificate	Court Determination required for father to be named on birth certificate	Written consent required for child's surname to be as father's on birth certificate	Court determination required for child's surname to be same as father's on birth certificate
New York	Yes-effective 1936	No Provision	No Provision	No Provision
North Carolina	Yes-effective 7/1/79	Yes-effective 7/1/79	Yes-effective 7/1/79	Yes-effective 7/1/79
North Dakota	Yes-effective 7/1/75	Yes-effective 7/1/75	Yes-effective 7/1/75	No Provision
Ohio	Yes-effective 10/31/67	Yes-effective 6/29/82	Yes-effective 10/31/67	No Provision
Oklahoma	Yes-effective 7/1/63	Yes-effective 7/1/63	Yes-effective 9/1/94	Yes-effective 9/1/94
Oregon	Yes-effective 10/3/79	Yes-effective 10/3/79	No Provision	No Provision
Pennsylvania	No Provision	No Provision	No Provision	No Provision
Puerto Rico	No Provision	No Provision	No Provision	No Provision
Rhode Island	Yes-effective 1/1/62	Yes-effective 1/1/62	No Provision	No Provision
South Carolina	Yes-effective 7/18/78	Yes-effective 7/18/78	Yes-effective 2/24/88	Yes-effective 2/24/88

STATE	Written Consent Required For Father to be named on birth certificate	Court Determination required for father to be named on birth certificate	Written consent required for child's surname to be as father's on birth certificate	Court determination required for child's surname to be same as father's on birth certificate
South Dakota	Yes-effective 7/1/72	Yes-effective 7/1/72	Yes-effective 7/1/72	No Provision
Tennessee	Yes-effective 7/1/77	Yes-effective 7/1/77	Yes-effective 7/1/77	Yes-effective 7/1/77
Texas	Yes-effective 9/1/85	Yes-effective 9/1/89	No Provision	No Provision
Trust Territories	No Provision	No Provision	No Provision	No Provision
Utah	No Provision	No Provision	No Provision	No Provision
Vermont	No Provision	No Provision	No Provision	No Provision
Virgin Islands	No Provision	No Provision	No Provision	No Provision
Virginia	Yes-effective 12/31/60	Yes-effective 12/31/60	No Provision	No Provision
Washington	Yes-effective 3/11/60	Yes-effective 3/11/60	No Provision	No Provision
West Virginia	Yes-effective 1919	Yes-effective 1919	No Provision	No Provision
Wisconsin	Yes-effective 7/1/81	Yes-effective 12/31/53	No Provision	No Provision

STATE	Written Consent Required For Father to be named on birth certificate	Court Determination required for father to be named on birth certificate	Written consent required for child's surname to be as father's on birth certificate	Court determination required for child's surname to be same as father's on birth certificate
Wyoming	Yes-effective 5/24/73	Yes-effective 5/24/73	Yes-effective 5/24/73	No Provision

4.5.1 When POD Is Required

Proof of death of an employee or employee annuitant is required in all claims for survivor benefits. POD of other individuals is also required in the following situation:

A. When the death of any person who, if living, would be entitled to all or a portion of the survivor benefit is alleged AND such death occurred after the death of the employee or employee annuitant.

NOTE: POD of a widow(er) is required in spouse–to-widow(er) cases, when the widow(er) dies after the employee but in the same month as the EE and a LSDP is payable

B. When a designated beneficiary is an RLS case who, if living, would be entitled to an amount in excess of $100.00 is alleged to have died.

C. When the spouse in a J&S election case dies before the employee annuitant.

D. Any other case in which there is reasonable doubt as to the death of:

- Any person who, if living, would have priority over the applicant; or
- Any spouse whose death is alleged to have ended a prior marriage; or
- Any beneficiary whose termination of entitlement would increase other benefits.

4.5.2 Reconciling Conflicting Dates Of Death

There may be a conflict between the date of death shown on the evidence and the date of death claimed on the application for benefits or other material in file. In such cases, accept the date indicated by the evidence unless the discrepancy:

- Involves the month or year of death; and
- Is material; and
- Is not satisfactorily explained.

To resolve the conflict, secure additional evidence of the correct date of death.

4.5.3 Acceptability Of POD Used By SSA

Any evidence acceptable to SSA as POD is acceptable to the Board without further development unless there is a conflict as explained in the preceding section.

Additional evidence of death is not required for the payment of an RLS when POD has been accepted by SSA and is contained in their files. A notation on a G-80 that POD is contained in SSA's files is sufficient evidence of that fact.

SSA NUMIDENT may also be used as POD if the record indicates DOD has been verified (see FOM1 905.5.2.C.2).

4.5.10 Preferred Evidence - Death Occurred Within United States

A. Public Death Records - Preferred POD consists of:

- A certified copy of the public record of death, coroner's report of death or verdict of the coroner's jury of the State or community where death occurred, a certificate by the custodian of the public record of death, or a certificate or statement of death issued by a local registrar or public health official; or
- A certified copy of an official report or finding of death made by an agency or department of the United States which is authorized or requested to make such report or finding in the administration of any law of the United States; or
- A photocopy of any of the documents described above showing no signs of alteration. (A photocopy of a death certificate does not have to be certified.) If a photocopy has been altered, obtain the original document.

NOTE: See Appendix A of Chapter 4.2 for information on the availability and cost of death certificates.

B. RRB Forms - The following forms are acceptable:

- G-80 complete by either an RRB or SSA employee showing the DOD; or
- G-91 describing public record of death; or
- G-273 (Statement of Death by Funeral Director). This form is acceptable only if it is received in an office of the Board by 8-31-89; or
- G-273a (Statement of Burial Expenses). This form serves a dual purpose, i.e., it may be used as proof of payment of B/E and POD. (If the FH is applying directly for the LSDP, G-273a is not acceptable as POD.)

C. SSA Forms - The following forms are acceptable:

- SSA-704 (Describing public record of death; or
- SSA-721 (Statement of Death by Funeral Director); or
- SSA-2872 (Statement of Death and Burial Expenses by Funeral Director).

NOTE: A photocopy of the SSA-704, SSA-721, or SSA-2872 furnished by SSA does not have to be certified to be acceptable as POD. If the FH is applying directly for the LSDP, the SSA-721 or SSA-2872 is not acceptable as POD.

4.5.11 Preferred Evidence - Death Occurred Outside United States

When the death of an individual, other than a member of the U.S. Armed Forces, occurred outside of the U.S., acceptable POD is:

- A report of death by a United States Counsel, or other agent of the State Department, bearing the signature and official seal of such consul or agent; or
- A certified copy of the public record of death; or
- A signed statement of death by a funeral director (RRB Form G-273 or SSA Form SSA-721 or Forms G-273a or SSA-2872 submitted as proof of B/E (unless the FH is applying directly for LSDP) when submitted through a D/O for deaths occurring in Canada or Mexico; or
- Other evidence of probative value

4.5.12 Evidence Of Death For Members Of U.S. Armed Forces

A. Death Occurred Within the U.S - Accept any of the evidence described in sections 4.5.10 and 4.5.13.

B. Death Occurred Outside the U.S. - Accept any of the following types of evidence.

- The official report of death (including telegrams), or any signed communication from the Washington D.C. headquarters of the service department showing the date of death; or
- A letter from any commanding officer under whom the serviceman served at the time of death describing the casualty and showing the date of death; or
- A citation signed by the President of the United States showing the serviceman's name and date of death.

4.5.13 Secondary Evidence Of Death

If preferred evidence cannot be obtained and a satisfactory reason is provided in a signed statement by the applicant, accept one of the following:

- A signed statement on the official stationery of the attending physician, or superintendent of the institution where death occurred (SSA's Form SSA-795 completed by such physician or superintendent is acceptable in this case); or

- The sworn statements of two or more persons having knowledge of the death which set forth the facts and circumstances as to the date, time, place, and cause of death; or

- Other evidence of probative value.

4.5.20 Effect Of Disappearance On RR Act Benefits

A. Retirement Annuities - No annuity can accrue to an employee annuitant for any month during which (s)he disappears unless it is proven that (s)he was actually alive during such month. Suspend the employee annuity upon notice of disappearance, continue to pay the spouse annuity, if any. See section 4.5.20C.

B. Effect on Accrued Annuities - When the annuitant disappears, deny an application for accrued annuities unless the applicant can submit evidence to show that the annuitant was alive for one or more months after the month of disappearance. However, the accrued annuity for the months the annuitant is shown to be alive cannot be paid unless the evidence shows that the annuitant is now dead or is presumed to be dead.

C. Survivor Benefits - Survivor benefits are payable from the month of the employee's disappearance if the following conditions are met:

The employee has a current connection with the railroad industry;

AND

The employee's spouse is entitled, or would have been entitled if he/she had filed an application, to a spouse's annuity in the month of disappearance.

A jurisdiction determination cannot be made until we or SSA have proof of death or death can be presumed. If the employee is entitled to SS benefits, SSA will suspend the benefit. However, any auxiliary benefit is continued in force until they have proof of death or death can be presumed. Base survivor benefits on the combined record, even though the survivor may concurrently be entitled to SS benefits based on the employee's SS earnings record during the period of disappearance.

1. If the above conditions are met - Initiate normal survivor development action as well as development for presumption of death.

2. If the above conditions are not met - If the employee does not have a current connection and the spouse is entitled to an annuity in the month of disappearance, or would have been entitled if he/she had filed an application, continue paying the spouse annuity until one of the following events occurs:

- The employee's death is established.
- The spouse annuity terminates for another reason.

When survivor benefits have been paid and it is later determined that the employee annuitant was alive for one or more months after disappearing, recover the total amount of survivor benefits paid for such month(s) minus the total amount payable as a spouse annuity.

4.5.21 Presumptive Finding Of Death

A. General - The termination of an annuity due to disappearance does not establish a date of death. Therefore, develop for presumption of death in accordance with the following sections whether or not the annuitant leaves a spouse. Submit the fully developed case to the Deputy General Counsel for determination.

B. Presumption of Death in Military Service - A presumptive finding of death by a service department is made pursuant to Section 5 of Public Law 490, 77th Congress, as amended and will so state. The date of death in these cases is a statutory date, and is usually a year and a day from the missing date but may be later in some cases.

If the finding establishes the fact of death but it is not evident as to the date of death, use the presumptive date of death as the date of death in the absence of evidence establishing a later date.

4.5.22 Development Of Evidence Of Presumptive Death Of Missing Person - Body Not Recovered

When the body of a missing person has not been recovered, obtain the best evidence possible in accordance with the following instructions. After full development, submit the case to the Deputy General Counsel for determination.

A. Statements From Claimant and Others - Obtain detailed statements from the claimant and other persons having knowledge showing the following:

- Identification of the person making the statement;
- Time, place, and circumstances in which the missing person was last seen;
- Remarks and actions of the missing person before disappearance;
- Search for the missing person;
- Missing person's continued absence from his residence, business, and customary haunts;

- Reasons or lack of reasons for falsifying a disappearance, such as financial, family, or mental trouble;

- Pertinent evidence or information which came into the person's possession before, during, or after the disappearance and its source and basis;

- Opinion as to whether death was the probable result of the circumstances in which the missing person was last seen;

- Whether a court has been petitioned to declare the missing person dead.

B. Writings by Missing Person - Obtain any letters, notes, or other writings left or sent by the missing person which have any bearing on the disappearance.

C. Insurance Investigation - If available, obtain:

  - Evidence as to whether any life insurance policies carried on the missing person's life were paid in full;

  - The facts and date of death established by the insurance company's investigation.

4.5.23 Disappearance Due To Drowning

Develop in accordance with the preceding section and, if possible, obtain statements from three or four representative eyewitnesses before submitting the case to the Deputy General Counsel for determination. If there were fewer than five eyewitnesses, obtain statements from all. If there were no eyewitnesses, obtain statements from other persons having knowledge of the facts giving the basis of their knowledge. In all cases, the statement should include:

- The depth of the water; and

- Swiftness of the current; and

- The person's ability to swim; and

- The distance from shore to the point where (s)he disappeared; and

- Whether any boats were in the immediate vicinity; and

- Whether (s)he reappeared on the surface of the water before the final disappearance; and

- The length and nature of the search made for the body.

4.5.24 Disappearance After Common Disaster

In common disaster cases when the body is not recovered, the file should contain the applicant's statement that the employee is believed to be dead (and the reasons therefor) and a statement from a disinterested person to corroborate the applicant's belief.

A. Applicant's Statement - The applicant should state under "Remarks" on the application or on a continuation sheet why (s)he believes the employee should be presumed dead; i.e.,(s)he should state such facts as will bear out the fact that the employee was presumably on the scene of the accident when it occurred and that disappearance is attributable to the disaster.

B. Statement From Disinterested Person - The principle requirement in common disaster cases is to prove as definitely as possible that the missing person was on the scene of the accident and was in imminent peril. Therefore, the best evidence is statements from individuals who saw the missing person at the scene of the accident shortly before it happened, or under such circumstances that make it appear unlikely that (s)he could have survived. The employer or a fellow employee is probably in the best position to furnish this type of statement. Any such statements should also contain the reasons for believing that the employee is dead.

In cases in which it is not possible to obtain statements to indicate that a particular employee was observed at work or actually trapped at the scene of the accident, obtain statements which will establish that (s)he was presumable at the scene when the accident occurred. A master statement by an employer giving the names of employees who were believed to have been on duty in establishing the death of an employee. Such a statement should clearly show the basis for the knowledge or belief that the particular employees were on the scene of the disaster when it occurred. A copy of the master statement should be included with each claim.

In disasters involving common carriers, obtain the statement of responsible company officials and statements of crew members or witnesses.

Cases probably will arise in which the missing person was not known to have been at the scene of the disaster, and it will be impossible to secure a statement from an employer, fellow employee, or eyewitness placing the employee on the scene when the disaster happened. In such case, secure from the applicant and friends or neighbors all information which may have a bearing on the movements of the missing individual the day of the accident, and which tends to establish whether (s)he may be presumed to have died in the disaster. (See section 4.5.22 for detailed instructions on developing presumptive death).

After full development, submit the case to the Deputy General Counsel for determination.

4.5.25 Missing Person - Unexplained Absence Of Seven Or More Years

When a person has been absent from home without explanation and unheard of for seven or more years, (s)he may be presumed dead in the absence of substantial evidence to the contrary. After full development, submit the case to the Deputy General Counsel for determination.

In addition to the development outlined in sec. 4.5.22, develop the following:

A. Statement From Claimant - Obtain the following information:

- When and what was last heard concerning the whereabouts of the missing person;
- What effort was made to learn of the person's whereabouts if no information concerning the missing person has been received over a long period of time;
- Whether there had been any previous separation of the missing person from his family;
- Whether there is any belief that the missing person is dead, and the basis of such belief;
- Whether the missing person designated a beneficiary in a life insurance policy or policies (s)he had taken out.

B. Statement From Other Person - Obtain a statement from another person who has knowledge of the missing person's domestic life to explain the attitude of the missing person and his family toward each other.

C. Statement From Police Department Official - Obtain a statement from an official in the police department which conducted a search for the missing person to indicate what action was taken, how extensive the search was, and whether it uncovered any trace of the person's whereabouts.

D. Compensation and/or Wage Record - Determine whether compensation and/or wages were reported for the missing person after disappearance.

4.5.26 Missing Person Other Than Employee

The existence of a person who is missing and thought to be dead (other than the employee upon whose death the claim is based), may directly affect the right of an applicant to benefits. Develop these cases in accordance with the preceding section. If it is found that the missing person was alive after his disappearance, inform the applicant that the missing person is known to have been alive during the period of his absence and cannot be presumed to be dead. If the applicant requests information

concerning the missing person or wants proof of the missing person's existence, refer the case to the Secretary of the Board (see chapter 10.1).

4.5.35 Felonious Homicide

A person who is found guilty under applicable State laws of the felonious and intentional homicide of an employee cannot become entitled to benefits with respect to the death of that employee. When the employee's death was caused by violence and when it is possible that a claimant living in the same area might have caused the employee's death, determine whether felonious homicide is involved. However, if the death certificate shows that the death was an accident or suicide, felonious homicide need not be considered.

EXAMPLE 1: John Doe died on 9-27-69 in an apartment in Chicago and was survived by an eligible widow residing in Gary, Indiana. The death certificate shows that death resulted from a gunshot wound which was neither accidental nor self-inflicted. Develop for felonious homicide since the widow was in the area where the violent death occurred and might have been involved.

EXAMPLE 2: Frank Smith died on 10-11-69 at his home in Detroit, Michigan and was survived by a not living with widow also residing in Detroit. The death certificate also shows that death was accidental and, therefore, felonious homicide need not be considered.

4.5.36 Effect Of Felonious Homicide On Benefits

A person who has been convicted of the felonious and intentional homicide of the employee is considered nonexistent in determining the entitlement of other survivors or the amount of their benefits.

Burial and/or other related expenses paid by a person convicted of the felonious and intentional homicide of the employee will be excluded in computing the reimbursable amount. If the felon is reimbursed by some other person, that other person is not equitably entitled and may not receive payment on the basis of such reimbursement.

The lump-sum death benefit cannot be paid to a funeral home based on authorization by a person who has been convicted of the felonious and intentional homicide of the employee and who assumed responsibility for paying all of the funeral home expenses.

After the expiration of 90 days after the employee's death, the funeral home may qualify for the lump-sum on its own application if no one else has assumed responsibility for payment of such expenses.

4.5.37 Meaning Of Intentional Homicide

A. General - Intent generally refers to the purpose(s) for doing an act; a wish or an expectancy that the act will have a certain result (regardless of the actual

likelihood of such a result). Intent has also been defined as the presence of will in the commission of a criminal act where the individual is fully aware of the nature and probable consequences of the act which is to be done. This applies whether the individual desires that such consequences occur or is indifferent as to their occurrence. Since intent is a state of mind; it is seldom established by direct proof but must be inferred from facts. Examples of situations where intentional homicide with respect to an individual will be found are: An individual actually desires the death of the employee to result from his or her act; an individual commits an act which he or she knows could result in the death of the employee even thought the employee's death is not actually desired (except as noted below).

The following cases are excluded from intentional homicide: homicides which are the result of an accident; homicides where the killing is the result of self-defense; homicides where the claimant was insane when he or she killed the employee, i.e., unaware of the nature and the consequences of the act.

B. Particular Offenses - Murder in the first degree involves intent by definition. Murder in the second degree is presumably intentional though the presumption if rebuttable. In the absence of evidence to considered an intentional homicide. (The rare statutory offense of murder in third degree, found in only a few states, is defined as an unintentional act.)

Manslaughter may be either involuntary or voluntary, though the laws of some states do not distinguish between voluntary and involuntary manslaughter but merely provide that manslaughter is a felony.

Involuntary manslaughter will generally be regarded as an unintentional slaying, and conviction of this offense will generally not bar entitlement to an LSDP or to monthly benefits.

Voluntary manslaughter may or may not preclude entitlement depending on the law of the state in which the charge is preferred. This is also true of a charge of manslaughter if state law does not distinguish between voluntary and involuntary manslaughter. In such cases, development of the facts relative to the slaying will be required and submission to the Bureau of Law may be necessary.

C. List of Particular Offenses

Conviction	**Rule**
First degree murder	Intent conclusively presumed.
Second degree murder	Intent presumed, but may be rebutted.
Third degree murder	Lack of intent presumed. This may be rebutted.

Involuntary manslaughter	Lack of intent presumed. This may be rebutted.
Voluntary manslaughter	No presumption. Facts must be developed. (See (B) above.)

4.5.38 Homicide By Child

If a child is tried in an adult criminal court and convicted of the intentional and felonious homicide of the employee, no benefits may be paid to the child.

If the child is under the jurisdiction of the juvenile justice system, and the juvenile court finds that the child intentionally killed the employee by an act which, if committed by an adult, would be considered a felony, no benefits may be paid to the child. Information on the court's finding should be obtained from the court, the state's attorney, or other reliable source. If possible, a copy or official synopsis of the court finding should be obtained. If the court records are sealed and no information is available, the benefits should be paid unless information is later obtained which shows that the child intentionally killed the employee. If the juvenile court finding does not clearly show whether the act would be considered a felony, ask the Bureau of Law to determine whether the child's offense would be intentional and felonious if committed by an adult.

4.5.39 Development Of Felonious Homicide

When felonious homicide is a possibility, initiate D/O development to determine whether or not the applicant was involved in the employee's death unless the D/O has already reported that the case is under investigation. Do not initiate D/O development if it is established that the applicant was at or near the place where the employee died through violent means. Do not conduct any correspondence with the applicant or his representative about the case.

4.5.40 D/O Handling Of Felonious Homicide Cases

A. Charge of Felonious Homicide Pending Against the Applicant - The D/O report will state that evidence, as specified in (B) below, will be furnished when the applicant is acquitted or convicted. (Do not make any payment to the applicant until the case is resolved.)

B. Applicant Is Acquitted or Convicted - The D/O will furnish a certification of the final verdict or proper court record, or a statement from the district attorney or other proper court official, as to the final disposition of the case.

C. Person Other Than Applicant is Charged With or Convicted of Employee's Felonious Homicide - The D/O will furnish a statement by the proper law enforcement official showing that the applicant was not involved in the homicide.

D. No One Has Been Charged With or Convicted of Employee's Felonious Homicide - The D/O will furnish a statement from the proper law enforcement official showing that the applicant was not involved in any way.

4.5.41 Cases Involving Manslaughter

If the claimant has been convicted of voluntary manslaughter, the DO will include in the file a brief summary statement of the circumstances under which the killing took place, and all available evidence that has a bearing on the question of whether the homicide was intentional. Such evidence includes statements from the prosecuting attorney, trial transcripts, coroner's and police reports, and the finding of the court in its decision. BRC is unable to make a determination as to the individual's intent, it should submit the case to the Bureau of law for an opinion. This instruction is also applicable to convictions or charges of manslaughter in states which do not distinguish between voluntary and involuntary manslaughter.

If the decision was rendered by a foreign court and there is a question as to whether the individual has been convicted of felonious and intentional homicide, submit the case to the Bureau of law.

4.5.42 Convicted Claimant Is Granted Pardon

A pardon of a claimant who has been convicted of the felonious and intentional homicide of the employee makes the felonious and intentional homicide regulations inapplicable only if it is clearly shown that the pardon was granted because the pardoning authority became convinced (e.g., by new evidence) that the convicted person was in fact innocent of the crime. This will generally be indicated in the pardon. If not, and it is alleged that the pardon was granted for this reason, get information from the pardoning authority as to whether innocence was the basis for the pardon. The fact that the pardon is granted is not alone a basis for concluding that the pardoning authority became convinced of the claimant's innocence since an executive pardon may be granted for other reasons.

4.6.1 Living With Defined

A spouse of widow(er) is "living with" if:

- (S)he and the employee are members of the same household; or
- The employee is contributing to the spouse's or widow(er)'support; or
- The employee is under court order to contribute to the spouse's or widow(er)'s support.

4.6.2 When "Living With" Is Required

A. Life Cases - The 1983 Railroad Retirement amendments eliminated the living with requirement except when:

- the spouse is filing as a de facto (deemed)
- the spouse's entitlement may begin prior to 8-12-83.

B. Survivor Cases - "Living with" is required for a widow(er) to qualify for an accrued employee annuity due but unpaid at death, LSDP or RLS on the basis of that relationship. For eligibility to an LSDP in cases where the employee acquired his 120th railroad service month after 1974, or 60-119 months after 1995, the widow must meet the “living with” requirement by “living in the same household” as the employee at the time of the employee’s death. For further information about eligibility for an LSDP, see RCM 2.8.12. For a definition of “living in the same household”, see RCM 2.8.26.

Effective 11-1-66, "Living with" is usually not required in order for a legal widow(er) to qualify for an insurance annuity. The only case in which a legal widow(er) must be "Living with" is that of a deceased employee not insured under the SS Act at death. However, a de facto widow(er) must always be living in the same household with the employee at the time of the employee's death in order to qualify for an insurance annuity.

4.6.3 Point In Time When "Living With" Requirement Must Be Met

A. Members of Same Household

1. Life Case - In the case of a de facto spouse or a spouse entitled before 8-12-83, the employee and spouse must be members of the same household on the date on which the spouse annuity application is filed.

2. Survivor Case - The employee and widow(er) must be members of the same household at the time of the employee's death.

B. Contributions Towards Support

1. Life Case - In the case of a spouse entitled before 8-12-83, the employee must have been contributing to the spouse's support as of the day on which the application for a spouse annuity was filed. This was broadly interpreted as any day within the 12-month retroactivity of the application as of which the spouse was other-wise qualified. Even though the contributions may have been discontinued before the actual filing date of the spouse's application, the requirement was met if it was established that the employee was making regular contributions at a time in the retroactive period as of which the spouse applicant met all other requirements.

   When a spouse annuity was denied for not meeting this requirement, the spouse may have qualified at a later date upon establishing that the employee made regular contributions after the denial. The spouse annuity, if otherwise payable, could have begun as early as the month following the sixth consecutive month of substantial contributions.

2. Survivor Case - The employee must be contributing to the widow(er)'s support at the time of the employee's death.

C. Court Order for Support

1. Life Case - In the case of a spouse entitled before 8-12-83, the court order for support must have been in effect on the date on which the application for a spouse annuity is filed.

2. Survivor Case - The court order for support must be in effect at the time of the employee's death.

4.6.4 Effect Of Employee's Place Of Death Of "Living With" Development

The fact that the employee died away from the family household is not in itself reason for full development of "living with." Many deaths occur away from the family residence. When there is an allegation of "living with," but the file indicates that death occurred away from the family residence, an explanation showing that the employee died at a hospital, at work, on a business trip or vacation, is usually sufficient. This is not true, of course, when other evidence casts doubt on the "living with" allegation. In such case, develop the "living with," allegation fully.

4.6.10 Members Of Same Household

A husband and wife are considered "members of the same household" if they customarily live together as husband and wife in the same abode. If they are living at

the same address, assume they are living together in the absence of evidence to the contrary.

A husband and wife are also considered members of the same household if they have shared and again intend to share the same abode, even though:

- They live apart temporarily because of circumstances beyond their control (such as financial difficulties, ill health, working away from home, service in the Armed Forces, etc.); or

- They live apart temporarily because one spouse is in a curative, custodial, or penal institution.

While temporarily living apart as described above does not defeat "living with," the facts must establish that there is an intent to resume living together and that the living apart is temporary in nature.

If the employee and spouse were separated solely for medical reasons, consider them to be living in the same household, even if the separation was likely to be permanent and there was little or no expectation of them living together again. As long as the spouse continued to demonstrate strong personal and/or financial concern for the employee, assume they would have lived together (absent evidence to the contrary) had the medical reasons not necessitated their separation.

4.6.11 Proof Required

Ordinarily, proof that the husband and wife are members of the same household consists of a statement made by the applicant on the application form; in a life case, the employee must answer item 2 of the G-346 whenever the spouse applies as a de facto spouse or qualifies for payment prior to 8-12-83. These statements are acceptable to establish that the husband and wife are members of the same household unless information received in the course of development raises doubt. However, if the required information is not furnished on the application, or on G-346 in a life case, or if additional information is required, a sworn statement may be submitted.

4.6.12 Effect Of Temporary Separations

Statements of intent to live together again from the husband and wife (or survivor) will prove "living with" unless the evidence shows other than temporary causes for separation. However, the intent to resume living together must be present at the time of the separation. Consider the reason for the separation and its duration in determining whether the intent existed or changed. Whether a separation is temporary or not is governed by the circumstances at the time of the separation, duration of the separation and what occurred during the living apart, as well as by the intention of the parties.

When the temporary separation resulted from domestic difficulties or when a permanent separation was the initial intent, handle in accordance with the following sections.

4.6.13 Separation Due To Domestic Trouble Or Incompatibility

When the separation is due to incompatibility, ill treatment, or other domestic difficulty, do not assume the separation is temporary without proof that it is. When there is a history of separation due to domestic difficulties, the fact that the parties resumed living together on prior occasions does not necessarily mean that the last separation is a temporary one. The single fact that on previous occasions the parties did resume living together does not justify an assumption that they would resume living together on the last occasion. However, consider the history of those prior separations and resumptions of living together in determining whether or not the last separation was temporary.

4.6.14 Reconciliation

A. Effect of Reconciliation - The fact that a separation may have been permanent initially does not prevent a finding of "living together" if at a later time the parties become reconciled AND perform some overt act evidencing a resumption living together. Consider the separation ended at that point unless one of the parties subsequently did something to disavow the reconciliation. However, both of the above factors must be present, i.e., neither an agreement to resume living together nor an alleged overt act standing alone will suffice. Thus, when the parties have been permanently separated, a mere unexecuted intention to resume living together cannot reasonably justify a finding that the parties were members of the same household on either the application filing date or the date of the reconciliation agreement.

A conditional agreement to resume living together does not become a reconciliation agreement until the condition is fulfilled. However, the fulfillment of the condition is not an overt act since it merely relates to the completion of the conditional reconciliation agreement but not to the execution of such agreement. For example, the parties agree to resume living together if the husband goes to work. The securing of a job fulfills the condition of the agreement but the parties must also perform an overt act (e.g., rent an apartment) to complete the reconciliation.

B. Development of Reconciliation - Secure evidence of acts showing that there is a reconciliation with an intent to resume living together again. This may include receipts for rent, furniture, etc., combined with evidence of their actually living together again. Obtain statements from the applicant, the employee (if living), and from one other person who knows the facts, as to:

- The date and cause of the separation;
- The history of other separations'
- The action of the parties while separated;

- Remarks made by either spouse to the witness (or in his presence) showing whether there is an intent to resume living together and the conditions under which the remarks are made;

- Whether the husband or wife performed an act preparatory to living together again, and the basis for the witness' knowledge of this act.

In a survivor case, if the widow(er) did not pay the employee's burial expenses, secure a statement from the widow(er) as to why (s)he did not pay such expenses. Also obtain a statement from the person(s) who did pay such expenses as to their knowledge of the separation and whether there had been a reconciliation. (This statement is not required of an organization which pays B/E.)

4.6.15 Separation Due To Confinement Of One Spouse

A. General - Consider a husband and wife members of the same household even though one party is confined in a curative, custodial, or penal institution if:

- They are living together at the time one of them is confined; and

- There is a continuing intent to resume living together.

Base the decision as to whether there is a continuing intent to resume living together by both parties upon all the facts.

See RCM 4.6.10 for further information concerning confinement of a spouse in a hospital or other curative institution.

B. Party Committed to Penal Institution - A finding of "living together" when one party is in a penal institution is not justified if (s)he is committed:

- For life; or

- For a period of years exceeding life expectancy; or

- Under a sentence of death.

Evidence showing that the other party is living with someone else in a marital or meretricious relationship also rebuts the intention to resume living together.

4.6.25 Contributions Toward Support

Contributions by the employee to the spouse may be in cash or in kind, but they must be regular and substantial. No fixed amount has been set. The test is whether the employee recognizes an obligation to contribute to the support of the spouse and does so contribute. For example, contributions are proved if a husband lets his wife live rent-

free in a house that he owns. However, if they own the house jointly, the employee's contribution is equal to one-half of the amount by which the fair rental value exceeds the cost of maintenance. (Maintenance costs include repairs, taxes, mortgage payments and interest, etc.) This factor merely establishes regularity; it is still necessary to determine whether the contribution is substantial.

4.6.26 Proof Required

Generally, the statements by the applicant on the application (or, prior to 8-12-83, by the employee on G-346 in a life case) are sufficient to establish contributions toward support.

Obtain a sworn statement to establish contributions toward support if:

- The information required is not furnished by either the applicant on the application or by the employee on G-346; or
- Reasonable doubt exists about the accuracy of the statements in view of other information in file; or
- Additional information is needed before making a determination.

The above rules apply in both life and survivor cases regardless of whether the applicant lives in this country or in a foreign country.

4.6.27 Monthly Social Security Benefits

A. General - The receipt of a monthly spouse benefit under the SS Act constitutes "contributions toward support" if the spouse met one of the "living with" requirements on the date (s)he filed the SS benefit application. In these cases, the spouse can be "deemed" to have filed an RR Act application on the date the SS benefit application was filed for the purpose of establishing "living with."

Prior to 9-1957, "living with" was requirement for entitlement to a monthly spouse benefit under the SS Act. Therefore, if a monthly spouse benefit was awarded before 9-1957, it can be assumed that the spouse was "living with" the employee on the date (s)he filed the SS benefit application.

The 1957 SS Act amendments eliminated "living with" as a requirement for entitlement to a monthly spouse benefit for months after 8-1957. Therefore, if a monthly spouse benefit was awarded after 8-1957, further development may be necessary to determine if the spouse was "living with" the employee on the date (s)he filed the SS benefit application. If the date on which the SS benefit application was filed is not in the claim folder, obtain such date from SSA if it is required to establish "living with".

If the SS benefit awarded before 8-1957 was erroneous, however, "living with" cannot be established on the basis of receiving the benefit.

If the monthly spouse benefit was reduced because of the spouse's entitlement to another SS benefit, determine whether the reduced amount is still a substantial contribution.

B. Life Cases - A monthly spouse benefit properly paid or payable and continuing through the RR Act entitlement date can be considered contributions toward support in determining "living with" if:

- The SS benefit was awarded before 9-1957; or
- The SS benefit was awarded after 8-1957 and the spouse met one of the "living with" requirements on the date (s)he filed the SS benefit application.

However, if the monthly spouse benefit is in suspense for any reason "as of the day on which the application for a spouse annuity if filed" (see sec. 4.6.3B), do not consider it contributions toward support.

C. Survivor Cases - A monthly spouse benefit properly paid or payable and continuing through the month before the employee died can be considered contributions toward support if:

- The SS benefit was awarded before 9-1957; or
- The SS benefit was awarded after 8-1957 and the spouse met one of the "living with" requirements on the date (s)he filed the SS benefit application.

However, if the monthly spouse benefit is in suspense for any reason when the employee dies, do not consider it contributions toward support.

4.6.28 RR Act Spouse Annuity

An RR Act spouse annuity properly paid or payable prior to 8-12-83 on the employee's compensation record for the month before the month the employee died is a contribution toward support and establishes "living with" for the purpose of paying the widow(er) survivor benefits.

A spouse annuity payable 8-12-83 or later is a contribution toward support only if the spouse met one of the living with requirements in RCM 4.6.1 on the filing date of the spouse annuity application.

NOTE: A payment not legally due the spouse for the month preceding the employee's death cannot be considered a contribution toward support.

4.6.29 Veterans Administration Payment

VA payments to a wife based on her husband's entitlement to veterans' payments are deemed to be contributions by him if they are paid or payable before his death. It is immaterial whether or not he agreed to such payments

4.6.30 Prorating Contributions Made By Employee

When the employee contributes to the support of his wife and children and there is no evidence as to the amount intended for each, assume that three parts of each contribution are for the spouse and two parts are for each child. For example, when the employee contributes $180 to his wife and three children, prorate the amount as shown below:

Wife	(3 parts)	=	$ 60.00
Child	(2 parts)	=	40.00
Child	(2 parts)	=	40.00
Child	(2 parts)	=	40.00
	(9 parts)		$180.00

4.6.31 Presumption Of "Living With" When Employee Unable To Continue Contributions

A. General - When the employee is making regular and substantial contributions but is unable to continue due to causes beyond his control, presume "Living with" unless:

- There is information already in file or obtained during development which raises doubt as to whether the employee would have continued contributing even if he could have; or
- The failure to contribute has lasted for an unreasonable period of time.

B. Unreasonable Period - Whether or not a certain period is unreasonable depends on the employee's efforts and ability to contribute. However, a period of more than one year is usually considered unreasonable.

4.6.40 Court Order For Support

The term "court order for support" refers to a court issued document which provides for support payments to the spouse by the employee. If children are involved in the support payments, the court order must specifically provide for the spouse's support in

order to establish "living with." Provision for the support of the children alone does not establish "living with" for the spouse.

4.6.41 Proof Required

When the employee is ordered by a court to contribute to the applicant's support, a certified copy of the order or decree must be submitted. Any such court order must be certified by the court clerk or custodian of the records as not having expired or been vacated. The court order must be in force before the actual date on which the spouse annuity application is filed, or, in a survivor case, before the data of the employee's death. A court order which has been "suspended" is considered in effect as long as it has not expired or been vacated.

4.6.42 Separation Agreement

A separation agreement providing for contributions to the spouse's support which is not included in a court order is not sufficient under this provision; however, "living with" may be proved if it is shown that regular and substantial contributions are actually made to the spouse under such an agreement.

4.6.43 Verifying Applicant's Statement Of Non-Support

When an applicant is apparently ineligible because (s)he is not living with the employee, is not receiving contributions toward support, and (s)he claims that only the children are named in a court order for support, ask the applicant to submit a copy of the court order in order to verify the statement that (s)he is not included.

4.7.1 When Dependency Required

A. Life Cases - Dependency of a child upon the employee is required when:

1. The employee's annuity is to be increased under the O/M by including a child, a grandchild or a spouse who has a child in her/her care; or

2. A spouse under age 65 files for a full spouse annuity on the basis of a child or a grandchild in her/his care.

Dependency upon a natural or legally adopting parent is usually deemed for a legitimate or legitimated child or such a parent. If dependency is deemed, an indication that a child is actually dependent on someone other than the employee is immaterial.

B. Survivor Cases - Dependency of a child upon the deceased employee is required for entitlement to a CIA. Dependency must be established at the time of the employee's death unless the employee has a period of disability freeze (DF) that continued until he met the conditions for entitlement to an RIB or DIB or until his death. If the deceased employee had a period of disability freeze (DF) that continued until he became entitled to an RIB or DIB or died, the dependency requirements can be met at the following points:

- At the beginning of the period of disability (DF), or
- At the time the employee became entitled to a DIB, or
- At the time the employee became entitled to an RIB.

The dependency requirement must be met even if the child was previously determined to be dependent upon the employee for the purpose of increasing the employee's O/M or qualifying a spouse for an annuity.

4.7.2 When Dependency Requirement Must Be Met

The point in time at which a child must be dependent upon the employee varies according to the type of claim. See RCM 4.7.15.

4.7.3 Child's Dependency Upon Natural Or Legally Adoptive Parent (Employee)

A. Life Cases - A legally adopted child (including a grandchild) who is adopted by the employee during his lifetime is deemed dependent for payment of RR formula annuities, and as such can qualify a spouse for a full spouse annuity if the "in care" requirement is met. However, if an adopted child is to be included in the

computation of the employee's annuity under the O/M, the following requirements must be met.

1. Months After 9-1972 - Deem a child dependent upon the employee when the employee is his natural parent. Deem a legally adopted child dependent upon the employee when the employee is his legally adoptive parent. This is true even when the child is living with and chiefly supported by his stepfather. A child will not be removed from the employee's O/M computation if he is subsequently adopted by someone other than the employee.

2. Months After 1-1968 and Prior to 10-1972. - A child is deemed dependent upon the employee as for months after 9-1972 unless subsequently adopted by someone other than the employee.

3. Months After 8-1960 and Prior to 2-1968

   a. Male Employees - The rules for establishing dependency are the same as for months after 1-1968 and prior to 10-1972.

   b. Female Employee - Deem a child dependent upon the employee when the employee is his natural mother or legally adoptive mother if insured under the RR Act. If the employee is not currently insured under the SS Act or partially insured under The RR Act, the child is dependent upon her only if:

      - The employee contributes one-half of the child's support; or

      - The employee is living with or contributing to the child's support AND the child's natural or adopting father is neither living with nor contributing to the child's support.

4. Months Prior to 9-1960

   a. Male Employee - A child is dependent upon his natural or legally adopting father (employee) if:

      - Such father is living with or contributing to the child's support; or

      - The child is the employee's legitimate or legally adopted child, has not been adopted by someone else, AND is not living with AND receiving more than one-half of his support from his stepfather.

      NOTE: In those States in which adoption by another person during the natural father's lifetime does not cut off inheritance rights between the child and such father, the child may qualify on the insured status of the natural father. However, in such a case, the

child is dependent upon his natural father ONLY if the he is living with or receiving contributions for support from such father.

b. Female Employee - The rules for establishing dependency are the same as for months prior to 2-1968 and after 8-1960.

B. Survivor Cases

1. Months After 9-1972 - Deem a natural child dependent upon the deceased employee when the employee was his natural parent. Deem a legally adopted child dependent upon the deceased employee when the employee was his legally adoptive parent. The child's benefits or annuity will not be terminated if he is subsequently adopted.

2. Months After 1-1968 and Prior to 10-1970 - A child is deemed dependent upon the deceased employee as for months after 9-1972 unless he is adopted by someone other than a stepparent, grandparent, aunt, uncle, brother or sister. If a child is adopted by someone other than one of these "close" relatives, his annuity must be terminated. However, be can qualify as an IPI, if another family member is being paid under the O/M.

3. Months After 8-1960 and Prior to 2-1968

a. Male Employees - The rules for establishing dependency are the same as for months after 1-1968 and prior to 10-1972.

b. Female Employees - Deem a child dependent upon the deceased employee when the employee was his natural mother or legally adoptive mother if the employee was currently insured under the SS Act or partially insured under the RR Act. If the employee was not currently insured under the SS Act or partially insured under the RR Act, the child is dependent upon her only if:

- The employee contributed one-half of the child's support; or
- The employee was living with or contributing to the child's support AND the child's natural or adopting father is neither living with nor contributing to the child's support.

4. Months Prior to 9-1960

a. Male Employee - A child is dependent upon his natural or legally adopting father (employee) if:

- Such Father was living with or contributing to the child's support; or

- The child was the employee's legitimate or legally adopted child, has not been adopted by someone else, AND is not living with AND receiving more than one-half of his support from his stepfather.

NOTE: In those States in which adoption by another person during the natural father's lifetime does not cut off inheritance rights between the child and such father, the child may qualify on the insured status of the natural father. However, in such case, the child is dependent upon his natural father ONLY if he is living with or receiving contributions for support from such father.

b. Female Employee - The rules for establishing dependency are the same as for months prior to 2-1968 and after 8-1960.

4.7.4 Child Legally Adopted By Employee's Widow(er)

Deem the child dependent upon the deceased employee if:

- The child was living in the employee's household at the time of the employee's death; and

- At the time of the employee's death, the child was not receiving regular and substantial contributions for his support from any public or private welfare organization which furnishes assistance or services for children, or from any person other than the employee or spouse.

NOTE: The above rules apply both to children adopted within two years of the employee's death and to children adopted more than two years after the employee's death when adoption proceedings were initiated before the employee's death.

4.7.5 Child's Dependency Upon Equitably Adopting Parent

Do not deem a child's dependency upon an equitably adopting parent as in the case of a legally adopting parent. Establish dependency upon an equitably adopting parent in accordance with A or B below.

A. Equitably Adopting Father - He must either:

- Be living with the equitably adopted child; or

- Be contributing to the equitably adopted child's support.

B. Equitably Adopting Mother

1. Months After 1-1968 - She must either:

- Be living with the equitably adopted child; or

- Be contributing to the equitably adopted child's support.

2. Months Prior to 2-1968 - She must either:

- Be contributing one-half of the equitably adopted child's support; or
- Be living with or contributing to the equitably adopted child's support AND the natural or adopting (including equitably adopting) father is neither living with nor contributing to the child's support.

4.7.6 Child's Dependency Upon Stepparent

Do not deem a child's dependency upon a stepparent. Establish dependency upon a stepparent in accordance with A, B or C below.

A. Stepfather (Prior to July 1, 1996) - He must either:

- Be living with the stepchild; or
- Be contributing one-half of the stepchild's support.

B. Stepmother (Prior to July 1, 1996)

1. Months After 1-1968 - She must either:

- Be living with the stepchild; or
- Be contributing one-half of the stepchild's support.

2. Months Prior to 2-1968 - She must either:

- Be contributing one-half of the stepchild's support; or
- Be living with or contributing to the stepchild's support AND the natural or adopting father is neither living with nor contributing to the stepchild's support.

C. Stepparents Effective July 1, 1996

- The employee must be contributing at least one-half support to the stepchild. "Living-with" is no longer an option for meeting dependency.

4.7.7 Illegitimate Child's Dependency Upon Parent

Apply the following rules when an illegitimate child cannot be deemed a child of the employee under the 2-1968 amendments to the RR Act.

A. Father

1. Effective 6-29-76 - Dependency is deemed if the child has inheritance rights under State law.

2. Prior to 6-29-76 - Determine the child's dependency upon the father by the child's status under applicable State law (see RCM 4.4.61). If the child is recognized or acknowledged by the father for inheritance purposes under applicable State law, the child is dependent if the father:

   - Is living with child; or
   - Is contributing to the child's support.

   If the recognition or acknowledgement is sufficient to legitimate the child under applicable State law, deem the child dependent upon the father as for a legitimate child (see sec. 4.7.3).

B. Mother

1. Effective 6-29-76 - Dependency is deemed if the child has inheritance rights under State law.

2. Months After 1-1968 - Determine the child's dependency upon the mother by the child's status under applicable State law(see RCM 4.4.61) If the child is recognized or acknowledged by the mother for inheritance purposes under applicable State law, the child is dependent upon the mother if she:

   - Is living with the child; or
   - Is contributing to the child's support.

   If the recognition or acknowledgement is sufficient to legitimate the child under applicable State law, deem the child dependent upon the mother as for a legitimate child (see sec.4.7.3).

3. Months Prior to 2-1968 - If the mother is currently insured under the SS Act or partially insured under the RR Act, deem the child dependent upon the mother regardless of the child's status under applicable State law.

   If the mother is not currently insured under the SS Act or partially insured under the RR Act, the child is dependent upon the mother if she is:

   - Contributing one-half of the child's support; or
   - Living with or contributing to the child's support AND the child's father is neither living with nor contributing to the child's support.

4.7.8 Deemed Child's Dependency Upon Parent

A. Child of Invalid Ceremonial Marriage - For months after 1-1968, deem the dependency of such a child upon his natural parent as for a legitimate child (see sec. 4.7.3). Since the dependency of such a child is deemed, it is not necessary to determine whether the child has inheritance rights under applicable State law.

B. Illegitimate Child Deemed a Child for Months After 1-1968 - Deem the dependency of such a child upon the parent as for a legitimate child upon the parent as for a legitimate child (see sec. 4.7.3).

4.7.15 When To Develop Dependency

The following table summarizes dependency tests for months after 12-1972.

CHILD'S STATUS	DEEPENDENCY TEST
Legally adopted child	Deemed unless child adopted by someone else during employee's lifetime.
Legally adopted by employee's widow(er)	Established by "Living with" and child's receipt of support only from employer or spouse.
Equitably adopted child	Established by "Living with" or contributing to child's support.
Stepchild	Established by "Living with" or contributing one-half of child's support prior to July 1, 1996. Effective July 1, 1996, "living-with" is no longer an option for meeting dependency. Dependency can only be established by one-half support.
Illegitimate child with inheritance rights	Established by "Living with" or contributing to child's support. Effective 6-29-76 dependency is deemed.
Grandchild*	Established by "Living with" and contributing one-half of child's support.

*NOTE: In establishing the dependency of a grandchild on the employee, the grandchild must have:

- Begun living with the employee before the grandchild attained age 18;
- Lived with the employee for the entire year, specified below; and

- Received at least one-half support from the employee for the entire year specified below.

The grandchild must have been living with and receiving at least one-half support from the employee for the entire year before:

- The month in which the employee met the conditions for entitlement to an RIB or DIB under the SS Act or the month in which he died; or

- The month in which the employee's period of disability began which continued until he met the conditions for entitlement to an RIB under the SS Act or until his death.

If the grandchild was born during this one year period, the dependency requirements are deemed to be met if the grandchild lived with the employee in the U.S. and received at least one-half support from the employee for substantially the entire period between the date of his birth and the earliest of the above mentioned dates.

4.7.16 Determining Whether Child Is "Living With"

"Living with" means that the child and parent share a common roof under conditions which indicate more than mere coincidence of residence. It also means that the parent has the right to exercise, or is exercising, parental responsibility and authority.

Periodic or temporary separation does not prevent a finding of "Living with" if the circumstances indicate that the child and parent have shared and again intend to share a common roof or resume common residence when conditions permit. Thus, a parent in the Armed Forces who shares a common roof with the child until induction is deemed to be "Living with" the child. However, if the child is in the Armed Forces or committed to a correctional institution, do not consider him to be "Living with" his parent since the parent does not have the right to exercise parental control.

4.7.17 Contributions To Child's Support

A. General - "Contributions to support" means regular and substantial contributions in cash or kind. The amount of contributions must be a material factor in the reasonable cost of the child's support. Whether contributions to the child's support are voluntary or compulsory does not matter. Therefore, a court order for support is not significant; consider only contributions actually made without regard to the amount the court order specifies.

   Benefits to a child based on the employee's insured status are contributions by the employee.

   Gifts or donations at special times or for special purposes usually are not contributions, nor are funds set aside for the child's future use contributions. Donations are contributions only if they are given for the child's support and are large enough to provide some of the usual necessities.

B. Determining One-half Support - Consider contributions in both cash and kind when determining whether a parent contributes at least one-half of the total cost of the child's support.

In most cases, both the stepparent and the natural parent use their earnings for the benefit of each member of the household. If this is done, deem the contribution of each parent to the child's support to be in proportion to the earnings of each parent.

However, if there is evidence that some of the earnings of a parent are earmarked for a special purpose not in connection with the household, reduce such parent's contribution by the amount so earmarked.

C. Limited Interruption Rule - "Contributions to support" can be established even though the normal pattern of contributions is disturbed by a temporary interruption (i.e., does not involve an assumption of support by someone else on a permanent and continuing basis). However, the evidence must prove that the interruption is involuntary (i.e., due to ill health, disability, unemployment, etc.) and that contributions would have been continued had conditions permitted.

4.7.18 Statement Regarding Support

When applicable (see sec. 4.7.15), obtain a sworn statement from the applicant or other person having knowledge of the facts regarding contributions to the child's support. The statement should furnish the following information:

- Name of person who is contributing to the support of the child and relationship to the child;
- How often cash payments are made by such person for the support of the child:
- The usual amount of each payment;
- The period of time over which the payments are made;
- The amount and date of the last payment;
- A description of any contributions made in a form other than cash and their cash value;
- The name of the person to whom payments are made for the child's support.

In addition, if the pooled fund method can be used in determining if the one-half support requirement is met, secure the amount and source of income of each member of the single family residing in the household. (See Section 4.7.51 for an explanation of the "Pooled Fund Method of Determining Support" and when this method can be used.)

4.7.25 Support

A. General - Support is the maintenance of a person necessary for his well-being. It includes such things as food, clothing, shelter, current medical needs, etc. Support of a person can be shown by contributions in cash, kind, or services.

B. One-Half Support - One-half support means that the applicant is receiving regular contributions in cash, kind, or services from the employee and the contributions equal or exceed 50% of the applicant's income from all sources. If applicable, use Form G-134a to test for one-half support according to the instructions in RCM Part 11.

4.7.26 Standards For Determining Support

The standards discussed in this chapter are merely guides for determining whether the one-half support requirement is met. When applicable, these guides are intended to simplify development, but do not use them to establish entitlement which would not exist on a factual basis.

Do not consider the standards hard and fast rules; if the circumstances of the individual case make their application unrealistic, disregard them. For example, if the employee's income is so low or the applicant's income from other sources is so high that a finding of support would be unreasonable, do not follow the guides.

The standards discussed in Sections 4.7.40 - 4.7.79 apply to all support determinations. However, in addition, there are special rules to determine the support of husbands and widowers (Sections 4.7.28 - 4.7.32 and divorced women (Section 4.7.85).

4.7.27 When Proof Of Support Is Required

In retirement or survivor cases, certain beneficiaries must submit proof of support to meet an exception to the public service pension offset provision; proof is also required in certain cases of child dependency.

A. Life Cases - Proof of support is required for a husband's annuity prior to 3-1-77. It is also required in certain cases involving a divorced wife to be included under the O/M prior to 10-4-72.

B. Survivor Case - Proof of support is required for a widower's annuity prior to 3-1-77 and a parent's annuity. It is also required to pay a windfall or an employee annuity restored amount to a widower.

4.7.28 Determining Support When Husband And Wife Living Together

In addition to the normal rules for determining support (Sections 4.7.40 - 4.7.79), assume that the husband and wife share equally, in terms of support, in all income

received in the household regardless of their individual income. Unless there is evidence to the contrary, compute the applicant's support as follows:

- Ascertain the total individual incomes of husband and wife from all sources (see Sections 4.7.29, 4.7.31 and 4.7.32); and
- Exclude from this total the amount not used for the support of either party (e.g., extraordinary expenses, etc,); and
- Divide the balance equally between the husband and wife.

This prorated share is the support received by the applicant. When his individual income is one-half or less of this amount, he is receiving one-half of his support from the employee. Use Form G-134a when making one-half support determinations (per RCM Part 11 instructions). If public assistance is involved, see Section 4.7.66.

4.7.29 Source Of Income For Support When Husband And Wife Living Together

In the absence of evidence to the contrary, assume that the husband and wife have an equal share in all outside income. As used here, outside income includes income from jointly owned property, income from roomers and/or boarders, withdrawals from joint savings accounts, contributions from third parties, servicemen's dependents' allowances, etc. It does not include income received through their individual efforts, such as income from services, pensions, royalties, income from individually owned property, etc.

4.7.30 Determining Support When Husband And Wife Living Apart

Determine the husband's individual income exclusive of his wife's contributions. When the amount contributed by the wife equals or exceeds the husband's individual income, he is receiving one-half of his support from his wife.

4.7.31 Determining Support When Applicant Alleges That His/Her Own Income Is Not Used For Support Purposes

If the applicant alleges that his/her own income is not used for his/her own support, it must be determined what the income is actually used for. If the income was available for support purposes but the applicant chose to use it otherwise, it must still be considered in the support picture. Document the file as to the applicant's income and how the monies were used and make a support determination considering all the case facts.

If the income is used for a predetermined situation (e.g. alimony or child support) document the file to verify this. If it cannot be verified, the income cannot be excluded when determining support.

4.7.32 Effect Of State Community Property Statutes On Support Determinations

Disregard State community property statutes in determining the source of income of either the wife or husband. Even though the earnings of one party could, under State law, become the common property of both parties, attribute such earnings solely to the party receiving the income.

4.7.40 When Employee Must Have Supported The Applicant

An applicant must have been receiving at least one-half support from the employee in the appropriate month. For the rules that apply to each of the following classes of applicants, refer to:

- Children - RCM secs. 1.5.22 and 1.5.24; and 2.4.42;
- Parents - RCM sec. 2.5.21; or
- Spouse - RCM secs. 1.3.2(E), 1.3.155, 1.3.185, and 1.3.188;
- Widowers - RCM sec. 2.2.15.

Although the month the support requirement is to be met means the month in which such event(s) occurred, consider the facts relating to the applicant's total support for a reasonable period before such month in determining whether the support requirement is met. The following three sections illustrate the application of this principle.

4.7.41 Twelve Months As A Reasonable Period

An applicant meets the support requirement at the applicable time if during the 12-month period preceding that time the employee contributed regularly and without a permanent break at least one-half the applicant's whole support. When there is a change in the support pattern, the period to be considered in determining the support begins with the change in circumstances unless unfortunate circumstances are present.

Consider changes caused by seasonal employment to be temporary, not permanent. Therefore the 12 month period must be considered in any case not involving adverse circumstances.

When the employee did not contribute anything during the 12-month period, it is unrealistic to find support.

4.7.42 Three Months As A Reasonable Period - Unfortunate Circumstances Involved

The applicant is receiving at least one-half support if:

- The employee contributes at least one-half of the applicant's whole support for at least 3 months of the support year; and

- Unfortunate circumstances such as illness, unemployment, etc., prevent the employee from making further contributions; and

- The applicant's income during the rest of the year (excluding initial or supplemental public assistance grants first received after the employee stopped contributing) is reduced 25% or more.

Count the 3 months either consecutively or intermittently. However, this rule does not apply if there is a clear assumption of the burden of furnishing more than one-half support by the applicant or by another person after the employee is forced to stop supporting the applicant. Do not consider the initial receipt of, or increase of, public assistance or other relief after the employee stopped contributing as an assumption of support by the agency furnishing the support.

A temporary lessening of contributions does not prevent a finding of support. If the employee's contributions are gradually reduced because of unfortunate circumstances, deem these circumstances to have happened at the point when the employee contributes one-half of the applicant's whole support. Disregard the date of last contribution.

4.7.43 Other Reasonable Periods

The applicant meets the support requirement at the applicable time if the employee, during a reasonable period just before the applicable time, contributes at least one-half of the applicant's support.

A period however short is reasonable. The test is whether the employee plainly showed an intent to provide at least one-half of the applicant's support on a continuing and permanent basis. Evaluate the employee's intent and actions based on that intent to determine what is a reasonable period in each case. Even a month or less may be reasonable depending on all the facts.

When the applicant receives wages and/or SE income during part of the year before the employee's annuity began or before the employee's death but not in the period just before the employee's ABD or death, have the applicant state whether the employment was permanent or temporary, or regular or seasonal in nature. If the applicant could reasonably be expected to return to regular employment at the time of, or shortly after, the employee's ABD or death, the reasonable period rule usually will not apply. In such cases, use the 12-month period if the employee contributes at least one-half of the applicant's support during that part of the year in which the applicant is employed or self-employed.

4.7.50 Determination Of Income

Any payment received by the applicant in cash, kind, or services (including any proceeds from property), is income to the applicant. Also include the amount of unpaid debts contracted by the applicant for current support during the period for which support is being determined.

4.7.51 Pooled Fund Method Of Determining Support

A. General - When the pooled fund method is used to establish support, it is assumed that each member of the family shares equally in the income received by the family for support. This method can be used to determine whether the dependency requirement is met for purposes of qualifying:

- A parent of a deceased employee for an insurance annuity
- A grandchild of a deceased employee for an insurance annuity (if the dependency requirement is met, as well as all other requirements, such a grandchild can qualify the (widow(er) for an annuity if the child is in the widower's care);
- A grandchild as an IPI in the employee's O/M computation or for Medicare;
- A grandchild who can qualify the employee's wife under age 65 for an unreduced spouse's annuity based on having the grandchild in her care or, effective 5-1-83, can qualify the employee's husband for an unreduced spouse's annuity based on having the grandchild in his care;
- A grandchild, who can then qualify for Medicare as a disabled child of the employee, whether or not the employee's annuity is under the O/M;
- The husband of a retired employee for a spouse annuity prior to 3-1-77; or
- The widower of a deceased employee for a widower's annuity prior to 3-1-77 and/or for a RIB/DIB windfall prior to 8-13-81.

Although the pooled fund method can be used to establish dependency on the employee, the other requirements for benefits must also be met.

The pooled fund method cannot be used to establish support when:

- Separate family groups are living in the same household; or
- A father is under a court order to support his minor children, but the order does not provide for payments to the mother; or
- There is evidence indicating that the income for support is not shared equally,

The pooled fund method should not be used when it would disprove support for an applicant (alleged dependent) by a narrow margin.

When the pooled fund method cannot be used and the $170.10 rule does not apply (see sec, 4.7.77), an actual comparison of the applicant's income and the employee's net contributions must be made (see sec. 4.7.18).

B. Applicant and Employee Living in Employee's Home - Where possible, an applicant's support will be computed under the pooled fund method. In applying the pooled fund rule, no distinction is made for the age of the members of the household in figuring their support. This is because it is generally not possible to demonstrate that young people or elderly persons may not use as much food, living space, utilities, etc., as the others members of the household. Support is computed on Form G-134a by dividing the total funds coming into the family by the number of members in the household. The result constitutes the amount of each member's support.

EXAMPLE 1: The employee died in 1-1968, and in February his mother filed an application for parent's benefits. In the year preceding the employee's death, his mother had lived with him, his wife, and two minor children. Development established that the employee's earnings of $6,000 were used as support of the family as was his mother's income of $1,000($480 from a pension and $520 given by another son). The total funds available for the support of the household were $7,000. Since there were five members of the household, the annual "cost" of support for each was $1,400. The mother was not receiving one-half of her support from the employee since her income from other sources ($1,000) exceeded one-half of her support ($700).

When more than one member of a household contributed to the support of the household; the proportion of one member's contributions to any other members is the same as the proportion of his contributions (less his own support) to the total income.

EXAMPLE 2: In the year preceding the employee's death, his mother lived with him, his wife, and his minor child. Development established that his income of $3,450, his wife's income of $1,950 and his mother's income of $400 were all used for support of the family. The total funds available for support were $5,800 and since there were four members of the household, the cost of support of each was $1,450. The mother's income of $400 is considered being used entirely for her own support. The balance of her support, $1,050, came from the contributions of the employee and his wife.

	Employee	**Wife**
Income available for support	$3,450	$1,950

Cost of own support	- 1,450	- 1,450
Balance available for support of other members of the household	$2,000	$ 500

The employee's proportionate contribution to other members of the household is determined by dividing $2,000 (his support for them) by $2,500 (support for them contributed by employee and wife). The employee's contribution to this mother's support may be found by multiplying the resulting fraction of 4/5 by $1,050. $840 exceeds $725 (one-half of the mother's total support). Therefore, the one-half support rule would be met for purposes of qualifying the mother for an annuity.

C. Employee Living in Applicant's Home - The pooled fund method cannot be used because it cannot be assumed that the income of the household was pooled. Instead, compute the employee's net contribution to the support of the applicant and compare that amount with the applicant's income from other sources.

4.7.52 Income From Employment

For support purposes, the applicant's net income from employment is the amount of pay remaining after deducting expenses incurred in furthering his employer's business.

4.7.53 Income From Property

A. Personal Service Not Involved - When the applicant or the employee is the sole owner of property not involving personal service (e.g., bank deposits, stocks and bonds, real estate investment, etc.), the income is his. If the property is owned jointly, allocate the income equally to the joint owners. Do not attempt to allocate the income from property on any other basis.

Do not look behind the legal title unless the issue is raised. If it is alleged that the "property," although jointly owned, was acquired through the efforts of only one person, consider all the income as that person's if the facts support such a finding.

B. Operation of Business - Income from properties such as farms, boarding houses, or other business enterprises involving the use of real or personal property is derived principally from the operation of a business and only in a small part from the use of the property. If the applicant or employee has income from such a source, assume, in the absence of information to the contrary, that he is operating a business. In such case, all the net income from the operation of the business is his income. When the applicant and the employee are joint owners, assume they are joint operators of the business and allocate the net income from such self-employment equally to both. Generally, allegations of partnership made in connection with a claim or inquiry are acceptable. If income is derived from a

partnership, allocate such income in accordance with the terms of the partnership agreement.

When the applicant is the sole operator of a business in which the employee or another person performs substantial work, the applicant's net income is reduced by the corresponding cash value that such work produces. (See sec. 4.7.75.)

4.7.54 Rental Property Income

To determine the net income from rental property, first determine the gross income from the property and then deduct all regular expenses. Regular expenses include fuel, water, electricity, gas, taxes, mortgage payments, interest on mortgage, repairs (including improvements), labor costs, etc. Do not deduct accelerated mortgage payments or depreciation. Accelerated mortgage payments do not constitute a regular expense since they are not essential to the maintenance or retention of the property. Depreciation is not deductible because it is not an out-of-pocket expense and money is still available for support.

When the applicant and/or the employee did a substantial amount of work which has some bearing on the net income from the property (e.g., janitorial services in multiple-unit buildings), determine the value of the work and allocate it on the basis of the percentage of work done. (The cash value of work is what it would cost to hire similar labor to do similar tasks in the same length of time.) When little or no work is needed to produce income, i.e., the work has no material bearing on the amount of net income, disregard the work. Do not undertake development of work unless substantial work is alleged.

4.7.55 Farming Operations Income

A. General - Farm income has two sources, produce sold and produce consumed. Produce includes crops, poultry, cattle, hogs, dairy products, eggs, etc. Many farms also have vegetable gardens the produce of which may constitute a material source of support.

Frequently and especially in rural areas there will be a garden even though no actual farming operations are involved. In these cases, the produce is generally eaten rather than sold. Since the produce may be a material source of support, determine the value of such produce used or sold.

B. Farm Produce Sold - To determine the net value of farm produce sold, deduct the direct expenses from the gross sales. Gross sales are derived from the applicant's statement showing the farm produce sold, the quantity, and the price received. Also have the applicant itemize all the direct expenses (s)he incurred in producing the farm products, e.g., hired labor, fertilizer, seed, stock feed, etc. When the farm was leased rather than owner-operated, the rent is a deductible item. Taxes, insurance, mortgage payments, and interest on mortgage are also deductible.

C. Farm Produce Used - Have the applicant show each farm product raised and used, the quantity, and what it would have sold for. Also, have the applicant list his direct expenses. Determine the net value of the produce used by deducting the direct expenses from the estimated gross value.

D. Farm Subsidy Programs - There are a number of farm subsidy programs which provide the farmer with subsidies in various forms. The nature of these subsidies may change from year to year and may differ in various localities. Have the applicant state whether (s)he is a recipient under a farm subsidy program and if so to what extent.

4.7.56 Proceeds From Sales Of Assets, And Funds From Insurance Policies

Unless there is evidence to the contrary, consider such proceeds and funds as income and use them in the support computation. If the proceeds and funds are not used for support, do not consider them when determining support.

4.7.57 Alimony Payments

Alimony payments received from any source are considered as income and must be included in the support computation.

4.7.65 Allowances And Allotments To Dependents Of Servicemen

A. Allowances - A dependency allowance may be payable to the spouse, child or parent of an enlisted serviceman. Such an allowance includes money deducted from the pay of serviceman plus money contributed by the government; it varies depending upon the enlisted man's grade. It may also vary in accordance with the wishes of the serviceman when two or more classes of dependents are involved, e.g., spouse and parent.

All of the allowance, including the government's contribution, is a contribution by the serviceman.

B. Allotments - An allotment is a deduction wholly from the serviceman's pay. Under Department of Defense regulations, all servicemen, including officers, may make allotments from their pay for their families or relatives; or for such other purposes as savings, insurance, etc. The serviceman can begin or end the allotment as he wishes. An allotment to the applicant is a contribution toward support.

C. Development of Allowances and Allotments - When an applicant alleges that the employee was contributing by means of an allowance or allotment, request the applicant to submit evidence showing the amount and beginning date of the payments. Preferred evidence in this case is a notice from the service Department as to the allowance or allotment. When it is not possible to secure pertinent facts upon which to base a determination, contact the applicable

department. However, if the applicant's other income is greater than the alleged contributions from the employee, such corroboration is not necessary.

4.7.66 Public Assistance Or Other Aid

Public assistance or other aid is income to the recipient in all cases. However, such income does not prevent the applicant's entitlement when it is initially received or increased after unfortunate circumstances forced a reduction or termination of the employee's contributions.

Old-age assistance is paid without any restrictions on its use by the recipient. When the employee receives such assistance, consider any part of it used by him (or his legal representative) to support another person as the employee's contributions to that other person's support. When the employee was acting as payee for an individual who qualified for the assistance, consider the payments as funds of the person qualified for the assistance.

A similar rule applies to payments by State agencies under assistance titles of the Social Security Act or under State or local laws when there is no restriction as to how the payment may be used. If there is a restriction, do not consider the payment the recipient's own funds unless it was based on his individual needs. If the support of other individuals was considered, the recipient is, in effect, acting as a payee on their behalf and any amounts used for the support of such individuals cannot be considered as a contribution by the recipient.

In any case in which the receipt of assistance would affect the support determination, forward the claim to the division of operations planning.

4.7.67 Federal Benefits

Monthly benefits paid under the RR Act and those of other Federal agencies are income to the applicant. Lump sums paid under the RR Act and those of other Federal agencies are also income to the applicant if used for the applicant's support.

4.7.75 Contributions As Income

A. General - A contribution to an applicant by the employee or some other person is income to the applicant. A contribution may be cash, in kind, or work done. A one-time cash contribution to the applicant received during the support period must be considered as income if the contribution was available for support (regardless of how the contribution was actually used).

B. Contribution in Kind - A gift or other one-time contribution in kind must be considered as income to the applicant if the contribution was available for support purposes and part of the regular contributions. The cash value of regular contributions in kind is the cost of the items if bought in the open market when the contributions are made. If depreciable assets are involved, do not prorate

their cost from year to year. Treat their total cost as income in the support period if they constitute part of regular contributions; otherwise, exclude them from the support computation.

C. Contribution of Work - The cash value of work that the employee or other person does for the applicant or vice versa is what it would cost to hire similar labor to do similar tasks in the same length of time.

This rule applies to work for which labor would usually be hired, such as repairs or improvements in the home. It does not apply to routine household tasks ordinarily expected of members of the household; these tasks do not have a cash value in determining support.

Substantial work by the employee or another person on a farm or in a business operated by the applicant has a cash value corresponding to the amount of net income produced by the work. For example, when the employee or another person did 1/3 of the necessary work, 1/3 of the farm or business net income from personal services is his contribution to the applicant. Likewise, when the applicant performs services for the employee or another person on a farm or in a business, the cash value of such service constitutes income to the applicant. To this extent, deem the applicant to be providing his own support.

4.7.76 Room And Board

A. General - Consider the value of room and board furnished either to, or by, the applicant when determining the ratio of the employee's contributions to the applicant's support.

When the contributor is living with and receiving room and/or board from the applicant, the contributor's net contribution to the support of the household is his gross contribution minus the value of room and/or board. When one person in the household is paying room and/or board for another person in the same household, deduct the value of that person's room and/or board also.

B. Value of Room and Board - Develop and use the actual cost of room and board when:

- There is a written record of the items of such costs; or
- The applicant or person furnishing room and board can furnish a full itemization of such costs based upon personal knowledge or upon personal knowledge and records; or
- The existence of entitlement depends upon the amount of such costs; or
- It becomes necessary to compute the household expenses to determine the amount of contributions.

In other cases, a reasonable estimate of costs can be used. However, to be acceptable, the estimate must be realistic taking into consideration the applicant's apparent standard of living as evidenced by the income received in the household as well as any partial cost records and other facts which the applicant or person furnishing room and board knows. When the applicant or person furnishing room and board has cost records or personal knowledge of only part, estimate the difference. When the full or partial estimate is not realistic, undertake complete development of the actual costs.

In the rare case in which a reasonable estimate cannot be secured and actual cost development is impossible, assume, in the absence of evidence to the contrary, that room and board (effective 1-1-85) is worth $170.10 a month. The value of the board only is $87.10 a month and of the room only $83.00 a month. Therefore, if one person occupies two rooms, the assumed value is $166.00 a month. If more than one person occupies a single room, divide the assumed value of the room by the number of people who occupy it. The assumed value of board would be added to this figure. (Do not use the assumed value in any case in which the applicant lives outside the continental limits of the U.S.)

For support periods ending in 1984, the assumed value of room and board is $146.45 a month ($77.95 for board and $67.50 for room); for 1982 and 1983, it is $128.50 ($74.20 for board and $54.30 for room); for 1979 through 1981, it is $96.00 ($54.00 for board and $42.00 for room); for 1972 through 1978, it is $50.00 ($37.50 for board and $12.50 for room); for 1968 through 1971, it is $40.00 (30.00 for board and $10.00 for room); and for 1952 through 1967, the figure is $30.00 ($22.50 for board and $7.50 for room). For support periods ending before 1952, the assumed value of room and board is $15.00 a month ($11.25 for board and $3.75 for room.

C. Computing Actual Cost of Room and Board - Find out all the household expenses and prorate that total equally among members of the household. For the purpose of computing room and board when boarding house activities are not involved, household expenses include only the regular expenses for maintaining the household. These include expenditures for food, utilities, fuel, rent, water, insurance, mortgage payments, interest on mortgage, and any other expenditures recurring at annual or more frequent intervals.

However, regular expenses do not include extraordinary expenditures for repairs, improvements, furniture, or other household equipment. The reason for excluding these items when boarding house activities are not involved is that they normally are not considered when fixing the amount to be paid.

4.7.77 Room And Board Provided The Applicant By The Employee

When the employee provides the applicant's room and board, deem the applicant to be receiving at least one-half support from the employee if (s)he does not receive income from sources amounting to more than $170.10 a month for periods ending after 1984.

(The monthly income limit for periods ending in 1984 is $145.45; for periods ending in 1982 and 1983, $128.50; for periods ending in 1979-1981, $96.00; for periods in 1972-1978, $50.00). Do not, however, use this rule to defeat a finding of one-half support.

4.7.78 Housing

A. House Provided to the Applicant - When the applicant occupies rent-free a house provided by the employee or some other person, consider the fair rental value as income to the applicant if the contributor owns the property and pays the maintenance costs. (Maintenance costs do not include ordinary utilities.) When the amount established as the rental value is in excess of 1/4 of the applicant's other income, decrease the rental value to 1/4 of such other income or to the actual maintenance costs of the house, whichever is greater. (The reason for this is that an amount equal to 1/4 of the family income is usually allotted for housing.) When the applicant pays the maintenance costs, follow the instructions in B below.

When the contributor actually pays the rent for the housing, the amount of such rent is his contribution.

B. Home Owned by Applicant - No income is attributable to the applicant by reason of his occupancy of a single unit dwelling (s)he owns since ordinarily the expenses of maintenance equal the fair rental value of such dwelling. However, if the dwelling contains other units from which actual income is received, follow the instructions in sec.4.7.54.

4.7.79 Payments Under Reimbursement Agreement

Payments made to the applicant by someone other than the employee with an agreement that the employee will reimburse him are contributions by the employee.

To establish these contributions, obtain affidavits from persons who know the facts showing that:

- The employee actually reimburses the contributor; or
- The employee gave security out of which reimbursement could be had; or
- The employee's estate reimbursed the contributor; or
- The contributions are a loan on the employee's credit.

4.7.80 Special Support Rules - Grandchildren

A grandchild or step-grandchild as defined in RCM sections 4.4.85 and 4.4.86, may qualify for benefits or qualify the employee's wife for benefits effective 1-01-73. Effective May 1, 1983, a grandchild or step-grandchild may also qualify a male spouse for

benefits. In addition to meeting the relationship requirements, except for a grandchild adopted by an RIB or DIB beneficiary (see section 4.7.81), the grandchild or step-grandchild must meet the dependency requirements as outlined in sections 4.7.1ff and fulfill the requirements in A or B below:

A. The child's natural or adoptive parents must be either deceased or disabled:

1. In the month in which the employee met the conditions for entitlement to an RIB under the SS Act, or died; or

2. In the month in which the employee's period of disability (DF) began which continued until he met the conditions for entitlement to an RIB or DIB or until his death.

See RCM Chapters 1.1. and 1.2. for conditions for entitlement to an RIB or DIB under the SS Act.

B. The child was legally adopted anytime after the employee died, by the employee's surviving spouse in an adoption decree by a court of competent jurisdiction within the U.S. (including Puerto Rico, the Virgin Islands, Guam, and American Samoa) and the child's natural or adopting parent or stepparent was not living in the employee's household and making regular contributions.

A grandchild who meets these requirements qualifies for monthly benefits effective with the month of the employee's death if the adoption was within two years of the employee's death, or if the adoption was more than two years after the employee's death, monthly benefits are payable no earlier than January 1, 1973. If the grandchild was adopted after 1973, monthly benefits are payable 12 months retroactive from the month of adoption. If the child was adopted before 1973, monthly benefits are payable effective with:

- The month the employee died if the child was adopted within 2 years of the employee's death, or

- January 1, 1973, or later, if the child was adopted more than two years after the employee died.

The dependency requirement outlined in sec. 4.7.82 can only be met at the time of the employee's death. A child who fails to meet these requirements may still qualify as a legally adopted child. See RCM sec.4.4.26.

4.7.81 Requirements For Eligibility Of Grandchild Adopted By RIB Or DIB Beneficiary

An adopted grandchild of the employee or his spouse who does not meet the dependency requirements for any one of the one-year periods shown in RCM section 1.5.24 may still be eligible to be included in the O/M or make the employee's spouse

eligible to be included in the O/M if the adoption was by an RIB or DIB beneficiary and the dependency requirements in RCM section 1.5.24 are met for the one-year period immediately prior to the month in which the child's application is filed.

The development required to establish a grandchild relationship as outlined in RCM section 4.4.88 applies except that a step-grandchild of the employee or spouse (who is not the grandchild of the other) does not qualify under this provision. See RCM section 4.4.86.

The alternative dependency test for grandchildren does not affect cases where the child is adopted after the employee's death by his surviving spouse.

The alternative period of dependency test for a grandchild is effective for benefits payable beginning August 1, 1973 based on an application filed in July 1973 or later.

For a grandchild adopted by an RIB or DIB beneficiary under the alternative time requirement for dependency, the child must meet all of the following requirements:

- He must not be a step-grandchild, as defined in RCM sec, 4.4.86; and
- He must have been legally adopted by the employee in an adoption decreed by a court of competent jurisdiction in the U.S. (including Puerto Rico, the Virgin Islands, Guam and American Samoa); and
- He must not have attained the age of 18 before he began living with the employee; and
- He must have been both living with the employee in the U.S. (including Puerto Rico, the Virgin Islands, Guam, and American Samoa) and receiving one-half support from the employee for the entire one-year period immediately before the month in which the child's application is filed.

An adopted child born during the one-year period is deemed to meet the living with and one-half support requirement if he lived with and received at least one-half support from the employee for substantially all of the period from the date of his birth to the month in which the child's application is filed.

"Living-with" and one-half support as detailed in sec. 4.7.82b are applicable to the one-year period immediately before the month in which the child's application is filed.

Unlike the grandchild definition and dependency requirements in secs.4.7.80 and 4.7.82, respectively:

- There are no conditions requiring the grandchild's parents to be either deceased or disabled; and
- There are no conditions regarding partial support by the grandchild's parent who lives in the same household. Of course, if the grandchild's parent is contributing one-

half support, or more, then the grandchild could not be dependent upon the employee.

4.7.82 Grandchild Dependency Requirements

A. General - In addition to meeting the relationship requirements in RCM sections. 4.4.87ff, the grandchild must also have been dependent on the employee. Note that the child must have the necessary relationship to the employee at the time used for establishing dependency.

- Begun living with the employee before he or she attained age 18; and
- Lived with the employee in the U.S. throughout the year specified in B below; and
- Received at least one-half support from the employee throughout that same year.

B. Time Requirement - Living With and One-Half Support - The grandchild must have been living with and receiving one-half support from the employee for the entire year before:

1. The month in which the employee met the conditions for entitlement to an DIB under the SS Act or the month in which the employee died; or
2. The month in which the employee's period of disability began which continued until he met the conditions for entitlement to an RIB or DIB under the SS Act, or until his death; or
3. In the case of a grandchild adopted by an RIB or DIB beneficiary only, the month before the application is filed for the child.

The periods of time above represent alternative points for meeting the living with and support requirements. For example, if living with and one-half support are not met in the month of the employee's entitlement to a DIB, the requirements may be met in the future at one of the other designated points in time. However, benefits cannot be paid until the dependency test is met.

A grandchild born during this one-year period is deemed to meet the living with and one-half support requirements if he lived with the employee in the U.S. and he received at least one-half support from the employee for substantially all of the period from the date of his birth to the month indicated in 1,2, or 3 above.

When a surviving child qualifies because he or she was legally adopted by the employee's surviving spouse after the employee's death, the child does not have the status of child prior to the employee's death. Therefore, dependency for such a child can only be established by using the 12-month period preceding the employee's death or the time between the child's birth and the employee's death,

if shorter. (The child for whom "grandchild dependency" cannot be established may still qualify as a legally adopted child. See RCM sec. 4.4.26.)

The child is considered to have been receiving at least one-half support from the employee for the year before the applicable time if the employee made contributions in cash or kind to the child's support in each of the 12 months preceding the applicable time and the total of such contributions over the entire 12-month period equaled or exceeded one-half of the child's support for the year. If the employee contributed an amount which was intended as support for more than one month, he would be considered to be contributing to the child's support for each month covered by the amount of the contribution. An annual installment which is understood by all to be necessary support for the year would be considered as a contribution for each month of the year. Also, where the employee has been contributing over a period of time and there is a break of one month in his contributions during the year, he can be considered to have contributed "continuously" throughout the year.

C. No Natural or Adopting Parent Living With and Contributing to the Support of the Child - In cases involving adoption of a grandchild or step-grandchild by the deceased employee's surviving spouse, the grandchild, in addition to meeting the relationship tests in RCM sec.4.4.85, must not have been receiving regular contributions towards his support from his natural or adopting parent or stepparent who was living in the employee's household at the time the employee died. The parent must have been both contributing to the support of the child and living in the employee's household for benefits to be precluded. A parent who is living in the employee's household but not contributing to the child's support will not bar the child's entitlement. Likewise, regular contributions from a parent not living in the employee's household will not bar the child's entitlement. However, such contributions must be considered in determining whether the child was receiving at least one-half of his support from the employee.

The definition of "living with" and "contributions to support" contained in RCM sections. 4.7.16 and 4.7.17, respectively, are applicable to this provision. The grandchild, or person filing on his behalf should complete a statement concerning whether or not either of the child's natural or adoptive parents or stepparents were living with the employee and making regular contributions towards the child's support at the time the employee died.

- If the applicant alleges that either of the child's parents were living with the employee and making regular contributions towards the child's support and there is no evidence to the contrary in file, the allegation may be accepted and the claim denied.

- If the applicant alleges that a parent was not living with the employee at the time of the employee's death and there was no evidence to the contrary, this allegation may also be accepted. However, contributions from that parent

should be developed if alleged because these contributions will have a bearing on the one-half support dependency requirement.

- If the applicant alleges that one or both of the child's parents was living with the employee at the time of the employee's death but that parent was not contributing towards the support of the child, the support issue must be fully developed and the reason for the parent's non-support should be determined. This development should be done at the time you are developing the one-half support requirement to establish the grandchild's dependency.

4.7.83 Development Of Proof Of Death Or Disability Or Grandchild's Natural Or Adopting Parents

In all cases except those in which a grandchild could qualify as an employee's adopted child, the grandchild's parents must be either deceased or disabled. In the applicable cases, when the death or disability or the grandchild's natural or adopting parent cannot be proved, the claim for the grandchild must be denied. The natural or adopting parents will generally be identified in the evidence obtained.

A. Proof of Death

1. Natural Child of Employee's or Spouse's Daughter - The natural mother's death must be established. If the evidence establishes the identity of the child's natural father, his death must also be established. Otherwise, an attempt must be made to ascertain his identity through contact with the person filing on behalf of the child, the employee or his spouse, or any other readily available person who might reasonably be expected to have that knowledge. In addition, other possible sources of evidence (such as hospital, church, court or school records) should be checked. All efforts to identify the natural father should be documented and submitted for the file. If the child's father cannot be identified from any of the sources, assume he was deceased at the applicable time. If the child's father is identified but his whereabouts are unknown or, for any reason, proof of death cannot be obtained, an assumption cannot be made that the father is deceased, except where death can be presumed. Use RCM sections, 4.5.21 through 4.5.26 as a guide.

   Before denying the claim for the grandchild, determine the child's identified father's SS AN and teletype SSA's BDP to determine whether that parent has earnings posted for a quarter after the quarter in which:

   - The employee died; or
   - The employee became entitled to an annuity under the O/M; or
   - The employee became disabled as defined by the SS Act and such period of disability ended in retirement of death.

If there are earnings posted or if the child's identified father died after any of the above events occurred, the claim for the grandchild can be denied.

If there are no earnings posted, ask SSA's BDP to identify the last known employer as the first step in locating the person identified as the employee's grandchild's father.

2. Natural Child of Employee's Spouse's Son - The natural father's death must be established. In addition, there should be no difficulty in identifying the child's natural mother since this information is almost always shown on the child's birth certificate. If this document is not available, the identity of the child's mother should be established following the same general guidelines for identifying the natural father in 1 above.

3. Legally Adopted Child of Employee or Employee's Spouse's Son or Daughter - The death of both adopting parents must be established. If neither adopting parent is also the child's natural parent, it is not material whether the child's natural parents are deceased. If one parent adopted his spouse's natural child, the death or both the adopting parent and the natural parent must be established. In the rare case in which an individual alone adopted the child without being joined by his spouse, if any, in the adoption, only the death of the adopting parent need be established.

4. Stepchild of Employee or Employee's Spouse's Son or Daughter - The stepparent need not be deceased. The evidence must identify the natural or adopting parent to whom the employee or employee's spouse's child was married, and the death of that parent must be established. In addition, the death of the child's other natural or adopting parent (if any) must also be established if this person is identified by the evidence in file. An attempt must be made to ascertain the other parent's identity and death following the same procedure outlined in 1 above. If reasonable efforts fail to identify the child's other parent, assume he or she was deceased at the applicable time.

B. Proof of Disability - The grandchild's parent must have been disabled within the meaning of the SS Act as of the month in which:

- The employee met the conditions for entitlement to an RIB or DIB under the SS Act; or
- The employee began a period of disability which continued until he met the conditions for entitlement to an RIB or DIB under the SS Act or until his death; or
- The employee died.

1. When Disability Under the SS Act Has Been Established - If disability is alleged and SSA is paying a DIB to the grandchild's parent, a copy of the award letter or similar evidence of SSA's award will be sufficient proof of disability.

2. When Disability Under the SS Act Has Not Been Established - If disability is alleged and either no application for a DIB was ever filed, or SSA denied the DIB application for lack of insured status, the field will obtain:

   - A statement from the grandchild's parent who claims to be disabled; and
   - A letter or other report from the allegedly disabled person's personal physician; and
   - Medical evidence used to support a disability claim at SSA, VA, Welfare, etc., when such can be obtained.

   The examiner will route the case to DB where proof of the disability will be the G-325 (Disability Decision Sheet) marked "Disabled". If DB rates the grandchild's parent not disabled, deny the claim for the grandchild on that basis.

   NOTE: If is possible for the grandchild's parent's disability to qualify him as a disable child annuitant if a survivor case, or IPI if a retirement case (i.e., disabled between 18-22).

4.7.85 Special Support Rules - Divorced Woman

Prior to 10-5-72 a divorced woman (a divorced wife, surviving divorced wife, and surviving divorced mother) could be included in the O/M if she would qualify for a monthly benefit under the SS Act even though she was not eligible for an annuity under the RR Act. One condition of eligibility under the SS Act was that she received at least one-half of her total support from the employee.

Effective 10-5-72 a divorced woman cannot be initially included in the O/M. However, such individuals who are on the benefit payment rolls will continue to be included until the O/M is no longer applicable, the annuity of the employee or eligible survivor is terminated, or the person could no longer qualify for a benefit under the SS Act.

NOTE: A divorced spouse annuitant (male or female) can be included in the O/M effective 10-1-81 or later. No special support requirements must be met.

4.7.95 Child in Care

The 1981 Amendments changed the definition of "Child in Care." Under the 1981 Amendments, "Child in Care" means that the mother or father first entitled 9-1-81 or

later based on a child in care exercises parental control and responsibility for the welfare and care of a child under age 16 or a mentally incompetent child age 16 or over, or performs personal services for a mentally competent child age 16 or over who is disabled. The applicant may be exercising parental responsibility or performing personal services either alone or jointly with a spouse or other household member. Prior to 9-1-81, the age was 18.

For persons whose entitlement is based on a child in care and who were entitled to an annuity or entitled under the O/M in 8-81, there is a grace period of either 2 years from the date of enactment (8-81), or the child's attainment of age 18, whichever comes first. If the grace period applies, "child in care" will be based on the pre-1981 Amendment rules. Effective 9-83, all "Child in Care" determinations are based on age 16, regardless of when entitled.

EXCEPTION: In spouse or widow(er) annuity 1937 Act cases only, "Child in Care" is still based on age 18.

4.7.96 When "Child In Care" Is Required

"Child in Care" is an eligibility requirement for a wife or, effective 5-1-83, a husband under age 65 who applies for a full spouse annuity on the basis of a child of the employee. If is also a requirement for a spouse to be included in the computation of the employee's O/M on the basis of the employee's child.

"Child in Care" is an eligibility requirement for a widow(er) under age 60 who applies for a widow(er)'s current insurance annuity.

4.7.97 Parental Responsibility Defined

Parental control and responsibility over a child under age 16 or 18 or an incompetent child age 16 or over (or 18 or over) may be exercised directly when the applicant lives with the child.

When the applicant does not live with the child, parental control and responsibility may be exercised indirectly be giving instructions to the child's custodian and ensuring that those instructions are carried out. The applicant must supervise the child's activities, participate in important decisions about the child's physical and mental needs and measurably control the child's upbringing and development. The fact that the applicant has not lost or relinquished the right to the child's care and custody and furnishes material support for the child is not sufficient. The applicant must influence the training and development of the child. Therefore, if the development and training of a mentally incompetent child who is not living with the applicant is exclusively controlled by the custodian, even though paid for by the applicant, the child is not in the applicant's care.

If a mentally competent child is age 16 or over (or 18 or over), the instructions on "parental responsibility" do not apply. This is because in the case of a mentally competent child, "parental responsibility" normally ceases at or about the time the child

attains age 16 or 18. Therefore, a finding that the claimant has a child in care based upon the exercise of parental responsibility while the child is under age 16 or 18, does not carry over when the child attains age 16 or 18. Instead, if the child is still entitled, determine whether the applicant has the child in care based on the performance of "personal services."

See Section 4.7.95 to determine whether age 16 or 18 applies in a particular case.

4.7.98 Personal Services Defined

The personal service required for "child in care" when the mentally competent child is age 16 or over (or 18 or over) must be performed regularly and in addition to any routine household service which may be rendered for any adult member of the household. Thus, personal services are services of a special nature such as nursing care, feeding, or dressing. However, the concept of personal services is not necessarily limited to such actual physical or personal care. The direction or supervision of the activities of a mentally competent child who is unable to manage his own funds or is able to do so only with considerable help would constitute personal services. Also, when the applicant's presence is required by the nature of the child's disability, consider him or her to be performing personal services.

See Section 4.7.95 to determine whether age 16 or 18 applies in a particular case.

NOTE: Review cases at the time of current handling in which a WCIA or wife's annuity was awarded before 6-1960 on the basis that she had a disabled child in care to determine whether or not personal services are being performed. If it is determined that the widow or wife cannot qualify under the personal services requirement, suspend the widow's or wife's annuity effective with the month such determination is made. Do not consider erroneous any payments made before the month in which the determination is made.

4.7.99 Applicant And Child Living Together Regularly

A. Child Under Age 16 or 18 or Mentally Incompetent - Assume that an applicant living with a child under age 16 or 18 or a mentally incompetent child of any age has the child in care (is exercising parental control and responsibility) for each month they live together. This includes the month they began or ended living together regularly, if they lived together for at least one full day of the beginning or ending month.

   Do not assume that the child is in the applicant's care if there is evidence to the contrary or the applicant is mentally incompetent. Instead, obtain the applicant's statement about the exercise of parental control and responsibility. Obtain a statement from another person who lives in the household or has knowledge of the circumstances only if there is doubt on whether the applicant's statement is true.

B. Disabled Mentally Competent Child - If the applicant regularly lives with a disabled mentally competent child age 16 or over (or 18 or over), the child is in the applicant's care only if the applicant performs personal services for the child as shown in Section 4.7.98. If it is established that the applicant has the child in care, the applicant is considered to have the child in care for the month they began or ended living together for at least one full day of such month.

Obtain a statement from the applicant and from the disabled adult child about the nature and frequency of the personal services performed and whether and to what extent the applicant's presence is required because of the child's disability. If there is any question, obtain statements from another person who lives in the household or has knowledge of the circumstances.

See Section 4.7.95 to determine whether age 16 or 18 applies in a particular case.

4.7.100 Applicant And Child Living Together Temporarily

A. Child Under Age 16 or 18 or Mentally Incompetent - When the applicant is temporarily living with a child who is under 16 or 18 or mentally incompetent, the child is in the applicant's care only if:

1. The child is in the applicant's care while they are apart (see Section 4.7.101); or

2. The child is with the applicant for a period of at least 30 consecutive days (except where the child is in armed forces) and the applicant exercised parental control and responsibility. The child is considered to be in the applicant's care for the month the period began or ended if the child was in the applicant's care for at least one full day of such month.

The child is not in the applicant's care during periods they are living together when the child is on active duty status in the armed forces. This is true even if the child is in a period of furlough that exceeds 30 days.

See Section 4.7.99A for any necessary development action.

See Section 4.7.95 to determine whether age 16 or 18 applies in a particular case.

B. Disabled Mentally Competent Child - If the applicant and disabled mentally competent child are only living together temporary, the applicant has the child in care only if he or she is performing personal services and the child is with the applicant for a period of at least 30 consecutive days. The child is in the care of the applicant for the month the 30-day period began or ended if the child was in his or her care for at least one full day of such month.

See Section 4.7.99B for necessary development action.

4.7.101 Applicant And Child Not Living Together

A. Child In Care - If the applicant and minor or disabled child are not living together, the child is in the applicant's care only if:

1. The child customarily lives with the applicant; and

2. The child is in the applicant's care when they live together; and

3. The separation is expected to temporary (to end within 6 months from the date it began); or

4. The applicant is exercising parental control and responsibility (see Sections 4.7.97 and 4.7.103 - 4.7.108) for a child under age 16 or 18 or a mentally incompetent child age 16 or over (or 18 or over) while they are separated.

See Section 4.7.95 to determine whether age 16 or 18 applies in a particular case.

B. Child Not In Care - An applicant does not have a child in care, even if the conditions shown above are met, if they are not living together and:

1. The applicant is mentally incompetent (regardless of whether or not(s)he is confined in an institution); or

2. A court order has removed the child from the applicant's custody and control (see Section 4.7.107); or

3. The child is in the armed forces; or

4. The applicant and his or her spouse are separated and the child is with the spouse; or

5. The child is under the jurisdiction of a court-appointed guardian other than the applicant; or

6. The applicant has relinquished the right to custody and control of the child to some other person or agency.

C. Development - In every case where the applicant and child are separated, regardless of the expected length of separation, obtain a statement of whether the applicant is exercising parental control and responsibility from the applicant and the person with whom the child is living. The statement should include the reason for the separation and, if it is temporary, the expected length of the separation and the date on which it will end.

4.7.102 Six-Month Rule In Temporary Separations

If the separation is expected to end within 6 months from the date it began, the applicant may have a child in care as shown in Section 4.7.101. However, the applicant must send notice when the temporary separation ends. If payment depends upon the child being in the applicant's care, suspend the benefits at the end of the first 6 months separation unless a notice that the separation has ended is received. (When suspending such payments, use code "16" or "56"on Form G-96 (OCR). Code "45" or "53" should only be used when terminating the applicant because the child is no longer in care and custody.) If there is any doubt as to the truthfulness of the notification that the child has returned, make full investigation to determine if they are living together.

4.7.103 Child Away At School

When a child under age 16 or 18 is away at school, the applicant is exercising parental control and responsibility (the child is in his or her care) if:

- The applicant supervises the child's activities and participates in important decisions about the child's physical and mental needs. (Assume that this is being done in the usual boarding, military, or prep school situation in which the child is not under the exclusive control and jurisdiction of the school); and

- The child spends an annual vacation of 30 consecutive days or more with the applicant unless it is not feasible for the child to return home during vacation, or to remain with the applicant for that length of time, during vacation; and

- If the applicant is separated from his or her spouse, the school authorities look to the applicant when they have a question regarding the child. If the applicant has lost custody, the child is in his or her care only during the time the child spends a vacation with his or with her, if the vacation is at least 30 consecutive days.

See Section 4.7.95 to determine whether age 16 or 18 applies in a particular case.

4.7.104 Separation Due To Applicant's Employment

When a separation of more than six months is caused by the applicant's employment, the applicant has a child under 16 or 18 see Section 4.7.95) in care only if he or she:

- Supervises the child's activities; and

- Participates in the important decisions about the child's physical and mental needs; and

- Makes regular and substantial contributions to the child's support. (The amount of the contributions, which may be in cash or in kind, must be a material factor in the reasonable cost of the child's support.)

4.7.105 Separation Caused By Physical Illness Or Disability

In some cases an applicant may be separated from a child under 16 or 18 (see Section 4.7.95) due to the child's or the applicant's physical illness or physical disability (e.g., either one may be away at the hospital or nursing home). If the separation is expected to end within 6 months, the applicant has the child in care. If the separation is expected to last more than 6 months, the applicant is exercising parental control and responsibility (has the child in care) if the applicant supervises the child's activities and participates in the important decisions about the child's physical and mental needs.

4.7.106 Separation Due To Mental Incompetence

An applicant does not have a child in care during a period of separation caused by the applicant's mental incompetence.

4.7.107 Court Order Removing Child

When a separation results from a court order removing a child under age 16 or 18 (see Section 4.7.95) from the applicant's custody and control, the child is not in the applicant's care. For example, this applies if a juvenile court has placed the child in a reform school.

Secure a certified copy of the court order if the applicant alleges that the child is still under his or her control despite the separation.

If the court order removes the child from the applicant's custody and control, the child is not in his or her care. However, if the order merely removes a child from the custody but not from the control of the applicant and the applicant still exercises parental responsibility, the child is in his or her care.

4.7.108 Separation - Child Enrolled In Job Corps

Whether a child under age 16 or 18 (see Section 4.7.95) is in the applicant's care while in the Job Corps depends on whether the child is a resident or non-resident Job Corps enrollee.

A. Child Is Resident Job Corps Enrollee - When the child is a resident of a Job Corps center, the child is not considered to be living with the applicant while at the center. By signing the consent statement, the applicant has relinquished control and custody of the child to the Job Corps. Therefore, the child is not considered to be in the applicant's care while living at the Job Corps center.

   If the child returns home during vacation periods, he or she may be found to be in the applicant's care if they are together for at least 30 consecutive days (see Section 4.7.100).

B. Child Is Non-Resident Job Corps Enrollee - When the child is a non-resident Job Corps enrollee and returns home to the applicant either weekends or evenings, the child is in the applicant's care if, while the child is at home, the applicant exercises parental control and responsibility.

4.7.109 Posthumous Child In Widow's Care

When the child of the employee is born after the employee's death, deem the widow to have the child in her care when the child is born. If the child is born alive, the child may then become entitled to a CIA and the widow to a WCIA.

4.7.110 Child Adopted By Grandparent, Stepparent, Uncle, Aunt, Brother, Or Sister

Submit to the bureau of law any case in which the deceased employee's last child (upon whom a widow(er)'s entitlement to a WCIA exist) continues to live with the widow(er) after adoption by a grandparent, stepparent, uncle, aunt, brother, or sister. The reason for this is to determine whether the widow(er) may still be considered to have the child in care.

4.7.120 Child Care Drop-Out Years Provision

The 1980 Social Security Act Disability Amendments provide for the crediting of dropout years based on child care in addition to dropout years computed under the 1 for 5 rule as explained in RCM Chapter 8.11.16 - 17.

Effective July 1, 1981 additional dropout years based on child care may be included in the computation of PIA's 1, 3, and 9 for disability annuitants under age 37 in the earlier of the year in which the annuity begins or the year of the disability onset and whose annuity beginning date or initial entitlement to the DIB O/M is July 1, 1980 or later.

- If the employee does not have a disability freeze his PIA #1 or PIA #3 may increase due to RR Act deeming provisions.

- If the employee does have a disability freeze his PIA #1, PIA #3, or PIA #9 may increase.

See RCM Chapter 8.11 for a detailed explanation of the 1980 Disability Amendments and how they affect PIA computations.

4.7.121 Definition Of Child Care Years

A child care year is a year, which has been selected as a benefit computation year (see Section 4.7.123), in which:

- The employee has no earnings; and

- The employee was "living with" (per Section 4.7.16) the child substantially throughout that year; and

- The child was under age 3 in the year. The child must be the child of the employee or of the employee's spouse (as defined in RCM Chapter 4.4.5-89).

4.7.122 Definition Of "Substantially Throughout The Year

The employee will be considered to have been living with a child substantially throughout the year in which the child was alive and was under age 3, if they have been living together for a certain number of days in each calendar year.

- When a whole calendar year (i.e. 12 months) is being considered, the employee must have been living with the child for at least 9 months.

- When considering a partial calendar year (i.e., a year during which the child was born, attained age 3, or died), the period during which the child was not living with the employee cannot exceed 91 days or one-half of the period in question, whichever is less.

A summary of the required periods of "living with" for partial calendar years is shown below:

Length of Period from Child's DOB to End of Calendar Year, or From Beginning of Calendar Year Until Child Attains Age 3 or Died Before Attaining Age 3	Minimum Number of Days of " Living With" Required to Meet Test
183-365 days	Length of period minus 91 days
1-182	One-half of days in period (round fractions up to higher number)

4.7.123 Developing Child Care Years With DP&A

A. Identifying Possible Cases - If the employee is a disability annuitant under age 37 in the earlier of his or her ABD year or disability onset year, the RASI (see RCM Chapter 9.3.13) and TRIC (see RCM Chapter 7.4, Appendix A, G-90 Instruction) program will bring specific messages on the RASI award form and Form G-90 indicating that the child care dropout provision may applicable. If the employee has indicated on his or her application that (s)he has any children (under age 18, disabled, or a student age 18 or older), develop possible child care years with DP&A as explained in B, below.

If the employee is single or (s)he does not indicate any children on his or her application, do not develop for the child care year provision unless there is reason to believe the employee has a child under age 3 in any year after 1950.

B. Developing Eligible Child Care Dropout Years With DP&A - If A, above, applies, develop for possible child care dropout years as follows:

1. Retirement Cases - Check Form G-90 on the employee's SS account number for years with no earnings after the year the employee attains age 21 but before the earlier of the ABD year of the year of the DF onset.

   (a) 1 or More Years With No Earnings - If there are one or more years with no earnings in the period described in 1, above, send Form G-563 to DP&A as explained in the instructions for that form in RCM Part 11. DP&A will determine if there are eligible computation years (as explained in RCM Chapter 8.11.17).

   If DP&A indicates that there are eligible computation years, develop with the field office as explained in Section 4.7.124.

   If DP&A indicates that there are no eligible computation years, the child care dropout years provision does not apply. No further action is necessary in these cases.

   (b) No Years with No Earnings - If there are no years with no earnings in the period described in 1, above, the child care dropout years provision does not apply. No further action is necessary in these cases.

2. Survivor Cases - The child care dropout provision does not affect the computation of a monthly survivor insurance annuity of a lump sum death payment. However, an accrued employee annuity may be due if creditable child care dropout years were not included in the employee annuity computation while (s)he was alive. In addition, the child care dropout provision may affect the amount of the residual lump sum if the employee's annuity rate was recomputed to apply the child care dropout year provision.

   If the child care dropout message is printed on the survivor employee G-90 and the claim folder indicates that the employee had a child under 3 in his/her care after 1950, handle the case as follows:

   (a) Possible Employee Accrued Annuity - Review the claim folder to see if a child care dropout determination was made while the employee was alive. If it was previously determined that the child care dropout provision applied while the employee was alive but the

employee's annuity was not adjusted, follow the instructions in Section 4.7.126 to recompute the employee's annuity.

(b) Residual Lump Sum - When computing a residual lump sum, you must consider the effect that the child care dropout provision had on the employee annuity computation.

If the employee's PIA #1 used to compute the regular railroad formula annuity included child care dropout years, the PIA #3 used to compute the residual lump sum must also include the child care dropout years. If a computation of PIA #3 including child care dropout provision is not in file, request a recomputation of PIA #3 including this provision as explained in RCM Part 11, G-563 instructions.

If the employee's PIA #9 used to compute the O/M annuity included child care dropout years, deduct the net O/M payable from the residual lump sum, per normal procedure. No special computations are required to compute the residual lump sum for these cases.

4.7.124 Developing Child Care Years With Field Offices

If it appears that the child care dropout provision may apply as explained in Section 4.7.120-123, send a memo to the applicable district office requesting the D/O to obtain the answers to the following questions from the employee (or the survivor beneficiary):

1. Was a child, either your own or your spouse's, living with you while the child was under age 3 _____. (The examiner should enter the eligible computation year indicated by DP&A on Form G-563, item 23.)

2. If yes, give the following information for each such child:

   (a) Full name.

   (b) Date of Birth.

   (c) Relationship to you or your spouse.

   (d) Of the year(s) shown in item 1, list the years in which the child was under age 3 and was living with you.

   (e) Of the year(s) you listed in item 2(d), give the number of days in each year that the child lived with you.

3. Of the year(s) you listed in item 2(d), list each year in which you worked. If none, show none.

The examiner should request the D/o to obtain this information on a signed and dated statement from the employee (or the survivor beneficiary) along with any necessary proof of age and proof of relationship for each child employee's spouse, also request proof of marriage of the employee to the spouse, if not already in file.

Advise the D/O that "living with" and no earnings allegations will be accepted without proof.

4.7.125 Determining Child Care Dropout Years

When the information requested in Section 4.7.124 is received from the D/O, determine if the child care dropout provision applies by comparing the employee's statement to the requirements explained in Sections 4.7.120-123. If all requirements are met and any of the years indicated by DP&A in item 23 of Form G-563 as eligible computation years are also indicated in by the employee as years in which (s)he was living with a child under age 3, send a second Form G-563 to DP&A as explained in item 6a of that form (see RCM Part 11, G-563 Instructions).

Credit the child care dropout year(s) as explained in Section 4.7.126.

If all the requirements are not met or the employee does not indicate any of the years DP&A has shown as eligible child care years, the child care dropout provision does not apply. Notify the D/O that no further action will be taken.

4.7.126 Crediting Child Care Dropout Years

If it is determined that the child care dropout provision applies as explained in Sections 4.7.120-125, credit the years(s) by recertifying the annuity from the later of:

- The employee's ABD; or
- The DIB O/M entitlement date (if applicable); or
- July 1, 1981.

Include a short explanation of the reason for the increase in the RL-119 adjustment letter to the employee.

If the annuity rate is not affected or tolerance applies, notify Research according to RCM Chapter 9.4, G-59 Instructions

If the residual lump sum is payable, compute the RLS using the child care dropout provision as explained in Section 4.7.123 B 2 (b) under normal procedure.

4.8.1 Reconciliation of Names Without Affidavits

A. General - If the name claimed or established on Board records for a person varies materially from the name as it appears on the application or evidence in file, reconcile the discrepancy.

B. Methods of Reconciling Names - Discrepant names may be reconciled when:

1. Sufficient information is on record.

2. The employer states affirmatively that the service verified under a different name is the service of the claimant.

3. The maiden name of a married woman is shown on the document or other evidence, and that name is also shown on an application for benefits.

4. The variation in names is caused by one of the following:

- Anglicization or simplification of spelling;
- Use of standard nicknames and diminutive forms of names;
- Literal translation of names from one language to another;
- Transposition, addition, or dropping of names in accordance with established popular or religious customs.

NOTE: When doubt exists after referring to the list of Reconciliation of Given Names, Webster's New International Dictionary, or any other standard dictionary as to whether or not a reconciliation can be made, refer to the case to your supervisor, who has a copy of CFO Informational Memorandum No. 25-74, Reconciliation of Given Names.

4.8.2 Types Of Evidence

If reconciliation cannot be accomplished under the preceding section, obtain:

- A personally executed affidavit from the person involved stating that the names involved refer to one and the same person; and
- A corroborating affidavit executed by a responsible person which substantiates the applicant's statement and reflects the basis of the affiant's knowledge.

In cases in which the change of name was effected through legal proceedings, obtain the original or a certified copy of the legal authorization.

4.8.3 Discrepant Name Reported By Employer

If a difference exists between the name of the employee as reported on the employer's service report and the name under which the employee claimed the service, compare the other identifying data (i.e., DOB, place of residence, and similar information) to determine whether or not the forms relate to the same person. When the employer is unable to affirm that the discrepant names refer to the same person, obtain affidavits.

4.9.1 Scope of Chapter

The 1983 Social Security Amendments and the Railroad Retirement Solvency Act of 1983 require the RRB to establish residence and citizenship for certain beneficiaries.

The Federal taxation provisions of both laws require tax accounting, tax withholding, and tax reporting of RRA annuity payments for United States citizen and nonresident alien (NRA) annuitants. Nonresident annuitants need to establish citizenship and residence for tax purposes. NRAs may need to submit proof of residence to qualify for reduced tax withholding under income tax treaties with the United States. See RCM 4.9.10 for information about citizenship and residence for RRA taxation purposes. At this time, NO other sections in this chapter regarding citizenship and residence, definitions, or proofs are to be used for RRA taxation purposes.

The alien nonpayment provision (section 202(t) of the Social Security Act) requires suspension of benefits to certain aliens who reside outside the U.S for more than six calendar months. In L-83-176, the General Counsel determined that this provision does not apply to the tier I amounts and O/M shares of railroad employee annuitants. For all others first eligible for benefits after 1984, tier I amounts, O/M shares and Medicare benefits must be withheld if these NRA's cannot be exempted as discussed in this chapter.

4.9.2 Definition Of Terms For Alien Payment and Nonpayment Purposes

Do NOT use this section for RRA Taxation Purposes. See RCM 4.9.10 for information about how citizenship and residence affect the taxation of RRA annuity payments. Use this section for alien nonpayment and payment issues.

The following terms appear throughout the chapter:

> alien - a foreign-born resident who has not been naturalized and who is still a citizen of a foreign country. An alien is someone who is not a citizen of the 50 U.S., Washington, D.C., Guam, Northern Mariana Islands, or Puerto Rico.

NOTE: Certain U.S. citizens in the Virgin Islands are considered aliens if they did not acquire U.S. citizenship by birth or naturalization in one of the 50 states or Washington, D.C.

> citizen - a native or naturalized person who owes allegiance to a government and is entitled to reciprocal protection from it.
>
> domicile - the place a person maintains as a residence and to which the person intends to return even after an extended absence.

dual citizenship - a citizen of more than one country. In a situation where dual citizenship does not involve the U.S. and where a payment may be affected by citizenship status, refer case to P&S-PAS for further instructions.

national - one who owes allegiance to or is under the protection of a nation without regard to the more formal status of citizen or subject.

naturalized - admitted to citizenship.

non-resident alien - an alien residing outside the 50 U.S., Washington, D.C., Guam, or the Northern Mariana Islands.

refugee - a person outside all countries of his nationality who is unable or unwilling (due to fear of being persecuted for his race, religion, nationality, political opinion, or membership in a particular group) to avail himself of those countries' protection.

resident - a person who actually lives in a place as distinguished from a person who temporarily stays there.

resident alien - a foreign born resident who has not been naturalized and who is a citizen of a foreign country who is legally residing in one of the 50 US, Washington, D.C., Guam, or the Northern Mariana Islands.

stateless person - one having no state or lacking the status of a national.

United States - under the alien nonpayment provision, the Fifty States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam and America Samoa.

4.9.10 Citizenship and Residence Rules for RRA Taxation Purposes

4.9.10.05 General

Laws pertaining to United States citizenship and residence issues are covered by the Immigration and Nationality Act (INA). The Immigration and Naturalization Service (INS) used to manage the INA. That responsibility is now under the direction of the U.S. Citizenship and Immigration Service (USCIS), a bureau under the Department of Homeland Security.

The information annuitants enter on Form RRB-1001, *Nonresident Questionnaire*, is the primary basis for our determination of whether an individual falls under U.S. citizen tax rules or nonresident alien tax rules. The tax rule determines how Federal income tax withholding applies to annuity payments and the kind of annual RRA tax statement information we release to annuitants and the Internal Revenue Service.

Nonresident individuals who do not establish citizenship and residence for federal taxation purposes, are subject to mandatory United States Federal tax withholding on all or part of their RRA annuity payments.

4.9.10.10 RRA Taxation Citizenship and Residence Rules are Not the Same as Alien Nonpayment Provision Rules

Internal Revenue Service citizenship and residence rules for RRA taxation purposes cited in this section may not agree with determinations for the alien nonpayment provision of the Social Security Act.

A. Alien Nonpayment Provision Considerations

Refer to sections of RCM 4.9 **other than** RCM 4.9.10 for citizenship and residence issues related to alien nonpayment provision considerations. Alien nonpayment provision rules are under the jurisdiction of Policy and Systems' RRA Application and Calculation (RAC) section.

B. RRA Taxation Considerations

Refer to RCM 4.9.10 for citizenship and residence issues for RRA taxation considerations. RRA taxation issues are under the jurisdiction of Policy and Systems' Payment Analysis and Systems (PAS) section.

4.9.10.20 Citizenship

Claims of citizenship should be accepted as stated unless there is a known or suspected conflict with previously submitted information, or if dual citizenship is claimed.

4.9.10.20.05 Citizenship Claim Conflicts

A. From information on Form RRB-1001, *Nonresident Questionnaire*

Conflicts can be determined from information on Form RRB-1001, and by comparing information on Form RRB-1001 with TAS information available on the Online Form RRB-1001/RRB-1001 Buff screen. See TOM 210.75.25, Returned Forms RRB-1001 White - Review for Country of Citizenship Claims, Section 3, Item1, for examples.

B. From Information on the Imaging System or in the Claim Folder

Conflicts can also exist if information on the Imaging system or in the claim folder is inconsistent with information on an incoming Form RRB-1001.

4.9.10.20.10 Claims of Dual Citizenship

A. One of the Countries is the United States

If an individual claims dual citizenship and one of the countries is the United States, consider the individual to be a United States citizen. United States citizenship takes priority over a second claimed country of citizenship.

For individuals entering Form RRB-1001 citizenship information into the Taxation Accounting System, receipt date the form, process the form entering "US" citizenship into the online process, image the form, and forward a copy of the form to TCIS-TS requesting handling of the second claimed country of citizenship.

B. Neither of the Countries is the United States

For individuals entering Form RRB-1001 citizenship information into the Taxation Accounting System, receipt date the form, image the form, and forward a copy of the form to TCIS-TS for handling.

4.9.10.30 Residence

Claims of residence may or may not be accepted as submitted.

4.9.10.30.05 When Proof of Residence for Taxation Purposes is Required

See TOM 210.75.35, Returned Forms RRB-1001 White and RRB-1001 Buff - When Proof of Residence for Tax Purposes is Required. That section lists five situations in which proof of residence is required to establish an applicant's or annuitant's claimed country of residence for RRA taxation purposes. The most common situation is when an individual claims to be a legal resident for tax purposes of a country other than the country in his or her mailing address.

A. When Claimed Residence in the United States Requires Proof

1. An Alien of the United States Physically Present in the United States Claims United States Residence

An alien of the United States who is physically present in the United States may be either a resident alien who qualifies under U.S. citizen tax rules **OR** a nonresident alien who qualifies under nonresident alien tax rules. Although physically present in the United States, this individual must prove United States residence as claimed. See RCM 4.9.10.30.10.A, Proofs for Aliens of the United States Claiming Residence in the United States.

2. An Alien of the United States Physically Present Outside the United States Claims United States Residence

An alien of the United States who is physically present outside the United States may be either a resident alien who qualifies under U.S. citizen tax rules **OR** a nonresident alien who qualified under nonresident alien tax rules. This individual must prove United States residence as claimed. The claimed country of residence does not match the country in the mailing address. See RCM 4.9.10.30.10.A, Proofs for Aliens of the United States Claiming Residence in the United States.

3. A Citizen of the United States Physically Present Outside the United States Claims United States Residence

This individual must prove residence in the United States. The claimed country of residence does not match the country in the mailing address. See RCM 4.9.10.30.10.C, Proofs for Nonresident Citizens of the United States Claiming United States Residence **OR** for Nonresident Aliens Claiming Residence in Non-Tax Treaty Countries But Physically Residing Elsewhere.

B. When Claimed Residence Outside the United States Requires Proof

1. An Alien of the United States Claims Residence Outside the United States in a Tax Treaty Country that is NOT the Country in His or Her Mailing Address

This individual must prove residence in the tax treaty country as claimed. The claimed country of residence does not match the country in the mailing address. See RCM 4.9.10.30.10.B, Proofs for Nonresident Aliens Claiming Residence in Tax Treaty Countries, But Physically Residing Elsewhere.

2. A Citizen of the United States Physically Present in the United States Claims Residence Outside the United States

This individual must prove residence in the country claimed. The claimed country of residence does not match the country in the mailing address. See RCM 4.9.10.30.10.C, Proofs for Nonresident Citizens of the United States Claiming United States Residence **OR** for Nonresident Aliens Claiming Residence in Non-Tax Treaty Countries But Physically Residing Elsewhere.

4.9.10.30.10 Proofs of Residence

Internal Revenue Service (IRS) Publication 519, U.S. Tax Guide for Aliens, provides guidance for determining if an alien residing in the United States is a resident alien or nonresident alien for tax purposes. IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, provides guidance for determining if an alien residing in a foreign country may claim residence in a different country which has an income tax treaty with the United States. Publication 515 also provides general requirements for proofs of residence. The IRS changes these rules from time to time,

so always refer to the latest versions of IRS Publication 519 and IRS Publication 515 to be sure you are using current guidelines for proof of residence.

A. Proofs for Aliens of the United States Claiming Residence in the United States

1. Lawful Permanent Residence Cards/Green Card Test

Lawful Permanent Residence Cards, also called Green Cards, establish lawful residence in the United States for up to a 10 year period. A Green Card without a date or with an expired date is not valid. An alien using a Green Card to establish U.S. resident alien status, must present **an original Form I-551 containing a future expiration date** to establish U.S. residence.

a. INS Green Cards are Forms I-551, Alien Registration Receipt Cards

Form I-551, Alien Registration Receipt Cards, was issued by the Immigration and Naturalization Service (INS). Alien Registration Receipt Cards are predecessors to Lawful Permanent Residence Cards.

b. USCIS Green Cards are Forms I-551, Lawful Permanent Residence Cards

Form I-551, Lawful Permanent Residence Cards, is issued by the U.S. Citizenship and Immigration Service (USCIS). They contain expiration dates. A Form I-551 without a future expiration date is not valid.

2. Substantial Physical Presence Test

An alien may establish lawful resident alien status by passing the IRS' substantial physical presence in the United States test as described in IRS Publication 519, U.S. Tax Guide for Aliens.

B. Proofs for Nonresident Aliens Claiming Residence in Tax Treaty Countries, But Physically Residing Elsewhere

These individuals must prove residence as claimed because the claimed country of residence does not match the country in the mailing address. Additionally, the Internal Revenue Service has specific rules for proofs of residence in a tax treaty country in which the individual does not regularly reside. The proof should be:

1. Issued by a Tax Official of the Tax Treaty Country of Which the Foreign Beneficial Owner (the Applicant/Annuitant) Claims to be a Resident.

AND

2. States That the Person Has Filed His or Her Most Recent Income Tax Return as a Resident of That Country and the Tax Return Identifies the Individual as a Resident of That Country.

Filing an income tax return with a country does not prove residence in that country. A country may tax both residents and nonresidents of the country who receive taxable income from that country. An income tax return must specifically identify the individual as a resident of the country with which the tax return is filed if the tax return is to be used as proof of residence.

AND

3. Is issued Within 3 Years Prior to Being Presented to the RRB.

C. Proofs for Nonresident Citizens of the United States Claiming United States Residence OR for Nonresident Aliens Claiming Residence in Non-Tax Treaty Countries But Physically Residing Elsewhere

These individuals must prove residence as claimed because the claimed country of residence does not match the country in the mailing address. General proofs or certificates of residence for these situations must:

1. Include the Individual's Name, Address, and Photograph.

AND

2. Is an Official Document Issued By an Authorized Governmental Body.

AND

3. Is Issued No More Than 3 Years Prior to Being Presented to the RRB.

NOTE: Field office personnel who are not comfortable making country of residence determinations for RRA taxation purposes using rules in IRS Publication 519, U.S. Tax Guide for Aliens, or IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, may send date receipted but unprocessed Forms RRB-1001 to the Tax, Clerical, and Imaging Section–Tax Section (TCIS-TS) for handling.

4.9.11 Aliens Claiming U.S. Residence h

This section is NOT to be used for RRA taxation purposes.

While the RRB will not attempt to locate aliens within the U.S., some will be brought to our attention. Field office personnel are instructed to develop Form RRB-1001 when they believe a beneficiary is a citizen or resident of another country, even if the beneficiary's mailing address is within the U.S. An alien who has entered the U.S. on a six-month visitor's visa or who has been permitted to enter the U.S. temporarily for work purposes is not considered a resident.

An alien who was not lawfully admitted to the U.S. will be considered a nonresident alien who loses his or her resident status when he or she leaves the U.S. He or she will

be considered a nonresident alien until such time as he or she may return to this country and submits evidence of his or her U.S. resident status (see RCM 4.9.13.)

An alien who has lawfully acquired U.S. resident status retains this status until he leaves the U.S. and abandons his residence. As a general rule, he can retain his resident status for up to one year, but loses his U.S. resident status after that period unless he obtains a reentry permit.

While a temporary visit abroad usually does not result in the loss of U.S. resident status, a trip for an extended period (e.g., more than six months) would generally not be considered temporary unless there is evidence of a more or less permanent attachment to an abode in the U.S. and an intention to return and make a home in the U.S. For example, the maintenance of a bank account in the U.S. or the ownership of property for investment purposes does not establish U.S. resident status. However, evidence that the beneficiary has secured a reentry permit indicating that he would be traveling in Europe for eighteen months would establish intention of retaining U.S. resident status. Generally, an individual who lives in two countries (e.g., Mexico and the U.S.) will be considered a resident of the one in which he maintains his home and family.

4.9.12 When Proof Of Residence Is Required

This section is NOT to be used for RRA taxation purposes.

A. Change of Address to U.S.

For the purpose of establishing U.S. residence, a period of residence begins on the day the beneficiary arrives in one of the fifty States or the District of Columbia with the intention of establishing at least a temporary home here. Mere presence in the U.S. is not enough to establish the beneficiary as a resident.

B. Different Countries in Mailing and Home Addresses

The RRB requires proof of residence when an individual claims his country of residence is not the same as the country in his mailing address.

4.9.13 Acceptable Proofs

This section is NOT to be used for RRA taxation purposes.

Acceptable proofs of residence must be valid for the period of time for which residence must be verified. This means that the date of issue is within one year of the period of residence in question. In addition, in order to establish continued residency, it will be necessary to note the date the proofs expire and code a call-up to secure an updated proof of residence, if necessary.

Acceptable proofs of residence are:

A. In The United States

1. A valid Alien Registration Receipt Card ("Green Card"),I-151 or I-551. If the individual has been outside the U.S. for more than a year, he must furnish an additional proof as listed below.

   The Green Card is not sufficient proof of residence for an individual using an address in Guam, The Northern Mariana Islands, Puerto Rico, or the U.S. Virgin Islands.

2. A Reentry Permit, I-132. Whether first-issues or renewed, the permit is valid for one year.

3. A U.S. federal income tax return for the most recent tax year (see "Note" below). This can be a photocopy and does not need to be certified by IRS.

4. A refugee travel document issued by the U.S.

5. An Application to Retain U.S. Residence..., Immigration and Naturalization Service (INS) Form N-470. A photocopy of this application is acceptable.

6. Notice of Approval of Application to Preserve Residence, INS form N-472.

7. Proof of filing of a declaration intent to become a U.S. citizen under the naturalization laws. This would probably be a stamped document (form letter I-181, a passport, or Form I-94 processed for I-551 temporary evidence.

8. Other evidence showing the individual has a current attachment to the U.S. and intends to return to make the U.S. his home.

   NOTE: The following evidence does not establish U.S. resident status:

   1. AR-3, Alien Fingerprint Receipt Card.
   2. I-94, Arrival-Departure Record.
   3. I-95 (or-I95A), Crewmen Landing Permit.
   4. I-100C, Alien Laborer Permit.
   5. I-184, Crewmen Landing Permit and Identification Card.
   6. I-185, Nonresident Alien Canadian Border Crossing Card.
   7. I-186, Nonresident Alien Mexican Border Crossing Card.
   8. I-444, Mexican Border Visitor Permit

9. I-586, Border Crossing Card.

10. IRS Form 104ONR, Nonresident Alien Tax Return.

B. In Other Countries

Generally, any evidence that establishes that the country is the country of residence may be accepted. Some examples are:

1. an identification or voter's registration card issued by the government of the foreign country;

2. a record of current eligibility for government health or welfare programs;

3. a tax record for the prior year;

4. a current passport;

5. a recent bill for public utilities;

6. a library card with an address in that country.

When district office personnel doubt the acceptability of the proof of residence, they will forward a copy of the evidence to BRC.

4.9.20 Alien Nonpayment Provisions

A. Auxiliary Annuitants And Ineligible Persons Included (IPI's)

Under the alien nonpayment provision, spouse, child, student, and survivor beneficiaries who reside outside the U.S. more than 6 full consecutive calendar months are not due tier 1, Overall Minimum (O/M) guaranty amounts, or Medicare benefits with the following exceptions:

- U.S. citizens and nationals (see RCM 4.9.21);
- Beneficiaries who initially became eligible for benefits before 1-1-85 (see RCM 4.9.22);
- Beneficiaries exempted under Totalization agreements with the U.S. that is, citizens and residents, unless exempted, of Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, South Korea, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Always check the Social Security Administration's website, www.ssa.gov/international/agreement, for updates to the list of agreements prior to applying the Alien Nonpayment Provision to make sure that the country, in question, has not established a Totalization agreement with the U. S. (see RCM 4.9.23.)

- Beneficiaries exempted under treaty obligations of the U.S. (citizens of Germany, Greece, Ireland, Israel, Italy, Japan, and the Netherlands (survivors only.) (see RCM 4.9.24);

- Beneficiaries entitled on the account of an employee who died in the U.S. military service or as a result of a service connected disease or injury (see RCM 4.9.25);

- Beneficiaries who resided in the U. S. for 5 years, while maintaining the same family relationship on which benefits are now based (see RCM 4.9.26).

Spouses and survivors will continue to receive tier 2 even if their tier 1 is withheld under this provision.

B. Auxiliary Medicare Beneficiaries

1. General - If an alien meeting no exception in A above is absent from the U.S. for six full consecutive months preceding the month of treatment or service, he may not be paid under Medicare hospital or medical insurance, even if the treatment was received in the U.S. If the alien was present in the U.S. for the entire month in which treatment was received, or if he meets an exemption to the alien nonpayment provision, Medicare benefits may be paid.

2. Examiner Action Required - Examiners handling either the withholding or the reinstatement of annuity payments under the alien nonpayment provision must consider the effect on Medicare as well. If the alien is eligible for Medicare, refer the case to the Medicare Section. MS will earmark the Health Insurance Utilization Master to prevent payment by the Part B carrier.

   NOTE: An annuitant may be entitled to hospital insurance even if he refused supplementary medical insurance. Refer appropriate cases to MS even if the SMI code is "3".

4.9.21 Exemption For Employees, U.S. Citizens And Nationals

Regardless of their country of residence, employee annuitants, U.S. citizens and U.S. nationals are exempt from the alien nonpayment provision. (See RCM 4.9.101 ff. for evidence requirements.)

4.9.22 Exemption For Beneficiaries Eligible Before 1985

The alien nonpayment provision does not apply to any person first eligible for a tier 1 or O/M share before 1-1-85

To be eligible for tier 1, a person need not file an application nor cease railroad or last person service but must meet all other requirements for entitlement (e.g., relationship, etc.) To be eligible for the O/M, a person must actually be included in the computations.

A person who becomes eligible for tier 1 or the O/M after 1984 can still meet this exception if he was previously eligible on the same earnings record before 1985.

4.9.23 Exemption Under Totalization Agreements

Totalization agreements are international social security agreements. In addition to coordinating employment coverage, these agreements provide exceptions to the alien nonpayment provision. Information on these agreements can be found at http://www.ssa.gov/international/agreement_descriptions.html. Check the listings on this Social Security website before applying the alien nonpayment provision to any RRB annuitant. Report any changes to Policy and Systems – RAC.

The following countries have Totalization agreements with the U.S.: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, South Korea, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. Beneficiaries covered by agreements with these countries are not subject to the loss of tier 1 or O/M share under the alien nonpayment provision:

Country	**Effective Date**	
Australia	October 1, 2002	Individuals may receive benefits as long as they reside in Australia regardless of their nationality.
Austria	November 1, 1991	A U.S. or Austrian citizen, a refugee, a stateless person, or a person who is eligible for dependents or survivors benefits based on the Social Security record of one of these persons, may receive benefits as long as they reside in Austria.
Belgium	July 1, 1984	U.S. or Belgian nationals, refugees, or stateless persons and auxiliary or survivor beneficiaries who derive rights from these individuals may receive benefits as long as they reside in Belgium.
Canada	August 1, 1984	Individuals may receive benefits as long as they reside in Canada regardless of their nationality.
Chile	December 1, 2001	Individuals may receive benefits as long as they reside in Chile regardless of their nationality.

Czech Republic	January 1, 2009	Individuals may receive benefits as long as they reside in Czech Republic regardless of their nationality.
Denmark	October 1, 2008	Individuals may receive benefits as long as they reside in Denmark regardless of their nationality.
Finland	November 1, 1992	Individuals may receive benefits as long as they reside in Finland regardless of their nationality.
France	July 1, 1998	Individuals may receive benefits as long as they reside in France regardless of their nationality.
Germany	December 1, 1979	U.S. or German nationals, refugees, or stateless persons and auxiliary or survivor beneficiaries who derive rights from these individuals may receive benefits as long as they reside in Germany.
Greece	September 1, 1994	Individuals may receive benefits as long as they reside in Greece regardless of their nationality.
Ireland	September 1, 1993	Individuals may receive benefits as long as they reside in Ireland regardless of their nationality.
Italy	November 1, 1978	Individuals may receive benefits as long as they reside in Italy regardless of their nationality.
Japan	October 1, 2005	Individuals may receive benefits as long as they reside in Japan regardless of their nationality.
South Korea	April 1, 2001	Individuals may receive benefits as long as they reside in South Korea regardless of their nationality.
Luxembourg	November 1, 1993	Individuals may receive benefits as long as they reside in Luxembourg regardless of their nationality.

Netherlands	November 1, 1990	Individuals may receive benefits as long as they reside in Netherlands regardless of their nationality.
Norway	July 1, 1984	U.S. or Norwegian nationals, refugees, or stateless persons and auxiliary or survivor beneficiaries who derive rights from these individuals may receive benefits as long as they reside in Norway.
Poland	March 1, 2009	Individuals may receive benefits as long as they reside in Poland regardless of their nationality.
Portugal	August 1, 1989	Individuals may receive benefits as long as they reside in Portugal regardless of their nationality.
Spain	April 1, 1988	Individuals may receive benefits as long as they reside in Spain regardless of their nationality.
Sweden	January 1, 1987	Swedish nationals, refugees, or stateless persons and auxiliary or survivor beneficiaries who derive rights from these individuals may receive benefits as long as they reside in Sweden.
Switzerland	November 1, 1980	Swiss nationals, refugees, or stateless persons and auxiliary or survivor beneficiaries who derive rights from these individuals may receive benefits as long as they reside in Switzerland.
The United Kingdom	January 1, 1985	➢ Individuals may receive benefits as long as they reside in the United Kingdom regardless of their nationality. This includes England, Scotland, Wales, Northern Ireland, Isle of Man, and the Islands of Jersey, Guernsey, Alderney, Hern, and Jethou. Note: For tax treaty purposes, the United Kingdom includes only England, Scotland, Wales, and Northern Ireland.

Evidence requirements for the above are discussed in this chapter as follows:

- Citizenship – see RCM 4.9.100 and RCM 4.9.112.
- Stateless – see RCM 4.9.111.
- Residence – see RCM 4.9.70 and RCM 4.9.71.

4.9.24 Alien Nonpayment Provision Treaty Exemption

The alien nonpayment provisions do not affect benefits or beneficiaries who are citizens or national of countries which had, on August 1, 1956, treaties in effect with the U.S. providing for reciprocal payment of benefits to the nationals of each country.

The U.S. had, on August 1, 1956, treaties of Friendship, Commerce, and Navigation in effect with eight countries that provide for equal treatment by the U.S. and the foreign governments of nationals of both countries with respect to social security benefits. These countries are: Federal Republic of Germany (West Germany), Greece, Republic of Ireland, Israel, Italy, Japan, and the Kingdom of the Netherlands (including the Netherlands Antilles.)

Except for the treaty with the Netherlands, which limits equal treatment to survivor beneficiaries, the citizens of these countries will be paid monthly benefits, if otherwise entitled, despite any extended absence from the U.S. and regardless of whether they are living inside or outside the countries of which they are citizens.

Evidence requirements for citizenship are discussed in RCM 4.9.100 and 4.9.112. Special situations involving Germany and the Netherlands are discussed in RCM 4.9.107 B and C, respectively.

4.9.25 Deceased Veteran's Exemption

The alien nonpayment provision does not apply to survivor benefits if the employee died:

1. while on active duty, or while on inactive duty training as a member of the uniformed service of the U.S.; or

2. as a result of a service connected disease or injury, if the employee's discharge or release from service was under conditions other than dishonorable.

The Veterans Administration must certify the facts in 2 above before we can consider this exception.

4.9.26 Five Year Family Relationship And Residence Exemption

A beneficiary may meet an exemption under the alien nonpayment provision by living in the U.S. for at least five years. During that period, the beneficiary must have maintained the family relationship on which benefits are now based. Evidence requirements are discussed in RCM 4.9.70.

A. A spouse or surviving spouse meets the requirement if there was a total residence period of five years in the U.S. in which the beneficiary had a spousal relationship to the employee (i.e., as a wife or husband, widow or widower, divorced wife or divorced husband, surviving divorced wife or surviving divorced husband, surviving divorced mother or surviving divorced father, or a combination of the above.) The period of residence does not have to be continuous.

If a surviving spouse remarries before completing the five-year residence period, the spouse can still continue to complete the period as long as eligibility for benefits is not affected.

Example 1: A surviving divorced spouse lived Panama until remarrying at age 61. By moving to the U.S., she could eventually complete the five-year relationship and residence requirement. The remarriage does not affect her potential entitlement to a surviving divorced spouse's tier 1.

Example 2: A non-disabled widow lived in Peru until age 55. She remarried and then moved to the U.S. She did not qualify for an annuity until her second husband died eight years later.

Her years of remarriage may not be included as part of the required five year period because the widow did not maintain a spousal relationship with employee. The relationship and residence requirement could be met only if the widow remained unmarried in the U.S. for a total of five years.

B. A child meets the residence requirement if:

1. he resided in the U.S. as the employee's child for at least five years; or

2. the employee and the child's "other parent" (see D below) resided in the U.S. for at least five years; or

3. the employee and the child's "other parent" (see D below) died while residing in the U.S. Since by definition the "other parent" must be living, this refers only to the death of the railroad employee thus enabling surviving children, who could not meet the five year residence requirement on their own, to be deemed to meet it; or

4. in the case of an adopted child, he was adopted in the U.S. by the employee and lived in the U.S. with the employee and received one-half his support from the employee for a period (beginning before the child attained age 18) consisting of:

    a. the year immediately before the month in which the employee became eligible for a RIB/DIB or died, whichever is earlier; or

    b. the year before the month the employee's period of disability began, if the period continued until the employee became entitled to a RIB/DIB or died.

NOTE: The relationship in 1 through 4 above must exist at the time the child becomes entitled to benefits. A subsequent change in parental status would not affect the child's status under the alien nonpayment provision.

C. A parent meets the residence requirement if he resided in the U.S. as the employee's parent for at least five years.

D. For the purposes of this provision, "other parent" on B above means, any living parent who is the opposite sex of the railroad employee and who is either the adoptive parent by whom the child was adopted before the child attained age 16 and who is or was the spouse of the railroad employee on whose record the child is entitled; the natural parent of the child; or the step-parent of the child by a marriage, contracted before the child attained age 16, to the natural or adopting parent on whose earnings record the child is eligible.

Generally speaking, determining the "other parent" presents no problem when there is only the employee and one other parent. However, in some situations involving a step-relationship or an adoptive relationship, for example, there may be additional parents. In such situations, as long as a child has one "other parent" who meets the 5-year U.S. residence requirement, the child is exempt from the alien nonpayment provision. Considerations such as with which parent the child actually resides, which parent contributes the most financial support or which parent has custody are immaterial.

If information indicates multiple "other parents" exist, and there is information which indicates the existence and whereabouts of a parent who meets the residency requirement, explain to the individual filing on behalf of the child that it will be necessary to establish that the parent resided in the U.S. for 5 years. Explain that allegations concerning the length of a period of residence must be supported by documentation.

A lead indicating that the other parent is alive, but with no specific information regarding the person's whereabouts (e.g., the employee's statement that his former wife - the child's natural mother - "lives somewhere in the U.S."), need not be pursued. Applicants are responsible for providing evidence in support of their

claims. In such cases, explain to the applicant what evidence is required, and why, and that failure to submit such evidence will result in withholding of benefits to the child.

4.9.30 Applicability

An alien who meets no exception to the nonpayment provision will have his or her tier 1, O/M share, or Medicare benefits withheld after he had been outside the U.S. for six full consecutive calendar months. The six-month period of continued payment does not apply to an alien who begins residing in a restricted country. (See RCM 8.1.14.)

Under the alien nonpayment provision, the U.S. includes the Fifty States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam and American Samoa.

Note that the IRS defines the U.S. differently; under taxation provisions, the U.S. is limited to the Fifty States and the District of Columbia.

4.9.31 Determine Absence Of Six Full Consecutive Calendar Months

In determining whether an alien has been outside the U.S. for six full consecutive calendar months, check no further back than to the last day of the seventh month before the first months of entitlement to tier 1 or the O/M share.

An alien begins a period of absence once he has been outside the U.S. for thirty consecutive days. Measure the six-month period of absence from the first day of the first full month of absence. Don't interrupt your count of the six month period if the alien returns to the U.S. for less than thirty days; once an alien has been outside the U.S. for thirty consecutive days, he will not be considered to have returned until he has spent thirty consecutive days in the U.S.

If by the seventh month the alien has not returned to the U.S., his tier 1 O/M share must be withheld. At this point, payment may not be resumed until the alien has spent an entire calendar month in the U.S.

EXAMPLE 1

A widow meeting no exception to the alien nonpayment provision leaves the U.S. to visit the Dominican Republic. Her trips are as follows:

Leaves U.S.	2-10-85
Returns	3-5-85
Leaves U.S	3-9-85
Returns	6-4-85
Leaves U.S.	7-1-85

Her first trip is not considered a period of absence because she did not remain outside the U.S. for thirty consecutive days. But her second departure begins a period of absence that is not interrupted by her visit to the U.S. for part of June. Unless she returns to the U.S. and remains for thirty consecutive days before the end of September, her tier I would be withheld effective October 1, 1985.

EXAMPLE 2

An alien has resided in Yemen since birth. He visits the U.S. for one day in July 1985 and files an application for a spouse annuity. His first month of entitlement to tier 1 is August 1985. He is considered to have been outside the U.S. for the six-month period from February through July 1985 and is therefore subject to the alien nonpayment provision. He would not be paid tier 1 unless he was to spend the full month of August in the U.S.

4.9.32 Thirty Days vs. Calendar Month

There is a distinction between the thirty consecutive day period and a full calendar month that particularly applies to the month of February. Since that month has less than thirty days, an alien's presence in the U.S. for the entire month of February would not interrupt a six-month period of absence.

A "full calendar month" means all of the first day through all of the last day of a month. A presence of "thirty consecutive days" means presence for 24 hours each day in a consecutive thirty-day period.

4.9.33 When Evidence Of Presence In The U.S. Is Required

A. General

When an alien alleges presence in the U.S., and it is material in applying the alien nonpayment provisions, he must submit proof of such presence except as provided in C and D below. Generally, proof is necessary if the alien is or has been outside the U.S. and is alleging a return to this country, or where the exact month of his departure from the U.S. is in doubt. Where proof is necessary, obtain it in accordance with the RCM 4.9.34.

B. Alien Residing Outside the U.S.

If an alien residing outside the U.S. alleges presence in the U.S. sometime during the six month period before his first month of entitlement to tier 1 or an O/M share, or if he claims presence at a subsequent time, he must furnish proof of this presence if it is material to the claim.

C. Alien Residing In The U.S.

If an alien residing in the U.S. alleges presence in the U.S. throughout the entire retroactive period of his application, proof of such presence is not needed.

If he alleges he was outside the U.S. at any time during the retroactive period, then proof of his presence in the U.S., where material, must be obtained. So long as the alien continues to reside within the U.S., his presence here may be assumed for future months in the absence of an indication to the contrary.

D. Alien Changes Address To Foreign Country

If an alien beneficiary requests a change of address from one in the U.S. to one outside the U.S., and the request was mailed in the U.S., presence in the U.S. may be assumed through the month the request was mailed. If the request was mailed from a foreign country, the beneficiary must indicate the month and year of his departure from the U.S., if material. Such allegations may be accepted without proof unless circumstances in a particular case raise doubts.

E. Alien Changes Address To The U.S.

If an alien beneficiary notifies us of a change of address from a foreign country to the U.S., proof of the month of entry into the U.S. must be obtained where material. If payments have been withheld under the alien nonpayment provision, proof of continuous presence for a full calendar month must be obtained before payments can be resumed.

In addition to the above, a verification of physical presence in the U.S. is required in any case in which a beneficiary reports a return to the U.S. with an "in care of" address or the beneficiary was previously in a restricted country. Verification of physical presence in the U.S. requires actual contact with the beneficiary in person.

F. EET Payment Going To Address in the U.S. but Alien May Be Living Outside U.S.

If an annuity is being paid to a financial institution in the U.S., but it appears that the annuitant is living outside the U.S. (i.e., return address on letter or postmark on letter shows a foreign country), it will be necessary to develop further per RCM 4.9.34 either through the appropriate field office or directly from headquarters.

4.9.34 Acceptable Evidence Of Presence

A. Definition of Presence In the U.S.

Proof of presence in the U.S. (B below) may be required to interrupt the running of a six month period of absence which would cause withholding. Where benefits have

been withheld, the beneficiary must prove continuous presence in the U.S. for one full calendar month (C below) before full benefits can be resumed.

Presence in the U.S. means physical presence and not legal residence of domicile. Thus, establish presence, an alien need not show intent to make a permanent or temporary home here. Any documentary evidence, which reasonably establishes the alien's physical presence in the U.S. during a particular period, will constitute proof of presence in the U.S.

B. Evidence to Establish Presence In The U.S.

The following types of evidence may be used to establish the fact of an alien's presence in the U.S. to interrupt the running of a six-month period of absence. Any type of evidence on the list is acceptable if it is convincing under the circumstances of the particular case:

D/O report of contact with the beneficiary in person at some point in the U.S. during the month in question.

Alien Registration Card I-151 or I-551 certifying the date of the alien's admission into the U.S. as a permanent resident.

Official visa, passport, or entry permit verifying the alien beneficiary's month of arrival in this country.

U.S. Post Office receipts, if signed by the beneficiary and dated; registered mail addressed to the beneficiary at a U.S. address and received there by him on a certain date. (Postcards of letters signed by the beneficiary and bearing a U.S. postmark are not by themselves satisfactory evidence, since they could have been signed outside the U.S. and mailed in the U.S. by someone else.)

Other documents issued to and signed by the beneficiary which establishes his physical presence in the U.S. at a certain time, such as hotel or motel receipts issued to the beneficiary, receipts for credit purchases issued by a service station or store in the U.S. and signed by the beneficiary, application for licenses or permits filed by the beneficiary at a place in the U.S., reports or medical examinations of the beneficiary made in the U.S., or the like.

Other probative evidence; e.g., signed statements from one or more U.S. residents attesting to the beneficiary's presence in the U.S. at a particular time, giving their address, and stating the basis for their knowledge.

C. Evidence To Establish Continuous Presence In The U.S. For A Full Calendar Month

Proof of continuous presence throughout a full calendar month to qualify for resumption of payment requires more evidence than mere proof of the fact of

presence as in B above. Where continuous presence for a full calendar month must be proved, obtain the following evidence:

1. a signed statement from the alien beneficiary giving the date he entered the U.S. and the place at which he stayed while in this country during the first full month, and affirming that he did not go outside the U.S. at any time during such month; and

2. signed statements from one or more U.S. residents having knowledge of the alien beneficiary's presence in the U.S. to corroborate his presence during the month in question. A statement from the person who furnished the alien beneficiary lodging throughout the month is question is preferable. Statements from employers, clergymen, neighbors, or anyone else likely to have knowledge of the alien beneficiary's presence in this country are also acceptable. Persons providing corroborative statements must give their addresses, and must indicate the basis for their knowledge.

If a beneficiary was present in the U.S. for all but a few hours of the first or last day of a month, he would not establish presence for the full month.

4.9.35 Actions Required Upon Receipt Of Evidence Of Presence

When an alien beneficiary going outside the U.S. meets no exception to the alien nonpayment provision, he must submit evidence of presence in the United States every thirty days to avoid having his tier 1 or O/M share withheld at the end of six months. Once he has been outside the U.S. for thirty full consecutive days, evidence of his presence in the United States for thirty consecutive days will be required to interrupt the running of a six month period of absence which would cause withholding.

A. If proof of presence is a report indicating that the beneficiary is coming into the United States each month (and there has been no break in reporting every thirty days), set a thirty day dormant call-up.

   If there has been a break in reporting every thirty days, set a six-month tickler call-up for nonpayment, and send the folder to claim files.

B. If proof of presence is to establish presence in the United States for thirty consecutive days before the six month period of absence expires, set a tickler call-up for nonpayment at the end of the next six month period and return the folder to claim files.

C. If you receive proof of presence after withholding tier 1 or O/M benefits, restore full benefits effective with the first full month of presence in the U.S.

NOTE: The actions above are taken if the case requires no other action and the proofs are good evidence. Such evidence could be signed statement received through the D/O's with a report of contact confirming the monthly entry of the person in the United

States. Proof of "thirty consecutive days" and "one full calendar month" must establish beyond a doubt the date the beneficiary entered the United States and the fact that he was still here at the end of the required time.

4.9.70 Establishing Residence In The U.S.

A. Period of Residence - A period of residence begins when an individual physically arrives in the U.S. with the intention or establishing at least a temporary home here. The period ends when the individual leaves the U.S. with the intention to reside elsewhere. Residence outside the U.S. (e.g., on a U.S. military base) does not satisfy the U.S. residence requirement.

While an individual's statement about his intent to reside in the U.S. is ordinarily acceptable in itself, an allegation concerning the length of a period of residence must be supported by documentation if the five-year family relationship requirement must be developed/established.

For purposes of determining the total period of residence, the period does not have to have been continuous. It is necessary only that the aggregate period(s) residence total 5 full years.

B. Evidence of Residence - The most convincing evidence would indicate that an individual was an active participant in a U.S. community:

a U.S. driver's license;

U.S. income tax returns;

evidence of membership in a church or a social organization;

evidence of home ownership;

utility bills addressed to the individual;

evidence of regular employment or business ownership;

evidence of school enrollment;

clinical records of regular medical or dental treatment;

a document such as a passport or entry permit issues by the U.S.

Other probative evidence; e.g., signed statements from one or more U.S. residents having knowledge of the alien's residence. Statements from landlords, employers, clergymen and neighbors are acceptable. Persons providing corroborative statements must give their addresses and must indicate the basis for their knowledge.

A combination of documents may be necessary to establish that an alien resided in the U.S. for the five-year period during which the family relationship existed. Prepare a summary of any evidence submitted if the D/O has not already done so. Document the file with your conclusion regarding the residence requirement.

NOTE: No evidence of residence is necessary if the alien does not allege a five year residence in the U.S. or if the alien did not maintain at least a five year family relationship with the employee in the U.S.

4.9.71 Establishing Residence Outside The U.S.

Assume residence in a country if there is evidence of birth in that country and the individual alleges residence and currently was an address in that country.

If documentary evidence is necessary, (e.g., to provide a native-born Turkish citizen's claim that he is a resident in W. Germany) follow the general guidelines described in RCM 4.9.27 for establishing U.S. residence. In some countries, including Belgium, West Germany, and Switzerland, residents must register with local authorities and receive registration cards. These cards are excellent proofs of residence and should be requested when necessary. Other proofs of residence are listed in RCM 4.9.13 B.

4.9.72 Handling of Claims of Alien Nonpayment Prov.

If the annuitant has a foreign address, refer to sec. 4.9.22, as well as sec. 8.1.187.

4.9.73 D.O. Development

Field personnel will mark the G-230 manual review box (when applicable) and will indicate on transmittal if they applicant is subject to non-payment provisions. They will also submit form G-45 (supplement to Claim or Person Outside the U.S.) and any other statements or proofs necessary to establish applicant's status. The transmittal will show any additional proofs being developed by the field.

4.9.74 Developing Applications From Foreign Applicants By Headquarters

It may be necessary to furnish an application to individuals in a foreign country. Refer to sec. 8.1.187.

4.9.75 Examiner Responsibilities

Refer to sec. 8.1.187.

4.9.76 Use Of Tax Information

If the individual has submitted information in conjunction with establishing his tax status at the Board this information may be useful in determining what proofs or forms to develop in conjunction with the alien non-payment provision.

4.9.77 Change Of Address

When making a change of address to a foreign country it will be necessary to determine whether or not the alien non-payment provision could apply. Develop proof of citizenship, residence, or relationship as needed. Use G-45 necessary.

4.9.100 Determining Citizenship

Citizenship is a material factor in determining whether the alien nonpayment provisions will apply. Citizens of treaty and totalization countries meet an exception to alien nonpayment because of their citizenship or residence. Citizens and nationals of the U.S. are not subject to the alien nonpayment provisions, but it is sometimes necessary to establish that an individual has such status.

Generally, accept an allegation that a person is a citizen of the country of birth provided there is evidence of birth in that country. If an individual claims to be a citizen of a country other than that of birth, he must submit evidence indicating that competent authorities in the country or alleged citizenship have determined that he is their citizen. Assume that officials of a nation's Department of Foreign Affairs or Department of Immigration can make this determination; when in doubt, refer the case to M&P-B.

If, considering allegations of all past and current citizenship, an alien nonpayment exception can be met, the exact status of citizenship need not be established, provided there is some evidence that the beneficiary was a citizen of one of the alleged countries and there is no indication that he has been a citizen of a third country.

Example 1: A widower residing in Paris was born in France, as evidenced by his birth certificate. He claims he was born a French citizen but that now he is a naturalized citizen of the U.S. As a French citizen, he would be subject to the alien nonpayment provision unless he could prove five years' residence in the U.S. as the employee's husband and/or widower. As a U.S. citizen, he would not be subject to the alien nonpayment provision. His allegation of U.S. citizenship requires proof.

Example 2: A spouse with a child in her care was able to submit evidence of her child's birth but not her own. She states that she was born in Belgium and has always been a citizen of Belgium. She married the employee there and her child was born there, as evidenced by her proof of marriage and the child's proof of age.

As a citizen of Belgium, she meets the totalization exception. Although she presented no direct evidence that she is a citizen of Belgium, her citizenship may be inferred from her allegations and other evidence of a lifelong residence in that country.

4.9.101 Conditions Of U.S. Citizenship

A. General - A person may become a U.S. citizen by birth, by naturalization, or by virtue of certain relationships to U.S. citizens. If an applicant claims U.S. citizenship under a condition not included in this chapter, forward the case to Policy and Systems.

B. A U.S. Citizen By Birth - A U.S. citizen by birth is generally a person who was born in one of the fifty States or the District of Columbia and is subject to the jurisdiction of the U.S., or who was born outside the U.S. to parents who met certain U.S. citizenship, nationality, or residence requirements.

C. Naturalized Citizens of the U.S. - Naturalized U.S. citizens are citizens upon whom U.S. citizenship is conferred after their birth. This may be accomplished through individual or collective naturalization or under certain conditions citizenship may be derived from a naturalized parent. Women automatically became citizens if they could have been lawfully naturalized and if, prior to September 22, 1922, they were married to citizens or to aliens who became citizens before that date. On and after that date, various other conditions had to be met before women could become naturalized citizens. There are special provisions for naturalization of persons who were born or who lived in Alaska, Hawaii, Puerto Rico, the Canal Zone, Guam, and the U.S. Virgin Islands prior to the acquisition or these areas by the U.S. There are also special provisions for naturalization of American Indians, who were not otherwise citizens, born in the U.S. before June 2, 1924.

D. Dual Citizenship - Dual citizenship can exist when an individual is recognized as a citizen both by the U.S. and a foreign country. For example, an individual born to U.S. citizen parents in a country such as the Dominican Republic, which considers all people born within its jurisdiction to be citizens of that country, has dual citizenship.

NOTE: For taxation purposes, U.S. citizenship takes precedence over a second citizenship. In a situation where dual citizenship does not involve U.S. and where a payment may be affected by citizenship status, refer case to M&P-tax specialist for further instructions.

E. U.S. National - A national of the U.S. is either a citizen of the U.S. or a person whom though not a citizen, owes allegiance to the U.S. Generally, the only remaining noncitizen nationals are the natives of American Samoa and Swain's Island. A noncitizen national of the U.S. has the same exemption from the alien nonpayment provision as a U.S. citizen.

F. Loss of U.S. Citizenship and Nationality - Both citizens by birth and naturalized citizens of the U.S. may lose their citizenship and nationality. Submit to M&P-B any case in which a person's possible loss of citizenship could affect the claim.

A citizen or national of the U.S. who commits any of the following acts may forfeit his citizenship or national status:

1. obtains naturalization in a foreign state; or

2. makes a formal declaration of allegiance to a foreign sovereignty; or

3. serves in foreign armed forces, except with written approval of the U.S. Secretary of State and the Secretary of Defense; or

4. accepts official employment under a foreign government, if acquisition of foreign nationality or declaration of allegiance is necessary for such employment; or

5. renounces U.S. nationality by a formal declaration made before an American diplomatic or consular officer abroad; or

6. renounces U.S. nationality within the U.S. when the U.S. is in a state of war; or

7. is convicted for treason or bearing arms against the U.S. or similar acts.

4.9.102 Citizenship By Birth In U.S. Or U.S. Possession

A. General

Ordinarily, the evidence of age submitted will be sufficient proof of U.S. citizenship if it shows a place of birth in one of the places listed below.

Persons may qualify for U.S. citizenship by birth in the following locations.

	Location	RCM Reference for Additional Information
1.	One of the 50 states or D.C.	4.9.102B
2.	Puerto Rico	4.9.102c
3.	U.S. Virgin Islands	4.9.102D
4.	Guam	4.9.102E

5. Canal Zone and Republic or Panama	4.9 102F
6. American Samoa and Swain's Island	4.9 102G
7. Northern Mariana Islands	4.9.102H

B. One of the Fifty States of D.C.

A person born in one of the fifty States or the District of Columbia is a citizen of the U.S. if he is subject to the jurisdiction of the U.S. American Indians and Eskimos born in the U.S are U.S. citizens by birth even though they are also entitled to special rights as members of Indian or Eskimo tribes.

C. Puerto Rico

A person born in Puerto Rico on or after April 11, 1989, and living in Puerto Rico, the U.S. or any U.S. possession on January 13, 1941, is a U.S. citizen.

A person born in Puerto Rico, on or after January 13, 1941, is a U.S. citizen. Also, any Puerto Rican citizen residing in Puerto Rico on March 1, 1917, regardless of where he was born, who did not take an oath of allegiance to Spain, was declared to be a U.S. citizen. Unless there is evidence to the contrary, the beneficiary's statement that he was residing in Puerto Rico on the appropriate date is acceptable evidence.

D. U.S. Virgin Island

1. Under the alien nonpayment provision, every native of the Virgin Island (U.S.) is a U.S. citizen if he meets one of the following three conditions:

   a. on January 17, 1917, he was residing in the Virgin Islands (U.S.) and on February 25, 1927, was residing in those islands, the U.S., or Puerto Rico, and he was not, on February 25, 1927, a citizen or subject of any foreign country; or

   b. on January 17, 1917, he was residing in the U.S. and, on February 25, 1927 was residing in the Virgin Islands (U.S.), and was not, on February 25, 1927, a citizen or subject of any foreign country; or

   c. on June 28, 1932, he was residing in the U.S., Puerto Rico or any other possession of territory of the U.S., or the Canal Zone, and was not, on that date, a citizen or subject of any foreign country.

   In addition, all persons born in the Virgin Islands (U.S.) on January 17, 1917, or later, and subject to the jurisdiction of the U.S. are citizens of the U.S.

Any former Danish citizen who, on January 17 1917, resided in the Virgin Islands (U.S.) and was residing in those islands, U.S., or Puerto Rico on February 25, 1927, and who did not make a declaration to retain Danish citizenship, is a U.S. citizen.

The beneficiary's statements concerning the above factors, if corroborated by evidence indicating residence on the pertinent date(s), are acceptable in the absence of evidence to the contrary.

2. Under taxation provisions, the IRS considers some U.S. citizens in the Virgin Islands to be nonresident aliens: those who acquired citizenship in the Virgin Islands. Unless an individual acquired his citizenship by birth or naturalization in one of the fifty States or the District of Columbia, he is nonresident alien for tax purposes.

E. Guam

A person born in Guam on or after April 11, 1889, or born before April 11, 1899 and residing in Guam on that date and who continued to reside in Guam, the U.S., or a U.S. territory continuously (not counting any temporary absences) until at least August 1,1950, should be assumed to be U.S. citizen unless there is an indication that he or his parents took steps to preserve or to acquire foreign nationality. A person born in Guam on or before April 11, 1899, who resided outside the U.S. or its territories at any time prior to August 1, 1950, should be referred to INS for a determination of his status.

The beneficiary's statements concerning the above factors, corroborated by evidence showing his birth in Guam and, if born before April 11, 1899, residence as of August 1, 1950, will be acceptable in the absence of evidence to the contrary.

F. Canal Zone and Republic of Panama

A person born in the Canal Zone on or after February 26, 1904, and before October 1, 1979, is a U.S. citizen if at least one parent was a U.S. citizen at the time of the person's birth. If the birth certificate shows the person was born in the Canal Zone and at least one parent was a U.S. citizen, no further evidence of citizenship is required. Individuals born in the Canal Zone may have a Certificate of Citizenship.

A person born in the Republic or Panama on or after February 26, 1904, is a U.S. citizen if, at the time of the person's birth, at least one of his parents was or is a U.S. citizen employed by the U.S. Government or by the Panama Railroad Company or its successor in title.

If the beneficiary alleges U.S. citizenship and the birth certificate from the Republic of Panama does not indicate he was born in the Canal Zone, he should

have either an FS-240, Report of Birth Abroad of a Citizen of the United States, or a Certificate of Citizenship.

G. U.S. National Treated as U.S. Citizen

American Samoa and Swain's Island are designated as "outlying possession." Natives of these areas, unless they derive U.S. citizenship at birth or by marriage, are "nationals of the U.S." For purposes of the alien nonpayment provision, they are regarded as U.S. citizens. Proof of birth in either of these possessions is sufficient evidence of U.S. citizenship.

H. Northern Mariana Islands (NMI)

Effective November 4, 1986 local time, public Law 94-241 established the Commonwealth of the Northern Mariana Islands in political union with the United States. The NMI resident must meet one of the following criteria:

1. Citizens at birth. Individuals subject to the jurisdiction of the United States born in the NMI on or after November 4, 1986, acquire U.S. citizenship at birth.

2. Citizens by collective naturalization:

   a. Individuals who do not owe allegiance to a foreign State, who were born in the NMI and were citizens of the dissolved Trust Territory of the Pacific Island (TTPI) on November 3, 1986, and were domiciled in the NMI or in the U.S., or any of its territories or possessions on that date;

   b. Individuals who do not owe allegiance to a foreign State, who were citizens of the TTPI on November 3, 1986, and had been continuously domiciled in the NMI since November 3, 1981, and who, unless under age, registered to vote in elections for the Mariana Islands District Legislature of any municipal election in the NMI before January 1, 1975; or

   c. Individuals who do not owe allegiance to a foreign State, who were domiciled in the NMI on November 3, 1986, and who, although not citizens of the TTPI, have been continuously domiciled in the NMI since January 1, 1975.

3. Non-citizen nationals. Any NMI resident who is declared a citizen by Public Law 94-241 may become a non-citizen national of the U.S., making a declaration of such in any U.S., or NMI commonwealth court.

4. Residents of the NMI who are not citizens. Generally, the Immigration and Naturalization Service will presume children, spouses and parents of U.S. citizens to be lawful permanent residents of the U.S. "without any of the

usual procedures". For those claiming to have entered the NMI after November 3, 1986, residence is established as for the United States.

4.9.103 U.S. Citizenship By Birth Abroad

A. General

Two ways by which a person born abroad may derive U.S. citizenship through a parent are: (1) by acquisition at birth and (2) by derivation after birth.

Adopted children do not acquire U.S. citizenship by virtue of adoption by U.S. citizens; they must be naturalized to become U.S. citizens.

1. By Acquisition At Birth

In most situations legitimate children born outside the U.S. acquire citizenship at birth when:

a. both parents were U.S. citizens at the time of the child's birth and at least one parent had resided in the U.S. or its outlying possessions before the birth of the child; or

b. one parent was a U.S. citizen and the other parent was a noncitizen national at the time of the child's birth, and the U.S. citizen parent resided in the U.S. or an outlying possession for a period of at least one year before the child's birth; or

c. one parent was a U.S. citizen and the other was an alien at the time of the child's birth. (See Note below.)

For births before May 24, 1934, U.S. citizenship could be acquired by legitimate children only through the citizen father. Therefore, the residence requirements had to be met by the beneficiary's citizen father. For births on or after May 24, 1934, either citizen parent could confer U.S. citizenship by meeting the requisite residence requirements.

Children born out of wedlock may also acquire U.S. citizenship at birth if one of the parents is a U.S. citizen at the time of the child's birth. A child born out of wedlock to a U.S. citizen mother need only establish the mother's U.S. citizenship and her residence in the U.S. or an outlying possession prior to the birth of the child. (See C below.) The acquisition of U.S. citizenship at birth by an illegitimate child born to a U.S. citizen father is complicated by the fact that the child must have been legitimated by the father.

2. Derivation After Birth (See Note below.)

The most frequent situations in which children become U.S. citizens by derivation are when:

a. both parents become U.S. citizens after the child's birth but before the child reaches eighteen (under the present law);

b. one parent becomes a U.S. citizen, the other alien parent is deceased and the child is under eighteen (under the present law); or

c. there is a divorce and the custodial parent becomes a U.S. citizen and the child is under eighteen (under the present law).

NOTE: FOR RRB PURPOSES ONLY, we will make determinations of U.S. citizenship for beneficiaries whose parents are classified under la or b above. Refer to M&P-B any cases involving a beneficiary whose parents are classified under 1c and 2 above. Complex rules apply in determining whether the child has acquired U.S. citizenship at birth. The Immigration and Naturalization Service (INS) must make a formal determination. In addition, refer to M&P-B any cases involving (1) a beneficiary who was born out of wedlock and claims U.S. citizenship through a U.S. citizen father; (2) any beneficiary whose evidence requires establishment of the U.S. citizenship of the beneficiary's parent; and (3) any beneficiary whose documents appear to be of questionable authenticity.

B. Other Evidence of U.S. Citizenship for Children Born Aboard

1. General

Request evidence to support the beneficiary's allegation if neither parent was an alien at the time of the beneficiary's birth, and the beneficiary has none of the documents listed in RCM 4.9.110. If either parent was an alien at the time of the beneficiary's birth, refer the case to M&P-B for an official INS determination of his citizenship status.

NOTE: Any determination we make of a beneficiary's citizenship status is for RRB purposes only, and is not binding on any other agency or any individual.

Evidence of the parent's U.S. citizenship includes the parent's public or religious record of age showing birth in the U.S., naturalization papers, or other evidence in RCM 4.9.110.

Evidence of birth in American Samoa or Swain's Island establishes that a person is a noncitizen national.

2. Specific Evidence Requirements

a. If both parents were U.S. citizens at the time of the beneficiary's birth, obtain evidence of both parents' citizenship, the relationship of the beneficiary to the parents, and evidence that at least one parent resided in the U.S. or an outlying possession prior to the beneficiary's birth. Evidence of his parent's residence in the U.S. may include a birth certificate, a religious record of a ceremony which took place in the U.S. or an outlying possession, school records, employment records, rent receipts, marriage certificate when the ceremony took place in the U.S. or an outlying possession, and census records. The residence need not be of specific duration. For the purposes of establishing the beneficiary's U.S. citizenship, a casual visit to the U.S. by the citizen parents establishes the requisite residence.

b. If one parent was a U.S. citizen and the other was noncitizen national, obtain evidence of both parents' citizenship, the relationship of the beneficiary to the parents, and evidence that the U.S. citizen parent resided in the U.S., American Samoa, or Swain's Island for a period of one year prior to the birth of the beneficiary. Evidence of residence may include school records, employment records, and census records.

C. Evidence to Establish U.S. Citizenship of a Beneficiary Born Out of Wedlock to a U.S. Citizen Mother

If the beneficiary was born out of wedlock to a U.S. citizen mother, obtain evidence of the mother's U.S. citizenship, evidence of the relationship to the beneficiary and, for births on or before December 24, 1952, evidence that the mother has resided in the U.S. before the beneficiary's birth or, for births after December 24, 1952, evidence that the mother had resided in U.S. or an outlying possession for one year prior to the birth of the birth.

4.9.104 U.S. Citizenship By Personal Naturalization

A. Proof of Citizenship

An individual claiming citizenship by personal naturalization should submit one of the documents listed in RCM 4.9.110 as proof of citizenship.

B. No Proof Available

If the beneficiary is unable to present proof of naturalization, he should obtain it as indicated in RCM 4.9.106. Such information may also be available from the U.S. District Court or other court of record which granted citizenship.

4.9.105 Citizenship Claimed By Marriage

Before September 22, 1922, a woman, who herself could have been lawfully naturalized, acquired U.S. citizenship through marriage to a U.S. citizen. If the marriage terminated, she maintained her U.S. citizenship if she then was residing in the U.S. and continued to reside here. If her husband was an alien, she acquired citizenship if he was naturalized before September 22, 1922. The beneficiary should submit proof of the citizenship of her husband and proof of their relationship, showing that marriage occurred before September 22, 1922. If she is unable to submit the necessary proofs, she should obtain proofs from INS. Refer any such case to M&P-B.

After September 22, 1922, an alien married to a U.S citizen must apply for naturalization to become a U.S. citizen.

4.9.106 Obtaining Proof From INS

If a beneficiary is unable to present adequate proof of citizenship and fails to meet the alternative requirements as an alien, refer the case to M&P-B. M&P will determine whether the beneficiary should complete a Form G-641 (Application for Verification if information from Immigration and Naturalization Service Records.) INS charges a fifteen dollar fee for a search of its records.

If the beneficiary is an undocumented alien, INS would have no information in its records; M&P may refer the beneficiary to INS to have his status determined.

4.9.107 Special Situations

A. United Kingdom

The terms "British Subjects" and "Commonwealth Citizens" indicate citizenship in a country which is a member of the British Commonwealth of Nations. They do not mean that the individual is a citizen of the United Kingdom.

The United Kingdom considers as its citizens all persons who were born within the United Kingdom or within what is now a British colony. Such persons are considered "citizens of the United Kingdom and Colonies". Generally, a person born in a colony which had been given independence acquires citizenship in the new nation and does not retain his U.K. citizenship.

B. The Federal Republic of Germany

The West German Government accepts as national all persons born within the area of the German State as it existed in 1937 (including what is now East Germany). Residents or West Germany who were born in Germany, as defined in 1937, are granted German passports and all other privileges of citizenship upon making the same application as required of persons born within the present borders of West Germany.

C. Countries With Non-Contiguous Territory

Denmark, France, the Netherlands, and Portugal are composed of territories in Europe and in America, Asia, or Africa. In determining citizenship, it is immaterial in which portion of the country the individual was born.

D. American Indians

Some individuals contend that they are "North American Indians", but there is no such national citizenship. These people are members of certain Indian tribes which are located near the Canadian-United States border. They have special privileges as to entry into either country, hunting and fishing rights, etc., but their national citizenship is either Canadian or United States, depending upon their place of birth. Their opinion concerning their national status does not affect their citizenship.

4.9.110 Evidence Of U.S. Citizenship

A. General

When the development of U.S. citizenship is required, it should be undertaken without indicating doubt of the beneficiary's citizenship. RRB's development is in no sense an adjudication of the individual's status.

B. Conclusive Evidence of U.S. Citizenship

Any of the following documents is generally conclusive evidence of U.S. citizenship for the person to whom the document is issues regardless of where the person was born (see NOTES):

1. a birth certificate showing birth in the U.S.;

2. a U.S. passport;

3. a Certificate of Citizenship or Certificate or Naturalization;

4. Form FS-240, Report of Birth Abroad of a Citizen of the United States;

5. Form FS-545, Certification of Birth; or

6. Form I-197, United States Citizen Identification Card

NOTE: In a rare case, the individual may have renounced or otherwise lost citizenship and still have one or more of the documents above in his possession. Only if something creates a doubt should a question be raised and the issue resolved.

NOTE: Certain U.S. citizens in the Virgin Islands are considered aliens for tax purposes if they did not acquire U.S. citizenship by birth or naturalization in the 50 states or Washington, D.C. Therefore, be sure to check place of birth on any proof of citizenship submitted by applicants from the Virgin Islands. If they were born in the Virgin Islands and were never naturalized as described above, they are not considered U.S. citizens for taxation purposes.

C. Other Evidence of U.S. Citizenship

The evidence listed in B above and 1-4 below is preferred evidence and must be sought first:

1. a religious record recorded in the U.S within three months after birth (even though it may not actually contain place of birth information); or

2. evidence of civil service employment by the U.S. government before June 1, 1976; or

3. a census record (when a request for citizenship data was included in the remarks section of the request, the Census Bureau will display the age and the citizenship); or

4. any document established at least five years before the date of initial application which indicates a place of birth which agrees with the beneficiary's allegation. (Examples of such documents are school records, marriage license, military service record, medical record, driver's license, etc.); or

5. the statements of two persons which indicate that the beneficiary was born in the U.S., providing the file reflects a reasonable basis for the two persons having such knowledge.

Note 1: The evidence in 5 above may be used only if preferred evidence does not exist. The file must be documented to show that attempts were first made to obtain the preferred evidence.

Note 2: Certain U.S. citizens in the Virgin Islands are considered aliens for tax purposes if they did not acquire U.S. citizenship by birth or naturalization in the 50 states or Washington, D.C. Therefore, be sure to check of birth on any proof of citizenship submitted by applicants from the Virgin Islands. If they were born in the Virgin Islands and were never naturalized as described above, they are not considered U.S. citizens for taxation purposes.

4.9.111 Stateless Person

A. General

Stateless persons are of two classes, those stateless "de jure" and those stateless "de facto."

De jure stateless persons do not posses nationality of any country, De facto stateless persons are those whom having left the country of which they are nationals, no longer enjoy the protection and assistance of their national authorities, either because those authorities refuse to grant them assistance and protection, or because the aliens themselves renounce the assistance and protection of the countries of which they are nationals. De facto stateless persons are usually political refugees; they are legally citizens of a country only because the laws of the country do not permit denationalization or only permit it with the country's approval.

B. Establishing De Jure Status

Possession of any of the following documents will establish that an individual is de jure stateless:

1. a "Nansen passport" issued under the authority of the League of Nations, provided the holder did not acquire a nationality subsequent to the issuance of the passport.

2. a "travel document" issued by the individual 's country of residence showing that the holder is stateless and that the document is issued under the United Nations. Such a document may be identified by the phrase "Convention of 28 September 1954" which appears on the cover and sometimes on each page of the document.

3. a "travel document" issued by the International Refugee Organization showing that the person named is stateless.

4. a document issued by officials of the country of former citizenship showing that the individual has been deprived of citizenship in that country.

Once it has been established that a person is de jure stateless, this status continues until he acquires nationality is some country.

C. Establishing De Facto Status

If an individual contends that he is stateless but cannot establish that he is de jure stateless, it may be accepted that he is de facto stateless if he establishes that:

1. he has taken up residence outside the country of his nationality;

2. there has been an event which is hostile to him, such as a sudden or radical change in the government's political structure, in the country of nationality; and,

3. in a sworn statement he renounces the protection and assistance of the government of the country of which he is a national and declares that he is stateless.

In considering 2 above, it is not necessary to show that the event is actually hostile; it is sufficient that the individual has reason to fear it would be. The statement in 3 must be sworn to before an individual legally authorized to administer oaths, and the original statement must be presented to the RRB.

A de facto stateless status remains in effect only as long as the conditions above continue to exist.

D. Stateless Residents of Hong Kong or Macao

The RRB will also consider as stateless all persons who allege citizenship in China or Nationalist China (The Republic of China) and who reside in Hong Kong or Macao. Such recognition applies only as long as the beneficiary resides in these areas and does not apply if he states he is a citizen of communist China (the People's Republic of China).

4.9.112 Passports As Evidence Of Citizenship

Generally, a current passport is evidence of an individual's citizenship in the country that issued the passport. Listed below are some exceptions to this rule.

A. Austrian Passports

Under Austrian law, a so called "alien's passport" (Fremdenpass) may be issued. Bearers of this passport are not considered Austrian citizens.

B. Federal Republic of Germany (FRG) (West Germany) Passports

A Fremdenpass (Alien Passport/Travel Document) shows either the bearer's native citizenship or identifies the bearer as a stateless person. The passport may show the citizenship of the bearer as "URGEKLAERT"(undetermined). These passports do not identify the bearer as a citizen of the Federal Republic of Germany.

C. Greek Passports and Other Proofs of Greek Citizenship

The Minister of Interior is the authority responsible for determining Greek citizenship and has exclusive authority to rule over any controversy over Greek nationality.

Greek documents that may be accepted as proof of Greek citizenship are:

A. Greek passports (except those designated "A.E." or "O.T.A")

B. Greek Identity Card (issued by the Policy Department in conjunction with the Ministry of the Interior).

C. Demotologions of Mitroon Arrenons used to establish proof of age may be used for proof of citizenship when they have been obtained or verified by the Federal Benefits Unit in Athens.

D. Netherlands Passports

Vreemdelingen Passports (noncitizen passports) are issued by the Queen's Commissioner of the province where the individual resides. Vreemdelingen Passport holders are not classified as Dutch Citizens; they might indicate their citizenship as "stateless."

E. Portuguese Passports

A Portuguese decree of September 3, 1981, permits the issuance of passports to several categories of foreigners. The passports are clearly marked "Passport for Foreigners" and contain the following statement in Portuguese, French, English and German: "The holder of this passport is not a Portuguese subject. The passport does not entitle him to any protection from the Portuguese authorities abroad." In addition to the normal biographic data, these passports also show the nationality of the bearer.

4.10.1 General

Refer to FOM1 910.5.

4.10.2 When Verification Of M/S Is Not Undertaken

Even though it is otherwise creditable, do not request verification of M/S under the following circumstances:

A. M/S Will Not Establish Eligibility

1. Less Than 120 Months - Do not attempt to verify M/S for a period before 1937 or after 1956 unless the combined railroad service and M/S will total 120 or more months.

2. Age and Service Case - Make no attempt to verify M/S for an employee who is under age 60.

   If the employee is age 60-61, do not attempt to verify M/S if the combined railroad service and M/S is less than 30 years.

3. Disability Case - Make no attempt to verify M/S where the combined railroad service and M/S is less than 20 years and the employee is under age 60 and is not considered disabled for any regular employment (i.e., would not qualify under Section 2(a)(1)(v) of the RR Act.

B. M/S Will Not Increase Annuity - Verification of M/S for a period before 1937 is not required if there are 30 years of creditable RR service without M/S.

4.10.3 Verification Of Last Month Of Employee Service Before Entry In M/S

A. M/S Before 1937 - Determine the last month of RR service by the entries shown on the form(s) used to establish the employee's railroad service before 1937. This information will usually be on Form AA-2P.

B. M/S After 1936 – A&T-CCU will determine the last month of RR service based on the records of compensation reported to A&T-CCU by covered employers.

4.10.10 Primary Proofs

See FOM1 955.10.

4.10.11 Unavailable Records

Due to a fire at the National Personnel Records Center at St. Louis in 1973, the following records are not available for servicemen:

A. Discharge from the Army during 1912-1959; or

B. Discharge from the Air Force from September 25, 1947, through December 31, 1963, surnamed "Hubbard" through "Z".

4.10.12 Secondary Proofs

When an applicant is unable to secure one of the proofs in sec. 4.10.10 above, one of the following sources may be contacted for written verification of M/S:

A. State unemployment compensation office (if a claim for unemployment compensation based on M/S was ever filed).

B. State Bonus Office (if a bonus was paid).

C. U.S. Office of Personnel Management, Employee Service and Records Center (if retired from Federal employment).

D. Any employer (Federal, state, local, or private) to whom a record of M/S was furnished.

E. Nearest DVA Regional Office (if a claim for veterans benefits of any kind was ever filed).

F. State Adjutant General (if any service was performed in the National Guard).

G. Social Security Administration (if a claim for SS Act benefits has been filed and the M/S involved was after September 6, 1939).

It is essential that the beginning and ending dates of the active duty M/S be shown in the certification.

The addresses of Federal departments and agencies to contact for secondary proofs are listed in Chapter 10.6; addresses for the Department of Veterans' Affairs (formerly the Veterans Administration) are listed under Address

No. 52. When necessary to request secondary proofs from a state or local government and the applicant is not able to furnish a full and current address, make your first contact with the vital statistics office listed for the county or state in Chapter 4.2, Appendix A; that office should be able to furnish the address of the office or forward RRB's request.

4.10.13 Evaluating Other Proofs Submitted

When the veteran is not able to furnish a primary or secondary proof (such as a statement of service or discharge and statement of service) verifying a claimed period of active M/S, carefully evaluate any other documents submitted.

Two or more documents, although individually weak, may support each other sufficiently to prove active M/S. A record of one period may support a claimed prior period for which the veterans has no primary or secondary proof (e.g., shows prior service dates or total time). Or, the proof of the later period may show the total time and copies of orders may show either the starting or ending date of the prior period of active M/S. A veteran's family may have newspaper clippings that show when the veteran began a period of active M/S; military organizations routinely sent releases with servicepersons' photos for publication in home town newspapers and the releases normally reflected what was in the service record. The Army's "Immunization Register (Form 81) normally showed immunizations within a day or two of entry upon active duty. The "Soldier's Individual Pay Record" (WD AGO 28), when issued, showed an induction or enlistment date. Because of the variety and numbers of documents and varied circumstances, the field has been instructed to prepare a brief evaluation showing the logic used to arrive at the determination of the period of active M/S and to include the evaluation in the material forwarded to BRB, BSB, or BDMO.

When other proofs of the above types are used to establish periods of active M/S and the service organization has records available (see sec. 4.10.11 or periods and service organization for which records are not available), the active M/S established by the other proofs may be used in the award, but because of the possibility that there may be some "time lost" M/S in some of these cases, release Form G-431.

4.10.14 Determining Active Duty Dates

Only active M/S may be credited for compensation or wages under the RR Act. When reviewing primary, secondary, or other proofs of active M/S, apply the following instructions to determine when active M/S began and ended.

A. Active Duty Starting Date - The active duty starting date is identified on most forms by one of the following terms:

Date of Entry

Date of Entry on Service

Date of Entry into Active Service

Date of Entry on Current Service

Date and Place of Entry into Active Service

If the document at hand shows only an "induction date" or "enlistment date", and the active duty entry date cannot be derived by other entries or by the evidence, and if there is no indication the veteran did not/could not enter active duty on that date, use the induction/enlistment date as the active duty starting date. Do not undertake further development.

B. Active Duty Ending Date - Usually, it is clearly identified for M/S on regular active duty. Use care in determining the ending date for a reservist who had an extended period of active duty (up to several years). Usually, statements of service, reports of transfer or discharge, enlisted records, or reports of separation (which have carried form numbers such as WD AGO 53-55, DD-13, DD-214, or AF-1613) were issued. Be sure the ending date shown is for the period of active duty and not for the end of the reserve obligation. If the active duty ending date is not clear:

1. Examine the years, months, and days of service total on the document.

2. Compare the date in question with the date the document was prepared. If the date in question is later than the date the form was prepared, it cannot be the active service ending date.

4.10.15 Headquarters Release Of Form G-431

If the applicant is unable to submit proof of the claimed M/S and records of the service organization are not missing, verification can be requested from the official records of the department or agency by release of Form G-431 by BRB, BSB, or BDMO. See Chapter 10.6 for the addresses of military organizations to which G-431's are to be directed. If a G-431 is released to the U.S. Coast Guard, also prepare and attach Code Letter 350.

A. When G-431 Is Released - Form G-431 is released if acceptable proof to establish the claimed M/S has not been submitted and such service is creditable and can be considered in the annuity computation. If there is a question as to the exact dates of M/S, the G-431 can be used to verify such dates.

Form G-431 is released if the veteran was an officer but the creditability of service after June 14, 1948, is questionable; the form is released to secure the earliest date after December 31, 1946, on which the veteran signed a statement to remain in M/S; enter in remarks: "Show the earliest date after 12-31-46 on which this person signed a statement electing to remain in M/S: _____."

Form G-431 is released in any case in which the employee died in M/S.

Form G-431 is released when active M/S is established by evidence other than primary or secondary proofs as outlined in the preceding section and records of the military organization are available.

B. When Form G-431 Would Not Be Released - Do not release a G-431 if further correspondence with the applicant or development by the field is required and there is nothing in the claim folder to indicate that the applicant is unable to furnish the necessary evidence. Also the G-431 is not to be released if the military organization does not have records available to verify the claimed active M/S (see sec. 4.10.11).

If tracing action is necessary, use Form RL-99; be sure to release the tracer to the same military organization to which the Form G-431 had been released.

4.10.16 Receipt Of G-431 From Military Organization

When the G-431 is returned, examine the form for completeness of information furnished.

If the report is incomplete or is not signed by an employee or officer of the service organization, prepare and release another G-431 calling attention to the deficiency in the original form. NOTE: A stamped signature or initials will be accepted.

Where the report indicates that the employee continued in M/S after a war period but the reason for continuance is not given, presume (in the absence of evidence to the contrary) that the person was required to continue in such service until relieved from active duty or until his enlistment expired, whichever condition occurred first.

4.10.20 Involuntary Military Service

Involuntary M/S may be creditable if the employee was required to enter and continue in such service by call of the President or by any act of Congress or regulations, order, or proclamation pursuant thereto. If the employee entered M/S to avoid being drafted, the M/S may be considered involuntary if the employee can show that he would have been inducted if he had not enlisted.

If the employee claims that M/S was involuntary, develop for proof that the employee was scheduled for induction. Acceptable proof would be a copy of his notice of induction or any other correspondence from the Selective Service System establishing the fact that the employee would have been inducted soon after his date of enlistment. Correspondence showing only that he was a candidate for induction when he enlisted will not establish the creditability of his M/S.

The method of entry, whether voluntary or involuntary, is required to determine whether military service beginning on or after January 1, 1947, through December 15, 1950, is creditable. It is also required to determine whether military service beginning after September 14, 1978, is creditable.

4.10.21 Active Reserve Duty Claimed

When an applicant claims service in the reserves, determine if (s)he was in active reserve duty.

A. If the applicant claims one 15-day period of active training duty for each year of service in the overall period of service as a member of the reserves, accept the 15-day period(s) claimed without further proof. (The periods of active duty for training will however, generally be shown on the employee's discharge papers.) He must, however, submit proof for the overall period as a member of the reserves.

B. If the applicant claims more than one 15-day period of active training duty for each year in the overall period of service as a member of the reserves, the applicant must furnish proof for each 15-day period, in addition to the proof for the overall period as a member of the reserves. Generally, the proof submitted will be the employee's discharge papers, listing the periods of active duty for training. Other acceptable proofs are orders to duty, pay slips, or secondary proofs.

EXAMPLE: An applicant who was in the reserves from August 1969 through August 1973 must submit proof of reserve service for that overall period. If he claims one 15-day training period for each year he was in the reserves, i.e., 4 training periods, he does not have to submit proof for each training period, even if they are not shown on his discharge papers. If he claims 5 training periods from August 1969 through August 1973, his discharge papers would have to show the 5 training periods, or he must submit proof of the individual periods of active reserve duty.

4.10.22 Types Of Military Discharges

A. Honorable Discharge - The term honorable discharge includes those stated as follows or granted for the following reasons:

- Honorable;
- Under honorable conditions;
- Completion of satisfactory service;
- Retired;
- Army blue discharge unless reason given for discharge is Sec. VII or IX of AR 615-360 or AR 615-366.
- Transfer to the inactive service;

- Ordered by summary court martial.

B. Undesirable Discharge - An undesirable discharge is one issued due to "unfitness".

C. Questionable Discharge or Release - Examples of discharges which require additional information to determine whether they are other than dishonorable include bad conduct discharge as a result of a special court martial order; undesirable discharge other than one showing "unfitness" or "desertion" as a reason; Army "blue" discharge showing Section VII or IX of AR 615-360 or AR 615-366; or a statement on discharge that does not give a reason for discharge or circumstances of release.

D. Dishonorable Discharge - A discharge or release is considered to be dishonorable if it is one of the following types:

- Dishonorable discharge;
- Bad conduct discharge issued pursuant to a sentence of a general court-martial;
- Discharge for desertion;
- A resignation accepted "for the good of the service" in the case of an officer;
- Discharge on the grounds that the person was a conscientious objector who refused to do military duty, to wear the uniform, or otherwise refused to comply with lawful orders of competent military authority; or
- Discharge by reason of conviction by a civil court for treason, sabotage, espionage, murder, rape, arson, burglary, robbery, kidnapping, or assault.

The effect of the type of discharge in crediting M/S is outline in sec. 5.4.34.

5.1.1 Scope of Chapter

The following sections cover prescribed forms used as applications for benefits payable under the RR Act. Included are instructions covering the filing, examination, cancellation, and denial of applications. The instructions also explain when a new application is required. The term “application” refers not only to paper forms, such as AA-1, AA-3, AA-17, or AA-19, but also to entry of information onto the Application Express on-line computer system (APPLE) with submission of signed certification form for the purpose of filing for retirement or survivor annuities under the Railroad Retirement Act.

This chapter does not cover Medicare applications. See Part 3, "Medicare Benefits".

Payments under the RR Act may not be made to any person, regardless of his qualifications, unless an application is filed with RRB by or on behalf of such person. An application must be executed on a form prescribed by RRB; however, an application filed with SSA or VA is considered an application filed with RRB under conditions set forth in this chapter.

Until a person's properly executed application is filed with RRB, Operations will not make a formal determination on the person's claim. The person must file an application for a formal determination before he can resort to RRB's appellate procedure.

Under the 1974 Act, if an application for one type of annuity is denied, but the applicant is eligible for another type of annuity, a new application is not required. However, the applicant must have been eligible for both annuities at the time the application was filed, and must have indicated a willingness to accept a reduced age annuity in the appropriate application item or APPLE screen (Beginning Dates, Filing Dates, Medicare Screen) if that is the alternative eligibility.

(Note: "Reduced age" refers only to annuities based on less than 30 years of railroad service, not to '83 Lawyear 60/30 cases which have a reduced PIA 1.)

EXAMPLE 1: A 63-year-old employee with 25 years of railroad service files an application for a disability annuity. He indicates on his application that he will accept an age-reduced annuity if not eligible for a disability or full age annuity. The same application can be used for setting ABD, retroactivity, and payment of a reduced age annuity.

EXAMPLE 2: A 63-year old spouse of an employee with less than 30 years of railroad service files an application for a spouse annuity based on having a disabled child in her care. She indicates on her application that she will accept an age-reduced annuity if not eligible for an unreduced annuity. The same application can be used for setting ABD, retroactivity, and payment of a reduced age annuity.

5.1.2 RRB Applications - Life Cases

The prescribed RRB application forms and their functions are described below.

A. AA-1 - Used for:

- A&SA
- SMIB enrollment (for eligible applicant);
- SUP ANN (for eligible applicant);
- Establishment of a period of disability for a deceased employee
- D/A (with AA-1d).

If an employee applicant files for a disability annuity on Form AA-1 (or APPLE PSP-RED-STAT-CD [3200]) and AA-1d, the disability annuity is denied, and the employee was eligible for an age and service annuity at the time of the original filing, the filing date of the original AA-1 (or APPLE equivalent) can be used to protect the ABD of the age and service annuity. In this situation, an applicant who is not eligible for a full age annuity must indicate willingness to accept a reduced age annuity. However, a formal denial letter for the disability annuity must be released to protect the applicant's appeal rights.

In addition, a denied age and service application may be used to protect the beginning date of a disability annuity provided that the employee was eligible for a disability annuity at the time of the original filing.

A new application is required when the applicant either did not indicate willingness to accept a reduced age annuity, and that is the basis for eligibility, or had no other eligibility at the time the application was filed. The filing date of the new application is used to establish eligibility and to determine the ABD.

B. AA-1d - Use as a supplement to Form AA-1 for;

- An annuity based on occupational disability or total and permanent disability; and,
- A disability freeze (period of disability) for Medicare based on disability.

NOTE: For an employee disability retirement annuity, Form AA-1d is one part of the application. If the Form AA-1d bears an earlier receipt date than the AA-1, use the receipt date of the AA-1d for the official filing date only if that date is necessary to provide the greatest benefit provided by law. In this situation, the AA-1d can be considered an expression of an “intent to file” as described in RCM 5.1.15.

The Form AA-1d can be submitted by itself to file for a disability freeze for Medicare based on disability if the employee is already entitled to an age and service annuity.

C. AA-3 - Used for:

- Spouse annuity;
- SMI enrollment (for eligible applicant).

D. AA-5 - Used for substitution of payee for an employee or spouse annuity--needed when RRB recognizes a person as representative payee to act on behalf of an applicant or annuitant. (See sec. 5.1.7.)

E. AA-19a (Ret.) - Used as a supplement to AA-3 when the spouse has in care a disabled unmarried child, age 18 or older. It can also be used to supplement AA-1 when a disabled child is claimed for inclusion in the overall minimum computation (O/M).

NOTE: A survivor application used in a presumption of death case is treated as a spouse annuity application for payment of a spouse annuity, if it is later determined that the annuitant is alive and a spouse annuity would be payable.

5.1.3 RRB Applications - Death Cases

Usually, an application for one type of survivor benefit may be considered an application for any other type of survivor benefit to which the applicant is or could become entitled to receive within the prescribed time limits.

A widow in receipt of a widow's current, or disabled widow(er)'s insurance annuity, at age 60, does not need to file another application for the conversion of the annuity to a widow(er)'s insurance annuity.

A spouse who has been receiving a spouse annuity will, upon the death of the properly insured annuitant or pensioner, be deemed to have filed an acceptable application for an insurance annuity and will receive such annuity unless evidence in the file or information on the G-476c (or AA-18) indicates ineligibility. Effective August 1, 1990, a spouse who is receiving a spouse annuity does not need to file an application for conversion of the annuity to a widow(er)'s insurance annuity unless the spouse's annuity was based on having minor children in her care.

The prescribed RRB application forms and their functions are described below:

A. AA-5 - Used for substitution of payee for survivor applicant or annuitant (see sec. 5.1.7).

B. AA-17 - Used for widow's or widower's insurance annuity. If widow is also applying on behalf of children, use AA-18.

C. AA-17b - Used as a supplement to AA-17 when a widow(er) age 50-59 alleges disability and does not qualify for a widow(er)'s current insurance annuity at the time of filing. If a widow(er) later qualifies for a WCIA because (s)he has a child in his or her care for any month, Form AA-18 is required to make such payment(s).

D. AA-18 - Used for a widow(er)'s and child's insurance annuity--needed when the widow(er) is applying for self and child(ren), regardless of the widow(er)'s age or disability.

E. AA-19 - Used for a child's insurance annuity--may be filed by a child age 16 or older who is able to manage his own affairs, or may be filed on behalf of a child by some person. That person may be the widow(er) provided that (s)he is not also filing for a widow(er) annuity.

F. AA-19a (Surv.) - Used as a supplement to application, AA-18 or AA-19, for a widow(er)'s and/or child's insurance annuity--needed when the widow(er) alleges that (s)he has a disabled child in his or her care or when a child alone becomes entitled to a child's insurance annuity because of disability.

G. AA-19s - Used for a child's insurance annuity for a full-time student--needed when a child, age 18-(19), is attending school full time. It is also used when there will be a delay in processing a child's claim based on disability, if the child is an FTS. Thus, monthly benefits can be paid while the disability claim is being processed. (If the student is rated disabled, FTS benefits are no longer payable.) The student may file an application and be paid direct, or he may authorize the Board to make payments on his behalf to a representative payee. A court-appointed guardian may file on behalf of the student.

H. AA-20 - Used for a parent's insurance annuity--if two parents wish to file, each must complete a separate application.

I. AA-21 - Used for any lump-sum payment, a survivor annuity based on a J&S election, annuities unpaid at death, including a SUP ANN and accrued spouse annuities when the employee annuitant or pensioner is alive.

When the applicant is a widow who will become entitled to an insurance annuity within 3 months, obtain the appropriate insurance annuity application and do not request the filing of AA-21.

Use Form G-273a as a supplement to an application for a lump-sum death payment when no person assumes responsibility for payment of any part of burial expenses for the 90-day period after the date of the employee's death, and the funeral home is filing an application for the LSDP. Form G-273a is also required, in addition to an AA-21, if the LSDP is being authorized to the FH by the person who assumed responsibility for the expenses.

An applicant who files for an LSDP or for an insurance annuity is not required to file a separate application for a survivor annuity based on a J&S election or for annuities unpaid at death or for the RLS, except when the filing of AA-21a is required.

NOTE: If a LW widow(er) applicant unknowingly furnished an incorrect DOB on an AA21 and was paid the LSDP on that basis, the AA-21 may be used to protect the filing date of an AA-17 and the earliest insurance annuity beginning date provided that the AA-21 was filed within three months of the month the applicant became otherwise entitled to such annuity.

EXAMPLE: Employee died 1-2-60. AA-21 filed in 2-1960 by widow who claimed to be less than age 60. In 3-1961 she filed AA-17 and evidence that she had attained age 60 in 12-1959. The AA-21 may be used to permit an annuity beginning date of 1-1960.

If in 5-1962 the widow had filed an AA-17 and evidence showing that she had attained age 60 in 12-1960, the annuity beginning date could be set no earlier than 5-1961 (twelve months before the filing of the AA-17), since the AA-21 was filed more than three months before the month the widow became eligible.

J. G-476c - Prior to August 1, 1990, this form was used in lieu of an application if the widow, at the time of the employee's death, was receiving a spouse's annuity which is to be converted to a widow's insurance annuity and she does not have an entitled child in her care. Beginning August 1, 1990, it is no longer necessary to secure form G-476c in spouse-to-widow(er) conversion cases.

   NOTE: If an employee-annuitant has disappeared and is presumed dead and he is survived by a wife who is either receiving a spouse's annuity or would be eligible for a spouse's annuity if she filed, the normal survivor application is used to file for her monthly benefits. If she would not be eligible for a spouse's annuity until some future date, the survivor application is secured at the time she meets the eligibility requirements for a spouse's annuity.

5.1.4 SSA Applications - Life Cases

A. Acceptance - An application filed with SSA by a wage earner or the wage earner's spouse for monthly insurance benefits under Title II of the SS Act, based in whole or in part on creditable railroad service, is considered an application filed with RRB, as explained below. If these conditions are met, the acceptability applies whether or not we have previously transferred compensation to SSA and whether or not credits previously thought to be under the SS Act were determined to be under the RR Act.

   1. RR Act Entitlement Exists When SSA Application Filed - An application for life benefits under Title II of the Social Security Act is an application for an annuity if:

- The application was filed because the applicant did not know he or she was eligible for an annuity under the Railroad Retirement Act (RRA). The Board must have or receive evidence indicating why the applicant thought that he or she lacked eligibility for an annuity.

NOTE: An affirmative answer to the question on the Social Security application as to whether the applicant had performed RR service will not suffice as evidence that the applicant believed that (s)he lacked eligibility for a railroad annuity; and,

- The claimant would have been entitled to and would currently be entitled to an annuity if the applicant had applied for the annuity on the date the social security application was filed; and,

- The applicant asks the Board in a written statement to consider the application for social security benefits as an application for an employee or spouse annuity.

2. RR Entitlement Acquired Subsequent to Filing of SS Application - An application for life benefits under Title II of the Social Security Act is an application for an annuity if:

- The SS application was filed because the employee had less than 10 years of creditable railroad service.

- Having established entitlement to social security benefits, the employee continued working in railroad service and subsequently acquired 10 years of railroad service or at least 60 months of railroad service after 1995.

EXCEPTION: When a DIB was terminated before the completion of the 120th month of RR Act service or the completion of at least 60 months of RR service after 1995, the DIB application is not considered an application filed with RRB.

B. Application filed at SSA on or before 12-31-74 - Special provisions apply to cases in which establishment of a filing date before 1-1-75 would entitle the applicant to a windfall benefit that (s)he would not otherwise be entitled to.

1. If the individual filed an application with SSA for monthly benefits under Title II of the Social Security Act on or before 12-31-74, that application can be considered a valid RRB application if the following conditions are met:

- (S)he could have been entitled to a railroad retirement annuity effective from his or her SSA filing date if (s)he had filed an application with the Board.

- (S)he requests in writing (before 2-22-83) that the Board use his or her SSA application as an RRB application.

2. In these cases the application filed at SSA does not need to have been based on any service covered under the RRA. (This provision however, only applies to those cases in which the individual would not be entitled to a windfall benefit based on his or her RRA application.)

3. When the above conditions are met and the applicant elects to use his or her SSA application filing date to establish a filing date under the RRA, re-open the RRA claim and re-certify based on the filing date at SSA. In such a case, the RRA claim should have an ABD based on either the earliest date permitted by law, or if it is within the 3-month life of application rule, a date requested by the applicant. If using the SSA application filing date results in an earlier ABD or an increase in the annuity rate, re-certify the case and pay all accrual due.

C. Filing - Receipt of the following information from SSA will denote the filing of an application with RRB.

1. The name and address of W/E (and of the W/E's spouse, if the spouse filed on the W/E's WR).

2. The name of each employer involved who may be covered by the RRA.

3. The amount of benefits, if any, paid by SSA to the W/E on the basis of service with such employers (and to the W/E's spouse, if the spouse was paid benefits on the W/E's WR).

4. The date on which the W/E's claim or application was filed with SSA (and the same information for the W/E's spouse, if the spouse filed on the W/E's WR).

Note: While the SSA filing date may be used to protect the filing date at RRB, the ABD cannot be prior to the month in which the employee acquired sufficient service months, i.e., 120 or at least 60 service months after 1995.

5.1.5 SSA Applications - Death Cases

A. Acceptance - An application filed with SSA on or after 10-1-46 for monthly benefits or an LSDP under section 202(c), (d), (e), (f), or (g) of Title II of the SS Act, as amended on 8-10-46, by reason of the death of a person who had performed service under the RR Act, is considered an application for the corresponding survivor benefit under Section 2d of the RRA.

1. SSA Transfers to RRB an Appropriate and Fully Completed SSA Application - An annuity or LSDP can usually be awarded without obtaining an RRB application, as long as all other RR Act requirements are met. However, an RLS may not be awarded on an SSA application (see RCM sections. 2.9.31-32).

    a. All necessary information must be provided on the SSA application, a supplementary application, or on another SSA or RRB form, which the applicant signed, before payment can be awarded.

    b. Before awarding an LSDP, sufficient information must be in file to insure that no survivor in the case is currently entitled to an annuity.

    c. In addition, the following information, besides the information on the SSA application, must be in file before an annuity can be awarded:

        - Information about any other survivors (widow, child, or parent) who could also be entitled to an annuity.
        - Information about the employee's employment.
        - Information about any work the applicant performed in the railroad industry.
        - Information about any annuity the applicant is receiving or will receive under the RRA on another earnings record.

B. Filing - A written statement filed with SSA and indicating an intention to claim monthly benefits or a lump sum (either on the person's own behalf or on behalf of some other person) may be deemed an application filed with RRB if specific requirements are met.

1. Such person or such other person was eligible for an annuity or lump sum under the RR Act at the time such written statement was filed with SSA.

2. An application on a prescribed form is also furnished RRB.

C. Initial Handling Upon Receipt - Depending on the status of the RRB survivor, certain steps need to be taken to process an SSA application transferred to RRB.

1. The survivor is already in pay status at the time of the receipt of the SSA application.

    a. If in pay status as a result of a spouse to widow conversion, no further handling is necessary. File down the application or send to claim files "Priority File Only".

b. If in pay status as a result of an initial application, verify that the RRB and SSA information is consistent. If there are any discrepancies that may affect the annuity, resolve those discrepancies. If there are no discrepancies, file down the application or send to claim files "Priority File Only".

2. The survivor is not in pay status at the time of the receipt of the SSA application.

   a. Handle as a first notice of death per current FNOD procedure.

   b. Make a current connection determination.

3. The employee had a current connection at the time of death.

   a. If a spouse to widow conversion needs to be processed, send an electronic mail message to the field office advising them to initiate contact with the widow and also enter APPLE data. File down the application or send to claim files "Priority File Only."

   b. If an initial survivor annuity or LSDP needs to be processed, code in the application(s) and secure the file. Advice the field office of the SSA application(s) and to develop for any missing proofs. For an annuity, a signed G-476a (certification) must also be obtained (but need not be in file at the time of the award). When all the necessary proofs are in file, prepare the case for payment.

4. The employee did not have a current connection at the time of death.

   a. If credits were previously transferred, copy the previous transfer packet (RR-3T and RR-90), attach it to the SSA application packet, and return to the SSA sender.

   b. If credits were not previously transferred, code in the application on STAR. Notify the applicant of SSA jurisdiction. Prepare and release transfer packet to SSA with the SSA application attached (see RCM 7.2.7).

5.1.6 VA Applications in Death Cases

Refer to FOM1 110.45

5.1.7 When New Application and Payee Substitution Forms are Required from Representative Payee

(If the Board selects a representative payee after an application has been filed but before RR Act benefits are awarded, obtain an AA-5 and, unless the representative

payee previously filed in behalf of the incompetent, secure a new application from the representative. The official filing date of the new application will be the date the first application was received by RRB.

If the Board selects a representative payee after benefits are awarded, a new application is not required from the representative; obtain only an AA-5.

5.1.8 Questionnaires and Applications Formerly Used as Prescribed Forms

A. Earlier Applications and Their Functions

- AA-1 was used for D/A and DF.
- AA-1f was used for DF.
- AA-19 was used for FTS benefits in survivor cases.
- T-3 was used to supplement a wife's application when the AA-3 was previously filed, and the spouse annuity was reinstated.

B. Questionnaires - Before 2-3-60 (the date of B.O. 60-12) insurance annuity applications could be considered officially filed on the date on which certain questionnaires were previously received showing the applicant's eligibility for such an annuity. Those questionnaires were RL-94, RL-94-F, T-30, T-30a, T-31, and T-32.

On and after 2-3-60, the official filing date of an insurance annuity application cannot be set on the basis of a previously submitted questionnaire filed by or on behalf of a person and showing such person's eligibility for such an annuity. However, questionnaire G-320 was used as a prescribed form to make direct payments in some survivors FTS cases because of the 1966 RR Act amendments.

5.1.10 Place of Filing

An application may be filed at any office of the RRB, in person or by mail, or may be delivered for transmission by a regional director to receive custody thereof in the area where delivery is made.

Regulations under the RR Act also permit filing of an application at any U.S. Foreign Service office by an employee, spouse, or survivor living outside the U.S. Such offices are under State Department instructions to accept applications only where the claim originates in Hong Kong or when the 2-year limitation period has almost expired.

5.1.11 Limitations on Filing

A. Employee Annuities - An acceptable application for an employee annuity must be filed with RRB within 3 months of eligibility to an annuity unless disability is involved and on or before the date of the employee's death.

B. Spouse Annuities - An acceptable application for a spouse annuity must be filed with RRB within 3 months of eligibility to an annuity and on or before the date of the spouse's death.

NOTE: The three-month restriction does not apply for disability cases. The spouse of a disabled annuitant can file an application more than three months before the date on which the spouse's annuity can begin, if the AA-3 is filed on the same day as the employee disability annuity application. See RCM 5.1.41B for more information.

C. Insurance Annuities - An application for an insurance annuity is not acceptable if it is filed more than 3 months before the first of the month in which the insurance annuity could begin to accrue, or if it is filed after the death of the survivor applicant, except a "deemed filed" insurance annuity application as shown in sec. 5.1.3. An annuity begins to accrue on the later of the earliest date permitted by law, or on a specific date chosen by the applicant.

An applicant may choose an annuity beginning date by naming the month, day and year in an application filed with the Board, or by submitting a signed statement which gives the month, day and year when the annuity should begin.

If the annuity has not been awarded, the annuity beginning date may be changed if:

- The applicant requests the change in a signed statement; and
- The statement is received by the Board on or before the applicant's date of death.

If the annuity has been awarded, the annuity beginning date may be changed if:

- The applicant requests the change in a signed statement; and
- The statement is received by the Board on or before the applicant's date of death; and
- The applicant shows that a different annuity beginning date is advantageous; and
- All payments made for the period before a later annuity beginning date are recovered by cash refund or set off (e.g.: full or partial withholding).

NOTE: When a change in ABD is at the request of the annuitant, due process procedures do not apply, even if an overpayment is created by the change. The same is true when an annuitant requests cancellation of the application after annuity payments have been made. See 5.1.31.

D. Annuities Unpaid at Death - An acceptable application for annuities unpaid at death must be filed with RRB on or before the second anniversary of the death of the person to whom such annuities were originally due. This period may be extended under the Soldiers' and Sailors' Civil Relief Act of 1940, or when the applicant can prove "good cause" for not filing within the time limit. If RESCUE computes an accrued annuity for a deceased annuitant, the two year limit to file an application for the accrual is counted from the date of the RESCUE run, not the date of death. In addition, the Board waived the two year limit for accrued annuities computed by RESCUE in the special backlog run performed in March 2007.

E. LSDPs - An acceptable application for LSDPs must be filed with RRB on or before the second anniversary of the death of the employee. This period may be extended under the Soldiers' and Sailors' Civil Relief Act of 1940, or when the applicant can prove "good cause" for not filing within the time limit.

F. RLS - There is no time limitation on the filing of an acceptable application for an RLS.

G. Soldiers' and Sailors' Civil Relief Act of 1940 - The 2-year period of limitations must be considered in conjunction with certain overriding statutory provisions set forth in the Soldiers' and Sailors' Civil Relief Act of 1940 which applies to all persons in the Armed Forces of the U.S. This act is explained in the SS Claims Manual sections 783-787. If an otherwise valid application is filed after the RR Act limitation period has expired and it appears that the provisions of the Soldiers' and Sailors' Civil Relief Act may apply, send the case to P&S for a decision on whether the application may be considered acceptable.

H. Good Cause - An applicant has "good cause" for a delay in the filing of application for a lump-sum death payment or an annuity unpaid at death if the delay was due to:

- Circumstances beyond the applicant's control, such as extended illness, mental or physical incapacity, or communication difficulties; or
- Incorrect or incomplete information furnished by the Board; or,
- Efforts by the applicant to secure evidence without realizing that evidence could be submitted after filing an application; or,

- Unusual or unavoidable circumstances which show that the applicant could not reasonably be expected to have been aware of the need to file an application within the set time limit.

An applicant does not have "good cause" for a delay in filing if he or she was informed of the need to file within the set time limit but neglected to do so or decided not to file.

I. Disability Freeze After Employee's Death - An acceptable application for a disability freeze after the employee's death must be filed within three months after the month the employee died.

5.1.12 Deterred from Filing

When a person (employee, spouse, or survivor) has notified RRB by telephone or in writing this includes electronic mail (e-mail) and facsimile transmission (fax) of his/her intention or desire to file an application for an annuity or payment but has been deterred to his/her detriment by action of the RRB or its employees from filing an application upon the prescribed form, a later duly executed application on the prescribed form can establish a filing date based on that oral or written notice if the following conditions exist:

A. Deterring Action - The deterring action must have consisted of:

- Failure to inform the person of the necessity of filing an application on a prescribed form; or
- Failure to inform the person that his written statement could protect the filing date even though such a statement would not serve as an application; or
- Failure to furnish the person with an appropriate form; or
- Failure to correctly inform the person of his or her eligibility.

B. Subsequent Action by the Applicant - The person, upon being informed of the necessity for filing an application on the prescribed form, and/or upon being supplied with such form or upon being informed of a changed ruling affecting his/her entitlement, must file the appropriate form during his/her lifetime and within 3 months (or other specified period) after the date a notice is sent to him/her, or after the date on which (s)he is informed of his/her new status.

C. Handling Initial Applications in Deterred from Filing Situations - The field office should note on the G-230 or G-659a that a claim of deterred from filing is involved in the case. Included in the application package should be a memorandum giving the allegations and/or facts in the case and any other evidence pertaining to the issue that they have on file. The initial examiner must review the material in the memorandum and determine if one of the deterring actions specified in 5.1.12.A. occurred. If so and if the criteria of 5.1.12.B. are

met, then, deterred from filing applies. This decision must be documented in writing and sent to the supervisor for concurrence and signature. If a decision cannot be made at this level, the supervisor should refer the case to P&S - RAC for assistance.

D. Handling Payment and Notification in Retirement Deterred from Filing Situations

1. If deterred from filing applies in an initial retirement situation, the case will have to be dropped from RASI in order to pay from the correct ABD. The award letter should acknowledge that the deterred from filing claim has been honored and the ABD has been set accordingly.

2. If deterred from filing does not apply, the retirement case can pay on RASI. However, you must also send a letter to the annuitant on AB-25 back stationary explaining why a deterred from filing claim is not being honored. If the case is paid manually, the denial in the deterred from filing claim can be explained in the initial award letter.

3. If additional development is needed whether evidential from the field office or analytical from P&S - RAC, set a manual op code to prevent final payment. Once the determination is made, handle the case as stated above. If the case gets unreasonably delayed, the examiner in concurrence with his or her supervisor may allow the case to pay on RASI based on the application filing date, but the annuitant must be notified that the ABD is not a final determination and that we will notify him/her once a final decision has been made. This interim letter should not be released on appeals stationery. If deterred from filing is established, reopen the case and pay from the earlier date. If deterred from filing is not established, release a letter to the annuitant on AB-25 stationery explaining why the claim is not being honored.

E. Handling Payment and Notification in Survivor Deterred from Filing Situations

1. If deterred from filing applies in an initial survivor situation, the case will have to be adjusted on SURPASS in order to pay from the correct OBD. A regular ALTA award letter should be completed acknowledging that the deterred from filing claim has been honored and the OBD has been set accordingly.

2. If deterred from filing does not apply, the survivor case can pay as originally set up on SURPASS. A regular ALTA award letter should be completed informing the annuitant that the deterred from filing claim cannot be honored and that the OBD has been set accordingly.

3. If additional development is needed, whether evidential from the field office or analytical from P&S - RAC, adjust the current filing date on SURPASS to prevent final payment. Once the determination is made,

handle the case as stated above. If the case gets unreasonably delayed, the examiner in concurrence with his or her supervisor may allow the case to pay on SURPASS based on the current filing date, but the annuitant must be notified in an ALTA letter that the OBD is not a final determination and that we will notify him/her once a final decision has been made. This interim letter should not be released with appeals rights language. If deterred from filing is established, reopen the case and pay from the earlier date. If deterred from filing is not established, release a letter to the annuitant on AB-25 stationery explaining why the claim is not being honored.

5.1.15 Official Filing Date

The official filing date on an application, or any other form or document, is that stamped or written in the following manner:

OFFICIALLY FILED

(Date)

(Signature and Title of RRB Employee)

(Location of Office)

Forms requiring an official filing date are marked with the date that the form is received at the place of filing.

An application should be stamped "Officially Filed" as of the date of its receipt even though it may be unacceptable for some reason (see sec. 5.1.23).

Under special circumstances, a date earlier than the date received may be established as the official filing date, but ONLY if using the application receipt date will result in a loss or reduction of benefit to the applicant.

- EXAMPLE 1: An individual deposits an application in the U.S. mail on a date that is late in the calendar month. Use the date of deposit in the mail, as shown by the postmark date, as the filing date if that date will result in a higher total benefit to the annuitant than using the date the application is received at RRB. Enter the date and hour of the postmark in the upper right hand margin of the application form. Enter the postmark date as the filing date on APPLE and explain in remarks. (Other alternative dates, such as the filing date at SSA and VA, or at a U.S. Foreign Service office, are covered in the sections immediately following this one.)

- EXAMPLE 2: An individual may demonstrate an intent to file an application for an RRB annuity or a lump sum, but circumstances prevent the receipt of the signed application in a Board office by the end of the same month.

If a written or oral communication with the applicant specifically expresses an intent to file a benefit application, and a later official filing date would result in a lesser total benefit to the applicant, the date of that earlier contact may be established as the official filing date. All such contacts must be documented.

All written statements and documented telephone contacts indicating an intent to claim benefits must be resolved by

- Securing an application as soon as possible; or
- Notifying a claimant in writing that an application must be submitted within 3 months to protect the filing date; or
- Obtaining a signed statement that the inquirer does not wish to file for benefits.

The date of the written statement or documented telephone contact can be used to protect the filing date of an application that is received within 3 months of the written notification described above. Enter that date in the protected filing date field on APPLE. Additional information concerning protected filing dates is contained in FOM 110.55.

NOTE: For an employee disability retirement benefit, Form AA-1d is one part of the application. If the Form AA-1d bears an earlier receipt date than the AA-1, use the receipt date of the AA-1d for the official filing date only if that date is necessary to provide the greatest benefit permitted by law.

If an applicant (employee, spouse or survivor) died on a day observed by RRB as a non-work day and his or her application was received through the mail by RRB on the first business day after such non-work day, the application may be considered officially filed on such non-work day if it is established to have been mailed in sufficient time for receipt by RRB in the ordinary course of the mail on such day had the day been a business day.

5.1.16 Date of Filing with SSA or VA

A. SSA - The official filing date of an SSA application considered acceptable in RRB life cases, and of an SSA application or statement considered acceptable in RRB death cases, is the date as of which SSA certifies that such application or statement is deemed filed with that agency (see sec. 5.1.4).

B. VA - The official filing date of a VA application considered acceptable in RRB death cases is the date as of which the application would be deemed filed with SSA (see sec. 5.1.5).

5.1.17 Date of Filing at U.S. Foreign Service Office

Applications submitted through a U.S. Foreign Service office are given effect as of the time they are received in such office. The time of filing will be shown by a date-stamp or similar evidence of receipt in the Foreign Service office.

If the application is not sent via a Foreign Service office, the date received by RRB will be the filing date.

5.1.18 Using RR Act Filing Date as SS Act Filing Date

Section 5(b) of the RR Act enables an applicant to elect to use his RR annuity filing date as his social security benefit filing date, or he may restrict his application to the RR annuity only. This provision applies to those applicants who are age 62 or older, disabled, or otherwise eligible for SS benefits but have not filed an application for such benefits. However, in cases in which the employee applicant has at least 60 railroad compensated service months (CSM) after 1995 but less than 120 total CSM, the applicant cannot restrict the application to an RR annuity only.

The form currently being used to handle these cases is Form RR-8, Notice of Protection of Filing Date for Social Security Benefits. This form will be completed by the F/O

- In all cases in which the applicant indicates on the application that he wants to use his application for an RR annuity to protect his filing date to a Social Security benefit, and ,

- In all cases in which the employee applicant has at least 60 CSM after 1995 but less than 120 CSM. In this type of case, the applicant cannot restrict the application to an RR annuity only.

After completing Form RR-8, the F/O will forward the original to the servicing SSA-D/O and SSA will contact the applicant to file an SS benefit application using our filing date. A copy of the RR-8 will be sent to headquarters with the RR annuity application to be imaged.

5.1.20 Examining Application

Examine an application for the presence of the official filing date, completeness of the information furnished, and proper signature. When the application is found to be unacceptable because of improper or omitted signature, illegibility, incompleteness or alteration, take appropriate corrective action as described in the following sections.

5.1.21 Signature

A. General - An application should be signed in longhand by the applicant, by his fiduciary, or by another person acting in the applicant's behalf. A printed

signature is acceptable if that is the usual manner in which the applicant signs his name and it can be determined by comparison of the signature on the application with other signatures of the applicant in the file that the application was signed personally by the applicant.

Ordinarily the signature must be written in ink or with indelible pencil. If a signature appears in pencil in such manner that the imprint will permanently remain as a record of the authentication and there is no reason to question its authenticity, no effort will be made to determine whether it was written with one kind of pencil or another.

The applicant may sign his (her) full name or one or more given names may be represented by initials. However, a signature is acceptable if signed with only one given name and the surname even though the signer may have other given names. If the signer is a married woman or a widow, she should use her own given name(s) and her husband's surname. If she signed her application using her husband's given name(s) preceded by "Mrs.," do not request her to re-execute an application for this reason alone.

This is to say that a person's signature should be consistent with his customary manner of signing his name. In Italy, it is customary for a woman to sign her maiden name rather than her married name. In Spanish-speaking countries, a woman may use double surnames, that is, the surname of her father and the surname of her mother; or she may perhaps use the surname of only her mother. If questions arise on the different foreign signature patterns, refer them to the translator.

A signature is not acceptable if it has been altered; but if a signer happens to retrace for better legibility, that is not an alteration.

B. By Mark - If the applicant, because of illiteracy or physical disability, is unable to sign his name in the usual manner, he may sign by mark. Should he require assistance, his hand may be guided, or it will suffice if he touches the pen or indelible pencil used after the mark has been made in his presence.

The applicant's name must be written- on the signature line. In addition, his mark must be witnessed by two persons who should sign their names in ink or with indelible pencil and give their complete addresses. When an RRB employee signs as a witness to a mark, his signature alone will suffice. Thumb prints used in lieu of a mark are also acceptable if properly witnessed. Broadly speaking, whatever a person intends to be his signature and recognizes as such for the purpose at hand, is his signature and is acceptable as such.

C. By Fiduciary - When a fiduciary files an application in his official capacity (guardian, trustee, administrator, executor, committee, conservator), he should sign his name and show the capacity in which he acts for the person on whose behalf the application is filed. For example: "John Doe, as guardian of Richard

Roe." However, an application bearing the signature of a fiduciary which is not followed by such a description is acceptable if otherwise in order.

When joint guardians have been appointed, and in cases where two or more persons have been designated by a court to act jointly for an estate with equal authority as co-administrators, co-executor, etc., the application should be signed by both fiduciaries. However if an application is received signed by only one of the persons so appointed, it is acceptable. Do not request a new application solely for the purpose of obtaining the signature of the other fiduciary.

When an application is filed by a legal representative on behalf of a person who is or may be entitled to RR Act benefits, he must submit evidence of his appointment. If the evidence is acceptable but the application has not been signed by the fiduciary, furnish him with a new application form as prescribed in sec. 5.1.23A.

D. By a Person Other Than a Fiduciary - A person other than a legal representative of an individual should sign his name and immediately following his signature show the word "for" followed by the name of the one for whom he is acting. For example: "John Doe for Richard Roe." However, if the name of the individual for whom he is acting is not shown after the signature of the person executing the application, the application is acceptable if there is clear indication as to the identity of the individual on whose behalf it is filed.

5.1.22 Acceptable Application

If an application is properly executed, it is valid if received by RRB on or before the date of the applicant's death. It is valid even though it may have been received later on the date of death than the time of death. It may be acceptable if received on the first business day after a non-work day on which occurred the death of the applicant (see sec. 5.1.15).

An application received by RRB on or before the applicant's death will, in the absence of evidence to the contrary, be conclusive evidence of the filing of the application by the applicant, or in behalf and by authority of the applicant.

5.1.23 Unacceptable Application

See FOM1 110.95 for information regarding unacceptable applications.

5.1.24 Alteration of Application

An application cannot be altered in any respect by the person who executed and signed it, or by the legal representative of such person, or by the one recognized by RRB to act in behalf of such person.

In the event of the death of an applicant, changes or alterations in the application made by a person who acted for or under authority of the applicant are considered as acts of the applicant.

5.1.30 Cancellation

An application for annuity may be cancelled by an employee, spouse, survivor applicant, or annuitant under the following conditions:

A. Before an Award - Before an annuity is awarded, an application for the annuity may be cancelled if:

- The applicant files a written request with RRB that the application be "cancelled" or "withdrawn"; and
- Such individual is alive at the time the request for cancellation is filed, or if such individual is deceased, it appears that the rights of no person other than the person by whom, or in whose interest, the cancellation is requested will be adversely affected.

The employee's request to have his application cancelled also cancels an application filed by his spouse.

Do not consider as requests for cancellation such statements as: "suspend action on my claim," "postpone action on my claim," "hold up action on my claim," "I don't want an annuity now," etc. If an applicant makes such a statement, treat his case as one in which an indefinite ABD has been set (see sec. 5.1.42).

Do not consider as a cancellation the withdrawal of an application for a regular annuity, awarded before 7-1-66, in order to obtain another annuity award after 6-1966, to qualify for a SUP ANN. (See chapter 1.4, "Supplemental Annuities.")

B. After an Award - After the award has been made, the application may be cancelled whenever an employee, spouse, or survivor annuitant:

- Requests in writing filed with RRB that the award and application be cancelled; and
- Is alive at the time the request for cancellation is filed; and
- Secures and submits the written consent of any other person who would lose entitlement because of the cancellation; and
- Repays the annuity payments that he received and the payments received by any auxiliary beneficiary whose application is being cancelled. Repayment can be made by cash refund or by set off (e.g.

full or partial withholding) against the annuity as described in chapter 6.6, "Erroneous Payments."

HISTORICAL NOTE: An employee age 60-64 with 30 years of service who has been awarded a reduced A&S annuity or disability annuity with an ABD before July 1, 1974 cannot cancel his application and subsequently file under another application requesting an ABD after June 30, 1974 for the purpose of:

- Qualifying for an unreduced A&S annuity effective July 1, 1974 or later; or
- Allowing someone else to qualify for benefits based on the employee's railroad service, effective July 1, 1974 or later.
- NOTE: Due process procedures do not apply to overpayments created by an annuitant's request to cancel an application. Therefore, the ORCS program cannot be used to produce the overpayment letter as all ORCS letters have appeal and annuitant rights paragraphs. Prepare a special letter using RRAILS without appeal rights and do not follow due process procedure. See 5.1.31.

C. Advising Spouse of Advantage of Cancellation Before 1/1/2002 - Before the repeal of the RRA maximum effective 1/1/2002, the filing of a spouse application could cause a reduction in total family income in certain situations involving the RRA maximum reduction. When this occurred, examiners gave the spouse the option to cancel his or her application.

In these cases, the RRA maximum reduction in the employee annuity exceeded the spouse annuity rate. When the spouse annuity was awarded after the employee annuity paid final, an overpayment in the employee annuity (due to the RRA maximum reduction) was higher than the accrual due the spouse.

When this happened, the examiner asked the F/O to advise the spouse of the advantage of cancelling his or her application. If F/O contact wasn't possible, the examiner prepared a letter giving the rates with and without the spouse annuity and advising the spouse of the option to cancel. The option to cancel was mentioned only if the employee and spouse were living together.

D. Cancellation of the WIA in a Spouse-to-Widow Conversion Case- If a widow(er) in a spouse to widow conversion case cancels his/her application, only the widow(er)'s application is cancelled. The spouse annuity due prior to the month of the employee's death is not impacted. These cancellations should be handled at Headquarters by SBD.

5.1.31 Handling Requests for Cancellation

When a request for cancellation of an award and application is received, have the field explain the effect of the cancellation to the annuitant and secure a statement from him of his reasons for requesting cancellation, and his understanding of the effect of the cancellation.

If a spouse application has been filed, the employee should state that he realizes the cancellation of his application cancels the application filed by his spouse.

If the annuity has already been paid, the annuitant must secure and submit the written consent of any other person who would lose entitlement because of the cancellation. For example, if an employee annuitant wishes to cancel his application, a statement should also be secured from the spouse consenting to the cancellation. Additional amounts payable to the members of the family group may be used to repay the annuity payments of the annuitant whose application has been cancelled, provided no objection is made to this method of repayment.

Due process procedures do not apply to overpayments created by an annuitant's request to cancel an application or to change a designated ABD. This means that there is no 30-day period between actions and no rights to reconsideration, review, or waiver of overpayment. Do not include appeals paragraphs in correspondence regarding the cancellation or the overpayment recovery process. Do not use the ORCS program to create the overpayment letter. Prepare a special letter using RRAILS.

5.1.32 Effect of Cancellation

The effect of a cancellation is the same as though an application had not been filed. When the employee's application is cancelled, any application filed by his spouse is also cancelled. If the spouse asks to have her application cancelled, her request has no effect on the employee's application. A request to cancel an application for an insurance annuity affects only the applicants or annuitants named in the request for cancellation or withdrawal. For example, if a widow files a Form Aa-18 applying for insurance annuities for herself and her children and later requests that her application for the widow's current insurance annuity be cancelled or withdrawn, only her own application and not the application filed on behalf of the children in the Form AA-18 will be cancelled. If the person filing on behalf of children for insurance annuities requests that the application for certain of the children be cancelled, the application will be cancelled only for the children named in the request.

When an insurance annuity application is cancelled, that application cannot be considered as one on which a "constructive award" can be made. In a "constructive award" a determination must be made by an authorizer and a notification thereof must be given to the applicant. That notification letter will state the monthly annuity to which the applicant has been found entitled and the reason why payment of the annuity must be withheld. When the case is placed in payment status, the official filing date of the

application (the application on which the "constructive award" was made) controls the annuity beginning date.

5.1.33 Cancellation by a Representative Payee

If a cancellation is received from a representative payee, ascertain if the payee is requesting only that he be withdrawn as payee or if he wants to cancel the annuitant's application.

If it is the representative payee's explicit desire to cancel the annuitant's application, take every precaution to protect the interest of the annuitant. Be certain that the representative payee understands the effect of the action. Secure a statement from him showing why it will be to the annuitant's advantage to cancel.

If the representative is a court-appointed guardian, handle in accordance with chapter 5.10, "Representative Payees".

If the representative is a payee selected under section 19(a) of the Act (other than a court-appointed guardian), and it appears that the cancellation is not to the annuitant's advantage, secure a timely application, if that is to the annuitant's advantage, from another qualified applicant on the annuitant's behalf.

5.1.34 Action by Examiner Following Cancellation

A. If the cancellation request is received prior to an award being made, cancel the application on APPLE in all cases. To do this, select the application being cancelled on the Application Menu screen and press the F5 key. This will change the application status to Cancel. In retirement cases, dump the application from RASI.

An ALTA RL-31 will automatically be released to the claimant (or to a representative payee if one is shown on APPLE in survivor cases or on RASI in retirement cases). Action to close out the application without award will occur mechanically.

NOTE: If the cancellation request is received in a field office, the field will take the above actions and notify RIS or SIS, as appropriate. In disability cases, the field will also notify DSUBD.

In spouse-to-widow conversion cancellations prior to an award being made, terminate the MA annuity with FAST S/T code 59. The effective date of the termination is always the month and year of the employee’s death.

The examiner should control the case and send it to the Operations Analyst, who will update the PREH IW record with the “061” cancellation code.

B. If cancellation request is received after an award was made, reopen the award to cancel the application. Prepare an RL-31a, Acknowledgment of Application Cancellation - Payments Outstanding. Application cancellation letters do not get appeals backings and should not contain a statement that the application is denied. We cannot deny an annuity to a person who has, by cancellation of his application, not asked for it.

If the applications filed by or on behalf of other persons have been cancelled, a special letter will have to be prepared. The letter should be modeled on the RL-31 or RL-31a depending on the situation. The letter should state whose application has been cancelled.

Copies of cancellation letters should be distributed as follows:

- An original to the applicant, and
- A copy to the last RR employer (in employee cancellation cases only), and
- A copy to be imaged.

NOTE: In retirement cases, if a partial, but not a final award has been paid, dump the application from RASI.

EXCEPTION: If an application is cancelled after an award, but no payment is released (zero accrual award), the examiner is to release a RL-31 letter.

- An original to the applicant, and
- A copy to the last RR employer (in employee cancellation cases only), and
- A copy to be imaged.

In spouse-to widow conversion cancellation cases where the WIA has already been awarded, terminate the WIA annuity with FAST S/T code 61.

5.1.35 New Application Required after Cancellation

A person whose application has been cancelled may reapply for the same benefit by filing a new application with RRB. The date on which the new application is filed will be the official filing date in the case.

When a widow(er) cancels an application for an insurance annuity, the application continues to be effective as an application for a deferred lump-sum payment.

5.1.40 Application Filed Within Three Months Before ABD

In this event, the application (for employee, spouse, or insurance annuity) will be coded into the active load and processing of the case should begin.

If the date last worked or the date of relinquishment of rights changes after the application has been filed, or if an A&S application is filed without a relinquishment of rights date, a G-88 certifying the correct date must be obtained. Contact the local field office.

Follow instructions in section 5.1.44 if the requested information or evidence required is not submitted within 45 days (60 days for applicants residing outside the U.S. or Canada).

5.1.41 Application Filed More Than Three Months Before ABD

A. Retirement Annuities Based on Age- If the applicant chooses an annuity beginning date in a month which is more than three months after the date the application is filed, send the applicant a formal notice of denial with appeal rights, unless the applicant is the spouse of a disabled employee annuitant as described in section B. With the denial notice, give the applicant a statement of the conditions under which a person may qualify for an annuity and tell him that he will have to file a new application when he meets the necessary qualifications and wishes to receive an annuity.

B. Retirement Annuities Based on Disability: An application for a disability annuity may be filed more than three months in advance of the annuity beginning date. In addition, the spouse of a disabled employee may file an application more than three months before the date on which the spouse's annuity can begin if the application is filed on the same day that the employee's disability application is filed. In these cases, RASI will pay the employee annuity but not the spouse annuity. Retirement Initial Section (RIS) will:

1. Check for a spouse application once the employee's disability has been rated by DSUBD.

NOTE: If the employee is rated "not disabled" and the employee application cannot be used to pay an employee annuity based on age (see 5.1.2), the employee and spouse applications must both be denied.) DSUBD will send the employee a denial letter. RIS will send the spouse a denial letter.

2. Check the filing date and the annuity beginning date for the spouse and the annuity type and annuity beginning date for employee.

3. If the spouse's annuity beginning date is more than three months after the filing date, dump the case and send an electronic mail message with the

claim number to your Manager or Senior Examiner. He/she will code in an AA-3 on STAR and send an electronic mail response to you advising that payment is required.

Do not deny these cases unless they lack evidence that is necessary for the claim. If you have any questions, please see your Senior Examiner or Manager.

NOTE: Normal filing date limitations apply to a spouse who does not file on the same day as the disabled employee. In these cases, if the employee's disability rating is not yet complete, the field office will estimate the earliest possible spouse ABD based on the employee's DLW and claimed onset date, as well as spouse age and eligibility factors.

- If the filing date is within 3 months of the estimated ABD, the field will take the application. If the final employee ABD after disability rating is complete is more than 3 months later than the spouse filing date, do not deny the case. Refer the case to the RIS supervisor.

- If the estimated ABD is more than 3 months in the future, the field will advise the spouse to file at a date that is within 3 months of the estimated date. If the spouse insists on filing even if the estimated ABD is more than 3 months in the future, the application will be submitted for denial and an explanatory email will be sent to RBD mailbox.

C. Insurance Annuities - If an application for an insurance annuity other than a disability annuity is filed more than three months before the date on which an RR Act annuity could begin, send the applicant a disallowance letter without the appeals paragraph unless that application is being used to pay an LSDP. If used to pay an LSDP, the notification letter will instruct the payee to file a new application when eligible for a monthly annuity. See chapter 7.1, "Jurisdiction Determination," when case may be under SSA jurisdiction.

5.1.42 Application Filed When Indefinite Annuity Beginning Date

If an applicant sets an indefinite annuity beginning date (such as "will advise later," "the expiration of UI or SI benefits," etc.), send him a formal notice of denial as prescribed in the preceding section.

5.1.43 Continuing Application Concept

At one time, it was the policy of RRB to consider all denied applications for employee or spouse annuities as effective for any annuities for which the applicants later became eligible. That was known as the continuing application concept.

That policy now continues only with respect to those employee or spouse applications on which the notice of decision was dated on or before 9-7-61. Stated another way, that

concept no longer applies to an application that is denied for any reason if the date of the notice of the formal decision is after 9-7-61.

To give full effect to this change in policy, Operations takes formal denial action not only when an applicant (employee, spouse, or insurance annuity applicant) is ineligible, but also when he fails to prosecute his claim and when he files his application more than three months before the date his annuity could begin(EXCEPTIONS - SUP ANN cases as shown below.)

A. Decision Made After 9-7-61 - After 9-7-61, applications for recurring payments (including SUP ANN's) cannot be abandoned without formal denial action (EXCEPTIONS--An informal denial of a SUP ANN, by F/O personnel because the applicant apparently has less than 25 years of RR service or does not have a current connection, or as shown in section 5.1.41C.) This means that an applicant for a recurring payment must be given a formal decision on his application. By so doing, an application that is denied will no longer have continuing effect and the applicant will have recourse to RRB appellate procedure.

B. Decisions Before 9-7-61 - On or before 9-7-61, applications for recurring payments were removed from the pending load by a formal denial, SSA transfer or by abandonment because the applicant failed to prosecute his claim.

Following the 9-1961 RR Act amendments, Operations released letters that informed applicants (whose claims were not in an active status and had not been certified for payment) of present or future eligibility under the amended Act, and that terminated the continuing effect of their applications. Those letters were RL-62b (9-61), T-60 (10-61) and T-61 (10-61).

The effect of each of these letters constitutes a formal denial after 9-7-61, and each has the same effect of any other formal denial.

C. Inactive CWOA Cases Requiring Decisions - Screening clerks are instructed to forward to claims examiners any case in which an application was coded inactive or closed without award (denied or abandoned) on or before 9-7-61, if incoming correspondence is not a notice of death or would not reactivate the application and an RL-62b (9-61) was not released to the applicant.

The purpose: to make a formal decision in the case. Form Letter RL-62, formal notice of denial, is used to notify the applicant about the termination of the continuing effect of his application. On receipt of such a case, the claims examiner should take any action required on the incoming correspondence.

If a case is one in which the applicant had made a formal appeal and Operations decision had been sustained, do not release an RL-62. But in the other inactive or closed without award cases, set up a formal notice of denial RL-62 for release to the applicant at his latest address of record.

If an RL-62 is returned as undeliverable, file it and the returned envelope in the claim folder. Take no further action in the case. But that case will henceforth be considered as one in which the denied application does not have continuing effect.

5.1.44 Denial for Failure to Prosecute Claim

A. When Evidence or Information Is Not Submitted - If no reply is received to a request for information or evidence after 45 days from the date of the last request, release a notice of denial unless there is a field interim status report in the folder. (Refer to B below for denial of insurance annuity.) If there is a field interim status report in the folder, do not deny the case until the field has sent a notice that the case has been abandoned.

On the other hand, if within that period the applicant does not submit the required information or evidence but states that he is trying to get it and requests additional time to do so, grant him the additional time. Tell the applicant the period of the extension. (No rules can be set on what additional time may be granted in a case. That must be determined on the basis of the facts at hand. But give every consideration to any reasonable period of time that the applicant may specifically request. Continue to grant extensions as long as an applicant requests them, provided that he is making a sincere effort to prosecute his claim.)

Maintain a call up on cases in which formal notices of denial, if appropriate, will be released at the expiration of the prescribed period.

NOTE: If the applicant lives outside the U.S. or Canada, allow a two-month period for completion of the claim before releasing a notice of denial.

B. Insurance Annuity - If an insurance annuity applicant has submitted all required evidence and on the bases of that evidence is determined to be ineligible, deny his claim. Should there be no other potential beneficiaries to an insurance annuity in the case, any claims for an LSDP or RLS should be processed to a conclusion and any payments provided by law made to the qualified person(s).

If an insurance annuity applicant fails to prosecute his claims by submitting the requested evidence and his claim is denied for that reason, withhold a decision on any LSDP or RLS claims in the case for one year from the date of the formal denial.

Tell an applicant for a lump-sum payment in cases of this type that RRB is unable to process his claim for the period of one year because of the possibility that a person filing for an insurance annuity may establish his right to such annuity. State that at the end of the year his claim will be considered further. Be particularly careful that these letters do not commit RRB to a payment at the end

of the one-year period. They should commit RRB only to a consideration of payment at the end of that period.

Keep this fact in mind: If the statements on the application of a person applying for a lump-sum payment would, at face value, disqualify him, payment cannot be made to him (even though he were otherwise qualified) unless such statements are disproved. (For example, a person applying for a lump sum as payer of the employee's burial expenses stated on his application that the employee was survived by a minor child. The child would have superior rights in the case.)

Code these cases for call up on the first of the month following the expiration of a one-year period from the date on which the insurance annuity applicant was formally denied for failure to prosecute his claim.

5.1.45 Evidence Received Within One Year of Date of Denial Notice

If an applicant submits the required evidence within one year from the date of the formal notice of denial but it does not show that he was eligible on or before the date of denial, he will have to file a new application before an annuity can accrue to him. In such a case, retroactivity will be on the basis of that new application.

If the evidence did establish that the applicant was eligible on or before the date of the formal notice of denial, he will not have to file a new application before an annuity can accrue to him (see section 5.1.47).

5.1.46 Evidence Received One Year or More After Date of Denial Notice

If an applicant submits the necessary evidence one year or more after the date of the formal notice of denial of his claim, and he does not establish that his untimely submission of the evidence was not due to negligence on his part, he will have to file a new application before an annuity can begin to accrue to him. In that case also, retroactivity will be on the basis of the new application.

Even though an applicant did establish that he was not negligent in submitting evidence, a new application would be required if the evidence failed to show that he was eligible on or before the date of denial. (In a situation where the applicant did establish that he was not negligent and the evidence shows that he was eligible on or before the date of denial, see the following section.)

5.1.47 Re-Openings

Applications that have been denied, and thus cease to be effective, can be re-opened under the conditions set forth in Chapter 6.2, "Re-openings." An application that was denied because of the applicant's failure to establish eligibility may be re-opened with

full retroactivity if the conditions outlined in Chapter 6.2 are met. A new application is required if the conditions outlined in that chapter are not met.

After a denial or a decision on an application, an applicant cannot change his application to agree with the proof he submits; but before a decision is made on his application, he can do so. This does not mean that the proof cannot be accepted. It may be, but the previously denied application containing statements at variance with that proof cannot be re-opened; a new application is required.

5.1.48 Cases in Which Annuities Terminated

An annuitant whose payments were terminated (entitlement ended, e.g., recovery from disability) for any reason after 9-7-61, will have to file a new application to receive any annuity for which he may later qualify.

For this purpose, "termination" means ending of entitlement due to a terminating event. It does not include a change in the type of a spouse annuity to which the spouse is entitled or the stopping of payments when a child attains age 18 if the child later establishes his eligibility as either a disabled child or an FTS and payments are reinstated from the month he attained age 18. (See sec. 2.4.8.)

5.2.1 Scope of Chapter

The introduction to this chapter has been deleted.

5.2.10 Employer Defined

See FOM1 205.1 for Employer Defined.

5.2.11 Types of Employers

See FOM1 205.2 for Types of Employers.

5.2.12 Determining Employer Status

See FOM1 205.3 for Determining Employer Status.

5.2.13 Creditability of Canadian Service

See FOM1 205.4 for Creditability of Canadian Service.

5.2.14 Electric Railways

See FOM1 205.5 for Electric Railways.

5.2.15 Coverage Ruling for Mining of Coal

See FOM1 205.6 for Coverage Ruling for Mining of Coal.

5.2.16 Coverage Ruling for Missouri Pacific Truck Lines (MPTL) and the Texas Pacific Motor Transport Company (TPMT)

See FOM1 205.7 for Coverage Ruling for Missouri Pacific Truck Lines (MPTL) and the Texas Pacific Motor Transport Company (TPMT).

5.2.17 Coverage Ruling for Trans-Mark or Servitron, Inc

See FOM1 205.8 for Coverage Ruling for Trans-Mark or Servitron, Inc.

5.2.20 Employee Defined

See FOM1 206.1 for Employee Defined.

5.2.21 When an Employment Relation Exists

See FOM1 206.2 for When an Employment Relation Exists.

5.2.22 When an Employment Relation Does not Exist

See FOM1 206.3 for When an Employment Relation Does Not Exist.

5.2.23 Officer of an Employer

See FOM1 206.4 for Officer of an Employer.

5.2.24 Employee of Local Lodge or Division

See FOM1 206.5 for Employee of Local Lodge or Division.

5.2.25 Employee Representative

See FOM1 206.6 for Employee Representative.

5.2.26 Employee of an Employee Representative

See FOM1 206.7 for Employee of an Employee Representative.

5.2.27 Employee of a General Committee

See FOM1 206.8 for Employee of a General Committee.

5.2.28 Part-Time Employee

See FOM1 206.9 for Part-Time Employee.

5.2.29 Joint Employee

See FOM1 206.10 for Joint Employee.

5.2.30 Contract Employee

See FOM1 206.11 for Contract Employee.

5.2.31 Service as Substitute, Assistant or Helper

See FOM1 206.12 for Service as Substitute, Assistant or Helper.

5.2.32 Redcap Service

See FOM1 206.13 for Redcap Service.

5.2.40 Month of Service

See FOM1 207.1 for Month of Service.

5.2.41 Prior Service Months

See FOM1 207.2 for Prior Service Months.

5.2.42 Subsequent Service

See FOM1 207.3 for Subsequent Service.

5.2.43 Creditability of Military Service

See FOM1 207.4 for Creditability of Military Service.

5.2.44 Deemed Service Months

See FOM1 207.5 for Deemed Service Months.

5.2.45 Determining Number of Deemed Service Months

See FOM1 207.6 for Determining Number of Deemed Service Months.

5.2.46 Effect of Deemed Service Months on ABD and Current Connection

See FOM1 207.7 for Effect of Deemed Service Months on ABD and Current Connection.

5.2.47 Year of Service

See FOM1 207.8 for Year of Service.

5.2.48 Service Months Based on Miscellaneous Payments

See FOM1 207.9 for Service Months Based on Miscellaneous Payments.

5.2.49 Limitations on Service

See FOM1 207.10 for Limitations on Service.

5.2.50 Protest of Service Month Record

See FOM1 207.11 for Protest of Service Month Record.

5.2.51 Railroad Service Months After the ABD

See FOM1 207.12 for Railroad Service Months After the ABD.

Appendices

Appendix A - Prior Service and Red Cap Service Development and Adjudication

See FOM1 Art. 2 Appendix A for Prior Service and Red Cap Development and Adjudication.

Appendix B - Abbreviations, Trade Names and Nicknames of Railroads

See FOM1 Art. 2 Appendix B for Abbreviations, Trade Names and Nicknames of Railroads.

Appendix C - Employment Relation (ER) on August 29, 1935

See FOM1 Art. 2 Appendix C for Employment Relation (ER) on August 29, 1935.

5.3.1 Compensation Defined

Please refer to FOM-I-208 for a list of items or earnings that may be consider as compensation and for an explanation of railroad compensation under the RR Act.

5.3.10 Definition of Lag Period

Lag is the time between the last month for which service and compensation has been reported to the RRB and, if it is later, the employee's date last worked. The period from January of the current year through the date last worked is always a lag period. However, the preceding year may also be included in the lag period. This is because the annual service and compensation report for the preceding year is not posted to the Employment Data Maintenance (EDM) until around May 1 of the current year. Therefore, the lag period for applications filed before May can extend from January of the preceding year to the last date worked in the current year.

Use the following schedule to determine the lag period when lag is required for eligibility:

Date on Which Lag Report Is Requested	**Month Lag Period Begins**
Before May 1	January of preceding calendar year
After April 30	January of current calendar year

Lag service and compensation must be reported to the RRB by the last day in February following the year in which the employer paid the compensation. However, the service and compensation may not appear on SEARCH until May of the year following the year in which the employer paid the compensation.

Do not release a RRAILS Form G-88A.2 or AA-12 after April 30 for lag service and compensation for the previous year.

5.3.11 Requesting Lag Service From Employers in Retirement Cases

Refer to FOM-I-1720 Form G-88A.2 procedure.

5.3.12 Requesting Lag Service Required for Eligibility from Employers in Survivor Death Cases

When lag railroad service months are required to establish eligibility to a survivor annuity or lump-sum death payment, the RRB field office will fax the Form AA-12 *Notice of Death and Statement of Compensation* to the employer (see FOM-I-209.3). Once the

AA-12 is received in Headquarters, the SBD examiner will enter the required railroad service months on the SURGE Lag Data/Prior Service screen.

When this wage record is received, pay the case as a final cert. Do not enter a “1” in AWARD TYPE on the General Award Data screen to indicate that a partial payment is being made. Do not control for lag.

If lag is not required for eligibility, no action is required. The lag will be added in the annual SAIL program as explained in RCM 5.3.15.

5.3.13 Acceptability of Signature on G-88A.1 Listings, G-88A.2 and Form AA-12

RBD/SBD should accept a corrected G88A.1 listing, a Form G-88A.2 or a Form AA-12 which has been certified in the "Certification" item, if otherwise complete, unless the certification has been made by an individual who obviously was not in possession of the compensation data reported. RBD/SBD will assume that any RRB contact representative or employer division officer or other official at a higher level would be in possession of the compensation data. Each railroad employer and employer organization has designated one or more individuals as RR contact officials for certifying information to the RRB.

5.3.15 Lag Adjustment Programs

In both retirement cases and survivor cases, the lag earnings are posted to the EDM as part of the RRB’s annual reporting process. At the beginning of each year, railroads report service and compensation for the previous year on their Form BA-3a *Railroad Service and Compensation Reports* (year-end reports).

5.3.15.1 Retirement Annuities

Between 1989 and 2005, a yearly program called Retirement Adjustment to Include Lag (RAIL) was run to identify retirement cases which needed to be recertified to include the railroad lag earnings. The annual RAIL mass adjustment is explained in RCM 6.8.44.

Beginning in 2006, the system to Recalculate for Service and Compensation Updated to EDM (RESCUE) includes railroad lag earnings in retirement annuities. RESCUE is run quarterly.

5.3.15.2 Survivor Cases

Prefix ”A” cases, which may require an adjustment for lag, were identified by the RAIL mass adjustment (see RCM 6.8.44) between 1989 and 2005; beginning in 2006, prefix “A” cases are identified by RESCUE. STAR referrals are created for any survivor “A” annuity that has a change in PIA 1 or total service months.

In initial "D" cases, the SURPASS award letter automatically includes code paragraph 400S if the employee could have lag service. It explains that the award is based on the last year-end reported railroad earnings and that the rate will be adjusted if additional earnings are reported. If you must suppress the award letter, include this paragraph in the ALTA letter. The insert is the year preceding the lag year.

Between 1998 and 2005, a yearly program called Survivor Adjustment to Include Lag (SAIL) was run to identify survivor cases which needed to be recertified to include lag earnings. Cases were selected if the employee's date of death was in the lag year and a survivor had been paid final. Wage records were obtained from SEARCH and loaded to SURPASS. "SIS LG" referrals were loaded to STAR.

Beginning in 2006, RESCUE identifies "D" cases that need lag included in the survivor rate. Wage records are obtained from SEARCH and are loaded to SURPASS. "SPR RF" referrals are loaded to STAR.

5.3.16 SBD Examiner Action for Lag Cases

"SPR RF" cases will be worked using slash folders. When one is assigned to you, take the following actions:

A. If you do not have a wage record, it should be traced following the procedure given in RCM 8.1 Appendix D.

   If the ALT PIA may apply, both wage records must be available before taking further action.

B. If the previous wage record is still in SURPASS and there is no change in the PIA's or Employee tier 2, no action is necessary. Close out the USTAR referral.

C. If either the previous wage record is unavailable, or the PIA and/or tier 2 changes, recertify the annuity from the OBD.

   1. If the rate increases and tolerance does not apply, code the USTAR referral for authorization. Include code paragraph 1817S on the ALTA letter. This paragraph explains that newly reported service and earnings are being used to increase the rate. The insert is the lag year.

   2. If there is no rate increase, delete the award and close out the USTAR referral. Do not release a letter to the annuitant.

   3. If the rate increase is less than $1.00 a month, delete the award and close out the USTAR referral. Do not release a letter to the annuitant.

   4. If the rate decreases, the case should not be reopened. Delete the SURPASS award and close out the STAR referral. Do not release a letter to the annuitant.

5.3.17 Deemed Service Month(s) Project

5.3.17.10 Background

In May 1998, a process was developed to identify annuitants credited with an additional service month(s) due to manual deeming. A mechanical RAIL G-90 with tier 1 and tier 2 calculations was provided. Additional information regarding deemed service months may be found in RCM 5.2.44.

In 2006, RESCUE assumed responsibility for identifying cases in which additional service months are added to an employee's account through deeming. Any change in service months, whether through employer reporting or deeming, will activate the case in RESCUE.

Deemed service months are intended to benefit annuitants, and including them is advantageous to the annuitant in most cases. The additional service month(s) usually increases the tier 2 amount and may also make the annuitant(s) eligible for additional benefits (such as providing sufficient months for a supplemental annuity). However, in some situations, adding deemed service months can cause a decrease in the annuity rate.

In order to avoid making annuity adjustments that are not advantageous to the annuitant, the following policy decision was made:

If an annuitant's service and compensation for a given year has already been considered in the annuity computation and manual deemed service months are later posted, those service months will only be considered in the annuity computation if it is advantageous to the annuitant.

5.3.17.20 When is Deeming Done Manually?

Manual deeming is necessary when there is insufficient information at the time the employer posts earnings on EDM, i.e., date rights relinquished. Refer to CCOM chapter 6, Deemed Service Months, for further details.

5.3.17.30 Selection process

Cases are selected on the basis of meeting the following criteria.

- Annuity beginning date (ABD) is current year less 2; and
- Resolved deemed service month(s) exists in current year less 2; and
- Tier 2 base rate is changing (increasing or decreasing).

5.3.17.40 Tier 2 Base Rate Increase

When considering the inclusion of manually deemed service months, you must also consider the impact on PIA 1. It is possible that the reallocation of compensation will cause a decrease in PIA 1. Therefore, if the net result of the manual deeming is a decrease in the annuity rate, then do not adjust the case.

If the net result is an increase in the annuity rate, adjust the annuity from the annuity beginning date.

5.3.17.50 Tier 2 Base Rate Decrease

Tier 2 base rate typically increases due to the inclusion of an additional service month(s) and is to be adjusted from the ABD accordingly. However, under certain conditions the tier 2 base rate may decrease due to a reallocation of compensation, lowering the high 60 average monthly compensation.

Determine the cause of the tier 2 base rate decrease by comparing the G-90 to the latest G-90 in file. If the tier 2 base rate is decreasing due to the untimely inclusion of deemed service months and no other reason, do not adjust the case. Untimely inclusion of deemed service months is defined as manual deeming - indicated with the letter 'R' outside of column 'O' of the G-90.

5.3.17.60 Deemed Months Needed

Cases in which manual deeming results in a tier 2 base rate decrease but provides eligibility to a supplemental annuity or establishes entitlement to a more advantageous annuity must be considered. Determine the effect the additional service months will have and provide an email, if necessary, to the appropriate field office explaining the impact. (Email is only necessary if advantage is not apparent or current i.e., supplemental entitlement in future.) Request the field office to contact the annuitant with the information you provided so that the annuitant can make a choice on the handling of their annuity. Adjust the annuity accordingly.

For cases that will not be adjusted include the following statement as folder documentation. 'Deeming resolved resulting in a decrease in tier 2. No adjustment is needed.' Enter administrative finality code '3' on PREH. If a later adjustment results in an increase, remove the administrative code from PREH.

5.3.17.70 Award Paragraphs

Code paragraph 201A is to be used for tier 2 increase cases. Code paragraph 201B is to be used for tier 2 decrease cases. Refer to RCM 10.5 to view the paragraphs. Include other pertinent paragraphs as needed.

5.3.20 Vacation Pay

See FOM1 210 for Vacation Pay.

5.3.30 Pay for Time not Worked

5.3.30.10 Compensation Based on "Pay for Time Lost"

The term "compensation" includes amounts paid by an employer to an employee for time lost during which time the employee had an employment relation, but was absent from the active service of the employer. An employee is deemed to have been "paid for time lost" whenever any of the following circumstances occur:

- He was paid by an employer, under certain conditions, for loss of earnings as a result of his temporary absence from work due to illness; or,
- He was paid by an employer for an identifiable period of absence from active service, including absence due to personal injury; or,
- He was paid by an employer for loss of earnings, during an identifiable period, as a result of displacement to a less remunerative position or occupation; or,
- He was paid by an employer for an identifiable period for which an employment relation existed after his actual DLW-RR as the result of "dismissal pay" after abolishment of his job or an "early out" agreement. (Under this condition the employee must retain his job rights and receive monthly payments of remuneration over a specified period of time); or,
- He was paid by an employer for loss of earnings as a result of abolishment of the job.

5.3.31 Sick Pay as "Pay for Time Lost"

A. Definition

Payments to an employee who is temporarily absent from work due to sickness and disability is credited as "Pay for Time Lost" with railroad service months and regular railroad compensation when:

1. The railroad pays tier 1, tier 2, and SUP ANN taxes for these payments; and,
2. He is carried on the payroll and paid all or part of his regular salary for an identifiable period during which he is considered absent from work; or,
3. His return to service is contemplated, his name is carried on the seniority roster, and he receives payment for an identifiable period when he is absent from work.

The purpose of the payment is to make the employee whole as if he had not lost time from work as a result of injury. This may be accomplished through a wage

continuation plan. The employee receives service months while on the regular payroll. The tier 1 and tier 2 are taxed as regular compensation.

If the RRB field office has not been advised whether or not a specific sick pay salary or wage continuation plan qualifies as "Pay for Time Lost," they should obtain a copy of the plan and forward it to OP-RAC. A request for will be made to the Office of the General Counsel to review the plan and determine if it should be considered "Pay for Time Lost."

B. Effect on RUIA

The employee is not entitled to unemployment or sickness benefits under the Railroad Unemployment Insurance Act (RUIA) while receiving payments under this type of plan.

C. Effect on Employee Annuity

An annuity under the RR Act may not begin earlier than the day following the last date for which the "pay for time lost" is received, because the employee is carried on the payroll and receives credit as if he were still performing railroad service. This type of pay should be entered as "Pay for Time Lost" on the Application AA-1 or Initial Claims (IC) screens.

For example - The Union Pacific pays a "wage continuation benefit" to employees who have an "on the job injury." The employees remain on the payroll and receive their regularly scheduled paychecks. These payments are considered to be "Pay for Time Lost."

5.3.32 Sick Pay as "Miscellaneous Compensation"

A. Years Prior to 1982

For years prior to 1982, sickness payments made pursuant to a company plan which provides for sickness and for accident disability or by labor agreements (i.e. plans providing for the accruing of sick leave based upon length of service), are not considered to be compensation.

However, if the employee "cashed in" his unused sick days, that payment was considered Tier 1 and Tier 2 compensation.

B. Legislation that Changed Creditability of this Type of Sick Pay

The Railroad Retirement Solvency Act of 1983, changed the definition of compensation to include any payment subject to tier 1 employment taxes. Sick pay had become subject to tier 1 taxes effective 1-1-82, as a result of the 1981 Social Security Act Amendments, and the corresponding amendment to the RR Tax Act. Since the Railroad Retirement Act was not amended at that time to include sick pay in the definition of compensation, employees receiving sick pay

were being taxed without receiving credit. The amendment to the RR Act in 1983 extended the retroactivity of the tier 1 compensation credit to 1-1-82 (limited to the first six months after the DLW-RR).

C. Changes Effective January 1, 1982 or Later

Effective with payments for January 1, 1982, or later, sick pay which is payable under a plan or agreement" which provides for sickness or accident disability, for up to six months after the actual date last worked, will be reported as "miscellaneous compensation." The "miscellaneous compensation" credit for sick pay is used solely to increase the earnings used to compute tier 1 of an employee, spouse, or survivor annuity or to increase PIA #9 for the Retirement O/M computation.

For example, The Atchison, Topeka and Santa Fe Railway Co. (BA 1702) has a short term disability program for officers and exempt employees. These payments are made for the first six months after the DLW-RR and are creditable as Tier 1 miscellaneous compensation. They do not provide RR service months. The ABD may be as early as the day after the DLW-RR.

The Atchison, Topeka and Santa Fe Railway Co. also has a long term disability program for salaried employees that meets the definition of this type of sick pay. However, since payments under this plan do not begin until the seventh month after the employee's actual date last worked, they are not creditable as tier 1 sick pay. These payments have no effect on the railroad retirement annuity.

The items 53-54 on form AA-1 are used to resolve any problems concerning the employee's sick pay. Question the employee carefully about sick pay, because it is difficult to determine the nature of the payment. If the payments are actually "Pay For Time Lost," the payments should be reported in the "Pay For Time Lost" items, not in the sick pay items. The RRB field office or the employee may have to contact the employer to determine the true nature of sick pay.

D. When Sick Pay is Not Creditable as Miscellaneous Compensation

Sick pay is not creditable as Tier 1 compensation if:

1. Sick pay is paid under a worker's compensation statute; or,

2. Sickness payments were made after the expiration of 6 calendar months after the employee last worked for the railroad employer.

E. How Sick Pay is Reported to the RRB

The employees are not carried on the railroad's payroll. The payments are not based on all or part of the employee's regular salary. These payments may be made from any source (including an insurance company as a third party payee,

sickness insurance (SI) benefits under the Railroad Unemployment Insurance Act (RUIA) and Sickness Insurance, or benefits from a nongovernmental plan).

RUIA sickness insurance payments are reported to the EDM as tier 1 compensation, under BA 1008. Two third party payers, Benefit Trust (BA 1005) and Provident (BA 1004), have also been assigned BA numbers, and make reports to the RRB.

Railroad employers have been instructed to report miscellaneous compensation on form BA-3, "Annual Report of Creditable Compensaation - ERS."

If the employee had contributed to the sickness or accident disability plan, the portion of the payments attributable to his contributions are excluded. Payments under a worker's compensation law are also excluded.

F. Definition of Plan or Agreement and Nongovernmental Plans

1. Plan or Agreement - The term "plan or agreement" for miscellaneous compensation means the payments are based on a plan or agreement established by an employer which makes provision for his employees generally or for a class or classes of employees, and their dependents, on account of sickness or accident disability. These employees are no longer carried on the regular payroll. However, payments for sickness or injury are paid for a period during which the employee is absent from work on account of a personal injury or sickness.

   A "sick pay" plan or agreement has these characteristics:

   - It covers a specified group of employees and may or may not be the result of a collective bargaining agreement.
   - Benefits may be paid by a contract the employer has with an insurance company, or from a special fund set up by the employer, or out of the employer's general revenue.
   - Benefits are not based on the employee's salary and may continue for as long as the employee is absent from work on account of sickness or injury, or they may be limited to a certain number of days or weeks.
   - The plan may include benefits for payments when the employee is absent from work for reasons other than personal injury or sickness.

2. Nongovernmental plan - A nongovernmental plan is defined in the RUI Act. It is a formal, written plan under which the employee has an enforceable right to benefits for days on which he is absent from work on account of sickness or injury. A nongovernmental plan has these characteristics:

- The plan covers a specified group of employees and may or may not be the result of a collective bargaining agreement.

- Benefits may be paid by a contract the employer has with an insurance company, or from a special fund set up by the employer, or out of the employer's general revenue.

- Benefits are not based on the employee's salary and may continue for as long as the employee is absent from work on account of sickness or injury, or they may be limited to a certain number of days or weeks.

- Benefits under the plan must be reduced by sickness insurance benefits under the RUIA.

G. Effect on RUIA

The only difference between a "plan or agreement" and a "nongovernmental plan" is that sick pay plans or agreements do not have to be reduced for SI, and the nongovernmental payments do have to be reduced. Accordingly, a nongovernmental plan is, by definition, a sick pay plan. The reverse, however, is not true unless a sick pay payment is reduced for SI.

A table of employers covered under the Benefit Trust and Provident plans can be found in the RUIA "Adjudication Instruction Manual, Article 9, Appendix F." That appendix also lists other sick pay plans on file at the RRB. However, some of these employers may carry the employee on the payroll for a short time before the miscellaneous compensation begins.

H. Effect on Employee Annuity

Credit is not given for railroad service months or for tier 2 compensation. The date last worked (DLW) and the ABD are not affected, since service months are not credited.

I. Effect of Miscellaneous Compensation on Work Deductions

The miscellaneous tier 1 compensation, up to the tier 1 yearly maximum, is based on an identifiable six month period for which sickness benefits are payable. However, the miscellaneous compensation is actually be credited as a lump-sum to the DLW-RR. The earnings do not count for work deductions in retirement or disability annuities, because they are attributable to the date last worked for work deduction purposes, since the employment relationship has terminated when these benefits were paid. The miscellaneous compensation is not added to PIA 17, which is the amount that is not subject to Tier 1 work deductions. Therefore, the miscellaneous compensation is included in the tier 1 work deduction component (PIA 2) as if it were "wages".

5.3.33 Personal Injury Payments

A. When Considered Pay for Time Lost

A payment made to an employee by his employer on account of a personal injury is to be treated, subject to the limitations stated below, as compensation paid for time lost if it included pay for time lost and was paid for an identifiable period of absence from the active service of the employer.

EXCEPTION: Payment under a worker's compensation law or public disability is not RR Act compensation paid for time lost. These benefits are paid under a state or Federal Worker's Compensation law or plan. Therefore, no part of such payment is creditable as compensation. RRA annuity payments are reduced when the employee is also entitled to periodic worker's compensation pay or a public disability benefit.

B. Determining Period of Time Lost

An employee will be deemed to have been paid for the period of time lost specifically identified in the agreement of settlement. If the period of time lost was not specifically identified, the period between the time of the injury and the time the employee returned to work is to be regarded as the period of time lost if:

1. The personal injury payment was made after the employee returned to active employer service; or

2. The employee returned to such service within 6 months after the date on which the payment was made.

If the period of time lost was not specifically identified, and the employee did not return to railroad employment, the total amount of the settlement agreement should be allocated to the DLW-RR.

If a settlement agreement is pending, the employee is eligible for an annuity, and the employee does not need additional railroad service months, encourage the employee to finalize the settlement agreement as a lump sum payment credited to the DLW-RR.

The period for which a payment for time lost on account of personal injury is made need not be considered as finally settled at the time the payment is made. A change in the period made at a later date may be given effect so long as the employee and the employer agree upon the change, nothing unreasonable is found in the new allocation, and an amended settlement agreement is prepared. The employer also must file a corrected earnings report for the employee within four years. This change may affect the annuity beginning date.

C. Amount Creditable

When a payment made by an employer with respect to a personal injury includes pay for time lost, the total amount is to be considered as pay for time lost unless, at the time of payment, a part was specifically apportioned to factors other than time lost.

Whenever such an amount was, at the time of payment, apportioned to factors other than time lost (such as for the purpose of obtaining release from future liability, medical and hospital expenses, damages for physical or other impairment, etc.), only that part of the amount not so apportioned is creditable as pay for time lost.

The portion of a personal injury payment which represents pay for time lost is to be allocated, subject to the maximum creditable for a month, to the month or months falling in the period treated as the period of time lost. Beginning with 1985, an employee may receive tier 1 credit for "pay for time lost" subject to the annual tier 1 maximum. Tier 2 credits are still subject to the tier 2 monthly maximum in the period of time lost.

When pay for time lost is allocated, the RRB will accept the allocation if it relates to the employee's normal monthly pay. Effective

November 28, l984, a reasonable relationship to an employee's normal monthly pay is defined as ten times the employee's daily pay rate. Prior to that date, the minimum amount that could be credited for a month of pay for time lost was $100.

D. Developing Personal Injury Payments

"Pay for time lost" due to personal injury is usually reported to the RRB by the employer in their year end earnings reports. However, when the period of "pay for time lost" due to personal injury is in the lag period, and the applicant reports the settlement or pending settlement, in Section 7 on Application AA-1, the "pay for time lost" for an identifiable period will probably affect the annuity beginning date.

The RRB field office should secure a copy of the settlement agreement, including the following information:

1. The amount and date of the payment; and

2. The reason for the payment; and

3. The beginning and ending dates of the period of absence.

A photocopy of the settlement papers should be attached to the application package.

NOTE: For a disability application, two copies of the settlement are required. One should accompany the application package to DPS, the other should be sent to "RBD-RIS - Supervisor."

If the settlement involves compensation only, the employee will receive credit when the railroad submits its annual report. The annuity will be adjusted in the subsequent RESCUE quarterly run.

If the settlement involves additional service months after the annuity beginning date, a copy of the settlement should be forwarded to RBD to determine if annuity beginning date should be changed.

5.3.34 Separation, Displacement and Similar Allowances

A. General

Separation, displacement, termination, and similar payments that result from abolishment of an employee's railroad job are creditable as compensation under the RRA. Under many separation and displacement agreements, an employee whose job is abolished is given a choice between:

- Retaining his job rights and receiving monthly payments of compensation over a specified period of time; or

- Giving up his rights as an employee and accepting a separation allowance.

Employers may refer to these allowances by many different names, such as separation, dismissal, termination, severance, displacement, reduction in force, or coordination allowances. For purposes of this section, the different allowances or payments will be referred to as either a "separation allowance" or "monthly compensation payment," depending upon whether rights have been relinquished or retained by the employee. Regardless of the name the employer gives the payment or allowance or how it is reported by the employer, the handling to be given the payment under the RRA will depend upon whether the employee has relinquished or retained his job rights.

B. Description and Effect of "Monthly Compensation Payments"

"Monthly compensation payments" are payments of remuneration to an employee who retains his job rights during the course of the monthly payments. Such payments may be made to an employee whose job was abolished or who was displaced to a less remunerative position or occupation. An example of a dismissal payment is a monthly displacement allowance paid under Title V of the 1973 Regional Rail Reorganization Act. Since an employee who elects to take "monthly compensation payments" is getting credit for each month, his annuity may not begin until after the end of the period for which payments are made.

The payments are "pay for time lost" under the RR Act and creditable as service and compensation.

C. Description and Effect of "Separation Allowance"

A "separation allowance" is a payment of remuneration to an employee who has relinquished his job rights. The payments may be spread over a period of time and reported for that period, or the allowance may be paid in a lump sum and reported for the month the separation is effective. (It is up to the employer to decide whether the separation is effective on the DLW or DRR.)

Regardless of whether the separation allowance is paid in a lump sum or paid in a series of installments, it may not be used to credit the employee with railroad service for months following the month in which he was separated from service by relinquishing his rights. For computational purposes, tier 1 may be credited up to the annual maximum for the year last worked and tier 2 may be credited up to the monthly maximums based on the number of actual or deemed service months in the year last worked before the employee relinquished his rights.

EXAMPLE: An employee's DLW is 5/31/86. He was on leave of absence for the months of January through April 1986. He returned to work in May 1986. He accepts a separation allowance which is also effective 5/31/86. He files for an annuity to begin on 6/1/86. His actual earnings for 1986 are $1,500.00. The separation allowance is $100,000.00 and is credited to May 1986. For 1986, he would be credited with $42,000.00 (the annual maximum) in tier 1 and $12,125.00 (5 months at the monthly maximum of $2,425.00) in tier 2. He receives credit for one actual service month and four deemed railroad service months for 1986.

The employee may be entitled to a refund of his tier 2 taxes deducted from the separation allowance after 1984 that did not yield additional railroad service months. This refund is called a SALSA award.

D. Effect on RUIA

An employee who elects to take "monthly compensation payments" is getting a railroad service month credit for each month, he may not receive RUIA benefits for the period for which payments are made.

A "separation allowance" is a payment of remuneration to an employee who has relinquished his job rights. Separation allowances can affect the payment of RUIA benefits, as under the Title VII program, which is explained in RCM 5.3.49.

E. Effect on Employee Annuity

1. Possible Effect on Current Connection - The requirements for a “deemed current connection" are in FOM1 225.45. In cases where an employee has no option to remain in railroad service, the termination may be

considered involuntary, even if the employee receives a separation allowance or dismissal pay. However, an employee who chooses a separation allowance instead of keeping his or her seniority rights would generally be considered to have voluntarily terminated railroad service. Questionable "deemed current connection" cases are referred to the Office of the General Counsel (OGC).Months creditable as "dismissal pay" will add to the railroad service months used in the "12 in 30" test to extend the period the employee has before the regular current connection test could apply. An employee who chooses a separation allowance will have the "12 in 30" based on the actual railroad service prior to his "relinquishment of rights." In either case, work outside the railroad industry following the 30-month period may break the employee's regular current connection.

2. Effect on Annuity Beginning Date - Regardless of how the employer pays or reports it, a "separation allowance" will ordinarily be credited by the RRB to the DLW-RR. The annuity can then begin on the day after the DLW-RR if the employee is otherwise eligible. However, if the employer considered the separation to be effective in a later month and reported the allowance for that month on the year end earnings report, it will be credited to the date the separation is effective, provided that the employee did not relinquish his rights prior to that date. If a "separation allowance" is credited in this manner, an annuity cannot begin until the day after the date the separation was effective.

3. Separation Allowance for Work Deduction Purposes - Under the RRA, separation allowances are considered to be earnings for work deduction purposes. In regard to payment of an annuity, the RRB has determined that a separation allowance will be deemed to have been paid for services in the month last worked (DLW-RR) regardless of when payments are actually made. Employees who have no other employment after their annuity beginning date (ABD) will not lose any portion of their annuity payments, as work deductions would not apply in the ABD month in this situation.

   Some separation allowances spread out payments over a period of years. As stated above, the entire allowance would be credited to the DLW-RR. Annuitants who continue to receive payments after the year they last worked will not be subject to work deductions in the years following the ABD year based on those payments.

F. Recovering a SALSA Overpayment

1. Determine the amount of time that has elapsed for the SALSA overpayment by comparing the SALSA-LST-ACCT-DT (voucher date) field to the SALSA-AMT-CHNG-ACCT-DT (calculation date) field on the 3050 PREH record.

2. Using the chart below determine if the SALSA overpayment is reopenable.

    - If yes, continue to step 3.
    - If no, skip to step 10.

3. Determine if the SALSA overpayment has been previously handled by another unit by reviewing the SALSA-PYMT-SOURCE-CODE field of the 3050 PREH record or the remarks section of Universal STAR.

4. Check the following Employee Data Maintenance (EDM) screens: Employee Service & Earnings Totals (EDMID103), the Creditable Service & Earnings Years Totals (EDMID104), and the Service & Earnings Yearly Ledger (EDMID105) to determine if deeming is applicable.

    NOTE: If deeming is applicable, reconcile in accordance with RCM 5.2.44 before continuing to step 5.

5. Review the SALSA Alert Flag field of the 3050 PREH record, or any new and material evidences received from the employee as defined in RCM 6.2.30 to determine if a SALSA payment is due the employee.

    NOTE: A code of "1" in the SALSA Alert Flag field means that a separation report has not been correctly processed or has suspended in our records.

    If a code exists or new and material evidence is applicable:

    - Send a G-563 to CCU requesting a calculation of the SALSA benefit.
    - Compare the new calculated amount to the old calculated amount.
    - Withhold any accrual to reduce the SALSA overpayment.
    - Continue to step 6.

    If no code exist or no new and material evidence is applicable:

    - Continue to step 6.

6. Compare the service months on the 3300 PREH record to the total service months on EDMID103 screen to determine if the months used to calculate the employee's annuity matches the months reported on the EDM system.

    If the service months do not match:

    - Request a new G-90 using the G-60 PC program.

- Upon receipt of the G-90, determine if the case can be re-opened to make the adjustment to the annuity.

- If the case is re-opened, and the adjustment results in an accrual, withhold the accrual to reduce the SALSA overpayment.

- Continue to step 7.

If the service months match:

- Skip to step 9.

7. Recalculate the SALSA overpayment amount by subtracting the SALSA-CUM-PYBLE-AMT from the SALSA-PD-TTD-AMT on the PREH 3050 screen. Reduce the result by the accrual used from step 6.

8. Post the SALSA overpayment to the PARS system to the PARS system (via G-205/G-206). Prepare and release an overpayment letter accordingly.

9. Remove the SALSA Alert Flag from the 3050 PREH record using the PREH online correction facility, if applicable.

10. Change the SALSA-PYMT-SOURCE-CODE in the 3050 PREH record to a "9", if necessary.

11. Complete the remarks section and close out the Universal STAR record.

SALSA REOPENING CHART

	< 60 days	60 days to 4 year	Over 4 years
RRB Error	Yes	No	No
No RRB Error	Yes	Yes	Yes *

RRB error indicates that the error was either clerical or adjudicative and evidence of error should be apparent.

NO RRB error indicates that the change in service & compensation was a correction by the railroad under Part 211-16 of the Code of Federal Regulations.

*Prospectively, but only if the change results in an increase (RCM 6.2.7).

G. Special Situations

Occasionally there may be a situation that does not clearly fit the normal criteria for crediting compensation. Usually these are one-time only occurrences for which special rulings are made. These rulings are generally not meant to set any precedents or be the basis for any changes in procedure.

1999 and 2000 CSX Buyouts

In 1999 and 2000 a number of disability annuitants elected voluntary separation payments (buyouts) from the CSX Corporation. These elections had a number of implications for the annuitants.

1. By electing this buyout, the annuitant relinquished seniority rights.

2. Per Legal Opinion 99-18, the buyout amount was creditable as compensation in the month elected and election of the buyout constituted compensated service.

3. Because election of the buyout constituted compensated service, no annuity was payable in the election month, causing the annuitants to be overpaid for that month.

For a complete background on these specific cases, refer to FOM1 Art. 3 App J.

5.3.35 Payments upon Reinstatement after Layoff

A. Payment for Lost Earnings

A payment made to an employee reinstated after suspension or discharge, in settlement of a claim for back pay for the period during which he was not in active service, constitutes compensation for time lost. Payments upon reinstatement after layoff are to be credited proportionately to the months the employee was held out of service.

B. Nominal Sum

A nominal sum paid to an individual who was held out of the service of a covered employer and subsequently reinstated under an agreement of settlement which

provided for the payment of a nominal sum in consideration for the execution of a release, is not creditable as compensation.

5.3.40 Bonus Pay

Different types of bonus payments, such as safety, incentive, fuel conservation, perfect attendance, superior performance and suggestion awards, constitute creditable compensation because they are payments made in consideration of services in addition to that which ordinarily are given.

If an employee is awarded shares of company stock as a bonus or in lieu of some earnings, the monetary value of the shares at the time of transfer is considered creditable compensation.

5.3.41 Stock Options

Refer to FOM 212.2

5.3.42 Profit Sharing/Loss Sharing

Employees who receive more or less than their regular earnings due to profit or loss sharing plans, are credited with and taxed on the actual amount received. Payments made under a profit sharing plan are creditable compensation.

5.3.43 Holiday Pay

Holiday Pay or Birthday Bonus is creditable compensation. In addition, service may be credited for the month of the holiday or birthday.

5.3.44 Productivity Fund Payments

A. General

Some railroad employers have special compensation funds that are designated as "productivity savings funds." Payments are made under cost-containment plans where distribution is made to employees for working in such a way to reduce costs. Payments are usually made once a year in a lump-sum, as a special payment for extra productivity.

Distributions from a productivity sharing savings trust fund are creditable compensation under the RRA.. The compensation is considered earned in the month they are deemed paid.

Example: A five man crew agrees to operate as a four man crew. The pay that would normally be paid to the fifth man is placed in the productivity fund. At the end of the year the money is distributed to the employees.

However, the month to which the payments are credited varies according to the employer. Conrail credits a productivity fund payment to December of the year preceding the year in which payments are made. The compensation is reported to the RRB as an adjustment in the previous year's record. The Burlington Northern Railroad Co. (BN) has separate funds and BA numbers for the Burlington Northern Region Productivity Fund (BA No. 1006) and the Frisco Region Employee Productivity Fund (BA No. 1007). The BN reports productivity fund payments at the end of the year in which payments are made; compensation will be reported for either March or October of that year.

In most situations, the productivity fund payment will be credited to a month for which the employee has already received credit for a month of service. The productivity fund payment may increase the amount of compensation credited for that month, unless the employee had maximum creditable earnings.

B. Effect on RUIA

Although creditable as RUIA compensation, based on coordination or proration with the employer, the payments do not usually yield additional RUIA compensation credit.

C. Effect on RR Annuity

The annuity beginning date will not be affected. If payment is made after the employee's actual last day worked, the employer's year end report should be corrected to credit the payment to the last day worked.

5.3.45 Back Pay

Back pay is a retroactive wage increase. Like other compensation, back pay may be creditable for the month compensation is paid or for the period earned. Also, like other compensation, if back pay is reported for the month paid, and the employee makes a timely request that it be allocated instead to the month(s) earned, the employer must submit an adjustment report accordingly.

Service should not be reported for the month the back pay was paid, unless service is otherwise creditable for that month. In the case of a retroactive wage increase, it is assumed that service has already been credited based on the initial wage payment prior to the increase.

5.3.46 Purchase of Employee Benefits

The payment to an employee for the termination or "purchase" of an employee right or benefit, such as seniority rights, profit sharing rights, sick benefits, etc., is creditable compensation.

5.3.47 Reimbursement for Expenses

Reimbursement for expenses incurred in the discharge of the duties of an employee may not be credited as compensation unless the value of the expenses was agreed upon in advance of the services as remuneration, in whole or in part, for services rendered. Compensation that includes reimbursement for expenses incurred by an individual in the course of his employment is to be credited only to the extent of the net compensation earned for personal services rendered.

5.3.48 Tips

Generally, the RRB has looked to the treatment the Internal Revenue Service (IRS) accords similar payments under the Railroad Retirement Tax Act (RRTA) in determining whether certain payments are compensation under the Acts administered by the RRB. Tip earnings of $20.00 or more per month are creditable as tier 1 and tier 2 compensation and are to be included in the annual report of service an compensation. Tips are not subject to the RUIA contribution. Tip compensation is subject to employee Medicare and tier 1/tier 2 taxes but tax liability for tips does not extend to employers. If the employer is reporting tip income to the IRS under the Tip Rate Alternative Commitment (TRACE) program or the Tip Rate Determination Agreement (TRDA), the total amount should be reported to the RRB as creditable compensation.

5.3.49 Payments under Title VII of Regional Rail Reorganization Act

A separation or subsistence allowance paid under Title VII of the Regional Rail Reorganization Act of 1973 was creditable as service and compensation and was reported under the Title VII BA number (1002). An employee who received benefits under Title VII may have been entitled to an extra month of compensation and/or railroad service. This compensation and/or service could only have been allocated in certain ways.

A month of service was credited to the month the employee filed for Title VII benefits when (s)he did not work in the railroad industry that month. If the employee worked in the railroad industry that month, no service month was credited based on Title VII filing.

Compensation was allocated to the month the employee filed for Title VII benefits up to the tier 1 and tier 2 maximum amounts. Compensation was allocated to the month of Title VII filing even if the additional month of service could not be credited for that month. However, if the employee already had maximum compensation, no additional compensation was added.

A. Effect on RUIA

RUIA payments did not begin to accrue until the Title VII monthly subsistence payments ended or the amount of RUIA payments equal to the Title VII separation allowance was withheld.

B. Effect on RR Annuity

Title VII payments did not affect the payment of a railroad retirement annuity. The only consideration is that an employee filing for a Title VII subsistence allowance should not file a retirement or disability annuity application before he files for the Title VII payment.

5.3.50 Pension Payments by an Employer

Pension payments made by an employer without expectation that the employee would render services therefore but merely to supplement an annuity or pension for which the employee might qualify, do not constitute compensation.

5.3.51 Military Service

Military service may be creditable as either wages or railroad compensation, as explained in RCM 5.4. If the military service is creditable as compensation, the amount of compensation is as follows:

A. Before 1968

The amount of compensation credited is $160 a month for each month in which the employee was in creditable military service before 1968; or,

B. Before 1975

The amount of compensation credited is $260 a month for each month in which the employee was in creditable military service after 1967 through 1974; or,

C. 1975 or Later

The amount of compensation credited is the actual amount for the military service basic pay that would be creditable as wages if the military service were used as wages.

Where the employee is credited with military service as compensation for a month in which he has other creditable compensation, the military service compensation is added to the other compensation up to the tier 1 and tier 2 maximum.

5.3.60 Compensation for Service to Local Lodge, Division of Railway Labor Organization or as Employee Representative

5.3.60.10 Local Lodge Compensation

A. Before 1937

Compensation earned before 1937 in the service of a local lodge or division of railway-labor organization employer, is creditable if the service for which it was performed is creditable (see Appendix A of this chapter).

B. After 1936 and Before 1975

Compensation earned after 1936 in the service of a local lodge or division of a railway-labor-organization employer is disregarded for any calendar month in which it is less than $3 except that such compensation is creditable if:

- It was earned between 12-31-36 and 4-1-40; and
- Taxes were paid on the compensation before 7-1-40, under the RRA.

C. After 1974

Compensation earned after 1974 in the service of a local lodge or division of a railway-labor-organization employer is disregarded for any calendar month in which it is less than $25.

5.3.61 Compensation for Insurance Commissions

Commissions paid to the secretary-treasurer of a local lodge or division of a railway labor organization employer for collection of insurance premiums are creditable as compensation, even if the commission is less than $25 for a calendar month.

5.3.62 Waiver or Refund of Organization Dues

A waiver or refund of organization dues is creditable as compensation only if there is evidence showing it was intended and accepted as the discharge of an obligation of the organization to compensate the employee for his services.

An amount waived or refunded solely in consideration of membership is not creditable as compensation even though the waiver or refund is made by reason of performance of valuable services to the organization.

A waiver or refund made solely as a courtesy or honor cannot be credited as compensation.

If the dues waived include additional elements such as insurance premiums which the employee would normally have to pay, the amount waived may constitute compensation if the value has been agreed upon as remuneration for service rendered.

Designation of a waiver or refund as a gratuity or by any other term which would normally indicate that the waiver could not be considered as compensation, is not controlling. The facts in each case are to be considered on their merits.

5.3.63 Services Rendered to a General Committee of a Railway-Labor-Organization Employer

When a person acts in the capacity of a general or assistant general chairman of a general committee which represents individuals rendering service in the United States to an employer and:

Where the employee is credited with military service as compensation for a month in which he has other creditable compensation, the military service compensation is added to the other compensation up to the tier 1 and tier 2 maximum.

- His office or headquarters is located outside the United States, and
- The individuals represented by the general committee are employees of an employer not conducting the principal part of its business in the United States,
- Only that proportion of his remuneration may be regarded as compensation as the proportion which the mileage in the United States under the jurisdiction of the general committee bears to the total mileage under its jurisdiction. If the mileage formula is inapplicable, RRB may adopt a different formula.

If application of the prescribed mileage formula or any other formula prescribed by RRB would result in compensation of less than 10% of the remuneration for this service, no part of the compensation is creditable.

Regardless of the place of performance, all remuneration for general committee service is as creditable compensation if the employee of the general committee represents a local lodge or division whose headquarters is in the U.S., or substantially all the employees represented by the general committee are employees of an employer conducting the principal part of its business in the U.S.

5.3.64 Delegate Service to a Convention of a Railway Organization

Payment for service performed as a delegate to a national or international convention of a railway labor organization on or after 4-1-54 is not creditable compensation unless the person who rendered such service had also rendered other types of service that may be included in his years of service.

Effective October 4, 1994, the RRB adopted a new policy governing the treatment of remuneration paid to delegates for attending labor union conventions or similar meetings. The RRB considers convention delegates paid by the union not to be employees of the union because the delegate is not subject to the direction and control of the union while attending the convention, other than being subject to the conventions' rules of conduct or procedure. The union lacks the authority to direct delegates' actions since, by their votes, delegates can remove incumbent officers of the national.

What determines if a payment is compensation is not that the delegate received the payment at the national convention or other meeting; it is that the delegate is under the direction and control of the union when acting as a delegate. Consequently, delegate compensation is not creditable or reportable under the RRA or the RUIA.

This change in policy is effective with compensation reports submitted to the Board in October, 1994 and later.

Even though no railroad retirement taxes will be withheld, these payments constitute income for purposes of income tax. This would possibly affect railroad retirement annuities as follows:

If an annuitant is receiving a disability annuity and payment for delegate service exceeds the current monthly disability earnings limit (refer to the chart in FOM1 1125.5.2 for the monthly and annual earnings limits), after expenses for attending the meeting, earnings restrictions will apply. Neither the employee nor the spouse is entitled to the monthly payment in which it is earned. Withheld payments will be restored if earnings for the year are less than the current yearly disability earnings limit;

If the annuitant is receiving a railroad disability annuity and payment for delegate service is less than the monthly disability earnings limit after expenses, or if the annuitant is receiving a regular railroad annuity, payment for delegate service will not affect the annuity. However, these earnings should be included in any report of earnings for work deduction purposes under the RRA or SSA.

If an employee attends a national or other convention in a capacity other than that of a delegate, then the payment received may be considered compensation.

If an employee contacts the RRB to report earnings for attending a labor meeting as a delegate, determine if:

- The employee was paid for any services at the meeting, other than acting as a delegate.

- The payment the employee received was not merely reimbursement of expenses.

If both of these criteria are met, the employee preformed compensated railroad service. An employee annuitant case will be treated as a return to railroad service. If an employee received only delegate pay, this will be handled as in A or B, above.

5.3.65 Employee Representative Compensation

When a person occupied the position or office of employee representative and was paid remuneration in that office, all remuneration (subject to the tier 1 and tier 2 maximum) is credited as compensation, even though such person performed, either in connection with or outside that office or position, some services which were not directly related to the representation of employees.

When a person did not occupy the position or office of employee representative and earned remuneration in another position or office not related to the representation of employees, the remuneration is not credited as compensation for employee representative service, even though he performed some services, either in connection with or outside his office or position, which were related to the representation of employees.

When a person occupied, concurrently, the position or office of employee representative and another position in some non-employee representative capacity, only the remuneration earned in the capacity of employee representative as employee representative is credited as compensation.

5.3.70 Effect of Government Service Employment on Compensation General

Please refer to FOM1 214.1.

5.3.71 Requesting Verification of Government Service Employment

Please refer to FOM1 214.2

5.3.72 Action Upon Verifying Employment

Please refer to FOM1 214.3.

5.3.73 Indexed AMC

Please refer to FOM1 214.4

5.3.74 Indexed FAMC

Please refer to FOM1 214.5

5.3.80 Compensation Records

5.3.80.10 Evidence of Compensation Paid After 1936

Evidence of compensation paid after 1936 consists of records of compensation reported periodically to the Policy and Systems – Compensation and Employer Services

(P&S-CESC) by covered employers, including railway labor organization employers and employee representatives, plus supplementary statements of lag earnings furnished by employers and employee representatives on Form G-88A as explained in RCM 5.3.11, or Form AA-12, as explained in RCM 5.3.13.

5.3.80.20 Conclusiveness of Compensation Reports

The RRB's record of the compensation and service reported paid to an employee for a given period after 1936 is conclusive as to the amount. If no compensation was reported for any given period, it is assumed that the employee received no compensation for that period.

However, when an error in the amount of compensation reported or a failure to make a report of compensation is called to the attention of the RRB within four years after the last date on which a compensation report was required to be made, the RRB's records are subject to correction. A request for correction should be reported to CESC.Beginning in 1969, all employers report compensation annually. The term "last date on which a compensation report was required to be made" means March l of the year following the "calendar year" during which compensation was paid by the employer.

"Last date" means the last day of the month immediately following the "calendar quarter" during which the final and conclusive determination as to the creditability of the compensation is made by the RRB when the employer failed to make a report (in whole or in part) of compensation paid an employee because the employer or employee believed, based on reasonable grounds appearing in the record, that the compensation involved was not covered by the RRA..

In all other cases, when the record shows a reasonable explanation for the delay in reporting or correcting the amount of compensation, the Chief of CESC may set a last date for the filing of such return.

5.3.82 Employment Data Maintenance

The Employment Data Maintenance (EDM) system contains the service and compensation for all individuals who have worked in railroad service. The data on the EDM is based on the year-end earnings reports from the railroad employers. This data can be corrected only by corrected earnings reports from the railroad employers.

The EDM will also include wages for employees with 108 railroad service months or more.

The screens for the EDM are explained in RCM 9.9.

5.3.83 Requesting Pre - 1951 Compensation Records from CESC

If you need a yearly breakdown of railroad service and compensation for years in the period 1937 through 1950, use Form G-563 (Request to CCU For Service and Compensation Data) to request that information from CESC. They will furnish a yearly breakdown of service and compensation for the period requested.

5.3.84 Securing Post - 1950 Compensation Records

To request a compensation record on Form G-90 use G-60 in retirement annuity cases, as explained in RCM 9.1, and the on-line SURGE system in survivor cases, as explained in RCM 9.11.

5.3.85 Earnings When Employer Status Disputed

A. Coverage Ruling for Missouri Pacific Truck Lines (MPTL) and the Texas Pacific Motor Transport Company (TPMT)

As a result of a 1978 audit by the Internal Revenue Service, the Missouri Pacific Truck Lines (MPTL) and the Texas and Pacific Motor Transport Company (TPMT) were ruled to be employers under the Railroad Retirement Tax Act. The court has reversed the Internal Revenue Service decision and ruled that these employers are not employers under the Railroad Retirement Tax Act. The time limit for an appeal in this case is passed. This means that earnings from the MPTL are wages, not compensation.

The Social Security Administration (SSA) has advised that all wages for the concerned employees have been posted to their Social Security earnings record.

B. Compensation for Trans-Mark Services, Inc., and Servitron, Inc.

1. Background - Service by certain individuals with Trans-Mark, Inc. or Servitron, Inc. constitutes railroad service under the RR Act.

   In March 1969, the Kansas City Southern Railway Company and its affiliates created two satellite companies: Trans-Mark, Inc. and Servitron, Inc. Both of these companies were largely staffed by former KCSR employees, who had been transferred from the KCSR payroll to those of the satellite companies. Earnings from employment with the satellite companies were reported to SSA as wages.

   In July 1976, the General Counsel ruled in L-76-381 that the service of those individuals who were carried on the payrolls of Trans-Mark or Servitron, but who were performing service for the Kansas City Southern and its affiliated railroads, was creditable under the Railroad Retirement Act.

At the time that this decision was made, a number of Trans-Mark and Servitron employees were receiving RR annuities based on their last day carried on the KCSR's payroll. Other individuals were receiving SS benefits based on the "wages" earned while employed by Trans-Mark or Servitron. Therefore any previous RRB determination made based on the incorrect use of this service was re-opened.

Because the crediting of Trans-Mark or Servitron service can affect current connection, SUP ANN closing data and Reg, SUP ANN or spouse annuity entitlement, special care was taken by initial examiners to determine whether this service has been used in these determinations.

2. Field Office Handling - Initial cases involving service with Trans-Mark or Servitron were marked for manual handling. Headquarters checked the folder for evidence that SSA has removed the service in question from their records and terminated or reduced the associated SS benefit. These cases have been corrected.

5.3.86 Compensation Erroneously Credited as Wages

There have been instances when earnings for employees of several railroads were incorrectly posted to their wage records. SSA then erroneously credited wages for earnings that were also credited as compensation by the RRB. Most of these records have been corrected.

RASI (Retirement Adjudication System Initial) is programmed to take in a code from SEARCH in the TRIC reply when a railroad is earmarked for this problem. A referral instructs the examiner to have PIA's computed manually to exclude the earnings incorrectly credited as wages. The additional handling required in these cases means that they will take longer than normal to process.

5.3.87 Coordination of Railroad Compensation Reported for Months After the Retirement Annuity Beginning Date

See FOM1 207.12 for handling service months after the ABD.

Appendices

Appendix A - Rules for Determining Redcap Compensation and Other Station-Attendant Compensation for Months Before 9-1941

A1 Redcap Defined

"Redcap" means a station employee whose duties consisted of or included the carrying of passenger's hand baggage and otherwise assisting passengers at passenger stations. Before passage of the Fair Labor Standard Act in 10-1938, the majority of employers did not carry redcaps on the payroll. The remuneration for this service

consisted solely of tips received from railroad patrons. Therefore, in the absence of evidence indicating that a redcap was paid through the employer's regular payroll, it was assumed that his payment for service, in whole or substantial part, was in the form of tips.

A2 Compensation For Months After August 1941

The compensation attributable to each month of service as a redcap after August 1941 is the amount paid for this service through an employer's payroll. Compensation for this service was reported to the RRB by employers. Records of compensation for this service furnished by the CESC are accepted as correct.

A3 Redcap Compensation for Months Before 9-1941

a. 1937 RRA

Under the 1937 RRA, redcap months prior to 9-1941 were treated as prior service months and the redcap compensation was included in the prior service average.

1. Red Cap Service Prior to 1941 - Redcap service prior to 1941 was included in the prior service months and prior service average.

   Redcap service before 9-1941 was not be used, however, when awarding the residual payment. In residual payment cases, only the compensation which was actually paid through the employee's payroll was included in the employee's total creditable compensation.

2. Red Cap Service After 1940 - Redcap service after 1940 was considered subsequent service and was used in computing the average monthly remuneration (AMR).

b. Under the 1974 RRA

The 1974 RRA changed the usage of redcap service and compensation after 12-1936 and before 9-1941; these months were then used as subsequent service. However, the amount of the average redcap compensation for those months was still determined as in 1937 Act cases.

1. Redcap Service Prior to 1937 - Redcap service prior to 1937 was included in the prior service months.

2. Red Cap Service After 1936 - Redcap service after 1-1-37 was considered subsequent service and was used, along with other pre-1975 railroad service, in computing the 1974 Act PIA's, the average monthly compensation (AMC) for components 1 and 2 of tier 2, and the grandfather clause increase. It was also used to determine the quarters of

coverage for the employee's vested status for payment of the vested dual benefit.

Redcap service before 9-1941 was not used, however, when awarding the residual payment. In residual payment cases, only the compensation which was actually paid through the employee's payroll was included in the employee's total creditable compensation.

A4 Compensation for Months Before 9-1941

The monthly compensation or remuneration of a person who performed redcap service before 9-1941, was determined as follows:

a. The average monthly compensation for all months of redcap service before 9-1941 was determined; or,

b. The 1924-1931 period applies (retirement annuity cases only) in determining the compensation for all months of other service before 1937, unless missing records or insufficient service is involved. In this event, use the instructions governing the determination of the average monthly compensation.

A5 Compensation for Concurrent Service

Compensation reported for other concurrent non-redcap service after 1936, was applied only to that service. When the employee performed redcap service and service in another occupation during the same month before 9-1941, compensation was reported for that month for the other occupation plus the compensation for redcap service (subject to the $300 maximum).

When an amount, exceeding the compensation attributable to redcap service, was reported for any month after 12-1935 and before 9-1940, it was assumed, in the absence of explicit information to the contrary, that the employee worked in another occupation.

A6 Development of Compensation

a. Retirement Annuity Cases - CESC furnished a monthly breakdown of the employee's compensation before 9-1941, on Form G-122. If the employer reported 1941 service on an annual basis, the Form G-122 indicated a breakdown only through the year 1940 (see "c" below).

b. Survivor Annuities and LSDP's - When the compensation for redcap service was not established before the employee's death, the CESC furnished a monthly breakdown of compensation for the period 9-1940 through 8-1941, on a Form G-122. If the employer reported 1941 service on an annual basis, the Form G-122 indicated a breakdown only through the year 1940 (see "c" below).

c. Employer Reported Service and Compensation Annually - A monthly breakdown of 1941 compensation was requested from the employer. If a lump-sum accrued wage increase was reported for 12-1940, the employer indicated the portion of the increase that was allocated to each month 9-1940 through 12-1940.

A7 Service Verified in the Period 9-1940 Through 8-1941

a. Six or More Service Months - The test period for determining the redcap average was September 1, 1940 through August 31, 1941. When the employee was paid compensation through the employer's payroll for redcap service in at least six calendar months, in the period 9-1940 through 8-1941, the average of that compensation was attributable to each month before 9-1941 in which he performed redcap service.

The months and compensation for this period were taken from Form G-122. The average was the compensation divided by the months. If there were any months shown on Form G-122 before September 1940 which exceeded the prior service average the service and compensation for those months, they were removed from the prior service total and added to the subsequent service total.

The following format was used as a worksheet for determining the average redcap compensation and creditable service months due to redcap compensation:

		Months	Comp
1.	Total S/S and Comp 10-1-38 thru 12-31-74	_____	_____
2.	Minus total S/S and Comp 10-1-38 thru 8-31-41 to be excluded (from G-122)	_____	_____
3.	Difference	_____	_____
4.	Plus month period 10-1-38 thru 8-31-40 that exceed the average (See below.)	_____	_____
5.	Subsequent Service and Compensation to be used line 3, Form G-367	_____	_____

Consider as prior service all months 10-1-38 thru 8-31-41 minus the months from (4.) above plus any months verified by "W" on Form AA-2P for the period 1-1-37 thru 9-30-38. Months before 1-1-37 may only be included if the total service after 1-1-37 does not exceed 360.

List Compensation for Each Month 9-40 thru 8-41

Month	Compensation
9/40	$
10/40	
11/40	
12/40	
1/41	
2/41	
3/41	
4/41	
5/41	
6/41	
7/41	
8/41	

$_____	divided by	_____	equals	$_____
Total Compensation		number of months		Redcap
9/40 thru 8/41		9/40 thru 8/41		Average

List months restored (show month and year for each month in item D).

b. Less than Six Service Months - When the employee was paid compensation for some but less than 6 months in the period 9-1940 through 8-1941, a letter was sent to the employer requesting a report of non-compensated service, requesting a statement showing the average compensation paid to redcap employees during the 9-1940 through 8-1941 period at the station where the employee last performed this service and requesting the average wage rate in effect at that station during that period.

The employee's monthly compensation before 9-1941 was then determined to be greatest of the following:

1. The average of the compensation paid redcaps at the station where the employee last performed redcap service, in the period 9-1940 through 8-1941; or

2. If only the average wage rate was available, 90% of the average wage rate converted into the monthly rate. (An hourly or daily rate was converted into a monthly rate by multiplying by 204 hours or 25.5 days, respectively. A weekly rate was converted by multiplying by 52.1429, then dividing by 12. A yearly rate was converted by dividing by 12); or

3. The average of the compensation paid to the employee for redcap service in the period 9-1940 through 8-1941; or

4. The average compensation paid to the employee for redcap service in the period 9-1940 through 8-1941, after excluding:

    a. Any month, and the compensation for that month, in an employment period of two consecutive calendar months or one calendar month preceded and followed by months in which the employee earned no compensation, if the compensation in such month(s) was less than 60% of the average compensation paid employees at the station where the employee last performed redcap service in the 9-1940 through 8-1941 period or less than 54% of the average wage rate for that station.

    b. Any month and compensation for a that month, which was adjacent to a period of one or more calendar months in which the employee earned no compensation, if the compensation for that month was less than the compensation for the month immediately preceding or following the adjacent month.

    c. If not excluded by a or b above, the last month and compensation for that month, of the period 9-1940 through 8-1941, if no compensation was earned in the month immediately preceding that month and if the compensation for that last month was less than 60% of the average paid at that station or less than 54% of the average wage rate.

    When compensation was determined in accordance with this subsection, a memorandum signed by the associate director, summarized the facts in the case and indicated the average monthly compensation established for service before 9-1941.

A8. PIA Data

Redcap compensation after 1-1-37 was considered in computing any Old Start PIA in which railroad compensation was included.

a. AMW Is Less Than $250 - If the AMW was under $250 or all RR service was before 1951, an Old Start PIA (or PIB) may have exceeded the New Start PIA. The Division of Compensation and Certification provided the recomputation of the AMR or the AMC, and the old start PIA's based on redcap compensation on Form G-563. The request for the Form G-563 also indicated the employee's DOB, ABD, and, if he had a DF, the date his DF began. Item 8 of the Form G-563, also listed the following:

- Number of months before Redcap, Redcap months, Total subsequent service months including Redcap service.
- Total Pre-1975 Compensation (excluding Redcap COMP shown on Form G-122), Redcap Compensation (using total average from redcap worksheet for an "W" months on AA-2P), Total Pre-1975 Compensation
- Prior service months (including any Redcap Prior to 1937)
- Total prior service compensation
- Total Months of Service
- Total Compensation

EXAMPLE: S/S 219 + 56 Redcap = 275 months

COMP $44,526.82 - $3,990.00 = $48,516.82

P/S 32 months

$2,280.00 Comp.

Total Months = 307

Total Comp. = $50,796.82

b. AMW Exceeded $250 But Redcap Service Provided Vested Status - The PIA's were not affected by redcap service if the AMW is over $250. However, the redcap service may have increased the years of service to vest the employee, spouse or survivor for a vested dual benefit.

c. AMW Exceeds $250 and Annuitant Not Vested And is Not Receiving Her/His Own Employee Annuity - If the AMW exceeds $250 and the widow(er) was neither vested nor receiving her/his own employee annuity, or the survivor annuitant was a parent, child or student annuitant, redcap service did not affect the survivor annuity rate. A "Note to File" was created to explain that redcap service was considered but determined not to affect the survivor annuity rate.

A9. AMR And AMC Data

a. 1937 Railroad Retirement Act - The employee's Average Monthly Remuneration (AMR)

b. 1974 Railroad Retirement Act - The employee's average monthly compensation (AMC)

c. 1981 Railroad Retirement Act Amendments - The 1981 RRA Amendment changed the computation of the employee's Average Monthly Compensation (AMC) to the High Five Years. For these cases, redcap compensation did not affect the employee's (High Five) AMC used in his tier 2 rate. It may, however, have increased the employee's years of service in computing the tier 2 rate.

A10. Residual Payment

Redcap service and compensation was used to increase the monthly survivor insurance annuity rate. However, it was not included in residual payments. The examiner wrote in "red" ink in the column of Form G-90 or G-90a, "REDCAP - NOT FOR USE IN RESIDUAL PAYMENTS."

Appendix B - How Compensation Before 1937 Was Verified

B1. General

Before 7-1-74 employers were required to furnish information from their payrolls as to the actual amount of compensation earned in each month needed to determine the prior service average. Effective July 1, 1974 or later, verification of compensation for service before 1937 was no longer required. If the prior service compensation record was not already available at the RRB, the Interstate Commerce Commission (ICC) occupational average was used to determine the average compensation before 1937. The ICC average was the combined average of employee earnings reported to the ICC for the years 1924-1931 for employees in the occupations in which an individual was employed during the 1924-1931 period, or in a similar occupation.

B2. How Employer Reported Occupational Title

If an applicant claimed service before 1937, the Form AA-2p released to the employer indicated the number of months the employer needed to verify to establish 360 months and requested the occupational title for those months. The occupational titles were requested for only those months that were used to determine the average monthly compensation. (See Appendix C of this chapter for instructions on determining prior service average.)

a. Employee Claimed At Least 18 Months During Base Period (1924-1931) - The employer was requested to report occupational titles for all months in this period which were then included in the "years of service."

NOTE: Beginning with 1-1962, service in the 1924-1931 period was not needed for 360 months when the employee had service in each month after 12-1931. However, it was necessary to request the occupational titles for the latest 18 months in the base period, even though these months were not used as service. The occupational titles reported for service in the base period were necessary to determine the prior service average.

b. Employee Claimed To Have Worked Less Than 18 Months During Base Period (1924-1931) - The employer was asked to verify all service before 1937 that were included in the "years of service" and was ask to report the occupational titles for those months in the period 1924-1936.

c. Employee Claimed No Service During Period 1924-1936, But Claimed Service Before 1924 - The employer was asked to verify all of the service that was included in the years of service and to report the exact title of the employee's last occupation in the last month for which service was verified.

d. Occupational Titles Required From More Than One Employer - When service with two or more employers was claimed or indicated during a period needed to determine the prior service average, the occupational titles were obtained from each employer for all months involved.

B3. Verification of Express Commissions

A claim for express commissions was not solicited unless there was a definite indication of joint service with a carrier and an express company during a period used in determining the prior service average.

If an employee claimed joint service with a carrier and express company during the period used to determine the prior service average and the records were available at the RRB, the case was handled as follows:

a. Creditability of Express Commissions Earned in Joint Employment (Cases Where Actual Compensation was Available to the RRB Before July 1, 1974) - The full amount of the verified express commissions, minus expenses, for any month in the period was used to determine the prior service average. When the employee performed joint service for a carrier and an express company during that month, the $300 monthly maximum was applied after crediting the NET express commissions.

b. Claimant Statements - If the "location" of the service was not shown on other material in the file that information was secured from the claimant before releasing an AA-2P. This was essential because the express company records were kept by "location."

When express commissions were already available at the RRB for months in the period used to determine the prior service average, the claimant must have

furnished the RRB with a certification of expenses incurred during his express service.

B4. Compensation for Part of Month of Creditable Service for International Employer

When the fractional part of a month is to be credited as a full month of service and falls within a period used for determining the employee's average monthly compensation for prior service, the total compensation reported as earned in the U.S. is to be included as creditable compensation.

Appendix C - Determining Prior Service Average

C1. Definition of Terms Used

The following list of terms were frequently used in determining the prior service average:

a. ICC Average - The combined average of employee earnings reported to the ICC for the years 1924-31, by Class I employers for employees in the occupations in which an individual was employed during the 1924-31 period, or in a similar occupation (see Appendix E).

b. Months Proved - The months of service verified by any of the methods described in Appendix A of RCM 5.2.

c. Months for Which Compensation Records Available - The months of verified service for which an employer previously submitted a complete record of compensation. Any month in which compensation records were wholly or partly missing could not be considered a month for which compensation records were available.

d. Years of Service - The period including an employee's service after 1936 and his service before 1937 taken in reverse order up to a maximum of 360 months.

C2. How The ICC Average Was Determined

The "Alphabetical List and Index to Occupational Classification and Reporting Divisions," indicated the ICC "reporting division number" that was required to determine the ICC average. The average for that occupation in Appendix D of this chapter is opposite the corresponding "reporting division number."

When more than one occupation was involved, the following rules determined ICC average:

A. More Than One Occupation Reported in Same Month - It was assumed that the employee worked the entire month in the occupation having the highest ICC average.

B. Service in More Than One Occupation to be Considered - The ICC average for each occupation was multiplied by the number of months reported for that occupation and then divided by the total number of service months in the period used to determine the monthly average.

C3. How AMR/AMC Was Determined

Except for a redcap or other station attendant, Board Order 59-19 determined the computation of the AMR or AMC for service before 1937, in accordance with C4 - C6 below, whichever is applicable.

The provisions of Board Order 59-19 applied in all cases in which the annuity was awarded on or after 1-28-59. Since it was not possible to compute the AMR under the provisions of this Board Order on the day of approval, some awards as late as 2-9-59 were NOT based on an average computed under B.O. 59-19. When an annuity was awarded on or after 1-28-59 and the AMR was not determined in accordance with B.O. 59-19, the case was not reopened solely to recompute the monthly average under the new rules.

If the AMR was properly determined under rules applicable at that time (whether before, on, or after 1-28-59), the case may have been reopened if compensation records become available for one or more months for which the records were considered not available when the previous determination was made AND the redetermination will increase the AMR. This applied even when an annuity was terminated for any reason (i.e., return to LPE or recovery from disability) and the employee became re-entitled to an annuity at a later date.

C4. Actual Compensation Prior to 1937 Considered in Determining Prior Service Avg

a. At Least 18 Months of Service Proved in the Period 1924-31 Were Included in "Years of Service"

1. If compensation records WERE available for at least one-half but not less than 18 of the months proved, the creditable compensation earned during those months was divided by the number of months in the period 1924-31 included in the "years of service" for which compensation records were available.

2. If compensation records WERE NOT available for one-half or for 18 of the months (whichever is higher) of service proved in the 1924-31 period, the monthly compensation was the higher of:

- The monthly average of the compensation earned in the months in the 1924-31 period which are included in the "years of service" and for which compensation records are available; or

- The ICC average.

b. At Least 18 Months of Service Proved in the Period 1924-31 - Less Than 18 Months Included in "Years of Service"

1. If compensation records WERE available for all of the last 18 months of service verified in the 1924-31 period, the monthly average was the monthly average of the compensation earned in those months.

2. If compensation records WERE NOT available for all of the last 18 months in the period 1924-31, the monthly compensation was the higher of:

- The monthly average of the compensation earned in the last 18 months of proved service in the 1924-31 period for which compensation records were available; or

- The ICC average.

c. Service Began Before 1932 - Less Than 18 Months Service Proven in 1924-31 Period - The AMC was the higher of:

1. The monthly average of the compensation earned in the months in the 1924-36 period which were included in the "years of service" and for which compensation records were available; or

2. The ICC average.

d. No Service Proved in 1924-1936 Period But Service Prior to 1924 Is Proved Which Is Included in "Years of Service" - The monthly compensation is the ICC average for the last occupation for which service prior to 1924 is proved.

e. Service Began After 1931 - The monthly compensation is the higher of:

1. The monthly average of the compensation earned in the months in the period 1932-36 which were included in the "years of service" and for which compensation records are available; or

2. The ICC average.

C5. Actual Compensation for All Prior Service Months was Not Reported

a. Years of Service Included At Least 18 Months of Service Proved in the Period 1924-31 - The prior service average was the ICC average for the months in the 1924-31 period which were included in the "years of service".

b. At Least 18 Months of Service Proved in the Period 1924-31 - Less Than 18 Months Included in "Years of Service" - The prior service average was the ICC average of the last 18 months of proven service in the 1924-31 period.

c. Service Began Before 1932 - Less Than 18 Months Service Proven in 1924-31 Period - The prior service average was the ICC average for the months in the 1924-36 period which are included in the "years of service."

d. No Service Proved in 1924-1936 Period But Service Prior to 1924 Was Proved and Included in "Years of Service" - The monthly compensation was the ICC average for the last occupation for which service prior to 1924 was proved.

e. Service Began After 1931 - The monthly compensation was the ICC average for proven months in the period 1932-36 which were included in the "Years of Service."

C6. Both ICC Average and Actual Compensation was Included

There were some cases where both the actual compensation and the ICC average were included in the prior service average. This occurred when we had actual prior service compensation in file and additional prior service was later claimed. Verification of the compensation for the additional prior service months was not requested. Instead, the applicable ICC average was applied to all additional prior service months verified and the prior service average was computed in accordance with C4 above. The ICC average used for the additional prior service months was considered as actual compensation.

Appendix D – Agreements Covering House Rent, Meals, and Miscellaneous Facilities

Employer		
Position	**Period Covered**	**Allowance**
Alabama Great Southern Railroad Company, The		
(Sou. Ry.) Section Foremen	4/1/26 to 1/15/28 1/16/28 thru 10/13/37 (Sou.)	$ 5.00 per mo. $ 7.50 per mo.
Atchison, Topeka and Santa Fe Railway Company, The		
Section Foremen Yard Foremen (M of W)	8/1/29 to date Employer letter 4/3/46	$ 5.00 per mo.
Atlanta and West Point Railroad Company		
Section Foremen Yard Foremen Apprentices	7/30/23 to 9/1/37	$15.00 per mo.

Asst. Foremen B&B Foremen, with Families		
Atlanta, Birmingham and Coast Railroad Company		
Section Foremen	10/16/41 thru 9/19/44	$15.00 per mo.
Atlantic Coast Line Railroad Company		
Section Foremen	1/21/23 thru 12/18/41	$12.00 per mo.
Augusta and Summerville Railroad Company		
Section Foremen Yard Foremen Apprentices Asst. Foremen B&B Foremen, with Families	5/16/22 to 9/1/37	$15.00 per mo.
Baltimore and Ohio Railroad Company, The		
Agent Greenville, Ohio	10/8/28 thru 2/4/41	$15.00 per mo.
Belt Railway Company of Chattanooga		
Section Foremen	9/21/29 thru 10/13/37 (Sou.)	$ 7.50 per mo.
Canadian National Railway		
Agent, Fraser (rent, light, fuel & water)		$200 per annum
Central of Georgia Railway Company		
Section Foremen Yard Foremen Apprentices Asst. Foremen, B&B Foremen with Families	10/1/22 thru 10/8/40	$15.00 per mo.
Extra Gang Foremen without camp cars	3/1/28 thru 10/8/40	$15.00 per mo.
Charleston and Western Carolina Railway Co.		

Section Foremen Yard Foremen	12/5/23 to 5/31/38 6/1/38 thru 8/8/38	$10.00 per mo. $12.00 per mo.
Chesapeake and Ohio Railway Employees' Hospital Association		
All Employees Meals or Lodging	No allowance creditable	
Chesapeake and Ohio Railway Company, The		
Section Foremen	9/1/23 thru 3/31/36 (basic rental) More or less than $6.00 for particular houses	$6.00 per mo.
Chicago and North Western Railway Company		
Agents Section Foremen	No allowance creditable (Except in particular instances)	
Chicago, Burlington and Quincy Railroad Company		
All Employees	No allowance creditable	
Chicago, Milwaukee, St. Paul and Pacific Railroad Company		
All Employees	No allowance creditable	
Cincinnati, Burnside and Cumberland River Railway Company		
Section Foremen	9/16/29 to -- (Sou.)	$ 7.50 per mo.
Cincinnati, Georgetown Railroad Company, The		
All Employees	No allowance creditable (Unless adjudicated in special cases)	
Cincinnati, New Orleans and Texas Pacific Railway Company, The		
Section Foremen	9/16/29 thru 10/13/37 (Sou.)	$ 7.50 per mo.
Columbus and Greenville Railway Company		
Section Foremen	4/1/30 to --	$10.00 per mo.
Copper Range Railroad Company		

All Employees	No allowance creditable	
Dardanelle and Russellville Railroad Company		
All Employees	No allowance creditable	
Denver and Rio Grande Western Railroad Company, The		
Agents Section Foremen	No allowance creditable	
Duluth, Missabe and Iron Range Railway Company		
All Employees	No allowance creditable	
Felicity and Bethel Railroad		
All Employees	No allowance creditable (Unless adjudicated in special cases)	
Florida East Coast Railway Company		
Section Foremen Yard Foremen Track Foremen Bridge Tenders Pumpers	7/1/22 thru 8/24/38 4/12/32 thru 8/24/38	$15.00 per mo. (Same as above)
Fred Harvey and Fred Harvey Service, Inc.		
All Employees (Meals)	No allowance creditable	
Georgia Railroad, Lessee Organization		
Section Foremen Yard Foremen Apprentices Asst. Foremen B&B Foremen, with Families	5/16/22 thru 5/15/37	$15.00 per mo.
Georgia Southern and Florida Railway Company		
Section Foremen	9/16/29 thru 10/13/37	$ 7.50 per mo.
Great Northern Railway Company		

Dining Car Employees (Meals)	No allowance creditable	
Section Foremen	No allowance creditable	

Gulf and Ship Island Railroad Company

See Illinois Central Railroad Company

Gulf, Colorado and Santa Fe Railway Company

See Atchison, Topeka and Santa Fe Railroad Company

Gulf, Mobile and Northern Railroad Company

Section Foremen Yard Foremen	7/1/21 thru 1/1/37	$ 8.00 per mo.

(1) Effective 6/16/26 this allowance raised to$10.00 per mo. for section foremen on Sections 0 and 1 at Mobile and section in Meridan Yards.

(2) Section 12, South Laurel.

Gulf, Mobile and Northern Railroad Company - Louisiana Division (formerly N.O.G.N. RR.)

Section Foremen Yard Foremen Apprentices Asst. Foremen B&B Foremen	7/1/21 thru 1/11/37	$ 5.00 per mo.

(Effective 5/1/27 this allowance increased to $10.00 per mo. for section foremen and yard foremen on this division)

Gulf, Mobile and Ohio Railroad Company

Section Foremen	12/16/21 to 12/31/26	$ 5.00 per mo.
	1/1/27 to 12/31/31	$10.00 per mo.

Harriman and Northeastern Railroad Company

Section Foremen	9/16/29 thru 10/13/37	$ 7.50 per mo. (Sou.)

Highpoint, Randleman, Asheboro and Southern Railroad Company

Section Foremen	4/1/26 to 1/15/28	$ 5.00 per mo.

	1/16/28 thru 10/13/37	$ 7.50 per mo.
Illinois Central Railroad Company		
Section Foremen	1/1/24 thru 11/5/40	$ 5.00 per mo.
(House rent allowances, when applicable, are included in the amounts of compensation reported on service report forms. Therefore, unless affirmative evidence of record in a particular case indicates that the house rent allowance has been omitted, amounts reported on the service report form shall not be questioned.)		(Standard) Exceptional houses allowance between$5 and $15 per mo.
Agents Telegraphers	No allowance creditable	
Jacksonville Terminal Company		
Section Foremen	3/1/20 thru 9/2/42	$12.00 per mo.
*Roadmaster	3/1/20 thru 9/2/42	$25.00 per mo.
*(oral agreement)		
Kansas City Kaw Valley and Western Railroad Company, The		
Kansas City Southern Railway Company, The		
Foremen and	1/1/22 to 12/31/26	$10 to $15 per mo.
Asst. Foremen in the M of W Dept.	1/1/27 thru 7/15/38	$10.00 per mo.
Lorain and West Virginia Company, The		
All Employees	No allowance creditable	
Macon, Dublin and Savannah Railroad Company		
Section Foremen	3/1/23 thru 1/1/37	$ 8.00 per mo.
Midland Continental Railroad		
Section Foremen		
Missouri and Arkansas Railway Company		
Section Foremen		
Missouri Pacific Railroad Company		

All Employees	No allowance creditable	
Nashville, Chattanooga & St. Louis Railway, The		
All Employees	No allowance creditable	
Nevada Copper Belt Railroad Company		
Agent Telegrapher, Hudson, Nev.	3/1/36 to 10/5/38	$ 7.50 per mo.
New Orleans and Northeastern Railroad Company		
Section Foremen	9/16/29 thru 10/13/37	$ 7.50 per mo. (Sou.)
New Orleans Terminal Company		
Section Foremen	9/16/29 thru 10/13/37	$ 7.50 per mo.
Northern Alabama Railway Company		
Section Foremen	4/1/26 to 1/15/28 1/26/28 thru 10/13/37	$ 5.00 per mo. $ 7.00 per mo.
Northern Pacific Railway Company		
All Employees	No allowance creditable	
Pacific Electric Railway Company		
Vacation Camp Employees (Meals and Lodging)	No allowance creditable	
Panhandle and Santa Fe Railway Company		
Section Foremen Yard Foremen	8/1/29 thru 2/9/39 (AT&SF)	$ 5.00 per mo.
Pere Marquette Railway Company		
St. Johns River Terminal Company		
Section Foremen	9/16/29 thru 10/13/37	$ 7.50 per mo. (Sou.)
St. Louis-San Francisco Railway Company		

Section Foremen		
Seaboard Air Line Railway Company		
Section Foremen	7/1/21 to 4/30/24	$ 8.00 per mo.
Agents-Telegraphers (CH&N Ry. Co.)	5/1/24 thru 1/4/38	$12.00 per mo.
Southern Pacific Company		
All Employees (House Rental)	No allowance creditable	
Southern Railway Company		
Section Foremen	4/1/26 to 1/15/28	$ 5.00 per mo.
	1/16/28 thru 10/13/37	$ 7.50 per mo.
Extra Gang Foremen on camp cars (Board)		.40 per day commutation for subsistence 5/22/17 thru 2/16/39
Spokane, Portland and Seattle Railway Company		
All Employees	No allowance creditable	
Texas and New Orleans Railroad Company		
Agents-Telegraphers	No allowance creditable	
Section Foremen	No allowance creditable except actual cash payments constituting part of compensation applicable to a position	
Texas and Pacific Railway Company, The		
Section Foremen	No allowance creditable	
Union Pacific Railroad Company		
All Employees	No allowance creditable	
Virginia and Truckee Railway		
All Employees	No allowance creditable	
Western Pacific Railroad Company, The		
All Employees	No allowance creditable	

Western Railway of Alabama, The		
Same as for Atlanta and West Point Railroad Company		
Wheeling and Lake Erie Railway Company, The		
All Employees	No allowance creditable	
Winston-Salem Southbound Railway Company		
Section Foremen	1/21/23 thru 12/18/41	$ 8.00 per mo.
Woodstock and Blocton Railway Company		
Section Foremen	9/16/29 thru 10/13/37	$ 7.50 per mo.
Yazoo and Mississippi Valley Railroad Company, The		
Same as for Illinois Central Railroad Company		

Appendix E - Interstate Commerce Commission Averages

Combined Average Monthly Compensation by Occupation

Computed From Annual Report to ICC on Employees

Service and Compensation for Period 1924-1931

(All Class I Railroads Combined)

Div. No.	Occupation	Average Monthly Comp.
Executives, Officials and Staff Assistants		
1.	Executives and assistants	$300.00
2.	Division officers and assistants	300.00
Professionals, Clerical and General		
3.	Engineering assistants (A)	248.51
4.	Engineering assistants (B)	189.85
5.	Subprofessional assistants	138.43

6.	Legal assistants	232.35
7.	Chief clerks (major departments)	239.83
8.	Chief clerks (minor departments)	184.26
9.	Clerks and clerical specialists (A)	164.97
10.	Clerks (B)	128.63
11.	Clerks (C)	101.19
12.	Office machine operators	112.11
13.	Stenos and secretaries (A)	157.94
14.	Stenos and typists (B)	120.99
15.	Storekeepers, sales agents and buyers	168.45
16.	Ticket agents and assistant ticket agents	165.02
17.	Traveling auditors or accountants	215.66
18.	Telephone operators and office assistants	79.04
19.	Messengers and office boys	57.64
20.	Elevator operators and office assistants	79.98
21.	Lieutenants and sergeants of police	153.19
22.	Patrolmen	113.31
23.	Watchmen (no police authority)	83.07
24.	Supervising traffic agents	300.00
25.	Traffic, development and advertising agents	220.68
26.	Fire prevention, smoke and time service insp. and office building superintendent	198.87
27.	Claim agents and investigators	222.58
28.	Real estate and tax agents and investigators	236.97
29.	Examiners, instructors and special investigators	228.07

30.	Miscellaneous trades workers (not plumbers)	145.46
31.	Motor vehicle operators	106.47
32.	Teamsters and stablemen	117.74
33.	Janitors and cleaners	75.32
Maintenance of Way and Structures		
34.	Roadmakers and general foremen (MW&S)	238.80
35.	Asst. general foremen (MW&S)	213.44
36.	Supervisors M of W and scale inspectors	187.50
37.	M of W inspectors	177.22
38.	Bridge and building gang foremen (skilled labor)	166.60
39.	Bridge and building carpenters	122.94
40.	Bridge and building ironworkers	149.93
41.	Bridge and building painters	119.64
42.	Masons, bricklayers, plasterers and plumbers	149.52
43.	Skilled trades helpers (MW&S)	98.22
44.	Regular apprentices (MW&S)	87.87
45.	Portable steam equipment operators (MW&S)	140.96
46.	Portable steam equipment helpers (MW&S)	97.00
47.	Pumping equipment operators (MW&S)	68.92
48.	Gang foremen (extra gang and work train)	129.29
49.	Gang foremen (bridge, building, signal and telegraphers)	163.36
50.	Gang or section foremen	123.27
51.	Laborers (extra gang and work train)	73.89
52.	Track and roadway section laborers	72.17

53.	M of W laborers (except track and roadway)	76.26
54.	General foremen (signal and telegraphers)	244.75
55.	Asst. general foremen (signal and telegraphers)	216.29
56.	Gang foremen (signal and telegraphers skilled labor)	191.11
57.	Signalmen and signal maintainers	157.80
58.	Linemen and groundmen	148.65
59.	Asst. signalmen and signal maintainers	127.24
60.	Signalmen helpers	105.77
Maintenance of Equipment and Stores		
61.	General foremen (ME)	276.00
62.	Assistant general foremen (ME)	235.96
63.	General foremen (stores)	175.02
64.	Assistant general foremen (stores)	166.24
65.	Equip. shop and elec. inspectors (ME)	213.72
66.	Material and supplies inspectors	179.30
67.	Gang foremen (skilled labor)	189.81
68.	Blacksmiths	150.35
69.	Boilermakers	158.93
70.	Carmen (A)	150.08
71.	Carmen (B)	145.26
72.	Carmen (C)	144.30
73.	Carmen (D)	132.64
74.	Electrical workers (A)	157.79
75.	Electrical workers (B)	146.15

76.	Electrical workers (C)	133.26
77.	Machinists	156.48
78.	Molders	143.03
79.	Sheet-metal workers	155.79
80.	Skilled trade workers (ME&S)	110.46
81.	Helper apprentices (ME&S)	108.85
82.	Regular apprentices (ME&S)	77.37
83.	Gang foremen laborers (ME&S)	122.58
84.	Coach cleaners	82.55
85.	Laborers (ME&S)	82.21
86.	Common laborers (ME&S)	79.87
87.	Stationary engineers (steam)	138.21
88.	Stationary firemen and oilers (steam and electric)	111.98
89.	Coal passers and water tenders (steam and boiler rooms)	99.26
<u>Transportation (Other Than Train, Engine and Yard)</u>		
90.	Train dispatchers and directors	247.62
91.	Station agents (supervisory major stations)	238.06
92.	Station agents (supervisory small stations)	163.20
93.	Station agents (non-supervisory small stations)	98.50
94.	Station agents (telegraphers and telephoners)	130.04
95.	Chief telegraphers and telephoners	176.92
96.	Clerk-telegraphers and telephoners	128.50
97.	Telegraphers, telephoners and towermen	133.90
98.	Stationmasters and assts.	180.33

99.	Supervising baggage agents	166.61
100.	Baggage agents and assts.	118.53
101.	Baggage, parcel room and station attendants	93.11
102.	General foremen (freight station, warehouses, grain elevators and docks)	172.39
103.	Asst. general foremen (freight, stations, warehouses, grain elevators and docks)	152.62
104.	Gang foremen (freight, stations, warehouses, grain elevators and docks)	133.77
105.	Callers, loaders, scalers and sealers	105.10
106.	Truckers (stations, warehouses and platform)	92.29
107.	Laborers (coal and ore docks and grain elevators)	104.46
108.	Common laborers (stations, warehouses, platform and grain elevators)	82.71
109.	Stewards, rest and lodging house managers	127.97
110.	Chefs and first cooks (dining cars and restaurants)	112.37
111.	Second and third cooks (dining cars and restaurants)	77.89
112.	Waiters and lodging house attendants	52.95
113.	Camp and crew cooks and kitchen helpers	63.94
114.	Barge and launch officers and lighter workers	111.87
115.	Deck officers (ferryboats and tow vessels)	185.00
116.	Engine-room officers (ferryboats and tow vessels)	182.50
117.	Deck and engine-room workers (ferryboats and tow vessels)	116.59
118.	Deck and engine-room officers and workers (steamers)	69.00

119.	Shore workers (floating equipment)	101.33
120.	Transportation and dining service inspectors	202.10
121.	Parlor and sleeping car conductors	142.47
122.	Train attendants	87.40
123.	Bridge operators and helpers	92.61
124.	Cross and bridge flagmen and gatemen	65.07
125.	Laundry workers and foremen	83.36
Transportation (Train, Engine and Yard)		
126.	Yardmasters and assts.	223.40
127.	Switch tenders	127.14
128.	Outside hostlers	154.95
129.	Inside hostlers	140.59
130.	Outside hostler helpers	123.16
131.	Road passenger conductors	254.27
132.	Asst. road passenger conductors	212.48
133.	Road freight conductors (thru freight)	216.29
134.	Road freight conductors (local)	256.28
135.	Road passenger baggagemen	193.04
136.	Road passenger brakemen and flagmen	171.75
137.	Road freight brakemen and flagmen (thru freight)	156.69
138.	Road freight brakemen and flagmen (local)	197.47
139.	Yard conductors and foremen	203.88
140.	Yard brakemen and helpers	172.92
141.	Road passenger engineers and motormen	273.99

142.	Road freight engineers (thru freight)	246.65
143.	Road freight engineers (local)	300.00
144.	Yard engineers and motormen	210.65
145.	Road passenger firemen and helpers	206.40
146.	Road freight firemen and helpers (thru freight)	172.35
147.	Road freight firemen and helpers (local)	221.23
148.	Yard firemen and helpers	158.92

5.4.1 MS Introduction

The RRA provides Tier 2 service months and compensation credit toward retirement benefits for employees who leave railroad work and perform active duty MS in the same year or in the next calendar year. A credited month of MS is considered to be the same as though the employee performed regular railroad work that month. Eligibility for MS credit depends on:

- Whether the employee's MS entry was voluntary or mandatory, and
- Whether the active duty MS was during a national emergency period or not.

If MS cannot be credited as railroad service, MS that is creditable under the SSA may be used as SSA wage credits. When MS is creditable at both agencies, RRB determines the use that is to the employee's greater benefit. Information is exchanged between the agencies to assure that the same MS credit is not used compute two benefits.

This chapter explains what MS may be credited under the RRA, how the requirements differ under the SSA, and how MS information is processed.

5.4.5 MS Definition

This section explains the concepts and terminology used in discussing employees' military service (MS).

5.4.5.10 Armed Forces

The RRA provides MS credit for members of the uniformed land or naval military forces of the U.S. The components of the U.S. Armed Forces are:

Active Service Branch	Active Women's Auxiliary	Reserve Branches That May Be Called To Active Duty Service
U.S. Army	WACS, WAACS	Army National Guard of the United States* & US Army Reserve
U.S. Air Force	WAFS	Air National Guard of the United States* & Air Force Reserve
U.S. Navy	N/A	U.S. Naval Reserve & WAVES (Women's Reserve)
U.S. Marine Corps	N/A	Marine Corps Reserve & Marine Corps Women's Reserve
U.S. Coast Guard	N/A	U.S. Coast Guard Reserve & SPARS (Women's Reserve)
*National Guardsmen only while "federalized", not while under state authority.		

Note: **Auxiliary branches** are former armed forces components whose members were women. All auxiliary service was entered by enlistment (voluntary service).

5.4.5.20 Duty Status

A. **Active Duty** is the status of an individual while enrolled or commissioned in full-time active uniformed service, for purposes of national emergency preparedness or national defense, until resignation, discharge, or transfer to inactive duty status.

This duty status includes Reservists' annual training duty and attendance at service schools while otherwise in active service.

By definition, in Section 1 of the RRA, references in the Act and regulations to "military service" means "active duty service" in the U.S. land or naval forces.

B. **Active Duty for Training** appears on military records to designate that active service is authorized under the emergency preparedness provisions of military law rather than for national defense. For current RRB and SSA purposes, "active duty for training" status is the same as "active duty". (See SSA's list in 5.4.50.10.B.)

C. **Reserve duty** is the status of an individual enlisted in or transferred to the reserve component of any branch of the U.S. Armed Forces. Reserve duty time (inactive duty) is not creditable as railroad service. MS of reservists is creditable only when they are called to federal active duty as explained in A & B above.

D. **Full-time National Guard duty** is the training or other employment status of members of the Air or Army National Guard while that service is under the authority of a state, a territory, the Commonwealth of Puerto Rico or the District of Columbia. This work activity, recorded on National Guard Bureau forms, is **NOT** federal active duty service. (See "National Guard" below.)

5.4.5.30 Reserve Forces

A. **National Guard** is the generic term for Army or Air guard units that are state militia organizations not on federal duty status. Members serve under the authority of their home states until called to federal service by the National Guard Bureau.

B. **Army National Guard of the United States, and Air National Guard of the United States** are reserve components of the U.S. Army and the U.S. Air Force. Member reservists are also members of their state National Guard. These reservists may be called to active duty in the U.S. Army or U.S. Air Force in periods of national emergency.

C. **National Guard Bureau (NGB**) is a joint bureau of the Dept. of the Army and Dept. of the Air Force under the Dept. of Defense. The NGB exists as the communications channel among the various state level Guard units and the Army, the Air Force, the Army National Guard of the United States and the Air National Guard of the United States.

D. **Army Reserve, Air Force Reserve, Naval Reserve, Marine Corps Reserve and Coast Guard Reserve** are reserve components of those Armed Forces branches whose members are NOT members of the National Guard of the United States. Members' activities are administered directly by the Army, Air Force, Navy, Coast Guard, and Marine Corps, not by the NGB.

5.4.5.40 Term of Service (TOS)

A. One enlistment, enrollment, or induction to M/S for an agreed length of time is referred to by the military as a term of service and is shown on service records as TOS. A single TOS begins on the date of entry to active duty and ends on the date the individual is discharged from that duty, retires, resigns, or is transferred to reserve (inactive) status.

- For WWII the induction TOS was 2 years or the duration of the war.
- After 1945 the induction TOS was 2 years.
- A TOS for voluntary enrollments has varied among the service branches, and by individual choice of commitment, from 2 to 8 years.

B. For commissioned officers, appointments are generally career obligations and the TOS is indefinite. MS creditability is determined according to the earliest point in time that the officer would have been permitted to resign his commission and return to civilian employment.

Officers that continue to serve after a national emergency has ended are presumed to continue (i.e. delay return to railroad service) by choice - - unless the individual's proof shows resignation of commission was not permitted until a later date.

C. Temporary commissions for officers' active duty that have designated end dates may be credited in the same way as the ordinary TOS described in item A above.

5.4.5.50 Break in Military Service

Two or more active duty terms must be separated by at least one calendar month of civilian or reserve status for a break in MS to be considered.

A. If the employee re-entered active duty in the same month, or the month after, he was discharged, during the same national emergency or war service period, the

additional active duty is a new TOS, but do not count the days between the terms as a break in service.

Example: The working employee was drafted April 1969, and discharge occurred April 5,1971. The employee re-enlisted May 21, 1971 for a TOS that ended May 1973.

Railroad credit is given for all months April 1969 through May 1973. Since there was no calendar month in 1971 during which he could have earned an additional service month, there is no break in service.

B. Following a creditable TOS, a break in service occurs if the employee works in non-railroad employment instead of returning to his railroad work.

C. If the employee alleges continuous military service but his re-enlistment dates or other employment evidence presents conflict, refer the case to P&S-RAS.

5.4.10 Means of Entry to Active Duty:

5.4.10.10 Mandatory Service:

MS is involuntary or mandatory, when an employee is required by law, such as Selective Service System conscription, or troop call up from a reserve unit, to leave railroad service to perform active duty MS.

A. **Induction:** Enrollment resulting from conscription (draft) under the Selective Service Act. Through 1946, the TOS could be designated as "two years or the duration" of the war. Thereafter the TOS for inductees required two years of active duty. Induction was abolished effective July 1973.

B. **Call from reserve** status: Transfer from enlistment in a reserve service component to an active duty status in that service (No prior TOS.)

C. **Recall from reserve** status: Transfer to active duty status from reserve status when the individual has previously performed active duty.

5.4.10.20 Voluntary MS Enrollment

Additional requirements must be considered for MS credit when an employee chooses to leave railroad employment and enroll in active duty military service, but is not required to do so.

A. **Commission:** The appointment of an officer to an active duty assignment. Officers' commissions are generally career appointments that carry no specified TOS end date.

B. **Enlistment:** A voluntary enrollment for duty in a designated branch of service for a specific number of years or months.

C. **Reserve Enlistment:** Enrollment in a reserve component of the Armed Forces, most often the Army National Guard, by an individual who has not previously performed MS.

The employee's initial (basic) guardsman training active duty is voluntary, and, if entered when there is no declared national emergency, is not creditable as railroad service. Any subsequent recall to active duty status is, by law, mandatory service.

5.4.10.30 Induction with Enlistment Involved

If the employee enlisted in one branch of service to avoid being drafted into another branch, the MS is considered mandatory service.

The employee must show proof that induction would have occurred if he had not enlisted. Acceptable proof is a copy of his induction notice or other correspondence from the Selective Service Commission establishing that he was scheduled for induction.

Example: Employee received induction notice to report to Army duty in 30 days and, instead, enlisted for immediate active service in the Marine Corps. With proof of the imminent induction, the initial Marine TOS is credited as mandatory entry. Without proof of the call to Army duty, the Marine service is voluntary.

5.4.15 Means of Separation from MS

The employee's military record shows the manner in which a TOS ended and may provide details that will determine if multiple TOS may be combined and considered as one enrollment.

A. **Resignation** is voluntary separation from active or reserve service usually associated with retirement.

B. **Discharge** is official release from a specified military obligation. Proof of an individual's discharge from active duty may show a subsequent reserve force obligation. The reserve duty is not creditable.

C. **Transfer to Reserve Status** is release from active duty to enrollment in a reserve component. Evidence may show "discharged to reserve."

D. **Transfer to another service branch** is reassignment from one active military force to another - usually without a break in service other than transit time.

E. **Conditional discharge** is the designation for a person who ends an enlisted status and accepts a commission. There is no break in active MS, so this

considered as one TOS. This status change a status change of this type may follow active duty for training, or occur as a "field commission" such as temporary or permanent promotion from sergeant to lieutenant during combat.

5.4.20 Types of MS Creditable Periods

The 1937 RRA and subsequent amendments establish three types of conditions under which an employee who leaves his railroad job for MS may receive retirement credit for the months of active duty MS.

5.4.20.10 War Period

The years of World War I and World War II are war periods. A war period begins from the earliest of the date that:

- Congress declared war or declared the U.S. to be in a state of war, or
- Another nation invaded, or declared war on, any part of the U.S. or
- The U.S. engaged in armed hostilities to preserve the Union or to maintain a republic form of government in any State of the Union.

A war period ends on the date that Congress declares hostilities to be ended.

5.4.20.20 War Service Period

Any period, after 09-07-39, of national emergency declared by the President or Congress may be considered a war service period when:

- An individual in active duty was required to remain in active duty, or
- An individual was called to enter active duty and remain in active status.

A war service period may precede, include, and/or follow a period of declared war, but may also exist during a time of national emergency when there has been no official declaration of war. The Korean Conflict and Vietnam Era military actions are a war service period.

A war service period terminates on the date Congress declares the national emergency to be ended regardless of the date hostilities between the U.S. and an adversary are declared ended.

A war service period, by definition in the Act, relates to the service of individuals rather than inclusive calendar dates. For reservists, active duty commitments through the end date of each TOS define each individual's war service period.

Example: A reserve unit that is called to active duty for a TOS "not to exceed 1 year" may have some members that serve the full year and some individuals that are returned to reserve status, in less than 12 months, with a shorter TOS.

5.4.20.30 State of National Emergency

Any period of time, declared either by Congress or the President, during which any part of the U.S. Armed Forces may be called to active duty for the national defense is a state of national emergency and is a war service period for the participating servicemen. Operations Desert Storm, Desert Shield, and the Gulf Wars are part of a currently declared national state of emergency.

5.4.25 RRA Requirements for MS Credit

The RRA protects career railroad employees from losing retirement credits while performing MS during a war or national emergency.

5.4.25.10 MS That Can be Used for RR Credit

A. MS may be credited only if before the active duty began, the employee performed creditable RR service in the same calendar year or the calendar year prior to the date the MS began.

B. When multiple TOS are treated as separate MS enrollments, each enrollment must be preceded by the required RR service.

C. If the MS enrollment date is earlier than active duty entry date, the enlistment or induction date is used to meet the preceding RR service requirement, but the month of entry to active duty is the first MS month that can be credited as RR service.

5.4.25.20 MS That Cannot be Used

A. **No qualifying railroad work:** Beginning with the earliest MS entry, each TOS must be compared with the employee's service and compensation record to be sure the rule in 5.4.25.10.A is met.

- MS that was performed before the individual began railroad employment is not creditable.
- MS that began at a date later than described by the rule in 5.4.25.10.A is not creditable.

B. **Time lost** - Armed Forces records show days lost without pay while an individual in active duty status was not in acceptable performance of that duty. If the reason for the time lost was desertion, absent without leave (AWOL), or other serious offense, a court martial may terminate the M/S with a less than honorable

discharge. That action may follow stockade or brig confinement; that is also time lost without pay.

1. After 1956, time lost always reduces the amount of reported MS wages and, if a full calendar month is lost, that unpaid month cannot be counted as a railroad service month.

2. If time lost results in felony conviction or dishonorable discharge, or an individual was officially declared a deserter and died while in that status, none of the remaining months that follow the time lost offense are creditable.

3. Active duty lost days may be recovered by an extension of the person's TOS with the effect that a 2-year term may extend to 25 or more calendar months before the individual is discharged. The added paid month(s) are creditable.

4. Lost months must be indicated in remarks on APPLE MS proof screens, so HQ can assure unpaid months are not counted in the MS months entered on EDM. Do not allow final award to process until EDM and G-90 MS screens show the corrected MS months.

5. Only full calendar months of time lost require an adjustment of the MS crediting. An indication that the discharge was "other than honorable" will cause RASI to generate a referral to require examiner verification that the MS credit is correct. If all months include some paid time, and no dishonorable discharge is involved, application processing may continue.

Refer evidence in questionable cases to RAS for resolution.

C. **Dishonorable Discharge**

1. MS Considered as Wages - SSA's rule applies: if a TOS was performed wholly before 1957, and the discharge from MS was dishonorable, no part of the TOS can be credited as wages.

   The type of discharge has no effect on MS performed after 1956 when MS is credited as wages.

2. MS Used as Compensation -MS may be creditable as compensation for periods other than "time lost" or time spent in disciplinary barracks awaiting trial that results in dishonorable discharge.

D. **Discharge Was Undesirable** - If the discharge certificate or other evidence indicates undesirable discharge due to "unfitness", the paid active duty performed before discharge is creditable.

5.4.30 Granting MS Credits

When proven MS is reported on an annuity application, any additional railroad service months and compensation must be credited and recorded in EDM before final award calculations. The crediting process is described in CCOM 10.

5.4.30.10 Current Claims

As shown on the following chart, (Form G-429) credit for M/S is granted according to how and when an eligible employee entered active military service. These rules apply only after it is determined that the preceding railroad service requirement was met as explained in 5.4.35.

Active Duty Beginning Date of Term of Service	Means of Entry to Active Duty TOS	
	Involuntary Entry Drafted or Ordered to Active Duty	**Voluntary Entry Enlisted, Re-enlisted, or Commissioned**
09/08/1939 Thru 12/31/1946 WWII war period	Credit as Compensation. Include re-enlistment periods thru end of TOS that began before Jan 1947	
01/01/1947 Thru 06/14/1948 Post WWII War Service Period	Credit as Compensation thru end of TOS Note: there were NO inductions in this period	Credit as compensation only thru 06/14/1948 (Enlisted after war ended)
06/15/1948 Thru 12/15/1950 Not a War Service Period until special rules of 1988 RRA amendments	**Special Rules Effective 12/01/88 Rate Calculations**	
	Credit as Compensation	Credit as compensation if employee returned to RR in same or next calendar year after MS with no intervening non-RR work All other voluntary entry MS IS NOT CREDITABLE
12/16/50 Thru 09/14/78 Korean Conflict, Vietnam Era and Post-Vietnam War Service Period	Credit as Compensation Note: Induction ended June 30, 1973. Afterward - Involuntary applies only to reservists called to active duty.	Credit as Compensation only thru 09/14/1978 no declared war period involved. Credit ended when national emergency ended. 10/78 thru end of TOS is wages.
Retirement Examiner - Send RR-17 when MS Months after 1956 are used as Compensation		

09/15/78 **Thru 08/01/90** Not a War Service Period	Reservists called to active duty credit as compensation	Not Creditable as Compensation Used by SSA as regular wages. Earnings may be included in gross Tier 1 and in SSA benefit.
08/02/90 **Thru Present** Gulf Wars Conflicts National Emergency	Credit all active duty as compensation until further notice	

5.4.30.20 Rules for Each MS Period

Each **mandatory** entry active duty TOS that was preceded by railroad work in the same year or the calendar year before the TOS may be credited as railroad service and compensation.

While any TOS resulting from mandatory entry to MS is creditable, separate legislative actions and executive orders during each period of national emergency established discrete rules, according to entry date, for employees who voluntarily left railroad jobs to enter MS.

A voluntary TOS that began before any creditable period, even though the service continued into a new period of war or national emergency service, is not creditable. Any additional TOS thereafter must meet the preceding railroad service requirement.

A. Entry 09-08-39 through 12-31-46

Any MS that began during this period is creditable. Enlisted employees in active M/S on 12-31-46 may receive credit for additional months, after December 1946, that are in the same TOS. For a re-enlistment that began after 12-31-46, see B below.

For commissioned officers, the TOS in effect 12-31-46 is deemed to continue until the earlier of their resignation or 06-14-48. For officers who had not resigned their commissions by 06-15-48, with discharge or transfer to reserve forces, additional MS months may be credited only with proof that the individual's release from active duty was postponed.

Note: Early in 1947 most active military personnel were returned to the U.S. and discharged before their scheduled TOS ended. Evidence may show transfer to "inactive" reserve status before final discharge.

B. **Entry 01-01-47 through 06-14-48**

1. Prior to 12-01-1988

Prior to the 1988 RRA amendments, all employees who enlisted or re-enlisted after WWII ended could receive MS credit only through June 1948 when the national emergency was declared ended.

2. Effective 12-1-1988

   The above rule continues to apply for employees who

   - Worked outside the railroad industry after leaving MS and before they returned to railroad jobs, or
   - Who did not return to any railroad employment after MS

   Effective 12-01-88 MS is creditable for employees who began a new TOS during this period, but did return to railroad service when the TOS ended. See C below.

C. **Entry 06-15-48 through 12-15-50**

Prior to 12-01-1988, voluntary entry MS that began or continued after 06-14-48 was not creditable.

For annuities accrued 12-1-88 later, compensation credit is given **if**:

- The employee returned to railroad service in the same year or the year after his MS ended; **and**
- The employee had no non-railroad employment after the MS and before the railroad service resumed.

Annuities in force prior to December 1988, for employees who meet the above requirements are increased effective 12-01-1988.

D. **Entry 12-16-50 through 09-14-78**

Any MS that began in this period may be credited through September 1978.

The military draft (conscription) ended June 30, 1973. Hostilities were declared ended 09-07-1975. By that time all drafted military personnel had completed their mandatory TOS. However, Congress did not declare the national emergency to be ended until 09-14-1978.

The effect of that time lapse is that MS credit as compensation may continue only through 09-14-78 unless the individual was an activated reservist or an officer who could not be released from active duty by 09-78.

E. **Entry 09-15-78 through 08-01-90**

Voluntary MS that began during this "peacetime" period is not creditable as railroad service months. MS by individual reservists called to active duty for training or combat for national defense is creditable. If the training takes place during a month already credited with railroad service, the military earnings are credited up to the Tier 2 maximum amount for that month.

F. **Entry 08-02-90 till present**

Any active duty that began in this period may be credited as railroad service if the preceding railroad service requirement is met.

5.4.30.30 Historic War and War Service Periods

The following military mobilization periods occurred before the enactment of the RRA and are referred to as "prior military service". Additional months of railroad service were credited only up to the career total maximum of 360 service months. No service or compensation credit was given for these periods if the employee had actual railroad service plus post-1936 MS totaling 30 years or more service.

If the employee entered MS during a war period, and he was required to continue in MS after the end of that period, credit was given for all months of MS performed before his discharge or re-enlistment.

If the employee entered MS during a war service period, credit was given to MS months through the date the period ended.

A. **April 21, 1898 through August 13, 1898** (Spanish American War - War period)

B. **February 4, 1899 through April 27, 1902** (Philippine Insurrection - War period)

C. **May 9, 1916 through February 5, 1917** (Mexican Border Disturbances) The first war service period: Only duty by National Guard units called to federal service was creditable during this period.

D. **April 6, 1917 through November 11, 1918** (World War I - War period)

5.4.35 Multiple Terms of Service

An employee may maintain career railroad service and have more than one creditable military experience. Each proven TOS must be compared with the employee's railroad service record to verify that each break in MS was followed by a return to railroad work that qualified him to receive credit for the next MS term.

Note: There is no limit to the number of individual TOS that can be transcribed from MS documents to APPLE proof screens.

5.4.35.10 TOS to be Combined

When an individual performs more than one TOS, the MS may be combined and considered as one enrollment only if the following requirements are met.

A. The active duty must be continuous days. A new active TOS date must immediately follow a discharge or transfer date. Proof must show that there was no substantial break in active duty during which the employee could have opted to acquire more regular railroad service; and

B. Any terms being combined must be within the same war service period.

C In case of discharge from one branch of service in order to enlist in another branch, transit status separating two terms, allowing for travel from one duty station to another, does not count as a break in MS. Transit time, if any, is indicated on Form DD-214.

D. Paid leave that occurs between TOS is considered part of the previous term and does not constitute a break in military service.

E. Indications on proof documents of unpaid duty status, such as AWOL or disciplinary action, are considered to be a break in MS only if discharge also occurs. "Without pay" status for a full month or more, however, will reduce the number of MS months that are credited as RR service.

Example 1: If a sailor caused a disturbance in the recreation room, and his punishment was three days without pay, the days lost would show on his proof but he would still be in active duty all months of that TOS.

Example 2: For a sailor's 3rd offense of fighting in the recreation room, if his penalty was 45 days in the brig without pay, within that TOS, there would be 1 month for which he would not receive railroad service credit.

Note: 30 Days or less is not considered a substantial break in MS. See 5.4.5.50.

5.4.35.20 Multiple TOS that Cannot be Combined

In order to assure proper credit for multiple TOS, the terms cannot be combined if they occur in dissimilar periods of creditability. Each TOS must be recorded and processed separately for credit as compensation or wages when:

A. A break in active duty, other than described in 5.4.35.10, occurred; or

B. A TOS in effect on 06-14-48 is followed by another term that began before 12-16-50; or

C. A TOS in effect on 09-14-78 continues past 09-78; or

D. Evidence shows that following a discharge or transfer to inactive status, a substantial time elapsed before the next TOS; or

E. A designated war service period ended during one TOS and the following TOS (voluntary entry) started either during a non-creditable period or during a subsequent war service period.

5.4.40 MS Forms

Several standard government forms are prepared and issued to record and transmit MS information. Identification of these forms is useful in processing proof of MS and exchanging information needed to assure accurate use of MS credits.

A. **DD-214** is the preferred proof of MS. It is the Department of Defense form issued to an individual at the end of each military service obligation. It records details of active duty needed to determine the creditability of the MS under the RRA.

B. **NGB** series is any one of the forms issued by the National Guard Bureau, generally used by the various state guard units to record non-creditable National Guard reserve service. Although NGB forms are not "best proofs", they may provide the dates of transfer to federal active duty status.

C. **RR-17** is a notice to SSA that RRB is using specific post-1956 MS months as railroad service and SSA must, therefore, remove the wages reported for that MS from any SSA benefit eligibility or rate calculation consideration.

D. **SSA-655-U2** is a request from SSA to RRB for pre-1957 MS credit information. The form must be completed and returned to SSA before they can use WW II or post-WW II MS for benefit eligibility or rate increase.

E. **SF-180** is a request, signed by a veteran, to the National Archives Administration for replacement military records. The reply to SF-180, from the National Personnel Records Center in St. Louis, is an up-to-date Form DD-214. Form SF-180 is available at local SSA and RRB offices and at www.archives.gov on the Internet.

F. **G-177B** is a form provided to persons who inquire about M/S under the RRA. It lists creditable periods and summarizes eligibility requirements.

G. **G-429** is a desk chart guide for examiners and contact reps that displays the creditability of MS performed in the most recent creditable periods. The form may be printed from RRAILS and provided in response to individual technical inquiries about MS rules.

H. **G-563** is used by headquarters examiners to notify CCU to manually credit MS to EDM and calculate tier 2 amounts in special circumstance claims that cannot be handled mechanically.

5.4.45 Proving MS is Creditable

MS credit may affect the amount of retirement and survivor benefits, so MS months must be proven before they are considered for RRB use. The best proof is Form DD-214 that is issued to each veteran on the date of discharge from active duty. F/O staff can provide Form SF-180 for the employee to request a new DD-214 if other acceptable evidence is not available.

5.4.45.10 Collecting Evidence

Submitting proof of MS is the employee's responsibility. Various RRB public announcements and pamphlets advise that proof should be provided to F/Os for processing.

A. Advance determination of MS credit is encouraged. MS proofs may be submitted to an RRB office at any time far in advance of annuity eligibility to have:

- The acceptability of evidence certified and transcribed to APPLE;
- Service months and compensation, or wage credit notations, added to EDM records for extraction when a retirement estimate is requested or a claim is filed; and
- A report of added railroad service returned to the employee or his representative.

B. Proof of MS may also be submitted with an application for RRB benefits, or at any time after an application is filed. If acceptable documentation is received after an award appeals period has expired, see rules in RCM 5.4.90.

5.4.45.20 Proof Storage

A. Paperless - APPLE System Beginning January 2001, vital information on MS proof documents is transcribed to APPLE evidence screens where it is permanently stored. The active duty information is extracted electronically from APPLE, processed for credit as RRB or SSA earnings, and recorded on the EDM MS screens for use in eligibility determinations and annuity calculations.

B. Paperless - Imaging - MS evidence that must be inspected by headquarters personnel for acceptability as proof of creditable MS is imaged for storage and

C. Paper Documentation - Prior to mechanical evidence collection, F/Os used Form G-91 to transcribe MS information; they mailed the completed forms to headquarters for processing and retention in physical claim folders.

5.4.45.30 MS Proof Feedback

Proven MS months that are credited on EDM records, as railroad service, are displayed on the lifetime service record (Form BA-6) that is released annually to current railroad employees.

Estimated annuities calculated "with and without" MS provide a guide for F/Os to determine and explain how MS may best be used when an application is filed.

Upon request, the servicing field office provides the number of additional service months credited to EDM to the individual who submits the MS evidence. (See FOM 910.5.2)

5.4.50 MS Rules at SSA

Both the RRA and the SS Act allow credit for most employee active duty MS. Beginning 1975 it is an RRB responsibility to determine how the MS is used to the claimant's greatest benefit. This section describes how SSA rules for MS credits differ from the rules of the RRB.

5.4.50.10 SSA Definitions

Except as stated below, RRB and SSA use the same definitions for MS terminology.

A. **Active Duty**

1. SSA has no separate rules for voluntary and mandatory entry.

2. "In transit" status in RRB rules, is specified at SSA to include the time of an individual who:

   - Had been selected for active MS under the Universal Military Training and Service Act of 1948; and

   - Was in transit to or from a place of entry or final acceptance to which he had been ordered or directed to proceed.

B. **Active Duty for Training**

Prior to 1957 SSA did not allow credit for MS training duty. Thereafter, a person is considered to have performed active duty for training when he was:

1. A reservist on active duty for training purposes; or

2. A member of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, or the Air Force Reserve Officers' Training Corps, or the Reserve Corps of the Public Health Service while on annual training duty performed for a period of 14 days or more, or

3. An authorized traveler to and from any duty or service described above or

4. A cadet at the US Military, Air Force, or Coast Guard Academy or a midshipman at the Naval Academy.

C. **MS Periods at SSA**

SSA credits MS only during 3 periods. Separate legislation created each of these periods. Rules of eligibility and retroactivity require that they cannot be considered as one creditable period.

1. World War II: 09-16-1940 through 07-24-47

2. Post-WW II: 07-25-47 through 12-31-56

3. All active duty service beginning January 1957

D. **Proof of MS at SSA**

The Armed Forces as an employer has reported military wages to SSA quarterly or annually since 1957. SSA only requires proof of active duty dates when it is relevant to the eligibility or benefit amount of the claim at SSA.

NOTE: SSA can use MS dates received from RRB (always proven), but MS wages shown on SSA records is not acceptable proof as the earnings do not confirm the dates MS was performed.

5.4.50.20 SSA Use When all MS is After 1956

A. Active duty MS is covered earnings at SSA starting 1957. MS earnings are credited in the same manner as other wages under the SS Act.

B. MS performed after 1956 that is credited under the RRA is not creditable at SSA. Upon receipt of notice that RRB will use a TOS, SSA removes the wages from any benefits in force and earmarks their records to disregard those MS earnings for all future benefit calculations and insured status decisions.

C. The type of discharge is immaterial to the SSA credit, but no credit is given for time without pay.

5.4.50.30 SSA Use When all MS is Before 1957

MS was not taxed and credited as regular earnings by SSA until 1957. However SSA grants credit of $160 per month for MS performed during their WW II and post-WW II periods to establish insured status or increase benefits if:

A. MS discharge was not dishonorable; and

B. RRB is not using the same MS for Tier 2; and

C. No other federal agency is using the same MS; and

D. At least 90 days active duty was performed during the period of 9-16-40 through 12-31-56, **but**

When fewer than 90 days of active duty occurred between 9-16-40 and 12-31-56, SSA adds wage credits for those years only if:

1. MS terminated due to a service-related disability or injury; or

2. 90 consecutive days of MS occurred either in a period beginning before 9-16-40 or in a period that ended after 1-1-57; or

3. He was still in active MS on his application file date; or

4. He died while in active MS (except death as lawful punishment by a U.S. military court).

E. SSA also credits active MS performed by U.S. citizens during WW II in the Armed Forces of allied countries. (Assume that SSA has examined acceptable proof of any foreign MS used as wages.)

F. Benefits that include WW II MS (9-16-40 thru 07-24-47) retroact no earlier than 09/50. Benefit retroactivity is limited to 09/52 for any part based on post WW II MS (07-25-47 thru 12-31-56).

5.4.50.40 SSA Use - TOS Before 1957 and After 1956

A. A TOS that is not ended 1-1-57, and multiple TOS not all in the current MS period, are credited according to the rules for the current period (see 5.4.50.20) unless specified in this section.

B. Receipt of Military Retirement Pay Involved:

If a veteran is on active duty or active duty for training after 1956, SSA credits MS performed during 1951-1956, even though the individual is receiving retirement pay from the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, or the Public Health Service, based in whole or in part on the same MS.

Veterans who retired from MS before 1957 can only receive credit for 1951-1956 MS if they are called from retirement for active duty or active duty for training after 1956.

5.4.50.50 MS That SSA Cannot Use

MS cannot be used as wages under the SS Act if any of the following apply:

A. WW II MS wage credits cannot be used at all in determining entitlement to or the amount of lump sum death payments if death occurred before September 1950. Post WW II wage credits cannot be used for a LSDP if death occurred before September 1952.

B. MS is considered but not used if an SSA benefit or LS would be payable at the same or greater rate without including the MS earnings.

C. MS earnings cannot be used as wage credits if the same TOS is credited as compensation under the RRA.

D. Pre-1957 MS cannot be used if a monthly benefit is payable by another federal agency (other than the VA) based on the same MS.

5.4.55 MS Earnings Credits

RRB has followed the practice of SSA in setting earnings amounts credited for MS.

5.4.55.10 SS MS Wage Credits

A. At the time a benefit application is filed, for each creditable MS month prior to 1957, SSA adds $160 to the calendar quarter in which that MS was performed.

B. Effective January 1957 through 1977, the Armed Forces submitted quarterly earnings statements for MS basic pay amounts.

C. Beginning 1978 active MS earnings are reported annually to SSA and are recorded as ordinary earnings in the same way as other wages.

5.4.55.20 Deemed MS Wage Credits

A. Beginning with 1968 entitlements SSA supplements reported actual MS wages with " non-contributory credits" (deemed MS wages) for post-1956 MS to provide comparability of MS and other types of earnings used in computing SSA benefits. The deemed wages are in addition to the monthly MS basic pay.

B. For benefits beginning effective 1-1-73 deemed wage crediting adds $100 for each full $300 of MS earnings on the individual's SSA annual wage report. The deemed wages for MS in one year may not exceed $1200, and the deemed amount is also restricted by the annual earnings limit for the year the MS was performed.

C. Effective with enlistments after 09-07-80, deemed wage credits are not allowed by SSA if the individual completes less than 24 months of the original TOS. Other provisions were not changed.

D. In 2001, Public Law 107-117 eliminated deemed MS wage credits for MS performed all years after 2001 for both SSA and RRB benefit calculations.

5.4.55.30 Historic Deemed Amounts

A. Prior to the October 1972 SS Act Amendment, the deemed wage credit was allowed only for MS after 1967, and amounted to $100, $200, or $300 depending upon the amount of an individual's basic service pay in a quarter.

This provision does not produce additional RRB compensation credits for creditable MS. However, deemed MS wage credits are to be included in the computation of PIA #1, irrespective of creditability, when the MS would otherwise be creditable as wages under the SS Act. This provision applies only to the computation of PIA #1.

B. Effective 1973, a deemed wage credit of $300 per quarter became creditable for each quarter after 1956 in which wages were paid for MS, subject to the annual maximum wages limitation for the year(s) MS was performed.

C. Effective with SSA's switch to annual reporting after 1977, deemed MS wage credits are granted in $100 increments (up to $1200) for each full $300 of annually reported MS wages for years 1978 through 2001.

5.4.55.40 Tier 2 Compensation Credit

See current RCM 5.3.51

5.4.60 Determining RRB or SSA Credit

Both RRB and SSA can credit most MS of an individual who first performed regular railroad service, but simultaneous use of any MS TOS by both agencies is prohibited. Regulations at both agencies have consistently afforded RRB first consideration for determining how MS would be credited.

5.4.60.10 1937 Act Provisions

MS was used in calculating RRB annuities only if it was formally claimed on a RRB benefit application. An employee could acknowledge that he performed creditable MS, but decline to claim it at RRB if it might provide greater benefit to claim the MS at SSA. An employee could also withdraw his RRB claim for an MS term, repay any resulting overpayment, and then claim the TOS at SSA.

5.4.60.20 1974 RRA Provisions

A. A TOS used as railroad compensation in calculating an annuity Tier 2 and/or SUPP ANN cannot also be used as wages (PIA 4) in a VDB calculation. RRB compares "with and without MS" calculations to determine whether there is greater advantage to using an employee's creditable MS as RRB service and compensation or as SSA wage credits.

The following possible options are considered:

- MS prior to 1975, when combined with other SSA wage credits in a VDB calculation, may result in a higher total annuity than if the MS is used to increase a claimant's Tier 2 service and compensation.
- If more than one creditable TOS is proven, part of the MS credited as railroad compensation and part used as SSA wages may provide the highest total combined benefit.
- If MS is required for insured status and/or earlier eligibility at either agency, the highest overall benefit is determined.

B. The reporting of MS to RRB does not prevent use of the same MS by SSA. Effective 1957, all creditable MS is recorded as wages. When any part of a TOS is after 1956, RRB must notify SSA to remove the TOS from their benefit eligibility and calculation records. See 5.4.95.

5.4.65 Notice of Disallowing MS Credit

A formal denial notice is not appropriate when proven MS information is provided on an employee or survivor benefit application but is not used in an award. Under the 1974 RR Act, MS is identified, not claimed, on an application.

A. Alta Code Paragraphs 332, 333 or 334 are used to notify the employee that MS is not creditable. When MS is not needed as wages to vest the employee, and is not creditable as compensation, is paid by RASI, Code Paragraph 306 will be included on the RL-20 award notice.

B. MS may be a factor in a denial of benefits. If creditable MS does not establish eligibility, prepare a RL-64 denial letter to notify employee. Since MS is not claimed but only identified on the application, a formal denial is not required when it is determined that MS is not creditable.

C. In a death case, do not prepare a disallowance memorandum or inform the applicant when disallowing credit for the employee's MS. If the applicant specifically asks about the crediting of MS, the contact rep will provide Form G-177B or G-429 and explain why credit was not allowed.

5.4.70 MS Effect on Disability Claims

An initial award for a disability claim is usually completed (paid) before a DF decision is processed. The most advantageous use of MS may change when the DF determination reduces the number of SSA earnings quarters required for insured status. In such paid cases, the initial award considered conditional until a DF is established or denied, and any impact of the DF on the annuity rate is determined.

5.4.75 MS Effect on SUPP ANN and SPOUSE Awards

For annuity rates effective before 9-1-83 creditable MS is included in the employee's total years of service even if that MS was excluded from computation of the employee's annuity due to reduction for other federal benefits.

Including MS in the total service was permitted to establish eligibility for a SUPP ANN or for a spouse's annuity that would otherwise denied.

Example: An employee with 24 years of railroad service, 2 years of military service, is receiving a 2(a)(iii) (age reduced) annuity with an ABD of 10-1-1978. He turned age 65 in 10-81 and qualified for a SUP ANN. His annuity was paid before 8-13-83 without military service because his rate with military service, after reduction for a VA benefit is less than his rate without military service. However, his 26 total years of service provides eligibility for a SUPP ANN.

This rule became obsolete 9-83 when reduction of MS credit, for receipt of other MS-based federal benefits, was abolished and the regular annuities were recertified with MS included.

5.4.80 Applying MS in Survivor Claims

Use of an employee's MS in survivor benefits depends on whether a retirement annuity was awarded prior to the employee's death, and the effect MS has in the survivor benefit calculation.

A. Military Service Creditable as Compensation

1. MS was used as compensation in the EE benefit: Use the survivor Tier 2 with MS.

   The inclusion of creditable MS as compensation in the survivor 1981 Tier 2 computation will increase the Tier 2 payable to a survivor beneficiary because it increased the service months used in the calculation.

2. MS used as wages in the EE benefit: If the employee received a vested dual benefit (VDB), use the survivor Tier 2 without MS.

3. MS was not used in the EE benefit (includes “D” cases):

Use MS in the survivor Tier 2 if advantageous.

B. Military Service Creditable as Wages Only

1. MS used as wages in the EE benefit: Use MS as wages.

2. MS was not used in the EE benefit (including “S” cases):

   Use MS as wages if advantageous for a possible higher PIA calculation.

Note: The survivor benefit Tier 1 PIA may increase, whether the MS is credited as compensation or as wages, if including MS earnings creates a “high year” in the PIA calculation.

C. Military Service and the Basic Amount

1. MS was used as wages or as comp in the EE benefit: The BA must include MS.

2. MS was not used in the EE benefit (including “D” cases):

   If there are survivor wage records available which show the Basic Amount with and without MS, the examiner may pay the Lump Sum Death payment based on the higher wage record. If there is a wage record with MS, the examiner need not request one without MS. If a future monthly recurring benefit becomes payable and MS was not used in the B.A. calculation, MS can be used in the computation of the survivor Tier 2.

   The survivor benefit Tier 1 PIA may increase, whether MS is credited as compensation or as wages, if including MS earnings creates a “high year” in the PIA calculation.

Note: Basic pay for MS performed after 1956 is automatically added to SSA wage records.

5.4.80.10 EDM MS Records for Survivor Cases

The EDM screens have missing or incomplete MS information for some older employee records. If all MS data is not included on the initial survivor wage record, submit a SURGE request, with all the MS included, for a new survivor earnings record.

5.4.80.20 Initial Death Cases

1. "D" Cases

   It may be necessary make an initial decision on the use of MS for a "D" survivor claim even though advance proof of MS is recorded in APPLE and already

credited on EDM. The examiner is responsible for using the MS as compensation or wages to the claimant's best advantage in available benefits.

2. "A" Cases and Retirement Conversions

For survivor claims payable after an employee annuity has been awarded, MS must be used in the survivor Tier 2 computation, lump sum, and basic amount in the same way that MS was included in the employee's annuity. If it's determined that the retirement annuity should have included the MS, it's permissible to include the MS in the survivor annuity prior to referring the case to RBD for retroactive MS inclusion in the retirement annuity.

If a survivor applicant provides proof of additional MS TOS, not used as comp or wages in the previous calculation of the employee annuity, the additional TOS may be used either as compensation or wages, whichever is to the survivor's benefit.

Advance proof of MS may have been recorded in APPLE and already credited on EDM, but for a "D Case" survivor claim it may be necessary to make an initial decision on the use of MS.

The EDM screens have missing or incomplete MS information for some employee records. If MS data is not included on the initial survivor wage record, submit a SURGE request, with all the MS included, for a new survivor earnings record.

5.4.80.40 Survivor MS Use Chart

Use the information below to determine how the employee's MS should be used in the survivor annuity.

Type of Survivor Case (A or D)	How MS used by Retirement	MS Creditable as Compensation	MS Creditable as Wages
A Case	Retirement used MS as comp.*	Use MS as comp in the survivor annuity	Not applicable
A Case	Retirement used MS as wages	If EE received a VDB, use Tier 2 without MS (MS as wages). If EE did not receive a VDB, use Tier 2 with MS (M/S as comp.)	Use MS as wages

A Case	Retirement did not use MS as either comp or wages	Use MS as comp, if it's to the survivor's benefit	Use MS as wages if it's to the survivor's benefit
D case	Not applicable	Use MS as comp or as wages, whichever is to the survivor's benefit	Use MS as wages if advantageous to the survivor benefit

*If MS was erroneously used as comp in the retirement annuity, due to MS not being creditable as comp, MS must be used as wages in the survivor annuity. MS should always be re-evaluated and corrected in the survivor annuity computation.

See RCM 5.4.90 below for instruction on when to include new MS proof(s) for benefit retroactivity.

Basic Amount Calculation **Any** creditable MS prior to January 1, 1975 can be included in the calculation of the basic amount.	
IF	**THEN**
MS used as comp in the employee annuity	Basic Amount must include MS as comp.
MS used as wages **or** not included in the employee annuity (including "D" cases)	Include MS as comp if it produces a higher B.A.

5.4.90 MS Credit Retroactivity

If a MS term is not shown on an initial application, or the applicant is unable to provide proof of the TOS before the initial final award appeals period expires, that MS may be claimed later. The applicant must provide acceptable proof along with a signed statement requesting that the credited MS be included in the annuity calculation.

A. An annuity increase due to added MS accrues from the ABD if the MS proof is received during the appeals period after an initial award, but benefit retroactivity is restricted if the proof is submitted after the initial appeals period.

1. Effective 09-30-97, any annuity increase based on MS proof accrues only from the month after the month the proof is received. (No retroactivity.)

2. 10-05-63 through 09-29-97 inclusion of the added MS credit could retroact 12 months.

3. MS was first allowed as railroad service in an annuity 10-08-40. Until 10-05-63, retroactivity of added MS credits was 6 months, but not earlier than October 1940.

B. If creditable MS was shown on the employee's initial application, and an "initial final" annuity was awarded without MS for any documented "action pending" reason, the award paid without MS is not a final decision, because a claim remains open until a final decision is made on all parts of the application.

5.4.95 RRB/SSA Information Exchange

Reporting an employee's MS to RRB does not prevent use by SSA. Effective 1957, SSA taxes and credits military earnings as ordinary wages.

- If RRB uses MS performed after 1956 as railroad months and compensation, we notify SSA with Form RR-17 to remove those wages from SSA benefit calculation records.

- If SSA receives a claim with MS performed before 1957, and the MS would be used to establish eligibility or increase a benefit rate, SSA requests creditability information from RRB with FORM SSA-655-U2, and will not use the MS that RRB reports credited as RR service.

5.4.95.10 MS after 1956 - Processing Form G-17

NOTE: This form and procedure are in revision with SSA coordination. Text will be published when new version is approved.

5.4.95.20 MS prior to 1957 - Processing Form SSA-655-U2

SSA calculates benefit amounts based on earnings after 1950. If MS during 1951 through 1956 is claimed at SSA, before using the MS as wage credits, SSA is required to send Form SSA-655-U2 to RRB to determine whether any TOS will be or has been used by RRB.

NOTE: The details of the balance of this instruction will be added when current SSA action is confirmed.

5.4.100 MS Accounting Project

5.4.100.5 Background

The law calls for Congress to reimburse the RRB trust fund for any annuity amounts or increases that are based on certain MS periods we refer to as reimbursable MS periods. An annual MS accounting project is worked each spring by Policy & Systems and/or Operations to determine the amount of MS reimbursement for the current accounting period.

The MS accounting project determines the EE (including OM), MA, XA and Survivor tier 1 and tier 2 increase amounts paid due to reimbursable MS periods. They are based on comparing the tier 1/tier 2 being paid versus the tier 1/tier 2 minus those MS periods, (i.e., annuity rates including reimbursable MS versus annuity rates without the reimbursable MS.)

VDBs, supplemental annuities, 1937 Act annuities, and independently entitled XAs payable under PL109-280 (the Pension Protection Act of 2006) are not considered for this project.

5.4.100.10 Reimbursable MS Periods Defined

The MS reimbursable periods are as follows:

- Any MS periods after 6/30/63, whether creditable as wages or as compensation. (If the MS period begins prior to 7/1/63 and extends past that date, only the period after 6/30/63 would be included in the T1 T2 computations for comparison to the T1 T2 that was being paid.)

- 1988 amendment MS periods where the voluntary MS was creditable as compensation solely based on the 1988 Amendments.

5.4.100.15 Calculation Through Date

Calculations will be needed through the current accounting period.

5.4.100.20 MS Accounting G-90s

An MS accounting G-90 should be requested for all new Financial Interchange (FI) cases, by entering a code 2 in item 41 of the G-60 screen. FI cases are defined as those having last two digits (30) of the RRB claim number. All other G-60 entries are the same as you would enter for an initial G-90 request. Be sure EDM is updated for all MS periods before requesting a M/S accounting G-90.

MS accounting G-90s will not have reimbursable MS periods displayed, providing tier 1/tier 2 amounts for comparison with the tier 1/tier 2 paid. Examiners should determine the difference in tier 1 and tier 2 amounts for each date break from the ABD through the

current accounting period. Compute net tier 1/tier 2 amounts after any reductions for age, SSA, etc.

5.4.100.25 Categories of Work

Each annual project normally will consist of the following work categories:

- New Financial Interchange (FI) cases
- New occupational disability cases
- Previously identified FI cases for updating
- Previously identified occupational disability cases for updating

5.4.100.30 Handling for Each Category of Work

Take the following action for each category of M/S accounting work:

Category	What Needs To Be Done
1. New Financial Interchange (FI) Cases	Request a MS accounting G-90, (code 2 in item 41) comparing the tier 1/tier 2 amounts with the tier 1/tier 2 paid. The differences in these tier 1/tier 2 amounts should be shown on the MS accounting worksheet from the ABD through the current accounting period.
2. New Occupational Disability Cases	Determine total tier 1/tier 2 amounts and complete the MS accounting worksheet for each date break from the ABD through the current accounting period. (*See manual calculation exceptions in RCM 5.4.100.50, situations 3 and 4.) Full tier 1/tier 2 amounts are reimbursable amounts when the employee lacks 240 service months without MS, and, therefore, eligibility to an occupational disability does not exist without reimbursable MS periods.
3. Previously Identified FI Cases (digit 30)	Update the MS reimbursable amounts on the existing MS accounting

	worksheet beginning with the month after the last accounting period through the current accounting period.
4. Previously Identified Occupational Disability Cases	Update the MS reimbursable amounts on the existing MS accounting worksheet (full tier 1/tier 2) beginning with the month after the last accounting period through the current accounting period.

5.4.100.35 Worksheets

Reimbursable MS accounting amounts must be shown on a worksheet for each newly identified MS accounting case. Examiners will be provided with the old MS accounting worksheet for previously identified cases, which should be completed with updated reimbursable MS accounting amounts through the current accounting period. If MA/XA in pay status, show the amounts for each payee.

For cases where the annuity is terminated or suspended, show MS accounting amounts through the month before the month that the annuity terminated.

There are cases where the MS period may not increase the annuity rate, if the MS is creditable as wages only. If the annuitant(s) is receiving an annuity, but the MS accounting amount is zero, show zeroes through the current accounting period. Use the remarks section to explain unusual situations (e.g., annuity terminated 5/02).

5.4.100.40 Folderless Handling of Previously Identified FI Cases

Procedures for handling this category of folderless work is as follows:

- Check DATAQ/PREH to determine that the EE/MA/XA are still in pay status through the current accounting period. If entitlement ended, show MS accounting amounts (even if zero) through the month before the month of suspension/termination. Notate on the worksheet, the month and cause of termination, so that future updating is unnecessary.

- Check PREH Screen 3210 to determine whether any reductions are being made in tier 1 (age, SS, WC, etc.). If not, proceed folderless. If so and the MS accounting amounts include tier 1 amounts, request the folder or review the virtual folder via Web Connect.

    - Multiply the MS reimbursable amounts from earlier periods on the MS accounting worksheet by the tier 1 and tier 2 COL percentage increases to determine the MS accounting amount totals for the current accounting period. Round the computed tier 1 amounts down to the dollar.

5.4.100.45 Folderless Handling of Previously Identified Occupational Disability Cases

- Check PREH Screen 3255to determine whether a DF was granted after the ABD. If so, MS accounting ends 5 full months after the DF grant (e.g., if DF date 4/1/02, then MS accounting ends 9/1/02).

- Check DATAQ to determine that employee in pay status through the current accounting period. If entitlement ended, show MS accounting amounts through the month before the month of termination.

- Check PREH Screens 3210 and 3215 to determine the current accounting period tier 1/tier 2 amounts, which would normally be the reimbursable amounts.

- Check DATAQ/PREH to determine that employee still is under age 60/62 does not have a DF and would not qualify for any other type annuity based on service without reimbursable MS. If so eligible, obtain folder or review the virtual folder via Web Connect and determine difference in tier 1/tier 2 between occupational disability annuity and new annuity to which employee would be entitled (reduced age annuity at age 62, or occupational disability annuity at age 60 based on 120 service months and a current connection).

5.4.100.50 Manual Calculations Required

Examiner may need manual calculations in the situations below:

1. (FI categories): 60/30 employees where the deletion of the reimbursable MS gives the employee less than 360 service months and no entitlement to that type of annuity. The MS accounting G-90 will provide no 60/30 annuity PIA calculations, so a G-563 should be sent to CCU for reduced age 62 calculations. The entire tier 1 and tier 2 will be the reimbursable amount from the 60/30 ABD until age 62, and then the difference between the 60/30 tier 1, tier 2 and the newly computed fictional reduced age 62 tier 1 and tier 2 amounts effective with the fictional reduced age 62 ABD.

2. (FI categories): If employee retains 360 service months without the reimbursable MS, but the PIA 1/tier 2 from the initial G-90 differs from the MS accounting initial G-90. You will need an age 62 recalculation MS accounting G-90, or get calculations via G-563. (An MS accounting G-90 type 62 request for the age 62 recalculation for calculations without MS reimbursable periods could also be requested.)

3. (Occupational disability categories): Occupational disability annuitant now over age 62 where the deletion of the reimbursable MS provides less than 240 service months and no eligibility to an occupational disability annuity. Reduced age 62 annuity calculations must be requested using a fictional ABD at age 62, since the employee is not entitled to the occupational disability annuity. The entire tier 1 and tier 2 will be the reimbursable amount from the occupational disability ABD until age 62, and

the difference between the occupational disability tier 1/tier 2 and the newly computed reduced age 62 tier 1/tier 2 amounts will be the reimbursable amount from the fictional reduced age 62 ABD.

4. (Occupational disability categories): Occupational disability annuitant now over age 60 with at least 120 service months and a current connection. Employee still entitled to an occupational disability annuity even without reimbursable MS. But tier 1 and tier 2 without reimbursable M/S must be compared with all MS to determine MS accounting amounts at age 60 & over. A MS accounting G-90 should be requested, which may have a different year of eligibility.

5. (All categories where a new MS accounting G-90 is used): See RCM 5.4.100.55 below.

5.4.100.55 Post-1963 MS PIA #1 Errors on MS Accounting G-90s

BACKGROUND: Beginning in 1957, all M/S pay is reported as wages. Deemed MS credits are also added to the employee's wage record. Deemed MS credits are added in by CCU examiners for the years 1957-67 for each year of MS shown on the G-90. SSA includes deemed MS credits in its wage totals for the years of MS beginning in 1968 through 2001.

Even though the post-1963 MS period(s) is not shown under "MS Data" on the MS accounting G-90 on GOLD, MS earnings are included in the wage total for each year beginning from 1963 forward. Further, deemed MS credits are erroneously included for each year of MS beginning in 1968. Manual MS accounting PIA #1 calculations must be requested to exclude these earnings totals.

Based on a prior study, we assume that ANY wages posted for a year in which the employee had MS is all MS earnings.

EXAMPLE: Employee has MS period from 12/64 through 1/66, all wages posted for 1964, 1965, and 1966 are assumed to be MS earnings.

Examiners should take the following actions for MS 1963 and later:

IF	AND	ACTION
MS periods ending in a year from 1963 through 1967.	MS accounting G-90 PIA #1 is same as on final G-90.	Take no action. (Assume the MS years are drop-out years and no MS accounting amounts are applicable in tier 1.)

MS periods ending in a year from 1963 through 1967.	MS accounting G-90 PIA #1 is lower than on final G-90.	Refer the MS accounting G-90 via G-563 to CCU asking that wages be excluded from the PIA #1 calculation for each MS year from 1963 through 1967. Specify the MS years as they would not be shown on the MS accounting G-90. (Deemed MS credits will already have been excluded from the MS accounting PIA #1 calculation.)
MS periods ending 1968 or later.	MS accounting G-90 PIA #1 is the same as on the final G-90.	No action necessary. (Assume the MS years are drop-out years and no MS accounting amounts are applicable in tier 1.)
MS periods ending in 1968 or later.	MS accounting G-90 PIA #1 is lower than the PIA #1 on the final G-90.	Refer the MS accounting G-90 via G-563 to CCU requesting that: • The wages be excluded for years 1963 through 1967 AND • Wages and deemed MS credits be excluded from the PIA #1 calculation for each MS year 1968 and later. Specify the MS years on the G-563 request as they would not be shown on the MS accounting G-90.

5.4.100.60 ROC and PC Awards

Examiners may wish to use ROC or PC award programs for computing the MS accounting amounts.

5.4.100.65 Annuity Adjustments

For purposes of each year's project, examiners should assume that what is being paid is correct for comparison purposes. Correcting annuity rates is not the purpose of the annual project.

Refer to FOM1 225 for Current Connection information.

5.6.1 Introduction

This chapter explains the requirements for a "fully insured" status under the SS Act for payment of the age and service Retirement O/M. It also explains the corresponding "currently insured" provisions of the Social Security Act. Compensation quarters of coverage (QCs) and wage QCs are covered; including QCs derived from agricultural labor and military service.

The requirements for a permanently insured status for an RRAVested Dual benefit are included in this chapter.

Rules governing transitionally insured status, "Prouty" benefits, 1937 RR Act completely and partially insured status, and SS Act fully insured status before 8-1961 are explained in the appendices.

More details on the social security rules can be found in the appropriate chapter of the Social Security Claims Manual.

Although Disability insured status, HI insured status, and work deduction insured status are discussed in this chapter, additional information will be found in RCM Chapters 1.2, 3.2 and 5.7, respectively.

5.6.2 When an Insured Status is Required Under the Railroad Retirement Act (RRA)

A. 1937 Railroad Retirement Act

1. Life Cases - Under the 1937 RRA an employee could qualify for an RR formula annuity based on 120 months of service when he attained the required age or qualified under a disability provision. An insured status, as such, was not required because service before 1937 could be counted toward the 120 month requirement. Before 11-1966, it was necessary for the employee to have an insured status for survivor benefits in order to qualify his wife under age 65 for a spouse annuity. That requirement was lifted 11-1-66.

   The employee must have been fully insured under the SS Act based on combined RR and SS earnings (see RCM 5.6.5) at the later of age 62 or the ABD to qualify the family group for the age and service Retirement O/M Computation.

   The employee must have been totally disabled and had a DIB Insured Status under the SS Act based on combined RR and SS earnings (see RCM 5.6.11) to qualify the family group for the Retirement DIB O/M.

The employee, spouse, or disabled child over age 19 must have had an HI Insured Status (see RCM 5.6.12) in addition to the requirements in RCM 3.2 to qualify for HI coverage.

2. Death Cases Under the 1937 RRA- An insured status was required for payment of all survivor benefits, except the residual lump sum. The survivors of a completely insured employee can qualify for all types of survivor benefits. (See RCM 5.6.4). The survivors of a partially insured employee can qualify for the LSDP, widow's current and child(ren)'s insurance annuities only (see Appendix C).

   The aged or disabled widow(er) or disabled child over age 19 must have had an HI Insured Status (see RCM 5.6.12) in addition to the requirements in RCM 3.2 to qualify for HI coverage at the RRB.

B. 1974 Railroad Retirement Act

1. Life Cases Under 1974 RRA - The employee must be fully insured under the SS Act rules based on combined RR and SS earnings family group for the age and service Retirement O/M Computation.

   The employee must be totally disabled and have a DIB Insured Status under the SS Act rules based on combined RR and SS earnings (see RCM 5.6.11) to qualify group for the Retirement DIB O/M.

   Employees must have an SSA *Fully Insured Status* based on combined SSA wages and railroad earnings to qualify themselves or their spouses for a Tier 1 component.

   The Quarter of Coverage (QC) requirement for *Fully Insured Status* for employees born after 1928 is 40 QCs. Therefore, if employees have at least 120 months of railroad service, they are assumed to have at least 40 quarters of coverage.

   If employees have less than 120 months of railroad service, but at least 60 months of railroad service after 1995, their SSA wages must provide the additional quarters of coverage needed for an SSA *Fully Insured Status* to qualify themselves or their spouses for the Tier 1 component.

   An insured status is not required for payment of the employee or spouse RR formula Tier II or the Supplemental Annuity.

   The employee or spouse must be permanently insured under the RR Act to qualify for payment of an RR Act Vested Dual Benefit on his/her own wage record (see RCM 5.6.7 and 5.6.8).

   The employee or spouse must have a work deduction insured status before RRA retirement work deductions can be applied.

The employee or spouse or disabled child over age 19 must have an HI Insured Status (see RCM 5.6.12) in addition to the requirements in RCM 3.2 to qualify for HI coverage.

2. Death Cases Under 1974 RRA - An insured status based on quarters of coverage is not required for payment of survivor Tier II benefits.

   Employees must have an SSA *Fully Insured Status* based on combined SSA wages and railroad earnings to qualify their survivors for a Tier 1 component.

   The Quarter of Coverage (QC) requirement for *Fully Insured Status* for employees born after 1928 is 40 QCs. Therefore, if employees have at least 120 months of railroad service, they are assumed to have at least 40 quarters of coverage.

   If employees have less than 120 months of railroad service, but at least 60 months of railroad service after 1995, their SSA wages must provide the additional quarters of coverage needed for an SSA *Fully Insured Status* to qualify their survivors for the Tier 1 component.

   The employees must also have a current connection with the railroad industry at the time of death in order to pay survivor benefits under the RRA.

   The widow or dependent widower must be permanently insured to qualify for payment of an RRA Vested Dual Benefit as explained in RCM 5.6.9.

   A work deduction insured status is not required in survivor cases. Work deductions are applied to the benefits of any survivor beneficiary (other than a disabled widow(er) under age 60 or a disabled child), who earns over the annual exempt amount set for his (her) age.

   The aged or disabled widow(er) must have an HI Insured Status (see RCM 5.6.12) in addition to the requirements in RCM 3.2 to qualify for HI coverage.

5.6.3 When an Insured Status as Required for Payment of SS Benefits

The determination of insured status for the payment of social security benefits is the responsibility of the Social Security Administration. The SS Act requirements are listed below for information only.

A. Living Wage Earner Under the SS Act - The wage earner must be fully insured under the SS Act to qualify for a retirement insurance benefit (RIB). The wage earner must be totally disabled and have a disability insured status under the SS Act to qualify for a disability insurance benefit (DIB). In life cases, SSA generally

bases this determination on wages or SEI QCs only. RR compensation is used only if the wage earner has less than 120 months RR service.

B. Auxiliary Beneficiaries Under the SS Act - If the wage earner is fully insured for an RIB, his (her) spouse and/or child(ren) are insured for auxiliary benefits.

NOTE: For payment of a husband's benefit before 2-1968, the female wage earner must have been fully AND currently insured. Also, before 2-1968, currently insured status was one of the requirements for payment of a child's benefit based on his (her) mother's earnings record.

Spouse benefits to non-dependent male spouses of a fully insured female employee RIB beneficiary are payable 3-1-77 or later.

C. Survivors Under the SS Act - The wage earner must be fully insured for payment of widow(er)'s, parents of child(ren)'s benefits. After 9-1965, the wage earner who was transitionally insured could qualify his widow for survivor benefits. A currently insured status is used as an alternative to fully insured status for payment of a child's benefit, mother's benefit, father's benefit or the LSDP. In death cases, if SSA has jurisdiction of survivor benefits, the insured status is based on the combined wage QCs and RR compensation QC's.

NOTE: Prior to 2-1968, a female employee was required to be both full and currently insured for all survivor benefits. See section 450(c)(5) or (6) of the SSCM for exceptions.

When the female wage earner who died after 3-31-38 and before 9-1-50 had at least 6 QC's and was currently insured, her dependent widower could have qualified for survivor benefits beginning no earlier than 10-1-60.

Survivor benefits to a non-dependent widower with a child in his care of a fully or currently insured female employee are payable no earlier than 3-1-75.

Survivor benefits to a non-dependent widower (without a child or the W/E in his care) of a fully insured female employee are payable no earlier than 3-1-77.

5.6.4 Completely Insured Status under the RRA

The employee is completely insured for survivor benefits if, at death, (s)he meets all the following requirements:

A. Years of Railroad Service. - The employee must have completed:

- 10 years (120 months) of creditable RR service, or
- 60-119 service months, provided that at least 60 service months are later than 1995.

- NOTE: Under this provision, the tier 1 portion of a survivor annuity is payable only if the employee had a Social Security insured status based on combined RR and SS earnings. SS insured status is covered in RCM 5.6.5 and 5.6.6.

Creditable military service may be added to meet the service requirement.

1. 1937 RRA - The employee may be deemed to have met the 10 year service requirement for payment of the Retirement O/M or survivor benefits if:

   - The employee was at any time a pensioner on the rolls (H prefix in RRB claim number); or,

   - The employee had at least 114 months of service and was awarded an annuity which began to accrue to him before 1948 (before 1948, 114 months of service was counted as 10 years); or

   - A survivor insurance annuity was awarded before 11-1-51, based on less than ten years of service. The 10-year requirement is deemed to have been met for the purpose of continuing the annuity. Later claims by other members of the family group are considered part of a general family claim which was awarded before 11-1-51, provided a member of the family group was entitled on 10-30-51, the enactment date of the 1951 amendments, and a member of the family group (not necessarily the same member), was continuously entitled after 10-30-51 and at least through the effective month of the new annuity. A child who was on the rolls on 10-30-51 may be re entitled to a CIA as a disabled child or a student after 8-31-54 without regard to the continuing entitlement of other members of the family group unless some member of the family is receiving benefits as SSA based on the deceased employee's earnings record. In that case, SSA will retain jurisdiction over payment of all survivor benefits including those that would otherwise accrue to a child who was in pay status on the RR rolls before the enactment date of the 1951 RRA amendments.

2. 1974 Railroad Retirement Act - The deeming provision of the 1937 RRA was not carried over to the 1974 RRA. This oversight was corrected by the 1981 RR Amendments. Effective October 1, 1981, the employee may be deemed to have met the 10-year service requirement, as well as the current connection requirement, if:

   - The employee was at any time a pensioner on the rolls (E prefix in RRB claim number); or,

   - The employee had at least 114 months of service and was awarded an annuity which began to accrue to him before 1948 (before 1948,

114-119 months of service were counted as 10 years). (Prior to the 1981 RR amendments, these cases were transferred to SSA.)

Send to P&S any case in which the EE did not have 120 months service, but a survivor insurance annuity was awarded before 11-1-51 and a member of the family group is on the rolls continuously from 10-30-51.

B. Current Connection - A current connection with the railroad industry is a requirement for a completely insured status (for survivor benefits) both under the 1937 RR Act and the 1974 Act (see FOM1 225).

C. Social Security Formula Insured Status

1. 1937 Railroad Retirement Act - The employee must have sufficient quarters of coverage (QCs) based on wages and compensation after 1936 to qualify for a fully or transitionally insured status (RIB) at SSA to qualify his (her) survivors for survivor benefits.

The employee is deemed to meet the SS Act insured status requirements if:

- A retirement annuity began to accrue to him before 1948, based on at least 114 months of service (before 1948, 114 months of service was counted as 10 years); or

- He was at any time a pensioner on the rolls of the Board (H prefix in RRB claim number).

(An employee who gave up his pension to change over to an annuity retains the completely insured status he had as a pensioner even though he might not be insured either on the basis of the annuity he chose to receive or a QCs.)

For cases in which the employee attained age 72 before 1959 or the employee is survived by a widow who attained age 72 before 1959, a Transitionally Insured Status may apply.

A Partially Insured Status as explained in Appendix C provided limited survivor benefits.

EXCEPTION: Wage QCs could not be earned after age 65 by an employee who attained age 65 before 1939. In these cases no calculation can be made under the SS Act rules (for survivor O/M benefits) if there were no earnings after 1936 and before the quarter in which age 65 was attained. Compensation earned during the same period could not produce QCs creditable by SSA. Compensation earned during that period could only produce QCs creditable by RRB for transitional insured status to pay benefits under the 1937 RRA RR formula.

2. 1974 Railroad Retirement Act - An insured status based on quarters of coverage is not required for survivor benefits if the filing date, original beginning date, or date of death is after 12-31-74.

5.6.5 Fully Insured Status under the Social Security Act

A. One-For-Four-Rule - The wage earner is fully insured if (s)he has a minimum of 6 QCs and has at least 1 QC (whenever acquired) for each elapsed year after 1950 or after the year (s) he attained age 21, if later, up to the earlier of the year of attainment of retirement age, the year of disability onset, or the year of death.

NOTE: Retirement age under the Social Security Act is age 62 for women. The 1972 Social Security Act amendments changed retirement age for men from age 65 to age 62 beginning January 1, 1973. For men who attain age 62 in 1975 or later (DOB after 1-1-13), the number of elapsed years is determined up to the year of attainment of age 62 (or, if earlier, the year of death) rather than age 65. For men who attain age 62 in 1971 or earlier (DOB before 1-2-11), retirement is at age 65. Men who attain age 62 in 1973 or 1974 will be deemed to have attained retirement age in 1975.

B. Effect of Period of Disability - Do not count as an elapsed year, any year that is partly or wholly within a period of disability. Only the first and last quarters of a period of disability can be QCs. The general effect establishing a period of disability is to reduce the number of QCs which would otherwise be required for a fully insured status. However, if excluding the period of disability results in a decrease or denial of benefits (e.g. where there are potential QCs in such period which cannot be counted). The period of disability must be disregarded (for both insured status and PIA determinations).

C. Applicability of Rule - The one-for-four insured status rule first applied to:

- Monthly benefits payable 8-1961 or later based on applications filed in or after 3-1961; or
- Applications for a DF filed in or after 3-1961; or,
- The LSDP payable because of an employee's death in or after 8-1961.

Benefits were first payable under one-for-four rule no earlier than 8-1961. The rule continues to apply. For fully insured status rules before 8-1961, see Appendix D.

D. Deemed Fully Insured - WWII Veterans - Under certain conditions a WWII veteran who died before July 27, 1954, was deemed to have died a fully insured person if (s)he did not otherwise have a fully insured status. (See SSCM 1862ff for a complete description of the deemed insured status requirements and procedures.)

E. Deemed Fully Insured - Non-Profit Employer - Under the 1983 SS Act Amendments, a person who is an employee of a non-profit (non-covered) organization may qualify for a social security benefit with fewer quarters of coverage than are ordinarily required if:

- The person is age 55 or older on 1-1-84; and,
- The employee did not have a waiver certification under section 312(k) of the Internal Revenue code of 1954 in effect on 1-1-84; and,

Only quarters of coverage earned 1-1-84 or later are considered. The deeming of fully insured status is used for all SSA title II purposes. The requirements are explained more fully in SSA's Manual RS 00301.106 - RS 00301.107.

5.6.6 Currently Insured Status under the Social Security Act

A. Test Period - The wage earner is currently insured under the SS Act if (s)he has a minimum of 6 QC's during any one of the following periods:

- The 13-quarter period ending with the quarter in which (s)he died; or
- The 13-quarter period ending with the quarter in which (s)he became entitled to an RIB; or
- The 13-quarter period ending with the quarter in which (s)he most recently became entitled to a DIB.

B. Effect of Period of Disability - In determining the 13-quarter period, only the first and last quarters of a period of disability can be QCs. However, if excluding a period of disability (freeze) would result in a decrease of denial of benefits because there are potential QCs in such period which could be counted, disregard the period of disability (for both insured status and PIA determinations). If the wage earner has acquire 6 QCs during the 13 quarter period preceding the onset of the disability and the established period of disability continued uninterrupted until either entitlement to a life benefit or death, the disability period preserves a currently insured status.

5.6.7 Employee Permanently Insured Status - (RRB Windfall Benefit)

The employee is permanently insured for RRB dual benefits (windfall amount) on December 31, 1974, on his or her own wage record or on the wage record of s spouse or deceased spouse if the employee is a female or a dependent male spouse/widower, if (s)he would be insured under the Social Security Act for an RIB (Fully Insured Status) or a DIB (DIB Insured Status) on the basis of wage, military service used as wages, or SEI quarters of coverage credited through the earlier of December 31, 1974 or December 31, of the vesting year. When determining the employee's vested status for

employee's on the rolls after 12-31-74 the employee's RR service record must fulfill the requirements indicated in RCM 1.1.32.

An annuitant on the rolls as of 12-31-74 who is either transitionally insured under the SS Act or, if the annuitant is a female employee, entitled to a wife's transitional benefit under the SS Act, is also permanently insured for the windfall benefit.

An employee on the rolls receiving an SS Act parent's benefit on 12-31-74 is permanently insured for a windfall benefit.

EXAMPLE: The employee (DOB 7-10-06) files for a 2a(i) annuity effective 7-1-71. He has 31 years RR service but only 4 wage QCs as of 7-1-71. Beginning 1-1-72, he starts a part-time job and earns 12 additional wage QCs through 12-31-74. Since the total wage QCs is less than the 20 wage QC's required for a fully insured status on wages only, the employee is not permanently insured under the 1974 RRA, even if he continues the part-time employment after 1-1-75.

5.6.8 Spouse Permanently Insured Status - (RRB Windfall Benefit)

The female or male spouse is permanently insured for RRB dual benefits (windfall amount) on his/her own record on December 31, 1974, if (s)he would be insured under the Social Security Act for an RIB (fully insured) or DIB (DIB insured status) on the basis of SS Act wage, military service used as wage, or SEI quarters of coverage on his or her own wage record credited through the earlier of December 31, 1974 or December 31, of the vesting year. When determining the spouse vested status the employee annuitant's RR service record must fulfill the requirements indicated in RCM 1.3.92.

A female spouse or dependent male spouse on the rolls as of 12-31-74 who is transitionally insured under the SS Act, or if female, is entitled to a transitional wife's benefit under the SS Act is also permanently insured for the windfall benefit. (EXAMPLE: The employee's vesting year is 1974. The spouse (DOB 7-15-31) has 40 wage QCs as of 12-31-74 on her own wage record. She has a permanently insured status under the RRA even though her windfall benefit will not be payable until she qualifies for a spouse annuity and meets the other requirements for an SS Act RIB or DIB. Actual filing of an application at SSA is not required.

If the employee is permanently insured for RRB dual benefits (windfall amount) and meets the requirements in RCM 1.1, a female or male spouse may be entitled to at least one-half of the employee's windfall amount if (s)he meets the requirements in RCM 1.3.

5.6.9 Widow(er)'s Permanently Insured Status - (RRB Windfall Benefit)

The widow (WCIA or WIA) or dependent widower is permanently insured for RRB dual benefits (windfall amount) on his/her own wage record on December 31, 1974, if (s)he would be fully insured under the Social Security Act for an RIB (fully insured status) or DIB (DIB insured status) on the basis of the SS Act quarters of coverage on his or her

wage record credited to years before 1975 and the employee had at least 10 years of RR service before 1-1-75. (See RCM 2.1.60 ff.)

Note: Non-dependent widowers are not entitled to a windfall benefit.

5.6.10 Work Deduction Insured Status (RR Formula Retirement Annuities Only)

The employee has a work deduction insured status as of the quarter in which (s)he becomes fully insured under the Social Security Act based on the employee's railroad compensation after 1974 and social security earnings after 1936. (See RCM 5.7).

A spouse has a work deduction insured status if (s)he is married to an annuitant who has or acquires a work deduction insured status or is (s)he is entitled to a WF amount based on the spouse's own or the employee's earnings record.

5.6.11 Disability Insured Status

Disability insured status is determined by a disability examiner in the disability rating section at RRB or SSA. The disability onset date is also determined by these sections. If a disability insured status established as SSA conflicts with a disability insured status established at RRB refer to RCM 1.2.

A. Use of Disability Insured Status - A disability insured status is required to be eligible for either 1. or 2., below:

1. A Period of Disability - Disability Freeze - A disability freeze may be established by SSA and the Board separately or jointly (see RCM 1.2, Joint Freeze Decisions). Both SS earnings and RR compensation are use in this determination. The disability freeze protects against the loss of or reduction in the amount of disability, age and service or survivor benefits by providing that the period during which the wage earner is disabled and unlikely to have substantial earnings will not be counted against him in determining insured status or the amount of a PIA.

   A disability freeze is used by SSA and/or the RRB to increase a PIA (see RCM 8.11.15) and to preserve a disability insured status until the wage earner qualifies for a DIB Insured Status.

   However, where use of a freeze period would result in a denial or loss of benefits, the disability freeze period will not be used if entitlement exists without it. Similarly, if there are high average earnings within a period of disability, the disability period will be disregarded in computing the PIA. It should be noted, however, that if the period of disability is disregarded for one purpose (e.g., insured status) it must be disregarded for all purposes (e.g., computations).

A disability freeze may begin retroactively with the first day the wage earner has both a disability insured status and has been rate disabled within the meaning of the SS Act (see RCM 1.2).

EXCEPTION: In order to establish entitlement to a disability freeze (period of disability) which has ended, the application must be filed no later than 12 months following the month the individual attains age 65, or 14 months following the month the disability ceased. The 1967 Social Security Act amendments extended the time limit for filing for a period of disability to 36 months after the month of cessation of disability in cases where the claimant's failure to file a timely application was due to being physically or mentally incapable of filing an application (see SSCM 6014.1).

See RCM 1.2 for an explanation of the adjudication of a disability freeze.

Section 3(a)(2) of the 1974 Railroad Retirement Act deems a disability annuitant to be entitled to a disability freeze, for the purpose of computing a PIA for the Tier 1 benefit, on the ABD (unless an actual DF onset date is earlier, in which case the actual DF is used). A deemed DF will not qualify the employee for the Retirement O/M computation, a windfall benefit based on disability, or HI coverage based on disability.

2. A DIB Insured Status

a. Definition of Terms - A DIB insured status may be established based on Social Security earnings only by SSA to pay monthly cash DIB benefits or for entitlement to Health Insurance Benefits before age 65 based on disability (see RCM 5.6.12). RRB may establish a DIB insured status based on SS earnings only to pay a windfall benefit based on disability (see RCM 5.6.7 - 5.6.9).

Under the Railroad Retirement Act overall minimum guaranty provision and rules for administering HI benefits, the employee annuitant's railroad service after 1956 is treated as employment covered under the Social Security Act when determining a DIB Insured Status under SSA rules for the Retirement DIB O/M computation and for entitlement to Health Insurance Benefits before age 65 bases on disability (see RCM 3.2). This determination is separate from the determination of DIB Insured Status based on SS earnings only that can entitle the wage earner to SS Act monthly cash DIB benefits or an RRA windfall benefit. In these cases, SSA establishes a disability freeze only (see SSCM 6004 and SSCM 6067) because they cannot use the RR compensation to pay a life benefit. They will consider the employee to be a "Disabled Qualified Railroad Retirement Beneficiary" for HI purposes.

Section 7(d) (3) or the 1974 Railroad Retirement Act provides special HI entitlement without DIB Insured Status on the disability onset date to disability annuitants as explained in RCM 5.6.12C. This RR Act deemed Medicare Provision does not establish an insured status for payment of the Retirement DIB O/M and will not affect the computation of any PIA.

b. Requirements - A DIB Insured Status at RRB or SSA is established when the wage earner:

- Has filed application for benefits; and,
- Has not attained age 65; and
- Meets the Social Security Act definition of disability as explained in RCM 1.2; and,
- Has served a waiting period or is exempt from a waiting period (see section C).

If an annuitant is not vested as of 12-31-74 because of insufficient quarters of coverage for an age and service benefit at SSA, a disability insured status as of 12-31-74 based on wages only may be used to pay a windfall based on disability. A disability freeze based on wages only established on or before 12-31-74 will preserve the DIB insured status of the wage earner who is continuously disabled up to the waiting period for the DIB benefit.

A person will always have a disability freeze if they have a DIB insured status; however, it is possible to have a DF and not be entitled to a DIB benefit.

EXAMPLE 1: A wage earner (DOB 8-5-29) became disabled on 12-15-77. As of that date, he was fully insured and had 20 QCs in the last quarter in 1977. (RR compensation is not involved in this case.)

Although he remained continuously disabled and did not work after 12-1977, he did not file for a DIB at SSA until 7-10-79. The application for a DIB is also an application to establish a period of disability (disability freeze) beginning 12-15-77. The first month of the waiting period is 2-1978 (the 17th month before the month of filing). The disability freeze protects the disability insured status until 2-1978, the first month of the waiting period. The DIB insured status is effective 7-1978, the first month after the waiting period.

The wage earner is entitled to HI based on disability 7-1980.

EXAMPLE 2: An RR employee (DOB 9-17-27 became unable to engage in any substantial gainful employment on 2-19-76. As of that date, he was fully insured and had 25 QCs based on RR compensation and 10 QCs based on SS earnings in the 40 quarter period ending with the first quarter of 1976. He files for an RRA disability annuity on 4-10-76.

Since the employee is not insured without the RR compensation, only a disability freeze effective 2-19-76 is established at SSA (Joint Freeze) after the duration requirement is met (see section B).

A disability freeze (Joint Freeze) effective 2-1976 is established at RRB. The waiting period begins 3-1-76 and the DIB Insured Status based on combined SS earnings and RR compensation is effective 8-1-76. The employee is entitled to HI based on disability effective 8-1-78.

EXAMPLE 3: An RR employee (DOB 11-15-32) became occupationally disabled on 2-7-76. He filed for a 2a(1)(IV) annuity under the RR Act on 4-7-76 with an ABD of 2-7-76. The deemed DF on the ABD is established only for the computation of the PIA's. It cannot be used to establish a DIB Insured Status for the Retirement DIB O/M computation or early HI coverage.

The employee's condition worsens and he is rated unable to engage in any substantial gainful employment effective 5-17-79. He meets the fully insured status and 20/40 QC's requirement on this date. The actual DF established at RRB and SSA is effective 5-17-79 (after the duration requirement as explained in section B).

The first month of the waiting period is 6-1979 and the DIB Insured Status at RRB based on combined SS earnings and RR compensation is effective 11-1979. The employee is entitled to HI based on disability 11-1981.

NOTE: If the employee had not met the 20/40 QC requirement at disability onset, RCM 5.6.12C might have applies.

B. Duration Requirement For Freeze - Under Social Security Act rules, the wage earner must have been under a continuous period of disability for five full calendar months in order for a disability freeze to be established. (Prior to January, 1973 the duration requirement was six full calendar months.) For purposes of these time requirements, a full calendar month includes:

(1) A month where the beginning date of the freeze period is the first day of that month; and,

(2) A month where the cessation date of the disability is the last day of that month. The month of death is not a full calendar month for this purpose if death occurs on other than the last day of the month.

Once the duration requirement is met the disability freeze is established from the disability onset date. It continues up to the earlier of the actual or assumed attainment of age 65, termination of disability, or death.

The only situation in which the duration requirement need not be met is where the wage earner qualifies without a "waiting period" as explained in section C.

NOTE: This requirement should not be confused with the current definition of disability in RCM 1.2 under which the wage earner's disability must have lasted or be expected to last for at least 12 months.

C. The Waiting Period - Under Social Security Act rules. before entitlement to a DIB at SSA, a DIB Windfall benefit at the RRB or a Retirement DIB O/M annuity can begin, the calendar must have served a "waiting period" consisting of five full calendar months throughout which (s)he is under disability. (Prior to January, 1973, the "waiting period" was six full calendar months. For waiting periods prior to November, 1960, see the SSCM section 6056.)

EXCEPTION: If (s)he previously had a freeze or DIB which ended within five years (60 months) before the month his current disability began, no waiting period is required. This 60 month period begins with the month in which the prior freeze ceased or DIB terminated, and ends with the month before the first month throughout all of which the wage earner is under a disability.

The waiting period begins in the first month, no earlier than 17 months prior to the month of filing (count backward from filing date) in which:

1. The wage earner meets the Social Security Act definition of disability (see RCM 1.2) and has been under this disability for the entire month (i.e., the date of onset is on or before the first day of the month); and,

2. The wage earner had a disability insured status as explained in Section D. An individual who has a disability insured status on the disability onset and remains continuously disabled through the first month of the waiting period retains this disability insured status (even if the waiting period begins in a quarter after onset as explained in Example 1 of section A).

A statutorily blind W/E (see RCM 1.2) who is in disability freeze status but cannot become entitled to a monthly disability benefit (i.e., (s)he is under age 55 and able to engage in AGA or (s)he is age 55 or over and able to engage in comparable SGA) and who later becomes unable to engage in such SGA, and is therefore entitled to a DIB under SSA rules, must serve a waiting period before DIB (or RR Act DIB O/M or DIB windfall) payments can begin. However, months

after age 55 in which (s)he was engaging in "non-comparable" SGA can be counted as months in the waiting period, if they are after disability onset.

D. Basis Disability Insured Requirements - Combined wage QCs and RR compensation QCs are used to determine disability insured status for RRA benefits other than the WF. Only wage QCs are used to determine a disability insured status for SS Act monthly cash disability insurance benefits and an RRA windfall benefit based on disability. The basic disability insured status QC requirements are as follows (see Section G for statutory blindness cases):

1. 20/40 Insured Status - A worker has a 20/40 disability insured status 9-1958 or later if (s)he has been rated disabled under the SS Act and in the quarter of disability onset or a following quarter while (s)he is continuously disabled. (s)he:

   - Has 20/40 QCs - This means the worker has at least 20 QCs in a period of 40 consecutive calendar quarters ending with the quarter. (See sections E-H below, for applicable alternatives if 20/40 is not met); and

   - Is fully Insured - Fully insured status is determined as if the worker attained SS Act retirement age (see RCM 5.6.5) in that quarter

   NOTE: A worker who meets 20/40 in a quarter prior to 1972 has a fully insured status in that quarter, since a worker who attains retirement age prior to 1972 needs no more than 20 QC's to be fully insured.

2. Effect of Previously Terminate Freeze Period or DIB - In some cases, the worker's freeze must be terminated because of cessation of disability, and (s)he file for a subsequent freeze period or DIB on the basis that (s)he is again disabled. In determining whether the worker has the 20/40 for a subsequent disability insured status, do not count as a QC or as a calendar quarter any quarter, part or all of which is in a previous period of disability except in initial or final quarter in that period, if it is a QC.

   If the prior period of disability began before age 31, refer to section H.

E. Alternate Disability Insured Status for Disability Before Age 31 - For applications filed in or after 7-1965 and before 1-1968, this provision applied only when the worker met the definition of statutory blindness. For applications filed 1-1968 or later, this provision applies to any disability before age 31. If the wage earner's period of disability terminates and (s)he becomes disabled again after 30, refer to section H.

1. Requirements - The worker has disability insured status if (s)he:

- Is under a disability which began before the quarter in which (s)he attained age 31; and

- Is fully insured (see RCM 5.6.5); and

- Has earned QCs in at least one-half of the calendar quarters during the period beginning with the quarter after the quarter in which (s)he attained age 21 and ending with the quarter in which the period of disability began; or, if the period contains less than 12 calendar quarters, (s)he has earned at least 6 QCs in the 12-quarter period ending with the quarter in which the period of disability began. (The 60C rule will always apply if the disability begins in the quarter of age 24 attainment or before.)

Required quarter must be earned within the period after age 21, or in the 12-quarter period described above, if applicable. When the number of elapsed quarters in the period after age 21 is odd, drop the odd one in computing the number of required quarters.

If the wage earner attained age 21 before 1937 he must be fully insured and have earned QCs in half of the quarters in the period beginning after 12-31-36 and ending with the quarter in which the period of disability began. The 60C minimum requirement also applies in this case where the period contains less than 12 calendar quarters.

Each period ends with the quarter in which the period of disability began. When the period of disability cannot begin in the quarter of onset because the worker is not fully insured at that time, it begins with the first quarter in which the qualifying QC is earned.

EXAMPLE 1: The employee (DOB 5-13-48) became disabled 1-15-78 at age 29. In determining the number of QCs necessary for insured status, count the quarter in the period which begins with the quarter after the worker attains 21 and ends with the quarter in which he became disabled. Since he attained 21 in 5-1969 and became disabled on 1-15-78, the period contains 35 calendar quarters. Since this is an odd number, one quarter is subtracted. In this case, the period then has 34 quarters for the purpose of computing the QC requirement. The employee must have earned 17 QC (one half of 34) during the period. The QCs must actually have been earned during this period, i.e., QCs which he had earned before 7-1-69 cannot be counted toward DIB status.

EXAMPLE 2: Same facts as above except the employee became disabled 9-7-77. Count the quarters from 7-1-69 through 9-30-77. The period contains 33 quarters. Since this is an odd number, one quarter is subtracted. The employee must have earned 16 QCs (one half of 32) during the period.

2. Disability Entitlement Before 1968 - Establishing Earlier Date of Onset - A worker entitled to a disability insured status for months before 2-1968 by reason of meeting the 20/40 insured status requirement may have a period of disability established beginning at an earlier date if the requirements in section 1 above met. In such a case, any increase in benefits due to the revised period of disability would have been effective no earlier than 2-1968.

F. Alternate Disability Insured Status for Worker's Under Disability Before 1956 - If the wage earner files an application in or after 9-1960 and, though under disability, does not have a disability freeze or disability insured status in any quarter before 9-1960, (s)he can meet an alternate disability insured test. Such a wage earner is deemed to have disability insured status in the first quarter in which the waiting period could begin, if there is a quarter in which all the following requirements are met:

1. Disability began in or before that quarter; and,

2. The worker had at least 20 QCs by the end of that quarter; and,

3. All quarters beginning with 3-1951 up to (but not including) that quarter are QCs and there are at least 6 such QC ; and,

4. If DIB entitlement is before 11-1960, the wage earner has attained age 50. (The 1956 amendments provided disability benefits effective 7-1957 to wage earners who had attained 50. The age restriction for DIB entitlement was removed by the 1960 amendments. Effective 11-1960, a wage earner of any age who met the other requirements for entitlement could receive monthly disability insurance benefits.)

This alternate insured status test does not apply for applications filed after 7-2-62 and before 12-1-64 unless the wage earner was alive 12-1-1964, and continuously disabled from the date of filing until 12-1-64 or, if earlier, until age 65. It is also not effective for disabilities beginning after 1955, as any wage earner disabled after 1955 and meeting the alternative test would be insured under the 20/40 rule.

G. Disability Insured Status for Statutory Blindness - The insured status provision for statutory blindness is effective for benefits payable for months beginning 1-1973 based on applications filed in or after 10-1972, if notice of a final disability determination has not been sent to the claimant or a decision in a civil suit with respect to such final decision had not become final before 10-1972. Refer to RCM 1.2. for an explanation of statutory blindness.

For benefits payable 1-1973 or later, a statutorily blind worker no longer needs to meet a "20/40" or "disability before age 31" insured status test. In determining the number of QCs required for fully insured status, the individual must have at least

one quarter of coverage for each year elapsing after 1950 (or, if later, the year in which (s)he attained age 21) up to the year in which the qualifying QCs earned. (There is a minimum requirement of 6 QCs). Where the period of disability does not begin with the quarter of onset, because insured status is not at that point, it will begin the first quarter thereafter in which fully insured status exists provided the wage earner is disabled in that quarter. (Fully insured status is determined as if the wage earner attained SS Act retirement age in that quarter.) This provision applies regardless of the age at which the individual is disabled.

A statutorily blind wage earner who had a disability insured status before 1-1973 by reason of meeting the "20/40" or "disability before age 31" insured status requirement, in addition to having fully insured status, may have a period of disability established beginning at an earlier date, based on fully insured status only, if (s)he files an application in or after 10-1972. Any increase in benefits due to the revised period of disability can be effective no earlier than 1-1973.

EXAMPLE: The employee (DOB) 7-12-47) is statutorily blind from birth. He first secures employment through Vocational Rehabilitation in the third quarter of 1967 and has sporadic work attempts thereafter. His employment record is as follows:

1967 NNCC	1973 CNNN
1968 NNNN	1974 NNNN
1969 NNNN	1975 NCNN
1970 NNNN	1976 CNNC
1971 NNNN	1977 CCCC
1972 NNCN	

Although the employee's disability onset is at birth and he acquires his sixth QC in the first quarter of 1976, the period of disability cannot begin at that point since he would require 7 QCs to be fully insured as of that quarter (i.e., there are 7 years elapsing between 1968, the year he attained age 21, and 1976, the year in which he has his qualifying QC for fully insured status). His period of disability would begin with the last quarter in 1976 (10-1-76), since this is the first point at which he is both fully insured and under a disability.

H. Re-entitlement After Age 30 With a Prior Period of Disability that Began Before the Quarter of Attainment of Age 31 - For applications filed after 4-20-83, individuals can be considered for a period of disability if they had been entitled to a period of disability prior to age 31 which terminated, have a second disability onset after age 31, and cannot meet the 20/40 requirement at the time of the second onset.

This provision only applies if:

1. A prior period of disability was established beginning before age 31 based on the Special Insured status requirement; and,

2. At least half of the quarters beginning after age 21 and ending with the quarter in which disability recurred are quarters of coverage. (Do not count any quarters wholly or partially within a prior period of disability as part of the elapsed period except for the beginning and/or ending quarters if they are QCs); or,

   When the number of elapsed quarters is less than 12, at least 6 QCs must have been earned in the 12 quarter period ending with the quarter of disability onset.

   Required quarters must be earned within the period after age 21, or in the 12 quarter period described above, if applicable. When the number of elapsed quarters in the period after age 21 is odd, drop the odd one in computing the number of required quarters.

   No benefits may be payable or recomputed under these provisions before 5-1983. Although benefits under this provision may not be initially paid until 5-1983, the first possible month of entitlement (considering the retroactivity of the application, the onset date and the waiting period) may be earlier. Since the policy/legal issue of HI/SMI entitlement during this deemed entitlement period is still under consideration, refer to P&S-RAC any claim in which the first possible month HI/SMI entitlement (under the conditions outline above) would be earlier than 5-1983.

   If a claim will be denied only because the filing date is 4-20-83 or earlier, consider securing a new application to protect the employee's entitlement to a freeze.

   EXAMPLE 1: The employee, DOB 4-16-50, started RR employment 4-1666 and became disabled 5-16-75, at age 25. Her earnings record shows the following work pattern:

   4-1966 through 12-1969 - RR service all months

1970 NNNN	1973 CNNC
1971 NNCC	1974 NNCC
1972 CCCN	1975 NNNN

   As there were 16 quarters elapsing after the quarter of attainment of age 21 (the second quarter of 1971) and up through her date of onset, she required 8 QCs to meet the Special Insured Status earnings test. As she had a QCs during that period, she was entitled to a period of disability beginning 5-16-75. Her period of disability ceased 10-1978 and terminated the last day of 12-1978; benefits terminated 1-1979.

She filed for 2(a)(1)(v) annuity in 6-1983, alleging a second disability onset of 11-2-82. SSA verified the dates of the prior period of disability, and the earnings record shows the following work pattern:

4-1966 through 12-1969 - RR service all months

1970 NNNC	1977 NCNC
1971 NNCC	1978 CCCC
1972 CCCN	1979 CCNN
1973 CNNC	1980 NNCN
1974 NNCC	1981 NNNC
1975 NNNN	1982 CCCN
1976 CNNC	1983 NNNN

There are 32 quarters elapsing after the quarter of age 21 up to and including the alleged onset date (11-2-82). (Excluded from this elapsed period is the second quarter of 1975 through the third quarter of 1978.) The last quarter of 1978 is a QC and is counted as part of the elapsed period.

She required 16 QCs and has 18 QCs during this elapsed period, and meets the Special Insured Status requirements for a second period of disability at onset.

EXAMPLE 2: The employee, DOB 7-16-40, became disabled 3-4-68, at age 28. His earnings record shows the following work pattern:

7-1956 through 12-1960 - RR service all months

1961 NNNC	1965 NNNN
1962 NCCN	1966 CCNN
1963 NNCC	1967 CNCC
1964 CCNC	1968 NNNN

As there are 26 quarters elapsing after the quarter of age 21 (the third quarter of 1961) and the disability onset, he required 13 QCs to meet the Special Insured Status earnings test. As he had 13 QCs during this period he was entitled to a period of disability. His period of disability ceased 10-4-79, and terminated the last day of 12-1979; benefits terminated 1-1980.

On 5-1-83, he filed for a 2(a)(1)(v) annuity, alleging he again became disabled 4-11-83. SSA verified the dates of the prior period of disability, and his ER reflects the following work history:

7-1956 through 12-1960 - RR service all months

1961 NNNC	1973 NNNN

1962 NCCN	1974 NNNN
1963 NNCC	1975 NNNN
1964 CCNC	1976 NNNN
1965 NNNN	1977 NNNC
1966 CCNN	1978 NNNN
1967 CNCC	1979 NNNN
1968 NNNN	1980 CCCC
1969 NNNN	1981 NNNN
1970 NNCC	1982 NNCC
1971 NNNN	1983 NNNN
1972 NNNN	

There are 39 quarters elapsing after the quarter of attainment of age 21 up to and including the quarter of onset, excluding the prior period of disability (the first quarter of 1968 through the last quarter of 1979). Since this is an odd number, it is reduced by one to 38 quarters. The employee requires and has 19 QCs to be entitled to a second period of disability beginning 4-11-83. (In this same example, if he had an additional QC in any quarter not part of the prior period of disability and after the attainment of age 21, the provisions of the 1983 amendments would not apply since he would meet the 20/40 and fully insured status test).

5.6.12 Conditions for a Health Insurance Insured Status (Medicare)

This section explains the basic requirements for a Health Insurance Insured Status. Refer to RCM 3.2 for an explanation of the entitlement and eligibility provisions of the Railroad Retirement Act and for definitions of "DQRRB" and "deemed QRRB."

A. Regular Insured Status - Under the regular insured provision of the Social Security Act, an individual is entitled to hospital insurance coverage (HI) as follows:

1. HI Based on Age - The HI coverage is effective for months after 6-1966 in the first month in which (s)he:

   (a) Has attained age 65; and,

   (b) Is either entitled to a monthly benefit under the Social Security based on the wage record of a person who is (was) fully or currently insured or is a QRRB (see RCM 3.2.9).

2. HI Based on Disability - The HI coverage is effective for months after 6-1973 the first of the month after (s)he:

   (a) Is either entitled to a monthly disability benefit under the Social Security Act or is a DQRRB (see RCM 3.2.10).

1. The employee annuitant must

   - Satisfy SSA disability medical criteria; and,
   - Have an actual DIB insured status using combined RR compensation and SS earnings (see RCM 5.6.11); and
   - Satisfy the waiting period requirement; and

2. A widow must

   - Be at least 52 years; and,
   - Satisfy SSA disability medical criteria; and,
   - Satisfy the waiting period requirement; and,

3. A child must

   - Be at least 20 years of age; and,
   - Satisfy the SSA medical criteria for a child's disability benefit; and,

(b) Has been entitled to the disability benefit as SSA or could have been considered in the computation of an RR annuity under 100% DIB O/M or 110% DIB O/M provisions of the RR Act for at least 24 months. Prior to the 1980 Social Security Act Disability Amendments, the disability benefit entitlement must have been 24 consecutive months. Effective December 1, 1980, the 24 months no longer need to be consecutive. If a disability benefit terminates before the 24 months (e.g., due to SGA); re entitlement to the disability benefit is established within 60 months (84 months for widow(er)s and children); the combined disability benefit periods can be used to establish the required 24 months.

Note: RR annuitants under age 65 who are receiving 2(a)(I)(II), 2(a)(I)(III) or 2(a)(I)(IV) annuities under the RR formula and have an actual disability freeze can qualify for HI coverage based on disability. Their annuities are treated as disability annuities under SS Act rules, to determine HI only, effective the first full month after the "waiting period" (five full months after disability onset). The HI coverage is effective 24 months after this date (29 full months after disability onset).

If the individual dies in the month (s)he meets the above requirements for entitlement, (s)he is entitled to HI for that month.

This is true even if (s)he dies before the actual day of attainment in that month.

EXAMPLE: The employee, born 6-10-05 files for an annuity 4-6-70. He dies 6-2-70 in the month of attainment of age 65 but before the day he would have attained age 65. He is entitled to HI coverage for 6-1970, even though monthly benefits are not payable for that month.

B. Deemed Insured Provision Under the Social Security Act - If the beneficiary does not meet the requirements in section A, (s)he may be entitled to HI based on age under the "deemed insured" provision of the Social Security Act effective the first of the month after June, 1966 in which the following requirements are met:

1. Application - (S)he files application for deemed insured HI; and,

2. Not Regularly Insured - (S)he is not, or, upon filing application therefore, would not be entitled to an SS Act monthly RSI benefit based on the wage record of a person who is (was) fully or currently insured and is not a QRRB or DQRRB.

3. Age 65 - (S)he has attained age 65 (see section A for discussion of death in month of attainment); and,

4. QC Requirement - (S)he has, if (s)he attains age 65 after 1967, not less than 3 QC's based on combined RR compensation and SS earnings for each calendar year elapsing after 1966 and before the year (s)he attains age 65. No QC's are required for persons attaining age 65 before 1968. The QC requirement is as follows:

Year Attains Age 65	**QC Requirement**
Before 1968	None
1968	3
1969	6
1970	9
1971	12
1972	15
1973	18*
1974	21**

*Women attaining age 65 in 1973 will be fully insured with 19 QCs.

**Applies only to men since women will be fully insured with the number of QC's shown. Years after 1974 not shown as men will be fully insured in 1975 with 24 QCs.

5. U.S. Resident - (S)he is a resident of the U.S.; and,

6. Citizen or Lawfully Admitted Alien - (S)he is a U.S. citizen or an alien lawfully admitted for permanent residence who has resided in the U.S. continuously for the 5 year period immediately preceding the month all other requirements are met; and,

7. Not Coverage Under FEHBA - (S)he is not precluded from entitlement because (s)he is covered, or would have been covered currently had (s)he enrolled, under the Federal Employee's Health Benefits Act of 1959 (see SSCM 10110-10112); and,

8. Criminal Preclusion - (S)he is not precluded from entitlement because (s)he has been convicted of certain crimes against the U.S. (see SSCM 10116).

C. Additional HI Insured Provision Under the 1974 Railroad Retirement Act

Section 7(d)(3) of the 1974 Railroad Retirement Act provides special HI entitlement to 2a(1)(1V) or 2a(1)(V) annuitants who:

- Had met the 20/40 QC requirement based on combined RR compensation and SS earnings on the ABD (as explained in RCM 5.6.11); and,

- Were not disabled within the meaning of the SS Act on the ABD but later became disabled as defined by the SS Act (see RCM 1.2) and could not meet the 20/40 QC requirement at that disability onset.

This "deemed insured for Medicare only" provision will only provide HI coverage effective the first of the 29th full month after the onset of disability. It does not affect the computation of the PIAs or entitle the annuitant to the DIB O/M or a disability windfall.

5.6.15 Compensation Quarters of Coverage (QC) Defined

In general, a compensation quarter of coverage (QC) is a unit of service and earnings after 1936, in employment covered by the RRA and in creditable military service (when M/S earnings are used as compensation). Each quarter is basically a period of 3 calendar months beginning January 1, April 1, July 1, or October 1 and ending on March 31, June 30, September 30, or December 31. Since compensation is reported to the RRB on an annual basis, it is presumed to be paid in equal amounts in each of the months of service in the calendar year in which it is credited.

5.6.16 Use of Compensation QCs under the 1974 RRA

Compensation QC's are used along with wage QCs to determine the employee's fully insured status for the Retirement age and service O/M RCM 5.6.11), for PIA

computations (see RCM 8.11.15), for the Retirement DIB O/M computation (see RCM 8.3), or to determine the employee's Hi Insured Status (see RCM 5.6.12).

Compensation QCs are never used to determine the employee's permanently insured status for vested dual benefit entitlement. However, if a spouse or widow(er) has less than 120 months of railroad service and this service is before 1975, SSA will use the compensation QCs as wages for a fully insured status or HI insured status and RRB would use the compensation in determining the spouse's permanently insured status.

Only the employee's compensation QCs earned 1-1-75 or later combined with wage QCs earned after 1936 are used to determine the employee's work deduction insured status. However, if the spouse has less than 120 months service, this service was before 1975, and this compensation was used to determine her vested dual benefit entitlement, the compensation is used to determine her work deduction insured status.

5.6.17 Determining the Number of Compensation QCs at RRB Prior to 1-1-78

Prior to 1-1-78, compensation QCs are based on the employee's total months of service in a calendar year after 1936 for employers covered by the RRA, and the total compensation paid for that service in the calendar year. If the employer service after the annuity ABD, additional compensation QCs can be credited for this service, (up to a maximum of 4 QCs per year), regardless of the effect that such employment has on the annuity.

A. Regular RRB Method Prior to 1-1-78 - Usually, the compensation QCs in a calendar year are determined in accordance with the following table (for exceptions see section B):

Total Compensation Paid in the Calendar Year					
Mos. of Service in a Calendar Year	$00.00 to $49.99	$50.00 to $99.99	$100.00 to $149.99	$150.00 to $199.99	$200.00 or More
1 - 3	0	1	1	1	1
4 - 6	0	1	2	2	2
7 - 9	0	1	2	3	3
10 - 12	0	1	2	3	4

Earnings after the quarter in which the employee attained age 65 and before 1939 may be used as compensation QCs only for the purpose of producing a transitional insured status.

Earnings due to creditable military service can be used as compensation to establish compensation quarters of coverage as explained in RCM Chapter 5.4.

B. RRB Alternative Method prior to 1-1-78 - The alternative method of determining QCs as described below, may be used for retirement O/M cases when the use of the table for determining compensation QCs does not produce sufficient QCs to establish either:

1. Fully insured status under the SS Act; or

2. The qualifying QCs which would enable the WE to meet certain eligibility requirements under the SS Act, including eligibility for a recomputation to pay higher benefit amounts and/or the establishment of a period of disability ("disability freeze").

Prorate the compensation credited in each calendar year equally to each month in that year for which the employee is credited with service under the RRA, even though some months in the beginning or ending calendar years are before or after the period being tested. The monthly amounts thus obtained will be allocated to calendar quarters. Each calendar quarter in which the compensation totals $50 or more will be a QC.

If fewer than 4 QCs are established in a calendar year and the employee has been credited with wages under the SS Act for a calendar quarter to which less than $50 in compensation was allocated, combine the compensation allocate with the wages reported for that calendar quarter. If necessary, request a quarter breakdown of pre-1979 wages from SSA. If agricultural wages are reported, consider flexible assignment of QCs. A QC will be allowed for each such calendar quarter in which compensation and wages total $50 or more.

The alternative method of determining QCs in life cases is applied to calendar years in reverse chronological order until the QCs established will be sufficient to meet eligibility requirements under the SS Act. In determining whether an employee meets the 6/13 test or the 20/40 test for establishing a period of disability ("disability freeze"), the alternative method is applied to the calendar year in which the disability began and to each preceding year back to and including the year in which the 40 quarter period begins (see RCM 5.6.11).

EXAMPLE: An employee attains age 65 on 5-15-73. He requires 22 QCs for a fully insured status. By applying the regular table only 17 QCs can be established. The required QCs can be established by applying the alternative method of determining QCs. The following chart illustrates how the alternative method is applied:

C = Compensation

S = SS earnings (wages)

Year	Compensation	Wages	Months for which Earnings Reported				QC Method		
							Table	Alt	Diff
							JFM AMJ JAS OND		
1970	$5200	$552	CCC	CCC	SSS	---	2	3	+1
1969	7200	40	CCC	CCC	CCC	--S	3	3	0
1968	1140	460	SSS	CCC	CCC	SSS	2	4	+2
1967	1140	360	---	SCC	CCS	SSS	2	3	+1
1966	1140	340	---	SCC	CCS	SSS	2	3	+1
1965	2975	275	CCC	CCC	CCS	---	3	3	0
1964	2103	465	CCC	CCC	CSS	SSS	3	4	+1
1963		None							
1962		None							
1961		None							

EXCEPTION: Under the 1937 RRA if the WE (employee) died after 3-31-38 and before 1-1-40 and had at least 6 QCs, his widow, child, mother or parent could have qualified under transitionally insured status for monthly benefits beginning no earlier than 10-1-60. The RRA alternative method may have been used to establish the required QCs. Wages after the quarter in which the WE (employee) attained age 65 and before 1939 could not be used to produce any of the required QC's at RRB . However, compensation earned during that period could produce QCs creditable by RRB for transitional insured status.

5.6.18 Determining Compensation QCs at RRB 1-1-78 or Later

A compensation quarter of coverage after 1-1978 for an O/M fully insured status, disability insured status, work deduction insured status or HI insured status is determined using a method similar to the SS Act wage quarter of coverage. A QC is based on yearly earnings and is not assigned to a specific calendar quarter in the year unless it is necessary to meet the requirements for an insured status. In such a case, the QC is assigned in the manner most advantageous to the claimant.

There is a maximum of 4 QCs for each calendar year. If fewer than 4 QCs are established based on compensation and the employee has been credited with wages,

military service used as wages, or SEI for the year, the combined compensation and SS earnings are used to credit a QC (up to a maximum of 4 per calendar year).

For calendar years 1978 or later, the amount of earnings required for a worker to be credited with a QC is written into the Social Security Act and will be adjusted each year with the rise in average wage levels as summarized in the following chart:

Year	Amount Needed For a QC	Year	Amount Needed For a QC
1978	250	1979	260
1980	290	1981	310
1982	340	1983	370
1984	390	1985	410
1986	440	1987	460
1988	470	1989	500
1990	520	1991	540
1992	570	1993	590
1994	620	1995	630
1996	640	1997	670
1998	700	1999	740
2000	780	2001	830
2002	870	2003	890
2004	900	2005	920
2006	970	2007	1,000
2008	1,050	2009	1,090
2010	1,120	2011	1,120
2012	1,130	2013	1,160

2014	1,200	2015	1,220
2016	1,260	2017	1,300

5.6.19 Wage Quarter of Coverage Defined

In general, a wage quarter of coverage (QC) is a period of 3 calendar months beginning January 1, April 1, July 1, or October 1, and ending on March 31, June 30, September 30, or December 31 in which the employee earns a specified amount of creditable non-railroad income under the Social Security Act.

Wage QCs are based on the employee's wages after 1936, military service credits used as wages (see RCM 5.4) and self-employment income (SEI) for taxable years after 1950 through the quarter of death regardless of the individual's age.

EXCEPTION: Individuals who attained age 65 before 1939 are not credited with wages after attainment of age 65 and before 1939. If the W/E attained age 65 in the period in which the amounts were reported, SSA assumes such amounts were paid before age 65. RR compensation after 1936 is used as wages by SSA to provide QCs for an SS Act insured status only when the living RR employee does not have enough RR service for RRA retirement benefits (120 months) or when the deceased RR employee either does not have enough RR service (120 months) or does not have a current connection for RRA survivor benefits.

Refer to the Social Security POMS Manual for an explanation of wages based on services, such as the Domestic and Volunteer Service Act of 1973 (RS01901.906) or "Vow-of-Poverty" (RS01901.500).

5.6.20 Use of Wage QCs

Wage quarters of coverage are used to determine the individual's entitlement to the following:

A. Determination at RRB Based on Combined Wages and Compensation - Combined SS earnings and compensation are used at RRB to determine the employee's fully insured status for the Retirement Age and Service O/M Computation (see RCM 5.6.5); or Health Insurance insured status at age 65 (see RCM 5.6.12); or to determine the employee's disability insured status (see RCM 5.6.11) applied to RR Act PIAs other than the PIAs used in the VDB computation, used for the Retirement DIB O/M computation and used for Health Insurance insured status based on disability.

B. Determination at RRB Based on Wages Only - The employee, spouse or widow(er)'s wage QCs only are used at RRB to determine the individual's permanently insured status (see RCM 5.6.7-5.6.9) or DIB insured status used in the VDB computation (see RCM 5.6.11).

If the spouse or widow(er) has less than 120 months of railroad service and this service is before 1975, RRB would use his/her compensation QCs "as wages" (see RCM 5.6.26) in determining the spouse or widow(er)'s permanently insured status.

C. Sufficient Wage QCs to Qualify for Simultaneous Benefits at SSA - Wage QCs are used at SSA to determine the employee's fully insured status or currently insured status for an RIB at SSA or to determine the employee's DIB insured status for a DIB at SSA (see RCM 5.6.5 and RCM 5.6.11).

Wage QCs on the individual's own wage record are used at SSA to determine the spouse or widow(er)'s fully insured status or currently insured status for an RIB or to determine the spouse or widow(er)'s DIB insured status for a DIB. If the spouse or widow(er) has less than 120 months of railroad service, SSA will use his/her compensation QCs "as wages" (see RCM 5.6.26).

5.6.21 Determining the Number of Wage QCs Based on Non-Agricultural Wages Prior to 1-1-78 (Normal Method)

Prior to 1978, wages (other than agricultural or SEI earnings) were reported to SSA on a quarterly basis (except for the year 1937 in which semi-annual reports were made). Under the "Normal Method", the employee must have earned at least $50 in non-agricultural wages in the quarter to qualify it as a quarter of coverage. If the individual had more than one employer, it is immaterial that wages for each employer were less than $50, provided that the total wages for the quarter were at least $50. The QC is acquired as of the first day of that quarter, regardless of when in the quarter the $50 was first earned or paid.

The simplified method of determining wage QCs for the 1937-1950 period is explained in RCM 5.6.22.

If the wage earner has SEI earnings, refer to RCM 5.6.23.

If the wage earner has agricultural wages after 1954 and prior to 1-1-78, refer to RCM 5.6.24.

If the employee has maximum creditable earnings for the year, refer to RCM 5.6.25 for an explanation of possible "gift" QCs.

5.6.22 Simplified Method of Determining Wage Only QCs for 1937-1950 Period

NOTE: Before using the "simplified method" to determine wage quarters for the period 1937-1950, first check the EDM "Employee Service and Earnings Totals" screen to see if a previous QBD determination for that period has been made. For additional information, see RCM 9.9.17.

The "simplified method" was developed to facilitate EDP computation of QCs. Under this method, a WE is deemed to have one QC for each $400 in total wages earned before 1951.

A. Applicability and Use of Method - The simplified method is applicable for determining a fully-insured status under the SS Act or a work deduction insured status, or permanently insured status under the RRA and can be used only if:

1. There are at least 7 "elapsed years" (the years after 1950 or, if later, after the year of the attainment of age 21, up to the earlier of the year of attainment of retirement age under the SS Act (see RCM 5.6.5); the year in which a disability freeze period begins; or the year of death but excluding any year wholly or partly within a period of disability); and,

2. The WE is fully insured based on the number of QCs derived under this method plus the number of QC's credited in the normal way after 1950; and

3. In life cases, when the retirement application was filed after 1-2-68; and

4. In death cases, when the retirement application was filed before death and after 1-2-68, or no retirement application was filed by an employee who died after 1-2-68 ("D" case).

NOTE: The simplified method was also used for a completely insured status under the 1937 RRA.

If the WE is not insured under the simplified method, obtain a wage breakdown from SSA in order to determination QCs for the 1937-1950 period under the normal method as explained in RCM 5.6.21.

B. Method - The total reported creditable pre-1951 wages, regardless of yearly maximum, are divided by $400 to obtain the number of QCs for the period 1937-1950.

C. Effective Date - The simplified method is effective for life applications filed after 1-2-68. In death cased, it is effective if the WE died after 1-2-68 without prior RIB entitlement.

D. When Simplified Method Cannot Be Used - The "simplified method" cannot be used to determine QCs for:

1. 20/40 test in DIB or disability freeze cases (see RCM 5.6.11); or,

2. Currently insured status (see 5.6.6); or,

3. Transitional insured status ; or,

4. Insured status for special age 72 Prouty benefits (see Appendix B); or,

5. Entitlement to HIB under the SS Act deemed-insured provision (see RCM 5.6.12B); or

6. Entitlement to the vested dual benefit if the vesting year was before 1951.

5.6.23 Determining the Number of Wage QCs Based on Self-Employment Income (SEI) After 1950 and Before 1978

In general, prior to 1-1-78, the wage earner must have had net earnings of at least $400 in a taxable year to earn quarters of coverage based on self-employment income (SEI). If an individual has $400 or more of SEI for a taxable year after 1950 and before 1978 and the limitations in RCM 5.6.29 do not apply, (s)he is credited with 4 quarters of coverage for the year. A quarter of coverage is acquired as of the first day of each quarter in which $100 is earned in SEI (up to a maximum of 4 QCs in a year.

EXCEPTION: If the SEI taxable year does not coincide with the calendar year or if a short taxable year is involved, refer to SSCM 4227.

If the wage earner has SEI 1-1978 or later, refer to RCM 5.6.27.

5.6.24 Determining the Number of Wage QCs Based on Agricultural Wages after 1954 and Prior to 1-1-78

Only cash remuneration can be used determining if the amount paid for agricultural service in a calendar year in wages. Cash remuneration does not include payment in kind. However, cash in lieu of such items as board and lodgings, clothing, transportation costs, etc., constitute wages.

A. Cash-Pay 1955-1956 - The cash remuneration paid by an employer to an employee in the calendar years 1955 and 1956 for covered agricultural service does not constitute wages unless it amounts to $100 or more. The $100 or more 1955 by an employer for agricultural service, the entire amount would constitute wages, even though some part of it was for non-covered agricultural service performed before 1955.

B. Cash-Pay or 20-Day Test After 1956 - The cash remuneration paid by an employer in a calendar year after 1956 for covered agricultural service does not constitute wages unless:

   1. The cash remuneration in the year amounts to $150 or more; or

   2. The employee performs agricultural service for the employer on some part of a day on at least 20 days during the year for cash remuneration computed on a time basis. The amount of cash remuneration the

employee receives for the service is immaterial in determining if the cash remuneration constitutes wages.

The $150 cash-pay test is on a paid basis. This if an employee is paid $150 or more in 1959 by an employer for agricultural service, the entire amount would constitute "wages" creditable to the year 1959 even though a part of it was compensation for agricultural service performed in 1958.

In determining whether an agricultural worker has met the 20-day test, only the days for which his cash remuneration is computed on a unit of time basis, e.g., by the hour, day, or week, can be counted. Cash remuneration for agricultural service at piece rate is excluded from wages unless the employee's total cash remuneration in a calendar year (including both piece rate pay and pay based on a unit of time) amounts to $150 or more the employee meets the 20-day work test.

C. Assignment of QCs for Years Beginning in 1955 and Prior to 1-1-78 - If a person was paid wages for agricultural labor in a calendar year after 1954, the QCs are based on annual amounts of wages, subject to the exception in RCM 5.6.29. The QCs are ordinarily assigned to specific calendar quarters which are not otherwise QCs in the following manner:

1. $400 or more paid in a calendar year - all 4 quarters are QCs;

2. $300-399.99 paid in a calendar year - the last 3 quarters of the year are QCs;

3. $200-299.99 paid in a calendar year - the last 2 quarters of the year are QCs;

4. $100-199.99 paid in a calendar year - the last quarter of the year is a QC.

QCs for agricultural labor are acquired as of the first of the quarter to which they are assigned.

D. Flexible Assignment of QCs Based on Wages for Agricultural Labor - When a pattern of assigning QCs other than working from the last quarter of the year to the first (as prescribed in A above) would either: (1.) give the WE an insured status, or an insured status at an earlier date; or, (2.) enable the WE to meet the QC requirement for a disability insured status,

The QCs may be assigned to any other quarters of the year which will give the required insured status. In this respect, agricultural wages are unique prior to 1-1-1978.

Similarly, the QCs can be assigned to different quarters of the year in other instances in which QCs are a qualifying factor; for example, to enable the

employee to meet the eligibility requirements for certain types of computations and recomputations.

E. Assignment of QCs Prior to 1955 - When it is determined that wages were paid for agricultural labor in 1951 through 1954, the QCs are creditable as regular wage QCs.

5.6.25 Crediting Gift QCs Prior to 1-1-78

A. Under 1960 SS Act Amendments - Prior to the 1977 Social Security Act Amendments, wages were reported to SSA on a quarterly basis (except for the year 1937 in which semi-annual reports were made). An individual who has earned the maximum creditable earnings in a year could be given 4 quarters of coverage in that year (subject to the limitations in RCM 5.6.29) regardless of when the wages were earned or paid in the year, the quarters that would not otherwise be counted are "gift" QCs. This method of crediting QCs may be applied for years before 1951 effective with applications filed after 8-1960 for the types of insured status explained in RCM 5.6.12.

Unless a person was previously insured under the provisions of the SS Act in effect before 9-1960, no benefit based on the provisions contained in the 1960 amendments to the SS Act could be paid for a month before 9-1960. See the Social Security Claims Manual 4276 for entitlement before 9-1960.

B. Yearly Earnings Maximums - The yearly earnings maximums used in determining whether gift QCs are applicable prior to 1-1978 are as follows:

Years	Maximum	Years	Maximum
1937-1950	3,000	1972	9,000
1951-1954	3,600	1973	10,800
1955-1958	4,200	1974	13,200
1959-1965	4,800	1975	14,100
1966-1967	6,600	1976	15,300
1968-1971	7,800	1977	16,500

C. Under 1977 SS Act Amendment - Under the 1977 SS Act amendments, the earnings for 1978 and later years are reported annually and are proportioned according to the total months of service. Gift QCs are no longer necessary.

5.6.26 Determining the Number of Wages QCs Based on RR Compensation After 1936 and Before 1-1-78

When the RR compensation after 1936 cannot be used under the RRA (e.g. no current connection in a survivor case) the RR compensation record is transferred to SSA. SSA credits quarters of coverage based on these earnings according to the chart indicate in RCM 5.6.17A. The total compensation QCs for the year is added to the total SS QCs for each year. If the total for any year exceeds four QCs, the total is reduced to four.

EXCEPTION: (1.) Only the first and last quarters of a period of disability can be QCs; and, (2.) In survivor cases, the total QCs for the year of death cannot exceed the number of calendar quarters through the quarter of death.

If the wage earner is not insured under this procedure, SSA credits the earnings in a method similar to the RRB alternative method (see SSCM 4191).

Compensation may also be used in determining the number of QCs in joint-freeze cases, as explained in RCM 1.2. and the SSCM 6167-6167.7.

5.6.27 Determining the Number of Wage QCs Based on Wages and Self-Employment Earnings 1-1-78 or Later

The 1977 Social Security Act Amendments revised the method of crediting wage quarters of coverage 1-1-78 or later. After 1977, all wages (including agricultural and wages and M/S creditable as wages) and SEI are generally reported to SSA annually (see SSCM for exceptions). The wages and SEI are presumed to be paid in equal proportions for months in a calendar year in which they are credited. Compensation reported to the RRB may be combined with the SS earnings as explained in RCM 5.6.20. The amount of earnings required to establish a quarter of coverage based on wages or self-employment income will be adjusted each year as the average yearly earnings rise.

At least $400 of net earnings from self-employment is still required before SEI can be credited. If the employee has $400 of net SEI in the year, or has wages, determine the QCs as summarized in the following chart:

Year	Amount Needed For a QC	Year	Amount Needed For a QC
1978	250	1979	260
1980	290	1981	310
1982	340	1983	370

1984	390	1985	410
1986	440	1987	460
1988	470	1989	500
1990	520	1991	540
1992	570	1993	590
1994	620	1995	630
1996	640	1997	670
1998	700	1999	740
2000	780	2001	830
2002	870	2003	890
2004	900	2005	920
2006	970	2007	1,000
2008	1,050	2009	1,090
2010	1,120	2011	1,120
2012	1,130	2013	1,160
2014	1,200	2015	1,220
2016	1,260	2017	1,300

5.6.28 Using Creditable Military Service to Establish QCs

As explained in RCM Chapter 5.4, creditable military service earnings may be used as either compensation or wages to establish additional QCs. The amount of creditable earnings for the applicable military service periods are indicated in RCM 5.3.10 and RCM 5.4.19.

Military service cannot be used as wages under the SS Act if the same period of service is being used as compensation by the RRB.

Military service used as wages may give the employee a fully insured status at SSA based on wages only, a disability freeze or a DIB insured status at SSA based on

wages only, permanently insured status for the vested dual benefit at RRB, or work deduction insured status at the RRB.

Military service used as either wages or compensation may give the employee a fully insured status for the retirement age and service O/M, disability freeze or a DIB insured status at the RRB for the retirement DIB O/M or an HI insured status at the RRB.

Military service after 1-1975 used as compensation may give the employee a work deduction insured status at the RRB (see RCM 5.3.10).

5.6.29 When a Calendar Quarter Cannot be a Quarter of Coverage

No calendar quarter can be counted as more than one quarter of coverage. Do not count as a QC:

1. Any calendar quarter after the quarter in which the WE died. (After 8-1960, wages paid to survivor(s) or the WE's estate in the quarter of death are considered to have been paid to the deceased WE and may therefore yield a QC. Before 9-1960, the quarter of death could not be counted unless the WE actually earned wages of at least $50 in that quarter);or,

2. A calendar quarter any part of which was included in a period of disability (freeze), other than the first and last quarter of such period. Before 9-1960, only the first quarter of a period of disability (freeze) ending before 1951 can be a QC; or,

3. A quarter which has not yet commenced.

5.6.30 Obtaining Wage and Compensation Quarters of Coverage Data

The employee's wage QCs and compensation QCs are indicated on Form G-90 (see RCM 7.4 Appendix A). The pre-1951 QCs shown on Form G-90 are always based on the simplified method (see RCM 5.6.22).

If a quarterly breakdown of pre-1978 earnings is needed, prepare Form G-37b - "Teletype Message to SSA-BDPA." Complete the entries on this form that apply to the information needed.

Appendices

Appendix B - Special Age 72 (Prouty) Benefits

The SS Act provides monthly payments for persons age 72 or over who cannot qualify for an insured status under either the regular or the transitional provisions. The claimant is entitled to payments under the special age 72 provision if:

(S)he has filed an application; and

(S)he is either a U.S. citizen who resides in the U.S.; or is an alien lawfully admitted to the U.S. for permanent residence, who has resided in the U.S. for the 5-year period preceding the month(s)he files application; and

(S)he attained age 72 before 1968; or

(S)he attained age 72 after 1967 and has at least 3 QCs (whenever acquired) for each calendar year elapsing after 1966 and before the year in which (s)he attained age 72. This requirement is the same for both men and women. The breakdown of the QC requirement is as follows:

Year Attains Age 72	**QC Requirement**
1968	3
1969	6
1970 (applies only to men)	9
1971 (applies only to men)	12

NOTE: In 1970 or later, the QC requirement applies only to men because a woman age 72 in 1970 would need only 9 QCs to be fully insured. Similarly, 1971 will be the last year the special provision will apply since men would require only 14 QCs in 1972 to be fully insured and would require 15QCs under the special provision.

The amount of Prouty benefit payable is the same as the amount payable based on transitionally insured status.

Appendix C - Partially Insured Status under 1937 Railroad Retirement Act

An employee was partially insured under the 1937 Railroad Retirement Act at the time of attaining retirement age or at death if he has 120 months of creditable RR service, a current connection, and either of the following:

A minimum of 6 QCs counting from the beginning of the third calendar year before the year in which the employee retires or dies and ending with the quarter of his retirement or death; or

Sufficient QCs to be currently insured under the SS Act (see RCM 5.6.6) if his RR service after 1936 had been employment covered by the SS Act. (This applies under the same conditions as for a completely insured status.)

NOTE: If an employee had a partially insured status at the time a retirement annuity began to accrue, he does not lose this status in the interval between retirement and death, regardless of his employment status during that period.

The benefit amounts payable based on the partially insured status equal the benefits payable based on a completely insured status.

Appendix D - SS Act Insured Status before 8-1961

D1. Fully Insured Status After 9-1960 And Before 8-1961

A. One-for-Three Rule - A person was fully insured if he had not less than 1 QC (whenever acquired) for each 3 calendar quarters elapsing after December 31, 1950, or if later, December 31 of the year in which he attained age 21, and up to but excluding the year in which he attained retirement age or died, whichever occurred first, and he had a total of at least 6 QCs When the number of elapsed quarters was not a multiple of three, such number was reduced to the next lower multiple of three.

B. Applicability of One-for-Three Insured Status Rule - The one-for-three insured status rule applied when:

- An application for monthly benefits was filed in or after 9-1960 and before 3-1961 (benefits based on such application could not be paid before 10-1960); or
- An LSDP was payable based on the WE's (employee's) death after 9-1960 and before 8-1-61; or
- An application was filed after 1-1960 and before 3-1961 for the establishment of a disability freeze period (currently termed a "period of disability").

D2. Fully Insured Status after 8-1950 and Before 10-1960

If the WE (employee) was alive on or after 9-1-50, he was fully insured if he had at least 6 QCs and not less than 1 QC (whenever acquired) for each 2 calendar quarters elapsing after 1950, or after the quarter in which he attained age 21, whichever was later, and up to but excluding the quarter in which he attained SS Act retirement age or died, whichever occurred first. If the total of elapsed quarters was an odd number, one was subtracted.

If the employee attained age 65 before 9-1-50 but was not fully insured before 9-1-50 as described in sec. D5, he could have been fully insured under the rule given above but not before 9-1-50.

D3. Fully Insured Status after 12-1954 - Special Rule

If the WE (employee) was alive on or after 1-1-55, and he did not meet the requirements in sec. D2 for a fully insured status, he was nevertheless fully insured if he had QCs in all but 4 of the calendar quarters elapsing after 1954 and before 7-1-57 (if he attained retirement age or died before that date) or, if later, the quarter of attainment of SS Act retirement age or death (whichever occurred first). There had to be 6 QCs after 1954,

but they did not have to be continuous. The effect of this special rule no longer applied after 9-1960, since a person who had QCs for all but 4 quarters elapsing after 1954 and had attained retirement age or died after 9-1960 would have had 19 QCs, and would have been fully insured in accordance with the preceding section.

After 1954 and prior to 8-2-56, a person who was alive on or after 1-1-55 was fully insured if all the quarters elapsing after 1954 and before the quarter in which he attained SS Act retirement age or died, whichever occurred first, were QCs, provided he had a minimum of 6 consecutive QCs. This continuous quarter of coverage rule as well as the rule in section D2, above, was applicable to claims filed before 8-2-56 and to some claims in which benefits were payable for the retroactive period before 8-1956 although the application was filed after 8-1-56.

D4. Fully Insured Status for Deaths Before 1951 - Effective Date of Monthly Benefits After 9-1960

Under the SS Act as amended on 9-13-60, a person who died any time before 1951 with 6 QCs is fully insured. This provision replaced the old deemed insured status provision which applied to persons who died before 9-1-50 (see the next section). Its principle effect was to permit entitlement to benefits for divorced wives who were excluded under the old "deemed insured" rule in effect before 10-1-60.

This provision applied to applications for monthly benefits filed in or after 9-1960. Benefits based on it could begin no earlier than 10-1-60.

D5. Fully Insured Status Before 9-1-50

A. Regular Rule - Before 9-1-50 a person was fully insured if he had at least 6 QCs and not less than 1 QC (whenever acquired) for each 2 calendar quarters elapsing after 1936 or after the quarter in which he attained age 21, whichever was later, up to but excluding the quarter in which he attained age 65 or died, whichever occurred first. If the total of elapsed quarters was an odd number, one was subtracted.

B. Deemed Insured Status - A person who died after 1939 and before 1-1-50 without meeting the regular requirement for a fully insured status in A above, was deemed to have died fully insured if he had at least 6 QCs. Under the SS Act such person was deemed to be insured for determining entitlement to all types of survivor monthly benefits after 8-1954 except benefits for former divorced wife (see sec D4) and widower (see sec. D6).

   (To be completely insured under the RRA, such person must have had 120 months of service and a current connection under the RR Act.)

D6. Female WE (Employee) Died After 3-31-38 and Before 9-1-50

When the female WE (employee) who died after 3-31-38 and before 9-1-50 had at least 6 QCs and was currently insured, her widower could have qualified for benefits beginning no earlier than 10-1-60.

Refer to FOM1, Article 11.

5.8.1 Waiver Provision

The waiver provision became effective 9-1-54 and covers all types of monthly benefits.

Generally, an applicant or annuitant executes a waiver to prevent a decrease in the annuity rate or to reduce his annual income to a level which permits him to receive benefits from another source. He may wish to reduce his income to accept payments from the VA, Welfare, or to qualify for public housing, or entrance to a home for the aged.

Under the waiver provision of the RRA, any person may waive payment of all or part of his regular retirement or survivor annuity or pension. This also includes waiving entitlement to a RIB/DIB windfall when 1) the total annuity rate decreases due to inclusion of the windfall; 2) the windfall would not be payable due to expected excess earnings; and 3) the windfall cutback results in an annuity rate lower than without windfall entitlement. (If a SUP ANN is involved, refer to sec. 5.8.28 for instructions to be followed.)

5.8.2 Effect on RRA Benefits

A. Annuities Payable While Waiver Is In Effect - A waiver affects an annuity as follows:

- The amount of annuity waived is deduced from the full amount of the annuity otherwise payable to the person who made the waiver. Annuities payable to other beneficiaries in the same case are not affected.
- The part of the annuity which was not paid because of a waiver can never be paid to anyone for the period during which the waiver was in effect.
- If entitlement to a RIB/DIB windfall is waived, the annuitant's tier 2 is not reduced for the RIB/DIB windfall entitlement.

B. Residual Payments - Waiving of an annuity payment does not make the RLS payable, nor will it affect the amount of the RLS:

- The total annuity payments (not including SUP ANN) which would have been payable had the annuitant not filed a waiver are deductible when computing the amount of the RLS.
- A deduction from the RLS should not be made for any month in which the annuity was not payable for a reason other than the waiver (no deduction can be made from the RLS for any month in which an annuity could not be paid because a work deduction applied).

C. Jurisdiction of Death Benefits

- Waiver of an RRA annuity, which is due and payable, cannot transfer jurisdiction to SSA to make the survivor eligible for an SS Act LSDP or an insurance benefit on the employee's wages.

- Jurisdiction for payment of death benefits remains with RRB if the employee died insured under the RRA.. (This does not affect an election to waive future monthly benefits in order to receive the residual. See chapter 2.9.)

5.8.3 Effective Date of Waiver

A. Annuity in Force - When an annuity is in force, a waiver is effective with the later of these payments:

1. The payment due on the first day of the month specified in the waiver.

2. The payment due on the first day of the month following the month in which RRB receives the waiver.

NOTE 1: A waiver may apply to any payments due after receipt of the waiver. Example: An employee was paid a monthly annuity of $314.14 beginning 3-1-82. Later it was found that his annuity effective 3-1-82 should have been $354.10 under the DIB-O/M. Any time before recertification to pay the additional amount due the employee, he may waive all or any part of it.

NOTE 2: If windfall waiver is being considered in a case where the windfall has not been paid yet, the waiver can be effective with the windfall date of entitlement, even if the waiver request is not received until a later month.

B. Annuity Not in Force - When an annuity is not in force because an award has not yet been made or payments are in suspense, a waiver may be effective with the later of these payments:

1. The payment due on the first day of the month specified in the waiver.

2. The payment effective with the beginning date or the reinstatement date of the annuity.

5.8.4 Duration of Waiver

An annuitant's or pensioner's acceptable waiver continues in effect until RRB receives a clear and unambiguous request that it be terminated. The request must be signed by him or by his legal representative.

5.8.5 Effective Date of Revocation of Waiver

A. Annuity in Force - When an annuity is in force, a revocation of a waiver is effected with the later of these payments:

1. The payment due on the first day of the month specified in the revocation.

2. The payment due on the first day of the month following the month in which RRB receives the revocation.

NOTE: A spouse, whose windfall entitlement was waived prior to 8-13-81, may cancel that waiver after 8-13-81, and receive the full windfall payment subject to the above 2 conditions.

B. Annuity Not in Force - Revocations affect reinstatements as follows:

1. When annuity payments are in suspense for a reason other than the waiver, a revocation of a waiver may be effected with the later of these payments:

   - The payment due on the first day of the month specified in the revocation.

   - The payment effective with the beginning date or the reinstatement date of the annuity.

2. When annuity payments are in suspense because of a waiver, a revocation of the waiver may be effective with the later of these payments:

   - The payment due on the first day of the month specified in the revocation.

   - The payment due on the first day of the month following the month in which RRB receives the revocation.

5.8.10 Waiver for VA Purposes

Under the Veterans Pension laws, certain monthly VA benefits are paid without regard to income from other sources although other types of monthly VA benefits are affected by the amount of income the beneficiary receives.

In those cases where an RR Act is income for VA purposes, the increase payable under the 1968 RR Act amendments is not counted as income until 1969.

Since we cannot give authoritative opinions about VA pensions, anyone who asks for information on the subject should be referred to VA.

5.8.11 Effect of Waiver of Annuities on VA Pensions - VA Benefits Paid to Veteran

A veteran should not waive his RRA annuity to receive VA benefits since such action would not affect the amount of his VA payments.

If a veteran has filed a waiver that has not been revoked, refer the person to VA for advice unless the claim folder clearly shows the waiver was made for other than VA purposes.

Following is a summary of the effect of RR Act annuities on VA pensions and whether waiver of RRA benefits might be acceptable for VA purposes:

A. Service-Connected VA Benefits - A veteran's other income, including an RRA annuity, does not affect his VA benefit if he receives VA compensation for a service-connected disability.

B. Non-Service-Connected VA Benefit

- A veteran's RRA annuity is not considered income for VA purposes if he qualifies under the VA laws in effect before 7-1-60 for a VA pension based on a disability which is not service connected.

- If a veteran could qualify under the VA laws in effect before 7-1-60, but elects to qualify under the VA laws effective 7-1-60 or later, his RR Act annuity is considered income. (See C below.)

C. Non-Service-Connected VA Benefit - Veteran Qualifies under VA Laws Beginning 7-1-60 - The full amount of a veteran's RR Act annuity is considered income for VA purposes, regardless of whether he waives payments, if he qualifies under the VA law of 7-1-60 or later for a VA pension based on a disability which is not service connected.

5.8.12 Effect of Waiver of Annuities on VA Pensions - VA Benefit Paid to Survivor

Waiver of all or part of his RRA annuity may be advantageous for an annuitant receiving a VA benefit which is based on the military service of another person.

A waiver should be considered only if the RRA annuity is income for VA purposes and if the waiver could be honored under VA pension laws.

Following is a description of the types of VA survivor benefits and the effect of the waiver of an RRA annuity:

A. Non-Service Connected VA Benefits - The RRA annuity received by a veteran's survivor is considered income for VA purposes if the veteran's death was not service connected.

- The VA beneficiary may waive payment of his RRA annuity, and the portion waived will be excluded from income for VA purposes, if the beneficiary qualifies under the VA laws in effect before 7-1-60.

- If the VA beneficiary could qualify before 7-1-60 but elects to qualify under the VA laws of 7-1-60 or later, his RR Act annuity is considered income. See B below.

B. Non-Service-Connected VA Benefits - Survivor Qualifies under VA Laws Beginning 7-1-60 - The full amount of the RR Act annuity is considered income to the beneficiary, even if waived, if the veteran's death was not service connected and the beneficiary qualifies under the VA laws of 7-1-60 or later.

C. Service-Connected VA Benefits

- If the veteran's death was service connected, a monthly VA benefit paid to his widow or child will not be affected by other income, including an RRA annuity.

- If the VA beneficiary is the veteran's parent, the RR Act annuity, under certain circumstances, is considered income to the parent.

Whether a waiver of the RR Act annuity would be effective in cases where the parent's annuity is considered income depends on the date of the applicable VA law, just as in cases where the veteran's death was not service connected. See A and B above.

5.8.15 Inquiry on Waiver

When an inquiry about a waiver is received:

- Give an inquirer a full explanation of the waiver provision of the Act; and

- Tell him that if he wishes to reduce his annuity to meet the income limitations set by VA or some other agency or organization, he should seek full information from the agency concerned; and

- He should find out whether his waiver of RRA benefits could be honored and, if so, exactly what amount he should waive.

Tell the person that he may waive payment of all or any part of his annuity by furnishing RRB with an unambiguous and signed statement (see sec. 5.8.16) and suggest that he contact a field office. If the inquirer is an annuitant's legal representative, also include in the letter information shown in sec. 5.8.17.

Do not tell a person or a person's legal representative of the amount of annuity that he should waive. That is a matter between him and the agency whose income limitations he is trying to stay within.

In addition, do not question the desire or the decision of any person to waive all or any part of his annuity. The BRC function in that area is solely that of giving the person the facts about the waiver provision. What he does with those facts is up to him. (Make

sure all the person's questions about the waivers are answered, or if the questions cannot be answered by this bureau the person is so informed.)

5.8.16 Waiver by Applicant or Annuitant

The person may waive payment of all or any part of his annuity by furnishing RRB with an unambiguous and signed statement expressing his desire to waive and specifying that he wishes to waive:

- The full amount of his annuity beginning with the monthly payment due on the first day of a month and year; or
- That part of his monthly annuity over a stated amount beginning with the monthly payment due on the first day of a month and year; or
- A specified dollar amount of his annuity beginning with the monthly payment due on the first day of a month and year; or
- Entitlement to his RIB/DIB windfall.

The annuitant may specify the amount of annuity that he wishes to waive in any other clear and unambiguous manner; for example, he may state that he wishes to waive a lump-sum amount in one specified calendar month of a year.

5.8.17 Waiver by Representative Payee

When a representative payee seeks to file or revoke a waiver, have the appropriate D/O determine whether the action is in the annuitant's best interest. In addition, after showing that the action is in the annuitant's best interests, a representative payee who is a court-appointed guardian or legal representative also must secure a court order approving the action as outlined below:

A. Waiver - A waiver executed and filed by a person's legal representative may be given effect only if it is supported by a court order:

1. That was issued by the same court which appointed the representative, and
2. That specifically authorizes the representative to waive payment of the person's annuity.

No greater amount may be waived by the legal representative than the amount specified in the court order.

B. Revocation of Waiver - When a legal representative wants to revoke a person's waiver, he must furnish a court order:

1. That was issued by the same court which appointed him representative, and

2. That specifically authorizes him to revoke the waiver.

5.8.18 Unacceptable Waiver

If a statement of waiver is unacceptable for any reason (ambiguous, unsigned, etc.,), inform the person of the reasons that it is not acceptable and how he may complete an acceptable statement. (District offices will send to this bureau for appropriate action any unacceptable waiver received by them through the mail.)

Tell the person also that if he properly completes an unambiguous statement and returns it to RRB so that RRB receives it within thirty days from the date of the letter to him, his waiver may be effective:

A. If his annuity is in force, with the payment due on the first day of the month following the month in which RRB received his unacceptable waiver; or

B. If his annuity is not in force (for any reason), with the payment effective on the beginning date or the reinstatement date of the annuity; or

C. With the payment later than the one indicated in A or in B, which payment he may have specifically designated in his unacceptable waiver or may specifically designate in his acceptable waiver.

   NOTE: If windfall waiver is being requested and the windfall has not been paid yet, the waiver can still be effective as early as the windfall date of entitlement, provided an acceptable certification is submitted.

In giving the above-indicated data, spell out, where possible, effective dates by dates of checks. By doing so, the person should have a clearer idea of which of his checks may be the first one affected by his waiver.

5.8.19 Soliciting Windfall Entitlement Waiver

The only situations in which examiners should solicit windfall waivers are:

1) In any case when WF entitlement causes the annuity rate to decrease; and

2) In spouse cases where a RIB/DIB WF is being paid based on 50% of the employee's RIB/DIB WF but a spouse WF could be paid which provides a higher rate because the spouse's tier 2 is not reduced.

All other requests for WF waiver should be initiated by the annuitant and should be referred to PP&PAS.

If the rate after windfall entitlement is less than the rate before windfall entitlement, prepare a memo to the D/O requesting windfall entitlement waiver. In the memo, explain the advantage of the annuitant's waiving his/her windfall entitlement. If RIB/DIB WF entitlement should be waived. Give the rate with and without waiver and the consequence of not waiving; i.e. lower rate, overpayment, etc.

The D/O will contact the annuitant to explain the advantages of waiving his/her windfall entitlement. If the annuitant submits an acceptable waiver request, follow the instructions in RCM 5.8.27 A and B to effect the waiver. If the annuitant does to give an immediate response, the D/O will inform the examiner of the date they contacted the annuitant. If the annuitant does not request waiver or does not reply within 60 days of the D/O contact, pay the case with the windfall and recover any overpayment that might result. Additional time before the reply must be received may be granted if necessary.

5.8.25 Preparation of G-96

When an acceptable waiver is received it should be put in effect as follows:

A. Annuity in Force - Prepare a G-96 to suspend payments; under appropriate heading, check box opposite "Other (see remarks)"; enter in remarks block: Waiver of regular retirement annuity, waiver of SUP ANN, waiver of spouse annuity, waiver of windfall entitlement, etc. If the WF is being waived in a case where the RIB/DIB WF has never been paid, a G-96 is not necessary since the annuity rate in force will not be affected.

B. Annuity Not in Force - If the annuity is already in suspense (for any reason), another G-96 is not necessary.

A waiver is not cause for a termination of an annuity, even though the person waived all or part of the annuity payments.

5.8.26 Waiver of Full Annuity Payments Requested

When a person waives all of his annuity, the payments will not be resumed after suspension. However, the person must be notified that his waiver has been placed into effect.

If the appropriate payment cannot be withheld, the person must also be told of that fact and what he should do. He should:

- Return the check representing the payment with which his waiver was effective; or
- Refund to RRB the amount of that payment; or
- Make a new waiver effective with the payment immediately following the last made. Suggest that he contact the appropriate district office.

Pend the cause for call up when the appropriate payment could not be withheld to insure that the person takes one of the suggested courses of action. If he does not answer the RRB letter, ask the field to get a properly completed and signed statement effective with the date payments where actually suspended. (Be sure to give the field the complete facts of the case.)

5.8.27 Partial Waiver of Annuity Payment

A waiver statement may be completed to show the monthly payment which the person wishes to receive after his waiver is in effect.

Some persons may use the second alternative listed in sec. 5.8.16, and set forth their own language. In the letter event, the amount of the annuity waived should be converted, when necessary, to a monthly basis so that the same amount of annuity is withheld each month.

A. Award Actions

When a person waives payment of part of his annuity that is in force, a reinstatement-recertification should be prepared immediately following suspension.

However, it may be necessary to withhold payments as follows:

- If a waiver is received too late in a month to adjust the appropriate payment; and
- The payment for the following month must be adjusted to take into account the amount waived for the first and second months of the waiver; or
- If the amount waived for the first and second months of the waiver equals or exceeds the full monthly annuity rate.

If payments are withheld the case must be pended for call-up on the date when reinstatement-recertification action can be taken.

When an employee waives a RIB/DIB windfall that has not been paid yet, prepare an informational G-354.1 (original and copy) showing the computation with the windfall. Indicate the vested status and windfall date of entitlement in item 20. In item 38, "X" the box next to "WF WAIVED." Put an asterisk next to this item and in item 20. File one copy of the G-354.1 on the left side of the folder. Attach the other copy of the G-354.1 to a G-59 and indicate "Windfall Waived." Route the G-59 and G-354.1 to Research.

When an employee or spouse WF is being waived and the Research record contains previous WF data (i.e. WF DOE, PIA 4, PIA 21, etc.), a G-59 must be submitted in addition to checking the "WF Waived" box on the G-354.1 or G-

355.1 award form. On the G-59, enter "WF Waived-zero out all WF data." If the spouse RIB/DIB WF is being waived but you are still paying the spouse WF, enter on Form G-59 "RIB/DIB WF WAIVED -Now entitled to spouse WF."

B. Notifying Person About Waiver Actions

- The notification letter to the person should include an explanation of actions taken (use code paragraph 496 in RCM Chapter 10.5 for WF waiver cases;) or

- When a case has been pended for call-up, inform the person in a special letter when his payments will be resumed after giving effect to his waiver.

Do not ask him to return the last check, or to refund any amount, or to make a new waiver because two or more actions might be simultaneously taken and result in a further delay in the resumption of payments.

If the person objects to the withholding, he will undoubtedly protest; at which time he can be told what he should do to get his case promptly back in payment channels.

5.8.28 Waiver of SUP ANN

An employee can waive payment of a SUP ANN in the same manner as any other RR annuity. The amount of a SUP ANN waiver, however, is limited to the net SUP ANN rate; an employee cannot waive any part of the reduction made for an employer pension.

5.8.29 Revocation of Waiver

When a person revokes his waiver, increase or resume his payments as of the effective date of the revocation. Take the following actions:

A. Making Recertification or Reinstatement-Recertifications.

1. Take into account any increase provided under past legislation, which may not be reflected on the latest award form in file, and

2. Have the award computed by computing clerks when monthly annuity rates cannot be transcribed from the preceding award form, or

3. If recertifying an award, show the monthly amount to be deducted under previous payments as the amount actually paid, i.e., the regular monthly rate minus the amount waived.

In a case in which payments are in force and a revocation is received too late in a month to adjust the appropriate payment, make the required adjustment in the following month.

B. Notifying Person About Revocation - In the notification to the person, explain the action taken to effect revocation of his waiver.

5.9.1 General

The Railroad Unemployment Insurance Act (RUIA) provides benefits for railroad employees for days of unemployment or sickness (including maternity). If an employee is also entitled to other social insurance benefits for a particular day, the RUIA benefits are limited to the amount by which they exceed such other benefits. All social security benefits and railroad retirement annuities, except the supplemental annuity, are considered "social insurance benefits".

Payments made under the RUIA for period in which the payee was not entitled to receive them, are to be recovered from benefits payable under the RR Act.

RUIA benefits are paid bi-weekly, for up to 10 days per 14-day registration period. Therefore, SUBS has determined that the maximum monthly RUIA rates are as indicated in RCM 5.9.12.

5.9.2 Tolerance

If the RUIA recoverable amount exceeds the accrued annuity by one dollar or less, the claim is processed as though complete recovery has been made. This action allows the first month's annuity payment to be at the full monthly rate.

In such cases, the examiner will line out the amount entered by SUBS and show a sum equal to the accrual through the current certification month on the e-G-259. Forward a Xerox copy of the corrected e-G-259 to SUBS. Indicate "Tolerance Applies" on the form.

5.9.3 Requesting Return of Funds Transferred to RUIA Account

Occasionally after RUIA payments have been recovered from RR Act benefits, SUBS or RBB finds that the funds should be transferred back to the RR account.

Prepare a new e-G-259 clearance. The amount due the RR account will be shown as a "minus balance." Follow the instructions in RCM 5.9.22 and Appendix A of 5.9 to transfer the funds back to the RR account.

5.9.4 Notifying Subs of Suspension or Termination of Annuity

If the RR annuity is suspended for an indefinite period (e.g., return to RR service) or is terminated for reasons other than death (e.g., recovery from disability), or is canceled, notify SUBS by e-mail using a e-G-115, RR/UI. Provide the effective date of the suspension, termination, or cancellation. The effective date is the month and year the payments should have been stopped, not the date payments were actually stopped if our action was not timely. It may also be necessary to

instruct SUBS to return previously transferred funds to the RR trust fund if an RUIA recovery was for a period that the annuity is no longer payable.

A. RR Overpayment At Suspension or Termination

When an RR overpayment exists at suspension or termination and it cannot be recovered by normal overpayment procedure, show in the e-mail (e-G-115, RR/UI):

1. The annuitant's claim number and SS account number; and,

2. The effective date of the suspension or termination of the annuity; and

3. The reason for suspension or termination; and,

4. The amount of the existing RR overpayment and place an "X" in the following box: "RRA Overpayment. Place 855 stop."

5. In terminated cases, place an "X" in RR Annuity Cancelled.

NOTE: Any RUIA benefits previously recovered, which are now payable because of the suspension/termination of the annuity, must be transferred back to the RR trust fund. Include the date the DAISY system processed the funds transfer of the RUIA recovery. Generally, recovery would have been made at the time of the initial award. Use the voucher date of the award action. SUBS will prepare and forward a G-286 to the Bureau of Fiscal Operations, to transfer the funds back to the RR account.

Make a screen print of the e-mail memorandum for folder documentation.

If the employee subsequently files for RUIA benefits, SUBS will forward a Form UI-17c to determine if the RR annuity overpayments should be recovered from the RUIA benefits. Return the UI-17c to SUBS with the current overpayment information.

An e-G-259 or ROC clearance is required on subsequent RR annuity award actions.

B. No RR Overpayment Involved

If no RR overpayment is involved, show in the e-mail using a e-G-115, RR/UI:

1. The annuitant's claim number and SS Account number; and,

2. The effective date of the suspension or termination of the annuity; and,

3. The reason for suspension or termination; and,

4. In terminated cases, place an "X" in RR Annuity Cancelled.

A request for an "855" stop in the RUIA record is not needed.

Make a screen print of the e-mail for folder documentation.

A e-G-259 or ROC clearance is required on subsequent RR annuity award actions.

5.9.10 RUIA Clearance

To qualify for RUIA benefits, an employee must have earned at least 2.5 times the monthly compensation base in the year before the calendar year in which the "benefit year" begins. Normally, a "benefit year" begins each July 1, and ends the following June 30.

RUIA benefits are paid bi-weekly, for up to 10 days per 14-day registration period. SUBS has determined that the maximum monthly RUIA benefits are as indicated in RCM 5.9.12.

5.9.11 Types of RUIA Clearance

RASI employee cases are electronically cleared with SUBS.

5.9.12 Clearance in Retirement Annuity Awards

RUIA clearance is required in the following types of cases:

A. Initial Certification

RASI cases are cleared mechanically. When RASI cases are dumped before a partial or final award, an RUIA pre-clearance has been processed in age and service cases. Specific numerical codes are shown on REQUEST Screen 12 if additional RUIA clearance is required. In these cases, if any code other than "1" is shown in the "BUSICLR" field of Screen 12, see RCM 9.1.26D for an explanation of the numeric codes and action to be taken. If "NO REC" is shown, refer to RCM 5.9.14.

For ROC awards, request clearance using the Retirement On-Line Calculations (ROC) RUIA Clearance Screen PF17. Refer to RCM 16.4.37 on completion of the screen. See RCM 5.9.12D for securing clearance for PC awards and specials.

B. Rate Adjustments or Reinstatements (including One-Payment-Only and Annuities Unpaid at Employee's Death after Initial Award)

RUIA clearance is required if the employee or spouse worked for an employer during, or after, the year in which the adjustment or reinstatement is effective, or during any of the 3 years preceding that year and any of the following applies:

1. The annuity is not payable for one or more months in the accrual period; or

2. There is an open RUIA debt on the Program Accounts Receivable System (PARS); or

3. A change is being made in the ABD; or

4. A "0" response, a "NONE" response, or a money amount to recover what was previously received from SUBS; and a change is being made retroactive to the annuity beginning date, whether increase or decrease.

   Exception 1 - RUIA clearance is not required when the annuity is being increased under the O/M solely because of an election by a spouse age 62-64.

   Exception 2 - If there is no open RUIA debt on the PARS system AND in a previous RUIA clearance the RR annuity rate indicated on the RUIA clearance exceeded the maximum monthly RUIA benefit, a subsequent RUIA clearance is not required when the RR annuity rate increases.

   RUIA benefits are paid bi-weekly for up to 10 days per 14-day registration period. The maximum monthly RUIA benefit rate is 21.45 times the maximum daily benefit rate, as follows:

RUIA Benefit Year Begins	**Maximum Monthly RUIA Benefit**
7-1-2008	$1308
7-1-2007	$1265
7-1-2006	$1222
7-1-2005	$1201
7-1-2004	$1201
7-1-2003	$1179
7-1-2002	$1115
7-1-2001	$1072
7-1-2000	$1029
7-1-1999	$ 986
7-1-1998	$ 944
7-1-1997	$ 922

7-1-1996	$ 901
7-1-1995	$ 772
7-1-1994	$ 772
7-1-1993	$ 708
7-1-1992	$ 708
7-1-1991	$ 665

5. A "No RECORD" or "NONE" response was previously received from SUBS (mechanical or ROC) and an UI-17c notice from SUBS is subsequently received. See RCM 5.9.40 for action to be taken if a SUBS notice is received.

   Some examples of RUIA clearances are:

   Example 1: Employee's DLW in RR 6-1-92. ABD is 5-1-96. He returned to RR service in 1998 and 1999. The EE does not work for an employer in the 3 years preceding the ABD. However, RUIA clearance is required when the annuity is reinstated after the return to railroad service.

   Example 2: Employee awarded an annuity with the ABD of 5-1-96. DLW in RR service is 6-30-95 and he has had no RR service since. His annuity was adjusted 6-1-99 to change his ABD to 7-1-96. RUIA clearance is required because EE had RR service within the 3 years preceding the effective date of his adjustment and there was a change in the ABD.

   Example 3: Employee DLW RR service 7-1-99. His ABD is 7-2-99. His annuity was suspended effective 9-1-99 to recover an overpayment. His annuity was reinstated at the same rate effective 9-1-99. RUIA clearance is not required. Although EE had RR service in the 3 years preceding the effective date of his adjustment, his annuity was reinstated at the same rate and was payable for all months.

   Example 4: The employee was paid initially on 2-3-99 with the mechanical award form showing "NO REC" in the "RUIA RECOVERY" Block. On 5-16-99, a notice from RUIA is received showing RUIA clearance is required. On any subsequent award actions, RUIA clearance will be necessary.

C. Retirement Annuities Due When Employee Died

RASI will process an RUIA pre-clearance mechanically. After the employee dies, a RASI case must be removed from the RASI master pending file. If REQUEST Screen 11 does not show "MAN DROP," submit a 991 to dump the case from RASI. RUIA clearance is required for

survivor awards of accrued retirement annuities if any of the following apply:

1. Any code other than "1-NO REC" is shown in the "BUSI CLR" field of REQUEST Screen 12 (see RCM 9.1.26D for an explanation of the codes and action to be taken in these cases); or

2. A current G-90 has either an "X" in the UI-87 block or the message: "UI-87 STOP: BUSI CLEARANCE REQUIRED," or a notice is received from RUIA indicating that RUIA clearance is required, (see RCM 5.9.41).

RUIA re-clearance is required if the initial accrual check is returned and the amount of the accrual covering the period of the RUIA overpayment changes. In addition, if a residual is payable and the initial accrual check is returned, see RCM 2.9.11.

D. Securing Special RUIA Clearances

Situation 1: RASI or ROC has initiated the clearance already and now the case has become a special.

Normally RASI clearance takes 3 evening computer runs for RASI to request, SUBS to process, and RASI to receive the response. ROC clearances only take 1 evening run. If the RUIA clearance request is referred out for manual reentry in SUBS, this process will take longer.

Process as follows: e-mail (e-G-259) SUBS Mail Box thru your Senior Examiner or Manager. Tell them we are tracing a RASI or ROC request and give them the request date. Provide rates and effective dates. SUBS needs to know this system request is out there and that our special request is a duplicate.

Situation 2: RASI or ROC has not initiated any clearance.

Process as follows: e-mail (e-G-259) SUBS MailBox thru your Senior Examiner or Manager and provide the rates and effective dates. Let SUBS know that you need same day service (only for extremely rare cases) or whether "normal special processing" can be used (clearance by the next a.m.). By letting SUBS wait until the next a.m., they may not have to do manual calculations. The program will do the calculations, which could prevent math errors.

Situation 3: PC award forms.

Process as follows: e-mail (e-G-259) SUBS MailBox through your Senior Examiner or Manager and provide the rates and effective dates. Let them know whether it is special or normal processing.

In extreme dire need cases, the Senior or Manager should call either the Chief or Assistant Chief of Sickness and Unemployment Benefits Section.

E. Changing Annuity Beginning Date To A Later Date

Once an RRA application pays partial, any RUIA benefits must cease. Or, may not cease but only be reduced if the RUIA benefits exceed the apportionable amount of the annuity. If the employee requests a later annuity beginning date (or other circumstances in the case require us to establish a later annuity beginning date), then unemployment or sickness benefits may be due for the months between the original and revised annuity beginning date.

1. Initial action by RRA adjudication unit when later annuity beginning date (ABD) is established:

   - When a later ABD is established, the adjudication unit should recalculate the annuity rates and request RUIA clearance by preparing and sending SUBS an e-G-259. Show the period the annuity is not payable because of the later ABD and show in the remarks "Change to a later annuity beginning date." If the change was due to something that might affect entitlement to unemployment or sickness benefits (such as a settlement or additional work performed) mention that in the remarks as well.

2. Action by SUBS when clearance request received:

   The following unemployment or sickness benefits for the period between the original and the revised ABD's may now be payable:

   - Benefits paid to the beneficiary but recovered when the annuity was awarded,

   - Benefits denied because the annuity had been awarded, and

   - Benefits the beneficiary did not submit a claim form because the annuity had been awarded.

   If only the first two types are involved, SUBS can process the clearance request as usual and advise the RRA unit of the RUIA credit. However, if there are one or more claim periods for which the beneficiary did not submit a claim form, SUBS must release claim forms to the beneficiary to determine the RUIA credit for those periods. In such cases, the SUBS examiner handling the case will call the RIS Supervisor to inform him/her that claim forms have been released. The SUBS examiner will report the RUIA credit amount established so far and state the periods for which

claim forms have been released. Once the forms have been returned, the SUBS examiner will call the RIS Supervisor regarding any additional RUIA credit amount.

3. Subsequent action by RRA unit.

In cases where SUBS does not need to release claim forms, the RRA unit will consider the RUIA credit in determining the net overpayment amount and will use ROC and ORCS to handle the annuity adjustment and overpayment notification as usual.

In cases where claim forms have been released, the RRA unit will adjust the annuity based on the new ABD, transferring the RUIA credit amount that has been established so far, and send an ALTA adjustment letter containing code paragraph 194.2. The paragraph advises the annuitant that RUIA claim forms have been or will be released to him/her, that the forms should be returned within 30 days, and that any additional RUIA amounts due will be used to reduce the annuity overpayment resulting from the later ABD.

Example: An employee files for an age and service annuity pending a determination on the disability annuity, claiming dire need. It will be sometime before all medical records can be secured. AA-1 shows a reduced annuity would be accepted if rated not disabled and statement from annuitant requests this action. Partial payment (partial ABD 10-01-00) has been set up and RUIA clearance has been requested (RUIA benefits will be stopped as of clearance date). Partial payment has been paid with RUIA recovery. RASI now pays employee final with an annuity beginning date of 07-01-00. RUIA clearance is requested again and any reported recoverable amount is withheld.

The employee has now been rated disabled with an annuity beginning date of 12-01-00. The RRA annuity now has an overpayment due to the later ABD.

An e-G-259 is released to SUBS showing the new ABD and rates. SUBS will call the RIS Supervisor to report an RUIA credit of $xxx.xx established so far and advice whether any RUIA claim forms have been released. The annuity is recertified to reflect the new ABD and RUIA credit. An ALTA letter with code paragraph 194.2 will be released to the annuitant advising that additional RUIA benefits that were previously denied may be used to reduce the RRA overpayment. The ALTA paragraph explains that RUIA claim forms will be released and that (s)he has 30 days in which to file these claims. Once claims are filed, SUBS will report any

additional RUIA benefits that are payable to the RIS Supervisor and the amount will be applied to the annuitant's RRA overpayment.

The above example deals with disability annuities, but a later ABD established for a retirement annuity would be handled the same way.

5.9.13 RUIA Clearance for Survivor Benefits

When submitting a claim for payment of an insurance annuity, LSDP or RLS payment, examiners are required to check FSIS for any active RUIA debt, and MACRO and the SURPASS wage record UI-87 indicator for any uncollectible RUIA debt. If an overpayment is indicated, send an e-mail to the SUBS MailBox. See Office of Programs, Instructional Memorandum 00-02, dated June 1, 2000 for accessing SUBS MailBox.

EXCEPTION: Forward any cases, in which a widow(er)'s annuity is payable to a widow(er) who worked in the railroad industry within the last three years, to the Operations Analyst in SBD indicating on the route slip, "Dual annuitant/RUIA clearance."

Active RUIA debts are shown on the RUIA Claim Information screen (RUIA2) of FSIS (Field Service Inquiry System). If there is an active debt, an amount will be shown under the heading "Balance" in the "RUIA Debt" section of the screen.

Uncollectible RUIA debt information is displayed on MACRO (Master and Clearance Records On-Line). Follow these steps once you have accessed MACRO from the RRAPID Main Menu by selecting "85". Enter the employee's social security number on the MACRO Main Menu and press PF11. On the Inquiry Menu screen, press PF20 to go to the Account Ledger screen. If there are any uncollectible RUIA debts, an "Uncollectible Debts" amount will be shown under "Balance" at the bottom of the screen.

NOTE: After checking MACRO, examiners will need to check the SURPASS wage record UI-87 indicator (during the payment process) for any old uncollectible RUIA debt, which has not been posted. If the UI-87 indicator is "X-ed", send an e-mail to the SUBS MailBox.

If no response is received within five working days, trace via a phone call to the Assistant Chief of Sickness and Unemployment Benefits Section.

5.9.14 "No Record/None" Responses from RUIA

If RUIA does not have a current payment record for RUIA benefits from the employee, a "NO RECORD" response will be given in the RASI clearance process or "NONE" in the ROC clearance process.

A. EDP Cases - In RASI cases a pre-clearance is requested from RUIA. If SUBS has no current RUIA payment record for the employee, the following will be shown:

1. Case Paid On RASI - If the case was paid on RASI, "NO REC" will be printed in the "RUIA RECOVERY" block of the mechanical award form (Form G-354r), or REQUEST Screen 12, "BUSI CLR" will be code 1-No REC.

2. Case Dumped Off RASI - If the case was dumped off RASI before it could be paid, the field "BUSI CLR" on REQUEST Screen 12, will be code 1-No REC.

B. ROC Cases - If SUBS has no current RUIA payment record for the employee, clearance will be returned showing "NONE" on ROC'S PF17 screen (BUSI).

NOTE: If the awards accrual is less than the RUIA O/P, handle in accordance with RCM 5.9.23.

In both A & B above, no further RUIA clearance is necessary on succeeding award actions, unless a current G-90 has an "X" in the UI-87 block or a RUIA notice (UI-17c) is received.5.9.15 Access to MACRO's RUIA Summary Screen

In order to expedite payment of delayed claims or special claims in retirement cases, the retirement initial section manager has "read only" access to MACRO's RUIA Summary Screen.

To access the MACRO screen, sign on to the RRAPID database. Choose "83" "UPC" from the RRAPID menu.

Then type in the SSA number of the case and press PF 20. The system will respond as follows:

A. No Record - If the requested SSA account number is not found on the MACRO database, the message "SOCIAL SECURITY NUMBER IS NOT ON MACRO" will be displayed. Double check these records to be sure the SSA account number was entered correctly. A "SOCIAL SECURITY NUMBER IS NOT ON MACRO" response indicates that SUBS does not have a current RUIA payment record.

This type of case is similar to a "NO RECORD" response (see RCM 5.9.11). However, if the case was dumped from RASI before a RASI pre-clearance, ("BUSI CLR" on REQUEST screen 12 is code "7") it is necessary to send for RUIA clearance via the ROC system.

B. Record Found - If the SSA account is found on the MACRO database, the screen will then display the most current RUIA benefit year for that SS number. To view the previous benefit year record, if any, press PF 7. If there is no active previous benefit year record, the screen will remain the same. To return to the latest benefit year record, press PF 8.

To request a printout for the RUIA benefit year, press the "PRINT SCREEN key. The printout will be produced at your regular printer. File the printout in the claim file.

If records of additional cases are needed, press the "CLEAR" key. The next social security number can then be typed and entered by pressing PF20.

After you are finished using the MACRO RUIA SUMMARY RECORD, press the PA2 key to exit the system.

5.9.16 Explanation of the Items on the MACRO RUIA Summary Record Screen

This is a summary of the items found on the TPO inquiry screen.

Item/Information

A. Social Security Number - The social security number is at the upper middle of the screen.

B. BUSI BY (Benefit Year) - This entry is above the claim number. It shows the RUIA benefit year. For example: "BY 1999"

C. Record Begin/End - This entry is next on the top line. It gives the date the RUIA benefit year begins and the ending date of the benefit year.

For example: "BEGIN 040599 END 063099"

Normally, the benefit year begins July 1, and ends the following June 30. There are exceptions when a year involves extended benefits or accelerated benefits. Check to see if the ending date of the latest benefit year is later than the ABD.

D. Name and Address - The name and address are shown to the left of the SSN.

For example: "NM/ADDR 051693"

Compare the name and address to the current name and address and effective date on the RRA application or payment records. If both addresses are current, they should be the same. If RBD has a later

address, advise SUBS of the address change in the "Remarks" section of ROC's RUIA Clearance Screen.

E. Stop Notices - Stop notices are located on the left side of the screen four lines below the city/state line. If there are no active stops on record, this item is blank. Otherwise, the active stop is displayed under "STP".

For example: A stop notice may be displayed as:

STP BEN	BEGIN	END
790 11	120691	042293

Do not be concerned about "stop notices," other than an active "701" stop notice, indicating benefits paid under the RRB's Title VII program. Most of the "701" stop notices should have ended by 1990.

F. SOC AMT - Social insurance records are located to the right of the stop notices, if any. The RUIA defines the term "Social Insurance Amount" to include the employee's social security benefit or railroad retirement annuity (except for the RRB supplemental annuity). If there are no active social insurance records, this item will be blank.

1. Railroad Retirement Annuity - -The RR annuity rate from a previous mechanical RASI RUIA clearance or ROC RUIA clearance will be displayed in this item with a code "11" under type (TYP).

For example:	SOCAMT	TYP	BEGIN	END
	$ 941.23	11	070199	113099
	$ 957.64	11	120199	999999

2. Social Security Benefit - A social security benefit will be displayed in this item with a code "33" under TYP. Note that the retirement annuity tier 1 should be offset for the social security benefit.

For example:	SOCAMT	TYP	BEGIN	END
	$1200.00	33	100199	999999

3. Military Service Pension - Military service retirement pay will be displayed in this item with a code "55" under TYP and the dates of the pension payments under BEGIN/END. If the dates that the employee performed the military service (refer to the proof of military service) extended past 1-1-1957, the military service retirement pay has no effect on the railroad retirement annuity. However, military service performed entirely before 1-1-1957 cannot be used as "wages" if another federal agency is paying retirement benefits based on the same military service.

For example:	SOCAMT	TYP	BEGIN	END
	$ 1200.00	55	100199	999999

4. Worker's Compensation - If you are adjusting a disability annuity, also note any type "77" social insurance payments. This indicates that the employee is receiving worker's compensation.

For example:	SOCAMT	TYP	BEGIN	END
	$ 2000.00	77	070199	999999

If information on the annuity application or in the RBD claim file does not indicate the worker's compensation, develop Form G-214, "Worker's Compensation and Public Disability Benefit Questionnaire."

5.9.17 Using MACRO to Expedite Retirement RUIA Clearances

A ROC-BUSI clearance is required if the ending date of the latest RUIA benefit year posted on MACRO for this beneficiary is later than the ABD and any of the following applies:

A. No RR Annuity Rate - No RR annuity rate is indicated on MACRO; or,

B. Change in RR Annuity Rate - A RR annuity rate is indicated on MACRO but you are changing the RR annuity ABD; or, Change in RR Annuity Rate Less Than Maximum RUIA Benefit.

C. The RR annuity rate displayed on MACRO is less than the maximum RUIA benefit for that rate break (see RCM 5.9.12) and you are recertifying the RR annuity rate; or,

D. Outstanding RUIA Overpayment - There is an outstanding RUIA overpayment on the PARS under the same RRB claim number; or,

E. RUIA Stop Notice - The RR annuity ABD is before the ending date of the "701" stop and the begin and end dates of the "701" stop cover more than one month; or,

F. UI-87 Earmark - There is a "Y" in the "UI-87 Earmark" field of the Employment Data Maintenance (EDM) screen EDMID102, "Employee Service and RUIA Information."

Refer to RCM Part 16.4.37, "ROC RUIA Clearance". The retirement examiner must hold these types of retirement annuity awards until SUBS completes the additional offset or credit sections.

5.9.20 Approval of Award Before RUIA Received

A ROC retirement award requiring RUIA clearance as explained in RCM 5.9.12 should not be processed until BUSI clearance (ROC) or Form e-G-259 is received. Refer to RCM 5.9.12D and 5.9.17 for exceptions for delayed claims.

Survivor cases requiring RUIA clearance as explained in RCM 5.9.13 should not be processed until Form e-G-259 is received.

5.9.21 Transfer of Funds to the RUIA Account

In retirement cases, refer to RCM 5.9, Appendix A and in survivor cases, refer to RCM 16.9.32(C) for procedures on using the RUIA boxes to mechanically transfer funds to the RUIA account.

Possible problems with funds transfer are discussed in RCM Part 11, Form UI-17c Instructions.

5.9.22 Action When "Minus" Balance Shown on e-G-259

When an e-G-259 is received showing a larger amount under "previously requested" than under "total," SUBS will have shown a figure preceded by the word minus under additional offset or credit. The minus balance represents the difference between the amount previously deducted and the overpayment amount now reported as correct.

After checking the folder to determine if the amount previously requested has been deducted, take the following action:

A. Retirement Cases - Using the Retirement On-Line Calculation (ROC) Additional Amounts - Screen 20, enter the minus amount on the RUIA recovery line. Use code paragraph 195 in the adjustment letter.

B. Returned Retirement Annuity Due But Unpaid At Death - If an adjustment is being made in employee annuities previously awarded and the payment is returned, enter in the previous payments section of the Annuity Rate Payment Summary - Screen 15 of ROC the previously requested RUIA amount. The minus amount should then be entered on ROC - additional amounts - Screen 20. A modification of code paragraph 195 is required.

C. Survivor Cases (Other Than a Returned Retirement Annuity Due but Unpaid at Death) - A minus balance cannot be transferred on a survivor award.

   Use SURPASS (Transfer of Funds Only) to return the funds to the RR account.

5.9.23 One Month Extension of Annuity Accrual Insufficient to Recover RUIA Payment

A. Notifying Annuitant - When a claim is being initially certified or reinstated and extension of the accrual period for one month is not sufficient to recover RUIA payments, prepare Form Letter RL-169 for release to the applicant. Advice the applicant that his/her annuity payments will be withheld until the RUIA amount has been recovered. Also inform him/her that he/she may refund the amount in cash, if he/she wishes.

   Include with the letter any explanatory paragraphs and enclosures required.

B. Coding Action - Code the case for call-up on the first day of the month before the month in which the amount will be recovered in full (e.g., if the amount can be fully recovered during November, 1999, code the case for call-up for October 1, 1999). Also prepare a G-183 showing the claim was disallowed because the RUIA deduction exceeds accrual and route to coding to close out application.

C. Applicant Protests Withholding of Annuity - If the applicant protests the withholding of his annuity, and insists on an actuarial reduction or partial withholding, determine if either is applicable. If reducing actuarially, enter the full amount of the RUIA overpayment under "Additional Amounts – Non-Taxable Amt" on Screen 20 of ROC (Retirement) or "Additional Amounts - Non-Taxable Amt" on the SURPASS (Survivor) Additional Amounts/Recovery Amounts, Screen 17. Use the RUIA recovery items of the award to transfer the full RUIA overpayment to SUBS.

   Do not enter this amount in Accounts Receivable.

   Send any other protests to SUBS for reply.

   If reducing by partial withholding, follow regular procedure.

5.9.24 Action When Award not Approved

When a claim containing a completed Form e-G-259 or BUSI clearance via ROC is not approved (by the authorizer) for payment or reinstatement of payments, determine whether the claim is to be re-submitted for approval.

A. Claim Is Not Re-Submitted For Approval - Type the words "Cancel Previous Clearance" on the copy of Form e-G-259 or in the remarks section of the BUSI Clearance - Screen 17. Return e-G-259 to RUIA, Claims Clearance Section or resubmit ROC clearance to SUBS. Show under comments or remarks the reason for return of the forms; e.g., "Applicant's claim denied" or "Applicant not entitled to annuity after (date)."

B. Claim Is Re-Submitted For Payment - A new clearance is only required when:

1. A claim re-submitted for payment shows a new ABD or change in monthly rate; or

2. A claim re-submitted for reinstatement shows that the months for which the annuity was not payable are different from the months shown on the previous clearance.

5.9.40 UI-17c

When annuity payments are in force and there are RUIA benefits to be recovered, SUBS or DRD notifies RBD via a UI-17c. When notice is received, recover the overpayment according to usual overpayment procedure.

5.9.41 UI-87, Stop Notice

When an amount is recoverable under the RUIA and there are no immediate prospects for recovering the overpayment, SUBS prepares a RUCS detail making the debt as unrecoverable. This causes the UI-87 stop notice to be created. These stop notices appear on Form G-90 in item 3L "Earmarkings" and on Form RR-90 in item 9 as an "X" in the UI-87 box.

When notification of a stop notice UI-87 is matched with the folder, the folder is sent to the appropriate adjudication unit. If the notification shows that the UI-87 should be cancelled, line out the notation "UI-87" on the G-90 or RR-90. If the UI-87 should NOT be cancelled, check the "UI-87" box on the G-90 or RR-90. In either case, file the notification from SUBS in the folder.

When the UI-87 box is checked on the Form G-90 take action outlined in A through D.

A. Employee Annuity Application - Submit an e-G-259 clearance to SUBS and recover any RUIA overpayment under regular procedure.

Note: When a G-90 with a UI-87 stop notice or a memorandum requesting that a UI-87 notation be made is matched with the folder after the annuity has been certified, release Form e-G-259 to SUBS. Recover any RUIA overpayment according to usual overpayment procedure including due process.

B. Survivor Claims - When the UI-87 notation is shown on the G-90 certification form, prepare and release a Form e-G-259 clearance to SUBS. When the required information is received, prepare the claim for certification. The amount of the erroneous RUIA payment will be

deducted from the benefits due. If the payment is being made to more than one beneficiary, deduct the erroneous payment proportionately.

When an insurance annuity is being awarded and the accrual is not sufficient to recover the overpayment, extend the accrual period until full recovery can be made. If the accrual is smaller than the recoverable amount by one dollar or less, see RCM 5.9.2. In such cases release a letter, patterned after RL-169 to the applicant.

C. Abandoned Claims And Cases In Which Application Not Required - Prepare and release an e-G-259 clearance to SUBS when the UI-87 notation is shown on the G-90 or RR-90 in any case in which:

1. A claim for an LSDP has been filed but subsequently abandoned; or

2. An application for lump-sum is not obtainable; or

3. An application is not required because the erroneous payment exceeds the amount of the lump-sum that may be payable.

If additional proof of death is required, request it from the Field Office by e-mail.

If the e-G-259 is returned showing no erroneous payment to be recovered, file all e-G-259's in the folder and take no further action.

When the e-G-259 is returned showing the amount to be recovered, prepare a "transfer of funds only" award as described in RCM 16.9.32(C).

D. Cases In Which No Benefits Are Payable - If no benefits will ever be payable and an erroneous RUIA payment is outstanding, notify the Claims Clearance Section of SUBS to that effect by memorandum to the Chief of Sickness and Unemployment Benefits Section, SUBS.

5.9.43 Replying to Form UI-65

When Form UI-65, "Certification Respecting Benefits Due But Not Paid At Death" is matched with the folder, complete "Part B - Certification" to the extent possible using the information in the claim file. (Refer to RCM Part 11 Form UI-65 Instructions.) Return the original copy of Form UI-65 to the Chief of Sickness and Unemployment Benefits Section, SUBS. File the copy on the right side of the claim folder.

5.9.44 Replying to Form UI-17c

When Form UI-17c, "Request From BUSI for Annuity Information" is received, refer to RCM Part 11, Form UI-17c instructions.

Return the original copy of Form UI-17c to the Chief of Sickness and Unemployment Benefits Section, SUBS. File a copy on the right side of the claim folder.

Appendices

Appendix A - Transfer of Funds to the RUIA Account

Funds transfers may be made as part of an award or as a separate action. A transfer-of-funds-only action may be used when funds were already repaid or withheld, but the funds were not transferred from the RR Account to the RUIA Account.

If RUIA clearance was obtained via ROC, the system updates the ROC database automatically in the following fields:

- Deduction Amounts, if there is an RUIA recovery; or
- Additional Amounts, if there is an RUIA credit.

If clearance was obtained via RASI or e-G-259, the examiner should update ROC as follows on the next page:

ROC Screen	PF Key	Field Name	Data Entry
General Information	PF3	Type Certification	If the only action is to transfer funds, use code 6-OPO General.
General Information	PF3	Miscellaneous Payment Info	If the only action is to transfer funds, use code 9 Transfer of Funds Only.
Additional Amounts	PF20	RUIA Credit	If SUBS shows a negative amount for "recovery," UI or SI payments are due.

			Enter the amount in the RUIA Credit field without a minus sign.
Additional Amounts	PF20	Nontaxable Amount	If the only action is to transfer funds, enter the amount of the RUIA Recovery (the net amount paid and net overpayment will be zero).
Deduction Amounts	PF13	RUIA Recovery	If SUBS shows a positive amount for recovery, enter the amount in the RUIA Recovery Field.
Final Rates and Accrual Summary	PF16	Type Payment	If the only action is to transfer funds, use code 1-Reg Ann.

5.11.1 Submissions to The Board

Submissions to the Board usually consist of two parts:

- A transmittal memorandum explained or justifying the proposal; and/or
- A Board recommendation (G-20a) which becomes a Board Order if the proposal is approved.

Address submissions to "The Board" from the Director of Programs.

Prepare an original and 8 copies of both the transmittal memorandum and the G-20a. Have at least 3 Xerox copies made for any additional copies that may be requested.

Do not sign or date submissions. The chief of the division in which the submission originates initials the next to the last copy of the transmittal memorandum.

5.11.2 Transmittal Memorandum

A transmittal memorandum is typed double spaced with the first line of each paragraph indented five spaces. The original copy of the first page is typed on G-115 and the original copy of any succeeding page is typed on heavy bond paper. Show on the original and all copies of the memorandum the titles of bureaus, offices or persons to whom copies are being sent, e.g., cc: Office of the General Counsel (3).

5.11.3 Board Recommendation

A Board recommendation must be double spaced and written in the form and language of the Board Order; a recommendation of more than ten pages may be single- spaced.

If the subject of the Board recommendation breaks naturally into separate paragraphs, write each part as a separately numbered paragraph. Uniformly indent any subparagraphs and number them in parentheses.

A. Paper Requirements - When a Board recommendation is not duplicated it must be prepared on the following kinds of paper:

   1. First page (original and all copies) - typed on Form G-20a.

   2. Second and any succeeding pages - original typed on heavy bond; carbon copies are typed on tissue.

B. Preparation - The stenographers and typists have detailed instructions for setting up Board recommendations. Some of the specific requirements that must be observed are given here for the information of the person who initiates a Board recommendation.

1. The number of pages of the Board recommendation must be entered in the appropriate space in the upper right corner of the G-20a.

2. Starting two spaces below the last ruled line of the heading of the G-20a and two spaces to the right of the printed line, enter a title (entirely in upper case type) that clearly states the subject of the recommendation. Two or more single spaced lines may be used for the title. Keep the title as short as possible, typed in block style.

3. The text should start three spaces below the last line of the title and, for paragraph indentation, five spaces to the right of the designated left margin of the G-20a. Leave at least four spaces between the end of each typed line and the printed line on the right side of Form G-20a.

4. On page 2 and succeeding pages, the page number should be typed four spaces below the top edge of the paper and six spaces to the left of the right margin. The text should start six spaces below the upper edge of the sheet.

5.11.4 Employer Pension Plans

Ordinarily, the Policy and Systems (P&S) section in Programs determines whether an employer pension plan is a "supplemental pension plan" under the RRA. P&S sends a memorandum to the Office of the General Counsel (OGC) for an advisory opinion.

If the OGC advises that a new or revised plan is questionable, P&S will submit the plan to the Board for approval. In this situation, Board approval is required before any SUP ANN payments are reduced because of the employer pension payments, or before any tax credits are given to the employer. The Board also will determine if the plan was established by a collective bargaining agreement.

P&S prepares the submission memorandum in the manner outlined in sec. 5.11.3 and attaches a copy of the plan and copies of the G-88r, Request for Information About Employer Pension Plans. A copy of both the plan and the memorandum is always sent to the OGC. The Chief Actuary also receives a copy of the memorandum.

Pension plan submissions are routed in the same manner as other Board submissions.

5.11.5 Assembling

Assemble only the <u>one set</u> that will be returned to the originating unit. Staple that set to the material to be retained by the originating unit. The Director of Program’s secretary will assemble the remaining sets.

5.11.6 Disposition

Forward the original and all copies of a submission through channels to the office of the Director of Programs.

If the Director of Programs approves the submission, he will sign the originals of the transmittal memorandum and G-20a. The Director's secretary will stamp his signature and the current date on all copies. One copy will be returned to the originating unit and the remaining copies sent to their proper destinations.

5.11.7 Legal Submissions

5.11.7.1 Introduction

All formal legal submissions are to be prepared by Policy and Systems (P&S). Informal legal submissions, such as individual case questions or coverage issues, are prepared and released by the units.

5.11.7.2 Types of Legal Questions

The two types of legal questions are formal and informal and may or may not involve a specific claim number.

5.11.7.2.1 Informal Legal Questions

Informal legal questions usually refer to a special situation or individual case such as a question about a void or conflicting marriage. Refer these questions to the attorney advisor assigned to your unit through the supervisor or quality analyst. The attorney advisors may return legal questions for formal submission for the following reasons:

- The question will require substantial research and cannot be answered quickly.
- The question involves a matter that should be addressed in an opinion that can be applied to all cases.

If the attorney advisor returns the question, send the case to P&S. P&S will attempt to resolve the issue and if necessary will prepare a formal submission to the Office of General Counsel.

5.11.7.2.2 Formal Legal Questions

Individual units should submit issues of a more general nature which may affect policy or procedure to P&S for review and submission to OGC, if necessary. General questions can result from a new law, change in current law, or a decision which affects a group or category of cases.

5.11.7.3 Preparation of Questions for P&S

The following information should be included in legal questions that are forwarded to P&S for handling.

- A summary of the issue including a thorough description of the question being asked and all the facts in the case.
- The attorney advisor's request, if any, for a legal submission
- If the attorney advisor's request was oral, document the name of the attorney advisor and the fact that formal submission to the OGC was requested.

5.11.7.4 Routing Questions to P&S

Route all questions/issues to the Director of P&S through a supervisor or quality analyst who will review and sign it. If there is a claim folder involved, include the folder with your request.

5.11.7.5 P&S Handling

Cases and questions received in P&S will be assigned according to subject matter. A P&S analysts will review the issue and either answer the questions or prepare a formal legal submission. In folderless cases, the P&S analyst will send an e-mail to the examiner, with a cc to the manager/supervisor of the unit, advising that he/she has been assigned the case for handling. If there is an applicant or annuitant awaiting action on their benefit, P&S will release a letter explaining the involvement of a legal question.

After a legal opinion has been issued, it will be reviewed by the P&S analyst to determine if any procedure changes are necessary. After appropriate action is taken the opinion and case file will be returned to the unit that originated the submission.

If a legal opinion cannot be issued because further development is required of the unit, P&S will return the case with specific development instructions. The unit will take the required development action and handle the case to conclusion, without resubmitting, unless directed otherwise by P&S.

5.13.1 General

The 1974 Railroad Retirement Act (RRA) provides tax refund for employees with social security employment not entitled to a windfall benefit. The refund is payable if the employee's combined taxable earnings in any year after 1950 from both systems exceeded the railroad retirement annual maximum for that year. The employee's excess social security taxes will be refunded by the Board for any year in the period 1951-1974 automatically to him upon his retirement. For years after 1974, an employee will have to apply for the excess social security taxes he paid when he files his income tax return.

This chapter explains when a tax refund is payable, how to compute a tax refund, and to whom a tax refund can be paid.

5.13.2 When a Tax Refund is Payable

The tax refund is payable to employees who are not dually vested for a windfall amount as of 12-31-74 on their own earnings record. An employee is considered to be dually vested on his own earnings record as of 12-31-74 if he meets one of the following conditions:

A. He is fully insured under the SS Act as of 12-31-74 and;

1. Has 10 years of RR service before 1975, and either

- Engaged in railroad service in 1974; or
- Had a current connection with the railroad industry either on 12-31-74 or on his ABD; or

2. Had 25 years of railroad service prior to 1-1-75.

B. The employee is dually vested if he:

1. Did not engage in railroad service in 1974; and

2. Did not have a current connection with the railroad industry either on 12-31-74, or at the time his annuity began to accrue; and

3. Did not have 25 years of service prior to 1-1-75; but

4. Did have 10 years of service prior to 1-1-75, and was permanently insured under the SS Act at the end of the last year before 1975 in which he engaged in railroad service.

Although the windfall amount cannot be paid until the employee meets the RIB or DIB entitlement requirements under the SS Act, the tax refund should be paid at

the time the initial award is made. Examiners should determine if the employee is dually vested and pay the tax refund if (s)he is not.

NOTE: In some disability annuity cases, a vested status may depend on whether the employee has a DF. In those cases, the tax refund should not be paid until the employee's DF vested status is determined.

DPS examiners will forward non-vested cases for payment of the tax refund if the DF is denied.

5.13.3 Amount of Tax Refund

The tax refund is equal to the sum of the percentage of the employee's combined earnings in excess of the SS maximum for the years 1951 through 1974. Creditable M/S after 1951 can be included in the combined yearly earnings as follows:

- $160 for each month of M/S creditable under the RR Act after 1951 and before 1968, and
- $260 for each month of M/S creditable under the RR Act after 1967 and through 1974, and
- Military service "basic pay" for months of M/S creditable under the SS Act after 1956.

M/S for the period from 1951 through 1956 was not initially included in either the manual or mechanical calculation of the tax refund. The mechanical program was corrected effective with G-90's printed January 17, 1979 or later. Refunds paid without including this M/S should be recomputed only if we receive an inquiry or complaint about the refund amount.

Normally, the tax refund will be computed mechanically by BCC and shown on Form G-90 in item 2 of page 1 with the caption "Excess Tax." However, if the tax refund must be determined manually, the following chart shows the maximum creditable compensation and wages for the period 1951-1974 and the percentage applicable to each year.

(A)	**(B)**	**(C)**
		Maximum Creditable
Service Years	**Percentage**	**Comp. & Wages**
1951-1953	1.5	$ 3,600
1954-1956	2.0	4,200
1957-1958	2.25	4,200
1959	2.5	4,800
1960-1961	3.0	4,800
1962	3.125	4,800

1963-1965	3.625	5,400
1966	4.2	6,600
1967	4.4	6,600
1968	3.8	7,800
1969-1970	4.2	7,800
1971	4.6	7,800
1972	4.6	9,000
1973	4.85	10,800
1974	4.95	13,200

Use the following steps to compute the tax refund amount:

Step 1 - Determine the employee's wages and compensation for each year, or period of years (when necessary).

Step 2 - Determine the years, or periods of years, when the employee's combined earnings exceed the maximum creditable wages and compensation (see chart above).

For each such year, subtract the amount of the maximum creditable wages and compensation from the employee's actual wages and compensation for that year.

Step 3 - Multiply the results from step 2 by the applicable percentage shown in the table above.

Step 4 - Total the results of step 3. This is the amount of the employee's tax refund.

EXAMPLE:

John Jones worked for the TCB Railroad from 1-1-47 through 12-31-74. During the Christmas season, he also worked as a Santa Claus for the local department store. Mr. Jones' G-90 shows combined wages and compensation for the 1951-1974 period as follows:

Service Years	**Combined Wages and Comp.**
1951-1953	10,890.00
1954-1956	12,700.00
1957-1958	8,550.00
1959	4,850.00
1960-1961	9,675.00
1962	4,830.00
1963-1965	16,290.00
1966	6,640.00
1967	6,640.00
1968	7,845.00
1969-1970	15,690.00

1971	7,845.00
1972	9,050.00
1973	10,850.00
1974	13,260.00

His tax refund is computed as follows:

Year	Excess Earnings		Percentage		Tax Refund
1951-1953	$ 90.00	x	1.5	=	$ 1.35
1954-1956	100.00	x	2.0	=	2.00
1957-1958	150.00	x	2.25	=	3.76
1959	50.00	x	2.5	=	1.25
1960-1961	75.00	x	3.0	=	2.25
1962	30.00	x	3.125	=	.94
1963-1965	90.00	x	3.625	=	3.26
1966	40.00	x	4.2	=	1.68
1967	40.00	x	4.4	=	1.76
1968	45.00	x	3.8	=	1.71
1969-1970	90.00	x	4.2	=	3.78
1971	45.00	x	4.6	=	2.07
1972	50.00	x	4.6	=	2.30
1973	50.00	x	4.85	=	2.43
1974	60.00	x	4.95	=	2.97
					$33.51

When Mr. Jones was awarded an age and service annuity in September 1975, he was also paid his $33.51 tax refund.

5.13.4 Effect of Tax Refund on Other Benefits

The tax refund has no effect on the payment of retirement benefits, either employee or spouse. However, the tax refund is a deductible amount for the residual lump sum in survivor cases, whether it was paid to the employee while alive or to his survivors after his death.

5.13.5 Paying Tax Refund in Retirement Cases

Most tax refunds are paid mechanically in the RASI system. When paying a tax refund manually, (RASI and the G-90 indicate that a tax refund is payable) take the following action:

A. Award Form - Use Form G-375 to award the tax refund to an employee. Although the G-375 is self-explanatory, instructions for its completion are in RCM Chapter 8.6, "Employee Annuity Forms."

If an annuity is also being paid manually, Form G-375 should be submitted for vouchering after the annuity is in pay status.

B. Award Notifications - If the tax refund is being paid manually, use Form G-69c to instruct the typist to include Code Paragraph 490 on the Form RL-24 award letter.

5.13.6 Paying Tax Refund in Survivor Cases

If the employee died after 1974, whether or not (s)he had retired, and the tax refund was not paid, the employee's survivors, or estate can receive the tax refund. An AA-21 is required from each survivor for payment of the tax refund.

A. Priority of Payment - The tax refund is paid to an employee's survivors in the following order of precedence:

1. Widow(er). If living with the employee at the time of the employee's death. (Full amount.)

2. Children. (Equal shares if more than one survives. Full amount to sole survivor.)

3. Grandchildren. (Equal shares if more than one survives. Full amount to sole survivor.)

4. Parents of deceased employee. (One-half to each if both survive. Full amount to sole survivor.)

5. Brothers and sisters, including half-blood brothers and sisters. (Equal shares if more than one survives. Full amount to sole survivor.)

6. Estate of deceased employee. (Full amount.)

B. Evidence Requirements

1. For all cases - Proof of the employee's death.

2. For payment to widow - Proof of marriage and proof of "living with" (statement on application is sufficient).

3. For payment to other relatives - Proof of relationship to the employee. Needed if each person's share exceeds $25.00. Needed from only one applicant if all applications list same relatives.

4. For payment to the employee's estate - Proof of appointment of executor or administrator (if no appointment is made, handle according to "no administration" procedure).

C. Paying Tax Refund - Pay the tax refund on SURPASS. Instructions for paying the award on SURPASS can be found in RCM 16.9. SURPASS will automatically include code paragraph 533.1 on the award notification.

The tax refund can be combined with an LSDP paid to the widow or with an RLS based on relationship. Do not combine the tax refund with an LSDP paid to other than the widow since the priority of payment is not the same.

5.14.1 Scope of Chapter

The amount of the vested dual benefit (VDB) payable in a fiscal year depends on the funding appropriated by Congress. This chapter consolidates the many diverse areas upon which the vested dual benefit has an impact. This chapter explains the rules and regulations which must be adhered to when making payments involving a VDB. Before you use the rules and regulations outlined in this chapter you must understand the concepts explained in 5.14.3 and 5.14.4.

5.14.2 Principles Of Vested Dual Benefit Cutback

If a VDB is cutback for an entire fiscal year, or for any time within a fiscal year, the cutback percentage that applied in those months will always remain. The only way that percentage can be overridden is if Congress increases or decreases the funding for those months and overrides the previous reduction. This happened in fiscal year 1982. A 21 percent VDB cutback reduction was imposed due to funding. However, two months later Congress revised the funding so that only a 15% reduction need be used. They specified that this funding was retroactive to the start of the fiscal year, therefore cases where the 21% reduction had been applied needed to be redone, and an accrual paid. Later in fiscal year 1982, Congress again revised the funding to allow for no cutback effective July 1982 (August 2 payments). There have been several vested dual benefit cutbacks and restorations since 1982. A summary is included in 5.14, exhibit 1.

Unless the funds appropriated for the VDB are retroactive, a new cutback percentage does not override a previous reduction. This means that a previous reduction cannot be ignored, nor can it be changed. When different VDB reduction percentages are involved, this chapter will help to determine how the VDB should be considered. Each aspect of claims adjudication where the VDB is a factor is referred to individually.

5.14.3 Basic Philosophy Used in Payment of Vested Dual Benefit Accruals

When making payments involving a vested dual benefit, you must know:

- The percent of reduction in the voucher month, and
- The percent of reduction in the accrual month.

Voucher month is the month the payment is made in. Accrual month is the month for which the payment is due. For instance, a vested dual benefit payment is due for July and August 1979, and is paid in November 1982. The voucher month is November 1982, the accrual months are July and August 1979.

If both the voucher and accrual month are the same, there is no question that any vested dual benefit payment will be made at the reduction percentage that applies in that month. But if the voucher month and accrual month are different, our regulations provide that "if the application of the voucher month's reduction factor would result in a larger payment than would the application of the accrual month's reduction factor, the accrual month's reduction factor shall be applied."

In essence, this means that the reduction factors of the voucher month and accrual month should be compared, and the higher of the 2 factors should be used as the cutback percentage. This is the basic philosophy used in the payment of all vested dual benefit accruals.

5.14.4 Distinction Between "Retroactive Accruals" and "Replacement Payments"

The vested dual benefit regulations make a distinction between "accrual" and "replacement payment." A replacement payment is either:

- A lost check,
- A stolen check, or
- A check returned for any reason,

and reissued to (or for) the same annuitant. If such returned check prevents succeeding checks from being issued timely, these due payments are also considered replacement payments.

The regulations provide that:

- "The reduction factor imposed in the case of a replacement payment shall be that reduction factor which was applicable to the original payment."

5.14.5 Returned Payments and Replacement Checks

Returned payments and replacement checks which are paid out to the same payee as originally issued, should be paid at the rate effective at the time the original check was prepared. (Representative payee changes do not alter the fact that the check is reissued at the original rate.) In addition:

- Any payments that were not released because the returned payments suspended the annuity should be paid out at the cutback rate in effect at the time the check should have been released.

- Substitute checks issued by Treasury in response to a claim of non-receipt, lost, stolen or destroyed checks should be paid in the same amount as the original check.

The reinstatement accrual must be reduced by the appropriate cutback percentage if the annuity rate was not correct when the returned payment suspended the annuity.

5.14.6 Payment of Retroactive Accruals

Payment of VDB accrual involves two steps:

1. Determine the amount of the VDB accrual.

2. Determine at what cutback rate the VDB must be paid.

When determining the amount of the accrual, use the cutback percentage that applied in those particular months for which the accrual is due. The accrual can be paid out as computed if the voucher month's cutback percentage is less than the cutback percentage that is used to determine the accrual.

However, if the voucher month's cutback percentage is greater than the cutback percentage used to determine the accrual, then the accrual must be further cutback. When this situation occurs, a percentage will be provided which when multiplied by an already cutback vested dual benefit, will give you the correct WAC in the voucher month. In remarks, multiply the vested dual benefit for this purpose, and round to the nearest cent. This amount should be entered in the "Deductions" section of the G-363. Notate this deduction "Additional Vested Dual Benefit Cutback."

5.14.7 Accrued Annuities Due but Unpaid at Death

An accrued annuity is not considered a replacement payment, and must be paid out the same way a retroactive accrual is paid as explained in 5.14.6.

5.14.8 Calculating Overpayments When a Vested Dual Benefit Cutback is Involved

This section is divided into four parts:

- How to determine an overpayment when the annuity includes a VDB.

- What VDB amount to use when recovering an overpayment when no VDB accrual is involved.

- What VDB amount to use when recovering an overpayment when a VDB accrual amount is involved.

- Reinstating overpayment cases when the annuity includes a VDB.

The basic rule of thumb to remember is that:

- The VDB amount to use when determining an overpayment (O/P) is the applicable WAC rate in the month(s) in which the O/P occurred, and

- The VDB amount to use when recovering an O/P is the applicable WAC in the months of recovery.

A. How To Determine An Overpayment When the Annuity Includes a VDB - Generally, overpayments are caused by one of the following three situations:

   - Iincorrect payment of tier 1 and/or tier 2

   - Incorrect payment of the vested dual benefit

   - Incorrect payment of tier 1 and/or tier 2, and the VDB

   Any overpayment caused by incorrect payment in tier 1 and/or tier 2 is determined by comparing the correct tiers to the incorrect tiers; the difference is the overpayment. If there is a VDB that was paid correctly, it has nothing to do with determining the O/P.

   If the overpayment is caused (in part or in full) by an incorrect payment of the vested dual benefit, determine what the correct gross vested dual benefit is. Determine what the WAC rate should have been in each month the vested dual benefit was paid incorrectly. Do not use the current month's reduction factor. Use the reduction factor which actually applied in the overpaid months.

   Use this vested dual benefit amount when comparing the correct annuity rate to the incorrect annuity rate; the difference is the overpayment.

B. VDB Amount to Use When Recovering an Overpayment When no VDB Accrual is Involved - Once the amount of the O/P has been determined, the method of recovery needs to be resolved. These methods include (but are not limited to):

   - Full recovery

   - Partial withholding

   - Actuarial adjustment

   If full recovery will be used to recover the O/P, the WAC rate applicable in the months the annuity is being withheld should be used for recovery purposes. The problem with this is, the WAC rate used to decide how many withholding months

are necessary can change once the annuity is in suspense. When determining the number of withholding months, if you know there will be a new WAC, and can identify when it will be effective and what it will be, use it. Otherwise, determine the number of withholding months on information currently available.

If partial withholding will be used to recover the O/P, use the WAC rate when determining the amount to withhold. If actuarial adjustment will be used to recover the O/P, use the full VDB before cutback (after age and/or military service reduction).

C. VDB Amount to Use When Recovering an Overpayment When a VDB Accrual is Involved - Sometimes all or part of an O/P can be recovered from an accrual due the annuitant. Once you have figured out the correct VDB accrual payable (See RCM 5.14.6), this amount can be used to offset the O/P.

D. Reinstating Overpayment Cases - If an annuity in an overpayment case was in suspense (to recover the O/P) during a vested dual benefit cutback adjustment, the overpayment recovery date and accrual must be recomputed to properly apply the new cutback percentage to the vested dual benefit. The cutback percentage to use is the one applicable in each particular month in which the annuity was in suspense.

Prior to reinstating the annuity, recompute the annuity rate considering the WAC on Form G-354.1, G-355.1 or G-364.1. Recalculate the overpayment recovery date using the new annuity rate on Form G-363.

1. Reinstatement Date Remains The Same - If after recomputing the recovery date, it remains the same but the accrual is more/less than previously calculated, reinstate the annuity and pay out the newly computed accrual.

2. Reinstatement Date Changes

   a. Reinstatement Date is Later - If after recomputing the recovery date, it is later than stated in the overpayment letter, write a letter which informs the annuitant of the new cutback and explains that because the annuity rate is lower than originally computed, the annuity cannot be reinstated until a later date. Do not include any appeals paragraph.

   b. Reinstatement Date is Earlier - If after recomputing the recovery date, it is earlier than stated in the overpayment letter, reinstate the annuity. Include a paragraph explaining the new cutback percentage and explain that because the annuity rate is higher than

originally computed, the annuity can be reinstated at an earlier date.

When processing the award after recovering the overpayment, be sure to code the G-354, G-355 or G-364 as a "Reinstate/Recert" since the rate after vested dual benefit cutback will not be the same as when it was suspended.

5.14.9 Work Deduction When a Vested Dual Benefit Cutback is Involved

A. Temporary Work Deductions (TWD's) - In retirement cases, the vested dual benefit cutback has no effect on applying TWD'S because the entire work deduction component is withheld all year.

When applying TWD's in survivor cases, use the monthly rate which includes the WAC to determine the number of months necessary to recover the excess earnings and when the annuity can be reinstated. If the case is being handled at a time when two or more WAC rates are applicable in the TWD year, consider the WAC rate that applies to each particular month. This will most likely happen in September through December, when the WAC may change due to a new fiscal year.

Example: If applying TWD's in March 1982, use the 15% vested dual benefit cutback reduction even though the percentage might change later in the year.

If applying TWD's in November 1982, use the 15% vested dual benefit cutback for those months for which it is applicable, and the new percentage of vested dual benefit cutback for those months in which the new reduction percentage applies.

B. Permanent Work Deductions (PWD's) - When assessing permanent work deductions to a previous year, use the vested dual benefit cutback percentage applicable in each month of that year. If the cutback percentages changes, the new reduction figures should be used effective with that month.

Example 1: Assessing PWD's for excess earnings in 1980:

January 1980 through December 1980 - Use the full vested dual benefit since no cutback was in effect during 1980.

Example 2: Assessing PWD's for excess earnings in 1981:

January 1981 through August 1981 - Use the full vested dual benefit. September 1981 through December 1981 - Use 15% reduction.

C. Paying the Accrual - If any accrual is due after assessing permanent work deductions, the vested dual benefit portion should be paid at the cutback rate applicable in the voucher month, the entire vested dual benefit accrual can be paid.

Example 3: An accrual is due for 1980 after assessing PWD's and will be paid out in FY-82 (10-1-81 to 9-30-82.) The vested dual benefit accrual should be cut back by 15%.

Example 4: An accrual is due for 1980 after assessing PWD's, and will be paid out in FY-83 (10-1-82 to 9-30-83). The vested dual benefit accrual should be paid out at the full vested dual benefit rate.

Example 5: An accrual is due for 1988 after assessing PWD's and will be vouched in FY-92 (10-1-91 to 9-30-92). The vested dual benefit accrual from 3/88 through 8/88 should be cut back 5.3%.

D. Apportioning VDB Portion of Accrual for a Partial Month - In order to properly pay the vested dual benefit accrual in the partial month, compare the reduction factor in the partial month to the reduction factor in the voucher month. If the reduction factor in the partial month is equal to or greater than the reduction factor in the voucher month, the partial payment can be made without further computations.

However, if the reduction factor in the partial month is less than the reduction factor in the voucher month, the accrual for the partial month must be apportioned to the components. In order to understand this, keep in mind that vested dual benefit accrual is always paid out at the WAC rate applicable in the month of payment (month of voucher), even though work deductions are assessed at the WAC rate which applied in that particular month. Therefore, it becomes necessary to know how much of the partial payment is tier 1, tier 2, and vested dual benefit.

5.15.1 Garnishment of Benefits

The Social Services Act of 1974 (Public Law 93-647) mandated that certain retirement benefits paid by the Railroad Retirement Board (RRB) can be subject to legal process (i.e., garnishment) to enforce an obligation for child support and/or alimony payments.

The current provisions permitting garnishment of benefits may be found in 42 U.S.C. Sec.659(a) et seq; and the Federal exemption provisions may be found at 15 U.S.C. Sec. 1672 and 1673(b). The RRB's regulations relating to garnishments are contained in the Code of Federal Regulations, Title 20, Part 350.

5.15.5 Definitions

A. Garnishment - is a type of legal process. The Law defines legal process as, "any court order, summons or other similar process, including administrative orders, in the nature of garnishments, which is directed to and the purpose of which is to compel the RRB to make a payment from moneys which are otherwise payable to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments".

B. Support Authority - is defined as the court, welfare agency, or other state office which enforces the obligation to pay the child support or alimony/maintenance.

C. Child Support and Spousal Support - is the periodic payment of funds for the support and maintenance thereof. The terms, child support and spousal support, also includes attorney's fees, interest, and court costs when they are expressly made recoverable pursuant to a decree, order, or judgment issued by a court.

5.15.10 What can be Garnished

All benefits payable under any Act administered by the RRB are subject to legal process that is brought for the enforcement of legal obligations to provide child support or spousal maintenance payments. This includes the supplemental annuity and any social security benefits paid by the RRB.

Exception: Annuities unpaid at death are not subject to legal process. (i.e., If an employee has died, any accrued benefits are no longer payable to the employee but to another category of beneficiaries specified in the Railroad Retirement Act (RRA).)

A. Retirement/Disability Benefits - The amount of the retirement benefits considered for possible garnishment is the rate after any necessary reduction, such as for the recovery of an overpayment, deduction of Medicare premiums, tax withholding, vested dual benefit cutback, payments awarded to a spouse or former spouse as part of a property settlement, or a reduction for some other reason.

B. Survivor Benefits - The amount of survivor benefits considered for possible garnishment is the rate after any necessary reduction, such as for the recovery of an overpayment, deduction of Medicare premiums or tax withholding.

C. Railroad Unemployment Insurance Act (RUIA) - Please refer to instructions in DPOM 800 for detailed instructions.

5.15.15 Jurisdiction

Court orders and related correspondence are to be sent to General Counsel (GC). Law will determine if the order applies to a beneficiary or an employee of the RRB. If the order pertains to a beneficiary, the material will be forwarded to RPS-B-2. Orders involving RRB employees will be forwarded to the Bureau of Fiscal Operations. Orders received directly will not necessitate GC intervention.

When the order is received in RPS-B-2, the clerk will make a copy of the order. A copy will be mailed to the employee. The clerk will also enter information onto STAR thus creating an assignment for the examiner. Once the order is assigned to an examiner, DATAQ, PREH, REQUEST, APPLE UPC and EDMA may need to be viewed to establish current status. If the annuitant is in current pay status or has an application pending, RPS-B-2 will handle all matters and make all decisions relating to the appropriateness and acceptability of the garnishment notice and the removal of such orders.

If the order is valid, RPS-B-2 will be responsible for the initial and post adjudication of retirement, disability and survivor annuities. However, disability ratings are still the responsibility of DPS. Effective May 1, 1997, RPS-B-2 will also handle orders involving RUIA payments.

IF the legal process deduction is	**AND an adjustment is needed for**	**THEN jurisdiction belongs to**
Currently in force	The employee	RPS-B-2
Currently in force	The employee and the spouse/divorced spouse	RPS-B-2 *
Currently in force	The spouse/divorced spouse only	RIS, RPS-A or RPS-B-1
No longer in force	The employee and/or the spouse/divorced spouse	RIS, RPS-A or RPS-B-1

*RPS-B-2 is not responsible for an initial spouse/divorced spouse award. The case is to be referred to RIS after the employee award is authorized. However, RPS-B-2 is responsible for spouse to divorced spouse conversions.

If RPS-B-2 receives a garnishment order that does not pertain to an annuitant or applicant, the social security number must be verified via EDMA. If the person is listed on EDMA, check UPC to verify if RUIA payments are in force. If so, process the order accordingly. (Refer to DPOM 800.) If not, return the order to GC notating on the route slip why you are returning the order.

5.15.20 Evaluating Garnishment Orders

Garnishment laws and procedures vary from state to state, so it is important to read the document carefully to determine the proper course of action.

A. Determining the Garnishment Order is Valid

1) It must be "directed to the Railroad Retirement Board." The order need not specifically mention the RRB, as long as it is clear that the intent is for railroad retirement benefits to be garnished. Similarly, an order can refer to the annuitant as if he/she were an employee of the RRB rather than an annuitant and request his/her "wages" be garnished. An order addressed to RUIA and/or refers to "sickness benefits" also applies to retirement benefits unless specifically noted otherwise. Orders which include a statement that they apply to all current or future employers are considered to be directed to the RRB. An order directed to the garnishee himself would not be a valid order. An order specifically directed to a previous employer with no mention that it also applies to other employers may be valid if state law provides that an order is applicable to the subsequent payor. (In such cases, refer to GC.)

2) The order must clearly be for the enforcement of child and/or spousal support. As previously mentioned, this may include interest, support-related attorney's fees and court costs.

If the order is determined to be invalid, prepare a letter of explanation why the order cannot be enforced. Code letter GL-51 is used if the order is not for support. Code letter GL-52 is used if the order is not directed to the RRB. These letters are available on RRAILS. Forward the order and a copy of the response to imaging for future reference.

B. Determining the Amount to Withhold

Determine whether the order requests a specific amount or a recurring amount. Most orders request a recurring amount. Others specify a current obligation amount and an additional amount toward an arrearage. Some require a fee for

administrative or court costs. These amounts must be included. Recurring amounts must be converted to monthly rates as shown below.

If the request is weekly, multiply amount by 4.3333 or 52/12

If the request is biweekly, multiply amount by 2.1667 or 26/12

If the request is semimonthly, multiply amount by 2

Some orders expire after a specific period of time. Any such information is to be completed on Form G-479. Maximum and minimal withholdings are discussed in section 5.15.50.

C. Determine if a Written Response is Necessary

Various code letters have been developed for this purpose and can be found on RRAILS. A response is made if any of the following apply:

1) The order specifically requires one.

2) A response form is included with the order.

3) The order requires us to withhold a specified amount and advise them what was withheld, after which they will send a second order directing us to release payments.

4) We are unable to comply with the order.

5) We are unable to withhold the amount requested because it exceeds the maximum amount allowable under Federal law.

5.15.25 Disclosure of Information

The RRB is restricted to the disclosure of information and records of an individual which identifies the individual to whom they pertain. Payment amounts and beginning dates may generally be furnished to a support authority. Information obtained from or about the annuitant in the course of adjudicating his/her claim, such as the annuitant's date of birth, their medical condition, names of former employers and earnings from those employers, generally cannot be disclosed. Medicare entitlement and an annuitant's address cannot be disclosed.

Support authorities should be referred to the Parent Locator Service, Office of Child Support Enforcement, Department of Health and Human Services, Aerospace Building, 370 L'Enfant Promenade, SW, Washington, DC 20447 (202-401-9373). Code letter GL-53 has been developed to address these situations and is available on RRAILS.

5.15.30 Consulting with the Attorney Advisor

Due to the complexity and variation of court orders, close coordination with GC is required. Promptly notify the attorney advisor when legal advice is necessary.

If the file is unavailable or if it is not necessary to forward the file to GC, the attorney advisor may be contacted by telephone or in person.

5.15.35 Complying with the Order

The RRB has 30 days from the date the order was received (date stamped into GC) to comply with the order. Initiating a suspension action (completing FAST) or completing a recert to apply the garnishment is considered to be complying with the order.

Suspensions are handled as follows:

For an initial or increased garnishment deduction, the garnishee annuity will be suspended using code 67 and code letter 172.

For a decrease in the garnishment deduction, the garnishment recipient will be suspended using code 67 and code letter 173.

A code 18 with no code letter will be used to terminate a garnishment payment.

5.15.40 Notifying the Annuitant

The RRB has 15 days from the date the court order was received (date stamped into GC) to send a copy of the order to the annuitant. The clerk in RPS-B-2 will provide a copy of the order to the annuitant. If a letter of response is necessary, include a copy of the letter along with a copy of the order to the annuitant.

5.15.45 Arrearage

Garnishment orders often include arrearage amounts in addition to the current monthly obligation. Determine whether the RRB or the third party will be responsible for maintaining the adjustment period on the amount withheld for the arrearage. Notate your decision on form G-479 (located on RRAILS) If the order is not recent or if it implies interest charges are added regularly to the arrearage or if it refers to an arrearage "as of" a given date, it is likely we are expected to keep withholding the extra amount until notified by the third party. If the language of the order is not clear, either contact GC (which may recommend a letter describing our action unless otherwise notified,) or contact the support authority directly.

If the deduction is not done timely or the request is greater than allowed based on the applicable exemption as explained in RCM 5.15.50, begin to withhold the determined deduction and notify the support authority and annuitant accordingly. Typically, the

support authority will adjust their records to reflect the amount we are able to withhold. Use code letter GL-50 (located on RRAILS) to notify the third party and the annuitant.

5.15.50 Exemptions

Federal law (the Consumer Protection Act) exempts a minimum of 35% of the payable railroad retirement annuity from being garnished. However, the garnishment order may exempt a higher percentage. In that case, use the higher exemption.

Note: The exempt amount should be determined after all applicable deductions, use the net annuity rate. The following describes situations which will increase the exempt percentage, thus reducing the amount withheld.

	Amount Subject to Garnishment	**Exemption**
Arrears More Than 12 Weeks	65 percent	35 percent
Arrears Less Than 12 Weeks	60 percent	40 percent
Garnishee Supporting Spouse/Child Not Included in Order	55 percent	45 percent
Garnishee Supporting Spouse/Child Not Included in Order and Arrears Less Than 12 Weeks	50 percent	50 percent

In the absence of evidence to the contrary, assume that the defendant is not supporting a spouse or dependent child other than those with respect to whose support the legal process is issued.

Assume there is an arrearage of more than 12 weeks (so the exemption is 35 percent) unless the order specifically states that the garnishment is current or that the arrearage is less than 12 weeks.

Example: The employee is entitled to a net tier 1 of $1000.00, net tier 2 of $350.00, SS benefit of $200.00 and a supplemental annuity of $43.00. The employee has SMIB premiums of $42.50, partial withholding of $25.00 and tax withholding of $60.00. Thus, $1465.50 represents the net annuity rate. An order is received directing the RRB to withhold and remit $900.00 per month to the support authority based on child support. Based on evidence available, the exempt amount is 35% and the amount subject to garnishment is $952.58. Thus, our blue Information Sheet will instruct the examiner to withhold $900.00. Upon further investigation, a current spouse is identified, increasing the exempt amount to 45% or a withholding of $806.03. Adjust both copies of the blue

Information Sheet and produce a letter explaining actions to the support authority and the annuitant.

5.15.55 Two or More Orders Against the Annuitant

If there are two orders for two different support obligations against the same annuitant, entitlement to an additional 10% exemption based on support of two families is not permitted since both are beneficiaries of support orders.

In most cases where two or more separate garnishments are requested against an annuitant, the one received first has priority. Any non-exempt funds remaining after the first order is satisfied will be used to satisfy the second order. When the second garnishment order is received, RPS-B-2 will generally describe the situation on their Information Sheet and advise the garnishing authority what action will be taken.

5.15.60 Storing the Orders

Orders processed by RPS-B-2 have been imaged. This allows for quick reference to historical information. Garnishment orders affecting RUIA payments are available on RUIA Imaging.

Whenever a new garnishment order is received for a case with previous garnishment reductions, pull the previous orders and match them with the new order for reference. Send the new order and a completed G-479 (located on RRAILS) to imaging.

5.15.65 Folder Documentation

The RPS-B-2 section interprets the order and if valid, completes a garnishment Information Sheet, (located on RRAILS).form G-479. The Information Sheet contains all of the information needed for an examiner to complete the garnishment adjustment.

5.15.70 Name, Identification Number and Address

Garnishment orders provide the name and address to which the payments should be sent, as well as, one or more identification numbers to be included on the checks. This information must be included on the information sheet as a folder record.

The majority of garnishment payments are directed to the support authority rather than to an individual. The garnishment information sheet states the name of the payee. In all cases, the first line of the payment input sheet must contain the name of the support authority or individual to which the payment is issued. (Refer to RCM 8.1 Appendix A.) Use appropriate abbreviations when possible to keep the name to one line. (Refer to RCM 10.2, Appendix B.)

EX: ATTY GEN ST OF TEX

The identification number must be part of the name portion of the payment record. This number allows the support authority to identify the payment and the defendant. The ID# or case # must be shown on the information sheet.

There may be situations involving two or more cases with the payment going to one payee. The numbers may be combined on the check.

EX: Case # - 0001536-1

Case # - 0001536-2

On the name and address of the award, show as: - 0001536-1 and 2

EX: Case # - 4326

Case # - 1579

On the name and address of the award, show as: 4326 and 1579

When payment is directed to a support authority, the annuitant's name should follow the case#. If the name will not fit on the same line with the ID#, put the name on the following line.

EX: 0115360 J J DOE

If the payment is issued to an individual rather than a support authority, do not include the annuitant's name on the payment input sheet. However, include the ID#.

The address lines are completed according to RCM 8.1.

5.15.75 Inquiries

All retirement/survivor/disability cases involving garnishment related inquiries are handled by RPS-B-2. (Refer to DPOM 800 for RUIA procedure.) General code letters have been developed for many of these situations. (Refer to RRAILS, GL-50 through GL-53). Consult with an attorney advisor if assistance is necessary with any legal aspect of your reply.

A support authority often inquires about an annuitant's benefits in order to determine if a garnishment order should be issued or if an existing order should be modified. Most of these inquiries are answered with code letter GL-53. Inquiries regarding how annuities

are garnished or where the forms should be sent, may also be answered using code letter GL-53.

5.15.85 Garnishment is Being Withheld from SS Benefit

Garnishments should be withheld entirely from the railroad (retirement/survivor) portion of a combined RR/SS payment whenever possible. If the RR annuity is not large enough, the garnishment is applied entirely to the social security portion. If neither benefit portion is large enough by itself, the garnishment is divided equally between the two benefits.

If any portion of the garnishment amount is being withheld from the social security benefit, enter a tickler call-up (reason code 15) to adjust the case manually prior to the COL. The call-up date should be October 15 to ensure you get the case on time. The annuitant's and third party's social security portion in these cases must be suspended prior to the SS COL run. If they are not in suspense when SSA does their run, it will increase the annuitant's or possibly the third party's SSA benefit to the full amount.

To initiate or adjust a garnishment reduction, complete SOLAR for the annuitant, as well as, the third party recipient. SOLAR instructions are not currently available for garnishment related payments. If you have any questions contact RAC.

5.15.90 Terminating Garnishments

A garnishment is terminated the earlier of:

- The date on which the annuitant's annuity terminates
- The date specified by a court order
- The last day of the month before the month in which the recipient dies.

Terminate the garnishment payment with code 18 on FAST and restore the annuitant's full annuity rate effective with the month the actual garnishment payment was stopped. Assume the support authority will reimburse the annuitant any amount withheld in excess. However, if payments are returned by the third party recipient, pay the amount returned to the annuitant. If the support authority requests the annuitant's address to repay any excess amount withheld, do not give it to them. Advice the support authority to send the RRB a check payable to the annuitant which we will forward.

Garnishment payments released after the annuitant's entitlement ended are recovered by the RRB in accordance with current procedure for last-check overpayments. Refer to RCM 6.6.135 and 6.6.171.

Note: If the case is being adjusted manually, complete a G-59 to the Bureau of Information Systems, Data Management Group (BIS-DMG) stating, "Garnishment reduction has terminated".

Garnishment recipients must be terminated whenever the beneficiary is terminated.

5.15.95 Overpayments

The amount subject to garnishment is based on the amount actually paid, thus, if the annuity is in suspense to recover an overpayment or for any other reason, the garnishment is not payable for that month. In an O/P situation, the full annuity rate before the garnishment is used to determine the number of months recovery would take.

RPS-B-2 handles all notices and recoveries for the annuitant or third party overpayments in accordance with RCM 6.6.2.

5.15.100 Applicant is Pending Disability Rating

The RRB may receive an order while the applicant is pending a disability rating. RPS-B-2 will request the file from DPD and put in a folder notice stating if the applicant is rated disabled, the case must be dumped from mechanical processing and forwarded to RPS-B-2. Send the order to imaging for future reference. Release a letter of response describing the person is not entitled at this time.

If the applicant is awarded an annuity based on disability, the garnishment is generally applied retroactively to the latter of the annuity beginning date or the month the garnishment order was received.

5.15.105 RUIA is Withholding for Garnishment Payments

Verification is made by checking the UPC payment screens. If an annuity application has not been submitted, RUIA payments may need to be adjusted according to DPOM 800. If the defendant (retirement applicant) later becomes entitled to an annuity and the order is still in effect (see table below), garnishment payments must be withheld from the annuity effective with the latter of the date the order was received or the ABD less the amount RUIA paid.

If action taken on a terminated RUIA garnishment is	**THEN**
Within the last 3 months	Treat the order as if it is still in effect.
More than 3 months but less than 2 years ago	Contact the court to inquire if the order is valid.
More than 2 years ago	Treat the order as if it is not in effect.

NOTE: If the garnishment deduction is not completed timely in respect to the retirement/survivor/disability payments, the result is an underpayment to the support authority. Generally an additional amount will be withheld each month until the back payments have been paid. Secure a copy of the garnishment order from RUIA's file.

To acquire previous garnishment payment information from RUIA, send an email entitled 'RUIA Clearance-Garnishment' to SUBD. This allows you to give the employee proper credit for any garnishment amounts previously withheld. In contrast, the third party must be reduced for payments previously paid by RUIA.

5.15.110 Spouse Annuitant is in Current Pay Status

If there is a spouse annuitant currently on the rolls, review the file to see if there is any indication of a divorce. NOTE: A garnishment order does not substantiate a divorce. Verify the existence of a divorce through the field office before suspending the current spouse's annuity.

5.15.115 O/M Development and Adjustments

Since many garnishment orders are for child support, check to see if O/M development is appropriate when adjusting the case to apply the garnishment order.

If information in the file suggests the employee's current spouse may not be aware of the child, alert the field office accordingly.

O/M cases must be paid manually for both the employee and the third party recipient. Whenever you need to modify the employee's rate, a G-354.3 must accompany the G-357. Note however, updating PREH for tier rates may be done on ROC.

5.15.120 Taxes

The annuitant is taxed on his total annuity. Therefore, the garnishment payee's payments are not subject to tax withholding.

5.15.125 SMIB Reductions

A. Garnishment Payments

Garnishment payments are not an annuity and SMIB is not withheld from them. If SMIB was erroneously deducted from the garnishment payment, send the case to MPS, attention: Supv. Include the following: "Remove SMI deduction from legal process case". MPS will correct the record.

B. Annuity Payments

When completing a reinstatement and SMIB is involved, recover premiums from accrual due whenever possible. Complete MEDCOR to notify MOLI of the correct pay through date.

5.15.130 Issuing Payments

Payments are processed by completing either ROC (see RCM 16.4), SURPASS (see Exhibit 13), PC Award (contact RAC for instructions) and SOLAR (contact RAC for instructions) or manual forms (see SPECIAL SITUATIONS section at the end of the G-357 instructions, RCM 8.6). KEYMASTER is used to dump cases that are pending on REQUEST when the garnishment order is determined to be valid.

Note: If paying a case manually and either initiating or terminating a garnishment action, you must notify the Bureau of Information Systems, Division of Statistical Services (BIS-DSS) via G-59r. When initiating a reduction, specify, "3200-LEG-PROC-COMPU-CD =" (one of the following: 1 = fixed; 2 = percentage; 3 = other.) If the reduction has ceased, complete a G-59r to BIS-DSS stating, "Garnishment reduction has terminated".

5.15.135 Award Notices

Release an ALTA letter when adjusting the annuity. Be sure to exclude the appeal rights if the letter is for the sole purpose of applying a garnishment reduction. Since the garnishment amount is not subject to appeal, include code paragraph 1625. Award notices are never sent to the third party.

Exhibits

Exhibit 1 - GL-50 Notification of Compliance to the Garnishment Order

*(ADDRESS OF COURT)

In reply refer to:
RRB No.

This is the response of the Railroad Retirement Board (RRB) to a garnishment or analogous legal process which was issued in the following case.

Petitioner:

Respondent:

Court:

Case Number:

Date legal process issued:

Date received by the Office of General Counsel of the RRB:

1. Benefit being paid to defendant:

2. Applicable exemption:

3. Action to be taken:

4. All pleadings and correspondence related to garnishment of benefits must be sent to the Office of General Counsel of the RRB. Service is not effective until the documents to be served are received in that office.

5. The RRB will comply with orders to enforce child support or alimony obligations only. The RRB will not comply with any order which is not directed to it or which is not for enforcement of a previously-existing child support or alimony obligation (except where state law provides otherwise).

6. The RRB has 30 days to respond to any garnishment or analogous legal process, regardless of any shorter period provided by state law.

7. The RRB may not be required to vary its normal disbursement cycles in order to comply with a garnishment.

8. Annuity amounts which may be specified in this response do not include deductions which may be made for Medicare premiums or amounts which may be withheld for taxes. Retirement annuities under the RRRA are payable on the first day of each month and are subject to cost-of-living increases and other adjustments in accord with the Railroad Retirement and Social Security Acts.

9. Federal law regarding the attachment of payments made by the Board may be found at 42 U.S.C. 659 et seq., 15 U.S.C. 1673(b)(2), 45 U.S.C. 231m and 352(e), and 20 CFR 350, et seq.

10. The Federal exemptions, cited above, exempt the following percentages of benefits from attachment: 35 percent; 45 percent if the defendant is supporting a spouse or child not the subject of the garnishment; 40 percent if the arrearage is less than 12 weeks; 50 percent if the defendant is supporting a spouse or child not the subject of the garnishment and the arrearage is less than 12 weeks; and any percentage, which is larger than that prescribed by Federal law, and which is required by applicable state law or by the attachment itself.

11. The RRB does not notarize its answers (20 CFR 350.5(f)).

Sincerely,

Director of Operations

cc: ___ Defendant ___ (copy of legal process, etc., enclosed)
___ Attorney for Plaintiff

Exhibit 2 - GL-51 Letter of Non-Compliance Order is not for Support

>(ADDRESS OF COURT)

Re: >.....v.
>....., in
the >.....Court of >
County, >
Case # >

Dear Sir:

This is in response to an >..... issued in the above-entitled case on >....., and received in this office on >..... That >..... directs the Railroad Retirement Board (RRB) to withhold the non-exempt portion of benefits payable by the RRB to >.....

Garnishment of benefits paid by the RRB is authorized by section 459(a) of the Social Security Act 42 U.S.C. § 659(a), which subjects certain federal payments, "in like manner and to the same extent as if the United States * * * were a private person, to legal process brought for the enforcement * * * of * * * legal obligations to provide child support or alimony payments".

Garnishment of RRB benefits for other than the above-stated purposes is prohibited by section 2(e) of the Railroad Unemployment Insurance Act 45 U.S.C. §352(e) and by section 14 of the Railroad Retirement Act 45 U.S.C. §231m . See also 20 CFR 350, et seq..

Accordingly, the RRB is unable to comply with the >.....

Sincerely,

Director of Operations

cc: >

Exhibit 3 - GL-52 Letter of Non-Compliance Order is not Directed to RRB

>(ADDRESS OF INQUIRER)

Dear Sir:

This is the response of the Railroad Retirement Board (RRB) to your recent inquiry.

Garnishment of benefits paid by the RRB is authorized by section 459(a) of the Social Security Act 42 U.S.C. § 659(a), which subjects certain federal payments, "in like manner and to the same extent as if the United States * * * were a private person, to legal process brought for the enforcement * * * of * * * legal obligations to provide child support or alimony payments". Garnishment of RRB benefits for other than the above-stated purposes is prohibited by sections 14 of the Railroad Retirement Act (45 U.S.C. § 231m) and 2(e) of the Railroad Unemployment Insurance Act 45 U.S.C. § 352(e). See also Part 350 of the RRB's regulations (20 CFR 350, et seq.).

In accord with the foregoing provisions, the RRB will honor an order of garnishment or analogous legal process in satisfaction of an obligation for alimony or child support, subject to the exemptions contained in section 303(b)(2) of the Consumer Credit Protection Act 15 U.S.C. § 1673(b)(2), if it accords with the law of the state with jurisdiction in the matter. Those provisions exempt from garnishment 50% of each payment where the defendant is supporting his spouse or dependent child (other than the beneficiary of the support order), and 40% where he is not. These amounts are subject to a reduction by 5% in cases where there is an arrearage of over 12 weeks. If a greater exemption is provided by applicable state law or by the order, that greater exemption is applied.

"Legal process", as that term is used in section 459 of the Social Security Act (42 U.S.C. § 659), is defined by section 462(e) of that Act as:

> "* * * any writ, order, summons, or other similar process in the nature of garnishment, which
>
> * * * * *

> "(2) is directed to, and the purpose of which is to compel, a governmental entity, which holds moneys which are otherwise payable to an individual, to make a payment from such moneys to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments. "

Accordingly, any such order must be directed to the RRB; the RRB cannot make deductions from benefits under the authority of a support order or some other legal process directed to the primary obligor. Also, for the RRB to give effect to an order, that order must be "in the nature of a garnishment". Therefore, if a support or alimony order were to be or has been obtained, and thereafter circumstances, such as noncompliance with the order, arose or have arisen which would support a subsequent order directed to the RRB against benefits payable by it, the Board would honor that order, if it is in accord with the law of the state with jurisdiction in the matter; the RRB would also honor a revocable assignment in lieu of such an order.

Sincerely,

Director of Operations

Exhibit 4 - GL-53 Letter Addressing General Inquiries

>(ADDRESS OF INQUIRER)

In reply refer to:
RRB No.

Dear Sir:

This is the response of the Railroad Retirement Board (RRB) to your recent inquiry. Please note those paragraphs which are checked.

Garnishment of benefits paid by the RRB is authorized by section 459(a) of the Social Security Act 42 U.S.C. § 659(a), which subjects certain federal payments, "in like manner and to the same extent as if the United States * * * were a private person, to legal process brought for the enforcement * * * of * * * legal obligations to provide child support or alimony payments". Garnishment of RRB benefits for other than the above-stated purposes is prohibited by sections 14 of the Railroad Retirement Act (45 U.S.C. §

231m) and 2(e) of the Railroad Unemployment Insurance Act 45 U.S.C. § 352(e). See also Part 350 of the RRB's regulations (20 CFR 350, et seq.).

In accord with the foregoing provisions, the RRB will honor an order of garnishment or analogous legal process in satisfaction of an obligation for alimony or child support, subject to the exemptions contained in section 303(b)(2) of the Consumer Credit Protection Act 15 U.S.C. § 1673(b)(2) , if it accords with the law of the state with jurisdiction in the matter. Those provisions exempt from garnishment 50% of each payment where the defendant is supporting his spouse or dependent child (other than the beneficiary of the support order), and 40% where he is not. These amounts are subject to a reduction by 5% in cases where there is an arrearage of over 12 weeks. If a greater exemption is provided by applicable state law or by the order, that greater exemption is applied.

"Legal process", as that term is used in section 459 of the Social Security Act (42 U.S.C. § 659), is defined by section 462(e) of that Act as:

"* * * any writ, order, summons, or other similar process in the nature of garnishment, which

* * * * *

"(2) is directed to, and the purpose of which is to compel, a governmental entity, which holds moneys which are otherwise payable to an individual, to make a payment from such moneys to another party in order to satisfy a legal obligation of such individual to provide child support or make alimony payments."

Accordingly, any such order must be directed to the RRB; the RRB cannot make deductions from benefits under the authority of a support order or some other legal process directed to the primary obligor. Also, for the RRB to give effect to an order, that order must be "in the nature of a garnishment". Therefore, if a support or alimony order were to be or has been obtained, and thereafter circumstances, such as noncompliance with the order, arose or have arisen which would support a subsequent order directed to the RRB against benefits payable by it, the Board would honor that order, if it is in accord with the law of the state with jurisdiction in the matter; the RRB would also honor a revocable assignment in lieu of such an order.

The RRB pays the following benefits to the defendant:

An annuity under the Railroad Retirement Act, payable on the first day of each month in the amount of >..... This amount is subject to cost-of-living increases and other adjustments in accord with the Railroad Retirement and Social Security Acts. Section 462(g) of the Social Security Act 42 U.S.C. § 662(g) mandates that amounts deducted from federal payments as health insurance premiums or for income tax purposes are to be excluded from computation of those payments for purposes relating to garnishment. Accordingly, any annuity amounts specified in this response do not include deductions which may be made for these purposes.

No benefits.

The RRB certifies and enrolls qualified railroad retirement beneficiaries for Medicare Part A (hospital insurance) and Medicare Part B (medical insurance). However, information regarding Medicare coverage cannot be released without written consent from the beneficiary. The RRB does not provide health insurance other than Medicare for its annuitants.

The RRB, being a Federal agency, is restricted with respect to the disclosure of information and records which pertain to an individual and which identify the individual to whom they pertain by section 12(d) of the Railroad Unemployment Insurance Act 45 U.S.C. § 362(d) , which is incorporated into the Railroad Retirement Act by section 7(b)(3) of that Act 45 U.S.C. § 231f(b)(3) .

Section 12(d) provides, in part, as follows:

"Information obtained by the Railroad Retirement Board (RRB) in connection with the administration of this Act shall not be revealed or open to inspection nor be published in any manner revealing an employee's identity: Provided, however, That (i) the RRB may arrange for the exchange of any information with governmental agencies engaged in functions related to the administration of the Act; (ii) the RRB may disclose such information in cases in which the RRB finds that such disclosure is clearly in furtherance of the interest of the employee or his estate; and (iii) any claimant of benefits under this Act shall, upon his request be supplied with information from the RRB's records pertaining to his claim. * * *"

As can be seen from the above, section 12(d) prevents disclosure of any documents or information concerning an individual without that individual's express written authorization. However, in regard to the defendant's address, please note that section 453 of the Social Security Act (42 U.S.C. § 653) provides for the establishment of a Parent Locator Service to be administered by the Department of Health and Human Services. This service is authorized in appropriate cases to acquire information from any Federal agency concerning the whereabouts of absent parents. Should you wish to inquire further concerning the Parent Locator Service, you should contact the Parent Locator Service, Office of Child Support Enforcement, Department of Health and Human Services, Aerospace Building, 370 L'Enfant Promenade, SW, Washington, DC 20447 (202-401-9373).

In response to the inquiry as to where a wage attachment should be sent, please note that attachment of federal payments, in satisfaction of a support or alimony obligation, is authorized by section 459 of the Social Security Act (42 U.S.C. § 659), which provides, in part, that service shall be accomplished by certified or registered mail or by personal service upon the appropriate agent designated for receipt of such process pursuant to regulations issued by the agency involved. The RRB has designated the Deputy General Counsel as its agent to receive such process see section 350.3 of the RRB's regulations (20 CFR 350.3). Accordingly, any order should be sent to the Railroad Retirement Board, attention Bureau of Law, 844 Rush Street, Chicago, IL 60611.

Your correspondence and any documents which you enclosed are returned herewith.

Sincerely,

Director of Operations

Exhibit 5 - Sample of Prepared Letter

Garnishment effective with ABD, credit should be given for garnishment paid by RUIA

(ADDRESS OF COURT)

In reply refer to:
RRB No.

Dear (Name):

This letter is in reference to an income withholding order issued to the Railroad Retirement Board (RRB) in the following case.

Petitioner: Mary Doe
Respondent: Joe Doe
Court: District Court, Grand Forks County, North Dakota
Case Number: 12345
Date legal process issued: 07/01/96
Date received by the Office of the General Counsel of the RRB: 08/01/96

In compliance with this court order, the RRB's Disability, Sickness, Unemployment Benefits Division has been deducting and paying 50% of the benefits due Mr. Doe to you under the Railroad Unemployment Insurance Act.

We have now determined that Mr. Doe qualifies for an annuity under the Railroad Retirement Act beginning July 1,1994. The annuity will replace the benefits he has been receiving and will be paid by the RRB's Office of Retirement and Survivor Programs. The amount of the annuity has not yet been determined, but we expect to determine a payment rate and begin payments shortly.

When Mr. Doe's annuity is awarded, we will continue to make deductions and payments to you in compliance with the court order. The deductions will be the lesser of $450.00 per month or 50% of his monthly income. We will apply the withholding retroactive to the beginning date of his annuity, paying you any amount due that has not already been deducted and paid to you from the benefits paid by the Bureau of Unemployment and Sickness Insurance for the same period.

Sincerely,

Director of Operations

Exhibit 6 - Prepared Sample Letter

Notification regarding lump-sum accrual payments

(ADDRESS OF COURT)

In reply refer to:
RRB No.

Dear (Name):

This letter is in reference to the garnishment or analogous legal process issued to the Railroad Retirement Board (RRB) in the following case.

Petitioner: Mary Doe
Respondent: Joe Doe
Court: District Court, Grand Forks County, North Dakota
Case Number: 12345
Date legal process issued: 07/01/96
Date received by the Office of the General Counsel of the RRB: 08/01/96

We increased Mr. Doe's annuity rate earlier this month from a temporary rate of $871.00 per month to a full current rate of $1306.00 per month. We determined that Mr. Doe was due a retroactive increase totaling $11,946.00 for the period October 1991 through April 1994.

In accordance with your order, we are to notify the court of any adjustment payment of $500.00 or more and to withhold the payment for 30 days pending further instructions. In a previous contact, you advised us that applicable state law limits garnishment of such accrued sums to 50% of the accrued amount. Accordingly, we have paid Mr. Doe $5,973.00 and are withholding the remaining $5,973.00 pending further instructions from your agency. If we do not receive further instructions within 30 days of this notice, we will pay the amount withheld to Mr.Doe.

Sincerely,

Director of Operations

Exhibit 13 - Processing Third Party Cases Using SURPASS

Since the third party cases create only a skeleton record in Rate History, few items need to be completed on the SURPASS screens to set up payment. The following screens need to be completed. Special completion instructions are also given. If the reduction is based on a percentage/ratio forward to RAC, attention Stewart Kosterski for further instructions.

A. SURPASS Family Group Menu screen.

1. Complete this screen in the normal way except for the "Ben Sym."

2. In"Ben Sym" enter the digit "3" followed by either "C", "W" or "P."

   a. Use "C" for payments to all children, including disabled children and full time students.

   b. Use "W" for payments to all widow(er) type recipients, including disabled, remarried and divorced.

   c. Use "P" for payments to parents.

3. After "enter" is pressed, the "Ben Sym" will change to "3D."

B. General Award Data screen.

1. Enter "5" in "Award Type."

2. Enter the recipient's "Name and Address."

C. Tier 1/Rate Deductions screen.

1. Enter either a "6" or "7" in "Select Deduction Type."

2. Enter a "Red Amount" and effective date.

   a. If a rate changes during the accrual period, enter an amount for each period.

   b. The latest rate "Thru" date should be left blank unless paying a one pay only award.

3. Enter a "Leg Proc Compu Cd" and, if applicable, a "Leg Proc Percent Amt."

D. Monthly Annuity Rate screen.

1. Enter an "Effective Date" and, if applicable, an "End Date."

   a. These dates must correspond to the dates entered on the Tier 1/Rate Deduction screen.

   b. Press PF2 to enter the second date.

2. Enter the Tier amounts which make up the payment for each date break.

   a. The Tier amounts must add up to the amounts entered on the Tier 1/Rate Deduction screen for each date break.

   b. Press "enter" to total the amounts.

E. Finishing the Award.

1. Press PF24 to compute the accrual amount.

2. Complete the award in the usual fashion.

Exhibit 14 - RUIA Clearance-Garnishment

TOPIC: <SS NO. RUIA CLEARANCE-GARNISHMENT

FROM:

TO: SUBD

_____ RRA CLAIM NO.

_____

_____ NAME

PLEASE FURNISH THE FOLLOWING INFORMATION.

PERIOD FOR WHICH SICKNESS BENEFITS WERE LAST PAID.

PERIOD FOR WHICH GARNISHMENT PAYMENTS WERE LAST PAID.

TOTAL AMOUNT OF GARNISHMENT PAYMENTS MADE FROM:

(EXAM ENTRY)

$_____.

****

TO: RPS-B2 ATTN:

COMPLETED BY: _____ EXT: _____ DATE: _____

6.1.1 Scope of Chapter

This chapter covers the processing and disposition of requests for reconsideration and appeals of initial decisions made by the Office of Programs (OP) under the RR Act. See RCM 6.2.1 for the definition of an initial decision.

6.1.2 Right to Request Reconsideration

Every annuitant has the right to file a request for reconsideration of an initial OP decision (a partial award is not considered to be an initial decision), with the following exceptions:

(1) An individual under age 18 does not have the right to reconsideration of a finding of incapacity to manage his or her annuity payments, but does have the right to contest the finding that he or she is, in fact, under age 18;

(2) An individual who has been adjudged legally incompetent by a court does not have the right to reconsideration of a finding of incapacity to manage his or her annuity payments, but does have the right to contest the fact of his or her having been adjudged legally incompetent;

(3) An individual does not have the right to reconsideration of a denial of his or her application to serve as representative payee on behalf of an annuitant;

(4) An individual does not have the right to reconsideration when partial withholding or actuarial adjustment is implemented in the same amount the individual previously agreed to;

(5) An individual does not have the right to reconsideration when the annuity rate is being adjusted to remove partial withholding unless the rate is also being adjusted for some other reason;

(6) An individual does not have the right to reconsideration when the annuity is being reinstated after overpayment recovery by full withholding unless the annuity rate is being adjusted for some other reason; and

(7) An individual does not have the right to reconsideration on withholding made for a garnishment or legal partition.

(8) A person (other than a representative payee) who wrongfully negotiated a check or withdrew payments from a joint account after the employee's death is not entitled to waiver consideration or a personal conference.

(9) An individual does not have the right to reconsideration when the annuity is being adjusted because of a Medicare premium adjustment.

6.1.3 Summary of Appeals Procedure

Outlined below are the basic steps in the appeals procedure for all initial decisions except for overpayment decisions. The appeals procedure for an overpayment decision differs in the reconsideration step. The difference is explained in section 6.1.4.

A. Right to Reconsideration - Every applicant or annuitant has the right to request reconsideration of an initial OP decision by someone other than the person who made the initial decision. To do this he must submit a written request for reconsideration within 60 days after the date of the initial decision notice. The request for reconsideration does not have to specifically refer to "reconsideration". However, it should clearly express the annuitant's desire for further action.

RCM 6.1.7 explains how to request reconsideration when no overpayment is involved.

B. Right of Appeal to H&A - If the applicant or annuitant is not satisfied with OP's reconsideration decision he may then appeal to the Bureau of Hearings and Appeals (H&A) by filing Form HA-1 within 60 days after the date of the reconsideration decision notice. Any written request stating an intent to appeal which is received within the 60-day period will protect the individual's right to appeal, provided that the individual files the appeal form (HA-1) within the later of the 60-day period following the date of the reconsideration decision, or the 30-day period following the date of the letter sending the HA-1 to the individual.

H&A gives the applicant or annuitant an opportunity to submit additional evidence in support of his claim. The applicant or annuitant may also be given a personal hearing before a hearings officer. The hearings officer then considers all of the evidence and renders a decision.

C. Right to Appeal to Board - If the applicant or annuitant is not satisfied with the H&A hearings officer's decision, he may appeal to the Board by filing Form HA-1 within 60 days from the date of the hearings officer's decision notice. The Board then reviews the case and renders a decision. Any written request stating an intent to appeal which is received within the 60-day period will protect the individual's right to appeal, provided that the individual files the appeal form (HA-1) within the later of the 60-day period following the date of the hearings officer's decision, or the 30-day period following the date of the letter sending the form to the individual.

D. Right of Judicial Review - If the applicant or annuitant is not satisfied with the Board's decision, he may file suit in a Federal Appeals Court within one year from the date of the Board's decision notice.

6.1.4 Reconsideration of Overpayment Decisions

In addition to the right to request a review of the facts of an overpayment decision, an annuitant has the right to request waiver consideration.

In current entitlement overpayment cases the annuitant has the right to request a review of the facts, waiver consideration, or a personal conference in conjunction with either of these, within 60 days after the date of the overpayment notice.

In "no current" entitlement overpayment cases, the annuitant has the right to request reconsideration of the overpayment decision and/or waiver of the overpayment within 60 days after the date of the overpayment notice.

In cases where the overpayment letter is sent to the field office for telephone contact and mailing, the date of the overpayment notice is the date shown in the lower portion of the G-421b.

RCM 6.1.8 explains how to request reconsideration and/or waiver when an overpayment is involved.

6.1.5 Filing Date

The filing date of a reconsideration request, G-66a, or an HA-1 is the earliest of the following dates:

- The date it is received at a Board office; or
- The date it is received by an employee of the RRB who is authorized to receive it at a place other than one of the RRB offices.

If using the date the RRB receives the reconsideration request would result in the loss or lessening of rights, the RRB will also accept as the date of filing the date a document or form is mailed to the RRB by the United States mail. Use the date shown by a U.S. postmark as the date of mailing. Always attach the envelope to all reconsideration requests.

Late filing will be allowed only in situations where good cause for the delay is evident. In determining whether good cause for the delay exists, the circumstances which kept the annuitant from filing the request on time and any action by the Board which misled the annuitant are to be considered.

Some examples of circumstances where good cause may exist are:

- Serious illness prevented the annuitant from contacting the Board in person, in writing, or through a friend, relative or other person;
- A death or serious illness in the annuitant's immediate family prevented timely filing;

- The destruction of important and relevant records;
- A failure to be notified of a decision;
- An unusual or unavoidable circumstance existed which demonstrates that the annuitant could not have known of the need to file timely or which prevented the claimant from filing in a timely manner.
- The annuitant thought that his or her representative had requested reconsideration.

If a late request for a review of the facts, waiver and/or personal conference is received by the field office and that request does not explain why the request was late, the field office must obtain from the annuitant a signed statement of explanation for the delay and any documentation he may have.

In late request situations the field office will decide whether good cause for delay exists. If good cause is evident the field will forward the request, the reason for delay statement and a statement which summarizes the field's reasoning for finding good cause to headquarters. If good cause is not evident, the field is responsible for releasing a denial letter to the annuitant. The letter includes appeals wording.

If a late request is received in headquarters and that request does not explain why the request was late, form letter RL-185e is released advising the annuitant what he/she must do if he/she believes there was good cause for late filing and wishes to pursue the reconsideration request. If the annuitant does not respond within 30 days of the contact, headquarters will then take the action described in RCM 6.1.10B.

6.1.6 Reconsideration

Every annuitant can request reconsideration of an initial Office of Programs (OP) decision as the first step of the appeals process. If the annuitant fails to make a timely request for reconsideration and good cause is not evident, the right to pursue any other step in the appeals process is forfeited. The annuitant can, however, request reconsideration of the decision that the request was not timely filed. The reconsideration of this issue is done in the office (headquarters or field) where the decision regarding untimely filing was made, but not by the same person who made that decision. If the decision regarding untimely filing is reversed, reconsideration of the initial decision can proceed.

If an overpayment is involved, waiver consideration and a personal conference (in current entitlement cases) may also be requested as a part of the reconsideration step. The requirements for requesting reconsideration in both non-overpayment and overpayment situations are given in sections 6.1.8 through 6.1.16.

6.1.7 Requesting Reconsideration

No Overpayment Involved

To request reconsideration, the annuitant must submit a written request for reconsideration which must be received at the Board within 60 days after the date of the initial decision. The request for reconsideration does not have to specifically refer to "reconsideration". However, it should clearly express the annuitant's desire for further action.

Overpayment Involved

The procedure for requesting reconsideration in an overpayment case depends on whether there is continuing entitlement to RR benefits.

A. No Continuing Entitlement to Benefits - In overpayment cases in which the overpaid annuitant is no longer entitled to RR benefits, the annuitant can request reconsideration of the overpayment decision and can also request waiver consideration. The option of a personal conference is not offered when no continuing entitlement exists. To request one or both, the annuitant must submit a written request within 60 days after the date of the overpayment notice.

B. Continuing Entitlement Exists - In overpayment cases in which the overpaid annuitant is still entitled to benefits, the overpaid annuitant can request a review of the facts (reconsideration), waiver consideration, and a personal conference in conjunction with either of the two. To request any of these, the annuitant must complete and return Form G-66a PC or a written request within 60 days after the date of the overpayment notice.

6.1.9 Jurisdiction of Reconsideration Requests

The Debt Recovery Division of the Bureau of Fiscal Operations (BFO-DRD) is responsible for:

- cases where a waiver only is requested (including statements claiming hardship or not at fault) and
- cases where a personal conference is requested in conjunction with a waiver.

The reconsideration section (RECON) of OP is responsible for:

- cases where an overpayment exists and review of the facts only or a review of the facts and waiver are requested;
- cases where a personal conference is requested in conjunction with either a review only or a review and waiver;

- cases where no overpayment exists and reconsideration is requested.

RECON is responsible for reconsideration requests on disability and non-disability issues. (See the Disability Claims Manual for procedure on RECON handling of a disability or Medicare reconsideration request.)

When the reconsideration request is on an overpayment and waiver is also requested, RECON handles the request for review of the facts first. If RECON confirms the overpayment, the case is then sent to the Debt Recovery Division (DRD) for a decision on the request for waiver. In cases where a personal conference is also requested, RECON will send the case to DRD after the personal conference.

6.1.10 Processing Reconsideration Requests

A. Timely Request Made - Upon receipt of a timely request for reconsideration of an Office of Programs decision, including late requests with legitimate "good cause" conditions, review all the facts in the case leading up to the decision, as well as any new evidence which may have been submitted with the request. If an incorrect unrelated previous decision is discovered during the review, the examiner may only reopen that previous decision if reopening such decision is required or allowed in accordance with the reopening procedure in RCM 6.2.

If the initial decision is correct, prepare a complete explanation to the claimant using code paragraph 189. The following steps should be included in the written reconsideration decision:

(1) Prepare a statement of jurisdictional factors, filing date of application, date of notice of the decision under review and date of request for reconsideration;

(2) State the basis of request for reconsideration, (i.e., the issue involved);

(3) Include a brief non-technical statement of the applicable provisions of the law and regulations along with specific references to the applicable sections of law, when necessary; use terms likely to be understood by the claimant;

(4) Prepare a statement of the facts and evidence as presented;

(5) Give conclusions based on the facts and applicable law and regulations.

Where the claimant has failed to respond to requests for additional evidence or information, include a statement that his failure to submit the requested information leaves us no alternative but to make a decision without the benefit of any additional evidence which might support his position.

RRB Regulations specify that every effort should be made to issue the reconsideration notice within 60 days from the filing date of the reconsideration request. If this deadline cannot be met due to unforeseen circumstances, notify the annuitant of the delay.

If the review indicates the initial decision was incorrect, release a letter advising the individual that we have changed our previous decision after reviewing the claim and that the case is being returned to the appropriate adjudication section for further processing. Then, prepare a note to file regarding the reconsideration decision and forward the file to the appropriate adjudication section for processing.

B. Timely Request Not Made - If a request for reconsideration is not submitted timely and good cause for the untimely filing is established by the debtor/claimant, refer to paragraph A of this section.

If a request for reconsideration is not submitted timely and good cause for the untimely filing is not established, inform the annuitant that the period for requesting reconsideration on the decision has lapsed, the reconsideration request is denied, and that the untimely filing decision may be appealed. (The annuitant does not have the right to further appeal the initial decision.) The denial letter should use code paragraph 190 or similar wording and incorporate appeals wording.

If the untimely request for reconsideration also included correspondence in which the annuitant points out something with the claim that is obviously wrong, inform the annuitant that the case is being referred to the adjudication section for a response. The adjudication section will apply the reopening rules in RCM 6.2 in deciding whether corrective action should be taken.

6.1.11 Reconsideration Decision Notice Affirming Initial Decision When an Overpayment Is Involved

If, after reconsideration, you determine the initial decision is correct, prepare an explanation for the annuitant. The letter providing the explanation must include code paragraph 189, which gives the annuitant the right to appeal the reconsideration decision. The letter should also include the options available for repayment of the overpayment and provide the date payments will be suspended if full refund is not made or one of the other repayment options offered is not selected. If no current entitlement exists, the explanation letter should include Recon section code paragraph 600.4, which is equivalent to code paragraph 199.2. The Reconsideration section makes the appropriate entries on ASTRO and PARS for recovery purposes.

The following steps should be included in the written reconsideration decision:

(1) Prepare a statement of jurisdictional factors--filing date of application, date of notice of controversial initial determination and date of request for reconsideration;

(2) State the basis of request for reconsideration, (i.e., the issue involved);

(3) Include a brief non-technical statement of the applicable provisions of the law and regulation along with specific references to the applicable sections of law, when necessary; use terms likely to be understood by the claimant;

(4) Prepare a statement of the facts and evidence as presented;

(5) Give conclusions based on the facts and applicable law and regulations.

Where the claimant has failed to respond to requests for additional evidence or information, include a statement that his failure to submit the requested information leaves us no alternative but to make a decision without the benefit of any additional evidence which might support his position.

RRB Regulations specify that every effort should be made to issue the reconsideration notice within 60 days from the filing date of the reconsideration request. If this deadline cannot be met due to unforeseen circumstances, notify the annuitant of the delay.

6.1.12 Processing Reconsideration Requests When Overpayment Is Incorrect

When a review of the case indicates that the overpayment was incorrect, the action to take on the reconsideration request is determined by the circumstances of the case.

A. Current Rate is Correct but Overpayment Amount is Incorrect - If the reason for the overpayment is the same, release a letter advising that we have completed our review. The letter should advise the overpaid person of the correct amount of the overpayment in addition to the options available for repayment and provide the date payments will be suspended if full refund is not made or one of the other repayment options is not selected. Include code paragraph 189 in the letter. Be sure to make the necessary entries in PARS so that the correct overpayment amount is reflected in that system.

If the overpayment is actually due to a different reason than originally stated, release a letter advising the overpaid person our review indicates that the overpayment previously stated was incorrect and that the case is being returned to the unit that has jurisdiction of the overpayment. The letter should also state that a corrected overpayment letter will be released and that the overpaid person will be afforded their rights again with the corrected overpayment letter. Code paragraph 189 should not be included in that letter.

When the overpayment is due to a different reason, the case should be sent to the unit having jurisdiction of the overpayment. Prepare a note to file stating the specific factors to consider when recalculating the correct overpayment amount. The note to file should also state that the corrected letter should inform the overpaid person that the corrected letter supersedes the earlier letter and that a form G-66 should be included.

B. Recurring Rate and Overpayment Amount Incorrect - Regardless of whether the reason for the overpayment is the same, release a letter advising the overpaid person our review indicates that the overpayment previously stated was incorrect and that the case is being returned to the unit that has jurisdiction of the overpayment. The letter should also state that a corrected overpayment letter will be released and that the overpaid person will be afforded their rights again with the corrected overpayment letter. Code paragraph 189 should not be included in that letter.

Prepare a note to file stating the specific factors to consider when recalculating the correct annuity rate and overpayment amount. The note to file should also state that the corrected letter should inform the overpaid person that the corrected letter supersedes the earlier letter and that a form G-66 should be included. The case should then be sent to the unit having jurisdiction of the overpayment.

6.1.13 Review of the Facts and a Personal Conference

If the overpaid person requests a review of facts and a personal conference, a review should be made in the same manner as if only a review was requested. (See RCM 6.1.12) If you determine the overpayment was computed correctly, instead of a review letter prepare a "Summary of Facts". The "Summary of Facts" is a guide for the manager or contact representative conducting the personal conference. The "Summary of Facts" should state the pertinent sections of the RRA and the United States Code equivalents. The "Summary of Facts" should also mention the options for repaying the overpayment and the time frame for recovery with the various options.

6.1.14 Handling After Personal Conference

After the personal conference is completed, the manager or contact representative who conducted the personal conference will prepare and image a summary of the conference on RRAILS Form FO PERS CONF REPORT and will E-MAIL Headquarters that the summary has been imaged. Field service will then return the case or e-file to Recon. Recon will evaluate any new material the overpaid person may have presented at the conference and answer any new questions raised. The reconsideration letter will then be prepared. Occasionally, the overpaid person will select a repayment method prior to the personal conference or at the personal conference. If so, Recon will take the appropriate actions to implement the method selected. Otherwise, the reconsideration letter will offer the appropriate repayment options.

NOTE: If the manager or contact representative who conducted the personal conference reports that the overpaid person now wants us to waive recovery of the overpayment, Recon will send the file to BFO-DRD. BFO-DRD will make a waiver decision and release a combined decision notice with appeal rights.

6.1.15 Handling When Case Has Been Referred To OIG

When a case has been referred to the Office of the Inspector General (OIG), the indication "OIG" will be shown on the PARS AREF table. When prosecution has been declined, "OIGX" will be shown on the PARS AREF table. When the case has been referred to the Department of Justice (DOJ), "OIGD" will be shown on the PARS AREF table.

When RECON receives a request for reconsideration and the PARS AREF table indicates that the case has been referred to the OIG, they will call the OIG and request the case. As long as a determination to refer the case to the DOJ has not yet been made, the case will be forwarded to RECON. RECON will handle the reconsideration request to completion and return the case to the OIG. If waiver was also requested and RECON affirms the overpayment, RECON will advise BFO-DRD to forward the case to the OIG's office after their waiver decision has been made.

If RECON determines that the overpayment amount is actually under the threshold amount (see RCM 6.6.191) or fraud/fault is not involved, or there is no overpayment at all, they will send the OIG a memorandum to that effect. A copy of the memorandum will be filed down in the folder or imaged if no folder exists. The case does not need to go back to the OIG.

RECON will also release a memorandum to OIG if they determine the overpayment is incorrect and refer the case back to the operating section. The operating section will close out the erroneous overpayment posting on PARS and post a new overpayment document to PARS showing the correct amount. If the corrected overpayment amount meets the requirements for referral to the OIG, the operating section will again refer the case to OIG in the usual manner.

If there is a memorandum in the file from the OIG that they will not pursue an investigation, the case will not be referred back after RECON completes their decision unless that decision significantly increases the overpayment amount.

NOTE: If RECON is handling a case with an overpayment over the threshold amount (see RCM 6.6.191) and fraud/fault is indicated, but no OIG referral was made, RECON should finish their action. If the overpayment is affirmed, the case should be remanded back to the retirement or survivor operating unit that released the overpayment letter for referral to the OIG. If the annuitant also requested waiver, RECON will forward the case to BFO-DRD and ask them to return the case to the operations unit for referral to OIG.

6.1.16 Handling When OIG Refers Case to DOJ

When the Office of Inspector (OIG) refers a case to the Department of Justice (DOJ) for possible fraud prosecution, the OIG will send a memorandum to BFO-DRD. BFO-DRD will update the AREF table on PARS to indicate that the case has been referred to the DOJ. A copy of the memorandum from the OIG will then be sent to the Reconsideration Unit (RECON). RECON should immediately cease their handling of the rights request. Likewise, any further development should cease.

When suspending RECON action because of referral to the DOJ, do not notify the annuitant. If the annuitant inquires about the status of the rights request, handle in the following manner:

A. Written Inquiries – HQ personnel are to fax written inquiries to the OIG at 312/751-4342. Include the annuitant's claim number and the statement "Open Investigation" on the fax cover sheet. Forward the original to PSD/IDS to be imaged. Notate on the original that it was faxed to the OIG, initial and date.

B. Email Inquiries – HQ personnel should forward the email to Hotline@oig.rrb.gov. The subject line should include "Open Investigation" and the claim number. Make a copy of the email and forward it to PSD/IDS to be imaged. Notate on the original that it was faxed to the OIG, initial and date.

C. Telephone Calls – If an annuitant telephones HQs and wishes to discuss his/her case, advice the annuitant that **"We cannot provide the information over the telephone and a written request is required."** The written statement is needed by the OIG for documentation purposes. The statement should be sent to the U.S. Railroad Retirement Board, 844 N. Rush St., Chicago, IL 60611, Attention: RECON. When the statement is received, fax it to the OIG at 312/751-4342. Include the annuitant's claim number and the statement "Open Investigation" on the fax cover sheet. Forward the original statement to PSD/IDS to be imaged. Notate on the original that it was faxed to the OIG, initial and date.

D. Problems or Special Need Cases – If the annuitant insists on speaking to someone or this case needs special attention, call or email one of the contacts below. They will contact the OIG and obtain the requested information.

RBD Operations and Claims Analyst – x4759

SBD Operations and Claims Analyst – x3323

Director of Disability Benefits Section – x4801

Sickness and Unemployment Section Chief – x4708

UNDER NO CIRCUMSTANCES SHOULD HQ PERSONNEL FORWARD ANY ANNUITANT CALLS TO THE OIG OR GIVE OUT THE OIG'S PHONE NUMBER.

Note: You may take any non-overpayment related action on these cases, e.g. change of address, direct deposit, rate letter, etc. However, after performing the action, send an email to Hotline@oig.rrb.gov. Notate the action taken and date. The subject line should include "Open Investigation" and the claim number.

If the DOJ later declines to prosecute, the OIG will send another memorandum to BFO-DRD. BFO-DRD will update the AREF table on PARS and send a copy of the OIG memorandum to RECON. Action on the rights request and any necessary development can then be resumed.

6.1.20 Right To Appeal to BHA

Every applicant or annuitant may appeal a reconsideration decision by completing and filing an HA-1 within 60 days from the date of the reconsideration decision notice. When an appeal is filed, the director of BHA appoints a hearings officer to act on the appeal.

6.1.21 Filing an Appeal

Form HA-1, Appeal Under RR Act, is the form the annuitant must complete to request an appeal of a reconsideration decision as well as an appeal of a BHA hearings officer's decision (see RCM 6.1.30ff regarding the latter.) In either case, the completed HA-1 must be received at an RRB office within 60 days after the date of the reconsideration decision or the hearings officer's decision.

Form HA-1 is available at any field office as well as RRB headquarters. Any requests for Form HA-1 received in headquarters to appeal either the reconsideration decision or a hearings officer's decision should be immediately referred to BHA for handling. As soon as claims processing personnel become aware that an HA-1 is being forwarded to headquarters by a field office, the file should immediately be forwarded to the bureau of hearings and appeals.

NOTE: A request for an HA-1 does not fulfill the requirement for filing an appeal within 60 days. BHA will make a determination (on an individual basis) regarding timely filing in any case in which a request is made within the 60-day period, but there is insufficient time (as determined by BHA) for release and return of the HA-1.

In accordance with Board Order 95-99, in any case where a Board Member, the General Counsel, the Inspector General, the Director of Programs, the Director of Administration, any other bureau or office head, or any RRB staff requires information regarding a specific case wherein an appeal has been filed with the Bureau of Hearings and Appeals, the request for information shall be directed to the Director of Hearings and Appeals in writing and shall not be directed to a hearings officer. The Director of Hearings and Appeals shall maintain a record of such contacts and inquiries.

6.1.22 Reconsideration Decision

Sustained By BHA

If the reconsideration decision is sustained by BHA, the hearings officer notifies the appellant in writing. Any correspondence received subsequent to the hearings officer's decision, which deals further with the merits of the claim, is under BHA's jurisdiction.

Reversed By BHA

When BHA reverses a reconsideration decision, BHA routes the case to either BFO-DRD, the Director of Retirement Benefits, the Acting Director of Survivor Benefits or to DSUBD. Reversals of disability and HI (including Canadian HI) or SMI decisions are handled by DSUBD. All other reversals are handled by OP.

6.1.30 Right To Appeal

Every applicant or annuitant can appeal the hearings officer's decision by executing and filing an HA-1 within 60 days of the date that the hearings officer's decision is mailed to the appellant. The Board can also, on its own motion, review the hearings officer's decision in any case. In doing so, the Board can designate any Board employee to secure additional evidence and report the findings.

6.1.31 Hearings Officer's Decision

Sustained By Board

If the Board sustains the H&A hearings officer's decision, the Board notifies the applicant. Any correspondence received subsequently which deals further with the merits of the claim is referred with the claim folder to the Board members office for attention.

Reversed By Board

When the Board reverses the hearings officer's decision, the Board refers the file to either BFO-DRD the Director of Retirement Benefits or the Acting Director of Survivor Benefits. If the issue is disability or Medicare related, the Board refers the file to DSUBD for handling.

6.2.1 Effective Date and Definitions

A. Effective Date - The effective date of this procedure is September 29, 1997. This means that any decision (initial, final, and decisions under reconsideration or appeal at any level) considered or adjudicated on or after September 29, 1997, is subject to this procedure. The Reconsideration Section will use the new regulations in determining whether a reopening decision made after September 29, 1997 is correct. Reopening decisions can be reversed if they are incorrectly made under these rules.

If the decision being reconsidered is a reopening decision made before September 29, 1997, handle the reconsideration in accordance with legal opinion L-97-50 as follows: If the rate correction was correctly handled under Board Order 75-5 and is otherwise correct, do not change it. If an overpayment is being reconsidered, apply the new regulations to determine whether it should be recovered. If recovery of an overpayment has begun, further recovery action should cease (i.e., the withholding amount should be removed and the rate corrected). If the annuitant requested waiver and part of the overpayment has been recovered or an accrual has been used to reduce the overpayment, forward the file to DRD for a waiver determination regarding the withheld or recovered amount.

B. Administrative Finality Principle - The principle of "administrative finality" is used in the payment of annuities and lump sums under the RR Act. Under this principle, the Office of Programs - Operations adjudicates claims and makes decisions as to the rights of persons to benefits under the RR Act. After the expiration of the time for filing an appeal, such initial decisions become final and binding upon the parties to it. This means that once a decision is final, it can be reopened only when the conditions described in this chapter are met. If the conditions for reopening are not met, we apply administrative finality to the decision and consider it to be accurate.

The administrative finality principle is also applied in Medicare decisions involving HI benefits in Canada and DOB determinations.

C. Restriction On Review - When reviewing a case for application of amendments, deductions, reductions, etc., that review should not go any further than is necessary to complete the current action. Unless the current action implies that previous actions in the case are incorrect (such as a PREH referral or cost-of-living reject/review code which indicates a discrepancy in the annuity computations), assume that previous actions on the claim are correct. If, however, an error comes to your attention in the normal course of examining the folder, determine if the previous action can be reopened per RCM 6.2.2. If reopening is allowed, correct the previous action.

Examiners should be alert to all factors related to the current action. For example, when the current action establishes an overpayment, examiners should make sure all related actions that might adjust the net overpayment have been considered, i.e., if an overpayment is caused by excess earnings, the examiner should make sure all recomputations (such as an ARF adjustment) and/or delayed retirement credits payable based on those earnings have been considered.

The guidelines in these sections apply for post-adjudication actions. The guidelines for reconsideration actions are described in RCM 6.1.9 through 6.1.14.

D. Initial Decision - An initial decision is an appealable determination affecting monthly benefits or lump-sum payments in a case. The decision becomes “final” only after formal notice of the determination has been sent in writing to the applicant(s), annuitant(s), or authorized representative(s) and the reconsideration period has expired.

1. Types of determinations included are:

   a. Awards (including O/M and additional service or deemed service month recomputation awards):

   b. Denials (including an ER denial);

   c. Increases in the amount of the annuity because of amendment, yearly RRB cost-of-living adjustments;

   d. Reductions in the amount of annuities under the O/M because of entitlement to other benefits; or because of entitlement of other beneficiaries;

   e. Disability ratings (approval or denial of an alleged disability);

   f. Deductions (including deduction because of employer or "last person" service, for excess earnings, or for failure of spouse or widow(er) to have a child in his/her care);

   g. Termination of annuities (including finding that a disability has ceased);

   h. Determination that underpayment or overpayment has been made and will be adjusted;

   i. Denial of waiver of recovery of overpayment (this decision may be part of an initial decision made in correcting an earlier decision and adjudicating an overpayment);

j. Tier I offsets due to the payment of or adjustment in SS (LAF E or C), worker's compensation/public disability or PSP benefits where the effective date of the benefits is later than the date of our final decision;

k. Transfer of claims to SSA (we have determined that the employee does not have 120 months of service or the employee does not have an insured status in a death case);

l. Determination of entitlement to HI and SMI Medicare benefits;

m. Adjudication of alien non-payment provision; and

n. Adjustments to supplemental annuities for the receipt of private pensions (RCM 1.4.60 - .65).

2. Types of actions not included are:

a. Abandonment for failure to prosecute; and

b. Temporary withholding of annuity payments if deductions may apply.

E. Final Decision - An initial decision becomes final when the applicant or annuitant has failed to take the next step in the appellate process and the following periods have expired:

1. Initial Decision - Sixty days from the date notice of the initial decision was mailed to the applicant or annuitant at the address (s)he furnished.

2 Reconsideration Decision - Sixty days from the date notice of the reconsideration decision was mailed to the applicant at the address (s)he furnished.

3. Hearings and Appeals Decision - Sixty days from the date notice of the decision by the Bureau of Hearings and Appeals was mailed to the applicant at the address (s)he furnished

4. The Board - One year after the decision will have been entered upon the records of the Board and communicated to the claimant.

F. Reopening - For the purpose of these instructions, reopening is the revision of a final decision to correct an error or to change one or more of the factors on which the award or denial was based. Instructions on reopening are based on guidelines established in Part 261- ADMINISTRATIVE FINALITY of Title 20 of the Code of Federal Regulations.

1. A factor on which an award or denial is based is any one of the elements which must be considered in determining eligibility for, and the amount of, the award. For example, in a retirement annuity case the factors may include age, employment relation, years of service, average monthly compensation, current connection, cessation of service, disability, and for the purpose of the O/M, insured status, etc.

2. A decision is not reopened and, therefore, the rules on reopening do not apply if a decision on the claim has not been made, or if subsequent to the decision, an event occurs which affects the award but was not a factor at the time the decision was made. See §D.1, above, for examples of events subsequent to the decision. These situations are called "no decision" cases. Please refer cases falling into this category to Policy and Systems, RRA Application and Calculation Section (RAC) prior to any award action. Some situations in which "no decision" has been made are:

- A claim which has been lost, overlooked or abandoned (rather than denied) is found and reactivation suggests that reopening must be considered because 4 years has elapsed since it should have been handled.

- An event occurs which because of the law requires an adjustment of the annuity, the annuity is not adjusted and no action has been taken until the case is later rediscovered. Examples of this situation are as follows:

- a child attains age 18 and the O/M is no longer payable,

- a work deduction or reduction because of entitlement to another benefit is required,

- an adjustment is required because of the enactment of a new law,

- receipt of SS or PSP benefits, or

- a widow has been awarded an annuity, we find that she is also entitled to an LSDP or that she remarries.

3. When a decision is reopened and revised, notice of the revision must be provided to the parties to the decision. The notice must state the basis for the revised decision and the effect of the revised decision. The notice must inform the parties of their right to further review.

   NOTE: This notice requirement also applies to decisions made by the Reconsideration Section, Hearings and Appeals and the three-member Board. If a revised decision is issued by a reconsideration specialist, any party may request that it be reviewed by Hearings and Appeals. If a revised decision is issued by a hearings officer, any party may request

that it be reviewed by the three-member Board, or the three-member Board may review the decision on its own initiative.

4. A reopened decision is binding (i.e., it becomes a final decision) unless a timely request for reconsideration is filed, the three-member Board decides to review the decision, or the reopened decision is subject to further revision required in this procedure.

5. The procedures governing the appropriate time and place for requesting review of a reopened decision are found in RCM 6.1.

G. New And Material Evidence - Evidence that may reasonably be expected to affect a final decision, which was unavailable to the agency at the time the decision was made, and which the claimant could not reasonably be expected to have submitted at that time.

6.2.2 Conditions For Reopening

A final decision may be reopened:

A. Within 12 months of the date of the notice of such decision for any reason.

NOTE: This is not a mandate to reexamine our own work for a 12-month period. Rather, if new information is brought to our attention either by the annuitant or an outside agency which calls a final decision into question, then we can make the necessary changes.

B. Within 4 years of the date of the notice of such decision, if:

1. There is new and material evidence (6.2.1.G.), or

2. There was adjudicative error not consistent with the evidence of record at the time of adjudication.

The evidence submitted must be new to the claimant as well as material to the claim or it must be the discovery of our error; or

C. At any time if:

1. The decision was obtained by fraud or similar fault. Fraud is when a person makes or causes to be made any false statement or claim for the purpose of causing an award or payment to be made. Similar fault means an act or failure to act which approximates fraud. Similar fault is a knowing failure to inform the RRB of the receipt of benefits (from SSA, PSP, etc.) where a person has been put on notice of a duty to inform us of the benefit and doesn't do so. See RCM 6.2.20;

2. Another person files a claim on the same record of compensation and allowance of the claim adversely affects the first claim;

3. A person previously determined to be dead on whose earnings record survivor annuity is based is found to be alive;

4. A claim was denied because of the absence of proof of death of the employee, and the death is later established;

    a. By reason of an unexplained absence from his or her residence for a period of 7 years, or

    b. By location or identification of his or her body;

5. SSA has awarded duplicate benefits on the same record of compensation;

6. The decision was that the claimant did not have an insured status, and compensation has been credited to the employee's record of compensation in accordance with RCM 5.3;

    a. To enter items transferred by SSA which were credited under the SS Act when they should have been credited to the employee's railroad retirement compensation record; or

    b. To correct an error made in the allocation of earnings to an individual which, if properly allocated would have given him or her an insured status at the time of the decision and the evidence of these earnings was in the possession of the RRB or SSA at the time of the decision;

7. The original decision was incorrect because of a clerical or obvious adjudicative error and reopening the decision to correct the error would be favorable to the annuitant. In general, this means that reopening would result in additional money due;

8. The decision found the claimant entitled to an annuity or a lump sum, payment based on the earnings record of a deceased person, and it is later established that:

    a. The claimant was convicted of a felony or an act in the nature of a felony for intentionally causing that person's death; or

    b. The claimant was subject to the juvenile justice system and was found by a court of competent jurisdiction to have intentionally caused that person's death by committing an act which, if committed by an adult would have been considered a felony or an act in the nature of a felony;

9. The claimant shows that it is to his or her advantage to select a later ABD and agrees to refund past payments by cash payment, set-off, full or partial withholding;

10. The decision is incorrect because the RRB failed to apply a reduction, or the proper reduction, to the tier 1 component of an annuity. For example, evidence in the file shows that the annuitant reported the receipt of a public service pension on his/her application but we failed to make the off-set when we paid the case and an overpayment resulted. In this situation, the RRB may apply the reduction retroactively if the error is discovered within 4 years. Otherwise, it shall apply the reduction only for the months following the month the RRB first takes corrective action.

    NOTE: Where the failure to reduce the tier 1 was the result of fraud or similar fault on the part of the annuitant, C.10 does not apply. See Section C.1. C.10 applies when the error was based on RRB failure to make the appropriate, timely tier 1 reduction and 4 years have passed since the error occurred.

6.2.3 Effect Of A Change Of Legal Interpretation, Or Administrative Ruling, Or Interpretation

A change in legal interpretation or administrative ruling on which a decision is based does not render the decision erroneous and does not provide a basis for reopening.

Cases should not be reopened after a final decision has been made solely due to another interpretation of the same evidence. For example, in a disability case, after a denial determination becomes final, the case may not be reopened because another doctor or disability claims examiner interprets the same medical evidence differently.

6.2.4 Decisions Which Shall Not Be Reopened

This section should only be used if you have already determined the case should be reopened based on RCM Sections 6.2.2. If any of the following sections prohibit reopening, then you can not reopen the case even though Sections 6.2.2 allow you to reopen.

The following decisions should not be reopened:

A. An award of an annuity beginning date (ABD) to an applicant later found to have been in compensated service to a RR employer on that ABD and who is found not at fault in causing the erroneous award.

    Use the chart below to determine whether to adjust the ABD and recover the overpayment:

Time Since Award	Fault Exists?	Actions
Within 1 year	Yes or No	Move ABD and collect O/P. Note: If low RR earnings, see RCM 6.6.75 on CBW. If good faith can be established, send the case to BFO-DRD.
>1<4 years	No	Don't Move ABD; treat as return to RR service & collect O/P. Note: If an employee requests a later ABD or moving an ABD is to the employee's advantage (for example the ABD could be set in the middle of a month, allowing us to pay the annuity for part of the month) then the ABD can be moved.
>1<4 years	Yes	Move ABD and collect O/P. If low RR earnings, see RCM 6.6.75 on CBW. If good faith can be established, send the case to BFO-DRD.
> 4 years	No	Not Reopenable; Earmark PREH and EDM
> 4 years	Yes	Move ABD and collect O/P. If low RR earnings, see RCM 6.6.75 on CBW. If good faith can be established, send the case to BFO-DRD.

Examples:

1. EE is being paid based on original ABD (03-01-94), with Tier 2 computation based on service and compensation through 1993. The annuitant reported on his/her application that a settlement was pending. The settlement gave him service in the first 8 months of 1994, but we did not adjust the ABD for the settlement.

   Time since award: > 4 years

   At fault: No

Decision: Not reopenable since none of the criteria listed in RCM 6.2.2.C are met. Apply finality to the original award in all respects. The annuity beginning date and annuity computations are considered correct and no overpayment should be established for the months covered by the settlement.

2. The employee is being paid based on original ABD (02-01-88), with Tier 2 computation based on service and compensation through 1987. A settlement was awarded in 1989 which gave him service through 12-89. The applicant never reported the settlement was pending on his application or when it was awarded in 1989. We are reviewing the case in 2005.

   Time since award: > 4 years

   At fault: Yes

   Decision: Since the employee is at fault (RCM 6.2.2.C.1), reopen and move ABD to 01-01-90.

Note: When fault is in doubt or questionable, please send the case to Policy and Systems – RAC.

B. An award of an annuity based on <u>subsequently</u> discovered erroneous crediting of months of service and compensation to an individual where:

1. The loss of the months of service and compensation would cause the individual to lose his or her eligibility to the annuity; and

2. The erroneously credited months of service do not exceed 6 months; and

   NOTE: The erroneous months of service may be greater than 6 but only up to 6 months can be used to establish 120 months of service. Cases can be reopened to remove erroneously credited months of service over the 120 months required for eligibility.

3. The annuitant is not at fault in causing the erroneous crediting of service and compensation.

C. An erroneous award of a monthly annuity where the error is $1.00 or less.

D. An erroneous award of a lump sum or accrued annuity where the error is $25.00 or less.

E. Revision of the amount or payment of a separation allowance lump sum amount pursuant to Sec. 6(e) of the RR Act, due to RRB error whether clerical or adjudicative, is limited to 60 days from the date of notification of the award of the separation allowance lump sum payment.

NOTE: This provision applies to RRB error. Revision of the amount or payment of a separation allowance lump sum amount due to adjustments made by the Employers, themselves, can be adjusted as post-adjudicative actions rather than reopening. For example, in handling a reject from the SALSA mass adjustment, it is discovered that the employer lowered the compensation on which the SALSA was based. The SALSA payment, which we made on the previous level of compensation reported by the employer, can now be adjusted because there was no RRB error in the earlier payment.

6.2.5 Late Completion Of Timely Investigations

A decision may be revised after the 1 and 4 year time periods of Sections 6.2.2.A. and 2.B. have expired if an investigation into whether to revise a decision began before the applicable time period expired and the RRB diligently pursued the investigation to its conclusion.

Diligently pursued means that in view of the facts and circumstances of a particular case, the investigation was undertaken and carried out as promptly as the circumstances permitted. Diligent pursuit will be presumed to be met if the investigation is concluded and the decision revised within 6 months from the date the investigation began.

An investigation is diligently pursued if we make every attempt to secure needed information or tests but a delay is caused by another party (i.e., the annuitant does not respond or the delay is caused by the inability to complete a medical test timely).

If the investigation is not diligently pursued to its conclusion:

- The decision will be revised if it is favorable to the annuitant, or
- The decision will not be revised if it is unfavorable to the annuitant.

6.2.6 Claims Filed On The Same Earnings Record

If two claims for benefits are filed on the same record of compensation, findings of fact made in a decision in the first claim may be revised in determining or deciding the second claim even though the time limit for revising the findings made in the first claim has passed. However, a finding that:

- A person was fully or currently insured at the time of filing an application,
- A person was fully or currently insured at the time of death, or
- A person was fully or currently insured at any other time,

may be revised only under the conditions set forth in RCM 6.2.2., above.

6.2.7 Additional Situations Where Reopening Is Allowed When New Evidence Is Received After 4-Year Limit Has Expired

If new evidence is received after the 4-year limit has expired and it establishes:

- A new date of birth, or
- A valid change, for any reason or in any circumstance, in the annuitant's record of compensation, and
- The adjustment would result in an increase in benefits,

pay the annuity increase but only for the months following the month the new evidence is received.

6.2.8 Discretion Of The Three-Member Board And Referral To Board

A. In any case in which the three-member Board shall deem proper, the Board may direct that any decision, which is otherwise subject to this procedure, shall not be reopened or direct that any decision, which is not otherwise subject to this procedure, shall be reopened.

B. Refer to the Board any claim which should be reopened on which a decision was made by the Board. When referring the case to the Board, prepare the accompanying memorandum and Board Recommendation, G-20a.

1. Include in the memorandum the following information:

   a. In the first paragraph, a brief statement of the recommendation;

   b. In the second paragraph, a statement of the facts in the case; for example, if the claim was denied, a statement of the requirements which the applicant did not meet, or if the claim was certified, statement of the basis for award;

   c. In the following paragraph(s), the reason the claim was not certified originally in the amount now contemplated, and the extent, if any, to which fault or neglect on the part of the applicant was involved in the failure to make the award in the amount now contemplated;

   d. In the last paragraph, the amount of the increase, if any, and the amount of the accrual.

2. Prepare the G-20a as follows:

"REOPENING THE ANNUITY CLAIM OF (NAME OF APPLICANT OR ANNUITANT), (DECEASED, IF EMPLOYEE HAS DIED), (CLAIM NUMBER)

In the claim of (name of applicant or annuitant or survivor of employee, applicant or annuitant, and claim number), the facts relating to (the element which is the basis for request to reopen) are such as to warrant the reopening of the claim, the claim is reopened pursuant to 20 CFR Part 261".

6.2.9 Administrative Finality And Legal Partition Awards

In Legal Opinion 99-1, the Bureau of Law stated that the new Administrative Finality regulations apply to legal partition, garnishment and assignment decisions on RRB annuitants. These regulations provide that a final decision may be reopened within a year for any reason; within 4 years if there is new and material evidence or there was adjudicative error not consistent with the evidence of record at the time of the adjudication; and at any time if the decision was obtained by fraud or similar fault.

Note: The partition amounts deducted from annuities and paid to spouses or former spouses are not annuity payments, and they are not subject to the reopening and administrative finality provisions. Any underpayments of those amounts should be paid out and any overpayment of those amounts should be recovered.

If the legal partition order, garnishment, or assignment request is still in force, adjust the monthly annuity rates according to the respective orders. This action is not a reopening; it is an initial decision in its own right. The reopening decisions regarding overpayments and underpayments made to the RRB annuitant should be handled as follows:

- Within 1 Year: Pay any underpayment/ collect any overpayment
- Within 4 years: Pay any underpayment/ collect any overpayment
- Over 4 years and fraud involved: Pay any underpayment/ collect any overpayment
- Over 4 years and no fraud involved: Pay any underpayment/ apply administrative finality to any overpayment; adjust monthly rate prospectively

Documenting your decision should be handled as explained in RCM 6.2.10.F.1, Documenting Reopening and Administrative Finality Decisions.

6.2.10 Making Reopening Decisions

The intent of the new regulations is to provide a sequential approach to reopening based on the time that has passed since the initial decision became a final decision.

A. Determine whether a final decision is correct:

Usually, new information comes in which questions a specific decision we made. This information can come from the annuitant, from another unit with oversight responsibilities within the RRB, or from another governmental agency or employer which calls into question a decision. The new information indicates either that the decision was incorrect based on facts and procedures controlling at the time the decision was made or that if we had the new and material information at the time we made the decision, we would have done it differently.

We do not reopen because of a change in legal or administrative ruling or interpretation (see RCM 6.2.3.) We utilize the reopening procedures to correct errors or adjust decisions based on new and material evidence.

B. Determine the time elapsed since the decision became final.

Calculate this period by starting with the date of the notice of the decision and ending with the date we can make a corrective award.

1. If it is not possible to establish the date of notice in a payment situation, use the voucher date of the award in question. Automated Award Letters to Annuitants System (ALTA) uses the voucher date as the date of the letter. If it is not possible to establish the date of notice in a non-payment situation, use the date the decision was authorized if a letter cannot be secured from the field office or annuitant.

2. If the date of the notice of decision is February 1, 1998, we can correct the rate through January 31, 1999, for any reason. We can correct the rate through January 31, 2002, if there is new and material evidence or adjudicative error involved. We can correct the rate at any time if one of the situations in 6.2.2.C. applies.

3. The rate correction may be made after the 1 and 4 year periods expire if an investigation into whether to revise a decision began before the applicable time period and the RRB diligently pursued the investigation to its conclusion (see RCM 6.2.5.)

C. Determine whether reopening is permissible based on the appropriate reopening rule:

- If the period was 1 year or less, RCM 6.2.2.A. applies.
- If the period was 4 years or less, RCM 6.2.2.B. may apply.
- If the period was more than 4 years, RCM 6.2.2.C. may apply.

NOTE: Cases properly appealed within the 60-day period for reconsideration are not re-openings. The decisions in this situation are not considered final. These cases can be corrected based on the decision of the reconsideration examiner.

D. Consider exception and special rule situations:

- If we gave an incorrect ABD to an applicant in compensated RR service, review section 6.2.4.A;
- If we credit 6 months of service to an applicant, and later we consider the credit erroneous, consider section 6.2.4.B;
- If the error is within tolerance, consider sections 6.2.4.C and/or D;
- If we began an investigation within the 1 or 4 year rules of section 6.2.2.A or B. and the investigation was not completed within those periods, consider whether section 6.2.5, Late Completion of Timely Investigations, would allow you to extend the period in question;
- If two claims for benefits are filed on the same record of compensation, consider section 6.2.6;
- If a new date of birth or a correction in an annuitant's record of compensation is received after the 4-year time limit has expired, consider section 6.2.7.

E. Reopening the case

1. Adjust the annuity - When you reopen a decision, reopen the whole decision. Make sure that the annuity is adjusted correctly. That is, if a decision is reopened to correct the tier 1, correct any other errors made in the reopened decision.

2. Apply the appropriate period of retroactivity. The reopening provision used in the decision to reopen determines the appropriate period of retroactivity for the subsequent adjustment. However, when we reopen a decision, we reopen an entire decision. A decision may contain multiple errors. If we reopen a decision and discover additional errors in correcting the decision, these should be corrected.

   Example 1: A decision is being reopened to correct an error in the tier 2 which results in a $10.00 per month underpayment and an error in the tier 1 offset which results in a $150.00 per month overpayment. By itself, the tier 2 error would normally be reopened retroactively under RCM 6.2.2.C.7 to pay the increase due; by itself, the tier 1 error would normally be reopened only from the current month under RCM 6.2.2.C.10. The errors were made in the same decision, and must be treated consistently. In this example, correcting

both errors retroactively would produce a net overpayment, so both errors are corrected from the current month under the provisions of RCM 6.2.2.C.10.

Example 2: If 4 or more years have gone by and we discover a tier 1 offset error made, for example, in January of 1975, that would be corrected from the current month. A tier 2 overpayment error, for example, made in January 1990, that would not be reopened at all, reopen the tier 1 overpayment correcting it from the current month; apply administrative finality to the tier 2 rate and overpayment.

Example 3: If 4 or more years have gone by and we discover a tier 1 offset error made, for example, in January of 1975, that would be corrected from the current month. A tier 2 underpayment error, for example, made in January 1990, that would be reopened, reopen the tier 1 overpayment and the tier 2 underpayment correcting the errors from the current month.

3. Reopening decisions are generally specific to a decision made in an award to an individual claimant. Since spouse and survivor annuities are based on employee annuities, however, reopening an employee award under these rules can result in reopening the spouse or survivor award.

   NOTE: If we review a decision made on an employee award and determine that the decision cannot be reopened under this procedure, we apply administrative finality to the decision in question. Any spouse or survivor annuity made correctly on the basis of the employee annuity will not be reopened even if the spouse or survivor awards fall within the time periods reopening would normally be allowed. It is not even an issue of applying administrative finality to the spouse or survivor awards. If administrative finality has been applied to the employee award, the rates are deemed correct and reopening the spouse or survivor awards is not even in question.

F. Documenting reopening and administration finality decisions:

1. Documenting Reopening and Administrative Finality decisions in the folder - Put a note in file (e.g., G-115 memorandum format) stating the facts about the case and the specific reason(s) the case will or will not be reopened. The note must be signed and dated, and a copy forwarded to BIS-SSS (3rd Floor) on a G-59R as well as sent to imaging. Use RRAILS to prepare and image note when possible.

2. Viewing and Setting Administrative Finality Codes in PRE:

   a. General:

      Two fields on the PREH system have been updated to help identify administrative finality cases. The two fields are: the Administrative Finality Applies Code (3200-ADMIN-FIN-FLG-N); and the

Administrative Finality Effective Date (3200-ADMIN-FIN-EFF-DT). The Administrative Finality Applies Code indicates with a number (1 through 4, as explained below) whether administrative finality has been applied in a given case. The Administrative Finality Effective Date field represents only the effective date of the rate correction when the annuity is re-opened or the effective date of the DOB change. It is not the date of the administrative finality decision. Examiners with access to the correction system can correct these fields and all examiners can view them to secure the information they provide.

These fields are located on the Rate History Inquiry screen (RHRRID (3200) 2 of 6.) These fields should be checked whenever there is a question whether administrative finality has been applied in a case. For example, if you are computing a case without the claim folder and the calculated amount is much lower than that on DATA-Q, this could indicate that administrative annuity had been applied in the past. If this is the case, review these fields on PREH as explained below and handle the case accordingly. If there is an administrative finality code on PREH, secure the claim folder to resolve the discrepancy.

b. When to set administrative finality codes:

The purpose of these codes is to identify records whose data on EDM, SEARCH and PREH will not automatically produce correct computations. For example, when a case was erroneously reopened to correct a RRB error over 4 years old, it will have to be returned to its previous (i.e., "incorrect") computation. Often, this correction will be forced through ROC or SURPASS. This type of case will have records on PREH that will not match or update correctly with data coming from SEARCH using a current G-90. Setting an administrative finality code on PREH, can help future examiners identify these cases.

For example, in cases where we must apply administrative finality to a decision (the decision is a RRB error and it is over 4 years old), the in-force PREH record is deemed correct and future prospective adjustments can be made. If EDM or SEARCH data does not support the current data on PREH (i.e., the PREH data is based on an old G-90 dated 01/01/90 rather that the current G-90 dated 01/01/99), we must set an administrative finality code for these cases. This is because the administrative finality decision holds that the 01/01/90 G-90 takes precedence over the 01/01/99 G-90.

In reopening situations (for example, to pay a vested dual benefit that was not paid when it should have been), you are correcting an error by creating a new award that corrects the record on PREH. You do not have to set an administrative finality code in these cases. Here the EDM, SEARCH and PREH data match and support each other.

NOTE: The administrative finality codes identify cases we did not reopen because the administrative finality regulations did not allow it. The administrative finality codes do identify decisions in cases that ordinarily should never be readjusted except, of course, for the yearly cost-of-living adjustments. These codes do not, in themselves, tell you why administrative finality has been applied in a particular case; they tell you that it has been applied. Retroactive adjustments should not be made in these cases without an in-depth review of the claim folder.

c. Viewing and changing administrative finality codes:

To access these fields follow the following steps:

- Go to the ORIS MENU RATE HISTORY INQUIRY screen, enter the prefix and claim number of the annuitant, then press enter;
- On the FAMILY GROUP MENU, select the beneficiary and select record 3200, then press enter;
- You are now on the RATE HISTORY INQUIRY screen, press F8 to go to page 2;
- The Administrative Finality Applies Code (3200-ADMIN-FIN-FLG-N) and the Administrative Finality Effective ate (3200-ADMIN-FIN-EFF-DT) are displayed here;
- To access the HELP screen, move the cursor to the Administrative Finality Applies Code and press F1. Three pages of HELP are available.

The fields are as follows:

0 Not applicable

1 Administrative finality applied to original date of birth determination. 3200-ADMIN-FIN-DOB-DT is used for all annuity adjustments; future entitlement(s) should use 3200 DOB-DT-N.

2 Administrative finality applied to previous payments (claim corrected prospectively). 3200-ADMIN-FIN-EFF-DT is the effective date of the annuity rate correction or DOB correction. In retirement cases, G-90 data is not updated to PREH.

3 Administrative finality applied currently and claim is not reopened. An error (other than DOB or only supplemental annuity) has been detected, but administrative finality has been applied and the decision has not been

reopened. Code 3 is also used when more than one administrative finality code applies. In retirement cases, G-90 data is not updated to PREH.

4 Administrative finality applied to supplemental annuity only. Code 4 is valid for EE only.

5 Inclusion of deemed service months causes an annuity decrease.

6 An error has occurred involving the military service on record. Administrative finality has been applied currently and the claim is not reopened.

7 There has been a change in the compensation/wages but administrative finality has been applied currently and the claim is not reopened.

8 There has been a change in either the service months, compensation, or wages but administrative finality has been applied currently and the claim is not reopened.

9 A calculation error has been detected but administrative finality has been applied and the claim is not reopened.

To change these fields position the cursor under the field in question, type in the proper entry and press the ENTER key.

d. Administrative Finality Codes and Mass Adjustments:

All mass adjustments react to administrative finality on the DOB. Information on specific mass adjustments follows:

COLA - The cost of living mass adjustment adjusts the current rate. In code 2 and 3 situations, since the current rate is judged correct, the COLA can go ahead and adjust the rate based on the current record.

AERO/RAIL - These mass adjustments made retroactive payments. They rejected for manual handling cases where there was no match between the calculated amounts and the amounts on PREH.

RESCUE refers cases if PREH indicates administrative finality applies to the DOB but RHRRID-ADMIN-FIN-DOB-DT is empty. RESCUE also rejects cases if the administrative finality code in PREH is 2, 3, 5, 6, 7, 8 or 9.

6.2.11 Erroneous Decision - Defined

An erroneous decision is one based on:

- A clerical error; or

- An adjudicative error not consistent with the evidence of record at the time of adjudication.

6.2.12 Clerical Errors

Clerical errors can be corrected under sections 6.2.2.A., 6.2.2.B, and 6.2.2.C of these procedures. Clerical errors are errors made in completing a form, copying or entering data into a computer, or transposing numbers in either situation.

- Under sections 6.2.2.A and 6.2.2.B, clerical errors can be corrected even if the corrected decision is adverse to the annuitant;

- Under section 6.2.2.C.7, clerical errors can be corrected at any time if reopening the decision in question would be favorable to the annuitant.

6.2.13 Adjudicative Errors

Adjudicative errors or errors on the face of the evidence exist where it is absolutely clear that the determination or decision was incorrect. Adjudicative errors are errors in applying the law (procedures) to the facts (evidence) of an individual case. A determination or decision which was reasonable on the basis of the facts and law existing at the time of the determination or decision was made will not be reopened merely because there was a shift in the weight of the evidence. A different rule of law would now be applied (unless a change in law specifically provides for retroactive effect), or a different inference is drawn from the evidence.

- Under section 6.2.2.A, adjudicative errors can be corrected within 1 year of the date on notice of the decision;

- Under section 6.2.2.B, adjudicative errors can be corrected within 4 years of the date on notice of the decision;

- Under section 6.2.2.C.7, adjudicative errors can be corrected at any time if the decision in question was incorrect because of a clerical or obvious adjudicative error and reopening the decision to correct the error would be favorable to the annuitant.

The following examples illustrate these points.

Example 1: The examiner denies a claimant a divorced spouse annuity on the basis she has been married to the employee for less than 10 years. The claimant never appeals the decision. However, the proof of marriage and divorce decree in file indicates that they were married 15 years. This is an obvious adjudicative error and the denial; may be reopened with full retroactive effect at any time. See section 6.2.2(c)(7)

Example 2: The examiner denies the claimant a disability annuity citing a “medical vocational rule" which assumes the employee is under age 50. The claimant never

appeals the decision. The evidence of record at the time of the denial clearly shows that the claimant was age 55 and the applicable "medical vocational rule" would indicate a finding of disabled. Same result as in Example 1.

Example 3: The examiner denies a claimant a disability annuity on the basis that she can perform unskilled light work with the result that the appropriate "medical vocational rule" dictates a denial. The decision is not appealed. Five years later the claimant submits another application for a disability annuity. She submits no new evidence. A different examiner finds on the same evidence that the claimant can only perform unskilled sedentary work, which applying the "medical vocational rule" applicable at the time of the first application would have produced a finding of disabled. The fact that a different examiner reached a different conclusion based on the same evidence does not mean that the initial denial in this case was based on an obvious adjudicative error. The examiners merely weighed the evidence differently and exercised their appropriate discretion. The denial is not required to be re-opened. Note, however, that the denial could have been re-opened within 4 years under section 6.2.2.B if it was not consistent with the evidence at the time of the denial.

NOTE: A decision can be inconsistent with the evidence of a record at the time of a decision, but not based on an obvious adjudicative error.

Example 4: The examiner determines vested status for an annuitant and pays a VDB. An audit later determines that the vested status determination was incorrect. However, 8 years have passed since the decision and the reopening would be unfavorable to the annuitant. Apply administrative finality to the vesting determination; set an administrative finality code on PREH following RCM 6.2.10.F.2.B.

6.2.20 Decisions Involving Fraud or Other Fault

A. Fraud is when a person makes or causes to be made any false statement or claim for the purpose of causing an award or payment under the Act. The elements of fraud are:

- That the person made or aided in making a statement or claim or caused a statement or claim to be made;
- That the statement or claim was false;
- That when the statement was made, the person knew it to be false or made it recklessly without any knowledge of its truth; or
- That the person made the statement or claim with the intention that it should be acted upon so as to cause benefits to be paid.

The term "with intent to defraud" means a conscious attempt at deception or misrepresentation for the purpose of obtaining an authorized benefit. Intent is a mental attitude which can seldom, if ever, be proven by direct evidence. "Intent

to commit a crime" is a state of mind existing when a person commits an offense and may be proven by the offender's acts and by reasonable inference there from, as well as from other acts, declarations and circumstances.

B. Similar fault means an act which approximates fraud. Similar fault exists when person knowingly conceals information that is material to the determination. The main distinction is that fraudulent intent is not required. However, the incorrect or incomplete statement must have been made knowingly or material information concealed knowingly.

C. Failure to report, without evidence that the annuitant had knowledge of the duty to report, does not constitute "similar fault". Knowledge can be established by evidence such as certification in the file that the annuitant was explained and understood the reporting requirement or where the circumstance indicate that it was a knowing failure to report.

Example: Mary believes that her prior husband secured a divorce and that her marriage to the employee is valid. However, as she does not know where such divorce was obtained and does not wish her first husband contacted, she fails to list the prior marriage on her application. We later establish that her prior marriage was not terminated. The award of wife's benefits must be reopened, since she knowingly concealed her prior marriage, even though she had no fraudulent intent.

D. The following elements are common to fraud and other fault:

- "Material" as applied to a false statement, false representation or deceitful withholding of information where there is a duty to disclose the truth means that the deceit must relate to a matter that is of significance and would tend to influence Operations to pay benefits not authorized by the RR Act; permit a beneficiary to keep benefits previously paid which were not authorized; or otherwise influence Operations in determining rights to payment. Courts have said that the test of whether a statement is material is the capability of the statement to mislead, rather than whether it was possible for the intended deception to attain its end.

For example, if a woman applies for a widow's insurance annuity and falsely states that she was married to the deceased employee, her statement is material even through no annuity could have been paid to her erroneously because of our requirement that she furnish proof of marriage. Examples of situations where a false statement or representation would not be material, because it does not tend to affect payment of benefits, are as follows:

- An applicant for a disability annuity falsely states that he is age 45 when in fact, he is only 40 years of age.

- A widow falsely claims she married the employee a few months earlier than she actually did so that it will appear that her child was conceived after, instead of before, the marriage.

- "Knowingly" as used in a criminal statute generally means that state of mind which exists when the accused person is in possession of the facts under which (s)he is aware (s)he cannot lawfully do a particular act, but nevertheless proceeds to do it. It is intended to exclude unwitting or unconscious actions contrary to law, such as mistake of fact or accidents. The RRB should also consider any physical, mental, or linguistic (including lack of facility in English) disabilities which the claimant may possess. For example, an honest belief that a prior marriage has been dissolved is a good defense to a charge of "knowingly" making a false statement regarding termination of the marriage.

- "Willfully" means voluntarily, purposely, deliberately, and intentionally, as opposed to accidentally, inadvertently, or carelessly. It involves actual knowledge of the existence of a legal obligation and the intent to evade that obligation.

6.2.21 Examples Of Fraud And Similar Fault Determinations

A. Examples of Situations where Fraud may be an Issue:

Example 1: The claimant applies for a spouse benefit and informs the Board on her application that she is receiving a civil service pension. The RRB pays the spouse annuity without a public pension offset. In this case there is an initial determination which is incorrect. After 4 years from the notice of this determination, the tier 1 may only be adjusted in accordance with section 6.2.2.C.10 (prospective application). Within 4 years, the tier 1 may be adjusted retroactively (RCM 6.2.2.B.)

Example 2: Same facts except the claimant incorrectly indicates on her application that she was not receiving a civil service pension. The RRB discovers the pension 5 years later. In this case, the tier 1 can be adjusted at any time retroactive to the annuity beginning date, since the initial decision, which was incorrect, was obtained by fraud or similar fault.

Example 3: Same facts as example 2, except that the questions on the application concerning public pension are left blank. The RRB may only adjust the tier 1 prospectively as in example 1. There is insufficient evidence that the incorrect decision was obtained by fraud or similar fault.

Example 4: Same facts, except that the claimant becomes eligible for a civil service pension 1 year after her annuity beginning date, but fails to inform the RRB. The RRB learns of the pension 5 years after its initial decision. In this case the initial decision was correct, but a post-adjudicative event, of which the RRB was unaware, caused an incorrect rate to be paid. The RRB's failure to

adjust the rate at the time the pension was commenced was not a decision to which reopening applies. The RRB could adjust the tier 1 retroactive to the commencement of the pension and assess an overpayment. This is not a reopening, but a new initial decision.

Example 5: A widow is receiving a widow's annuity based upon her caring for the minor child of a deceased employee. She advises the RRB when the child turns 18. The child is not disabled. This is noted in her claim file, but no action is taken. The payment continues for a period of 5 years before the error is discovered. The RRB may terminate the benefit retroactive to the month before the month the child attained age 18. The failure to take action in this case is not a decision subject to the reopening procedures.

B. Examples of Situations where Similar Fault may be an Issue:

Example 1: The claimant applies for an annuity and states that he intends to work for employer A, a non-railroad employer. Based upon his expected earnings work deductions are applied. The following year he reports that he will not earn over the exempt amount and work deductions are removed. Later in the year it is clear to the annuitant that he will earn considerably more than the exempt amount, but does not report this to the RRB. The RRB discovers the excess earnings 5 years later. Based on the circumstances, the RRB can presume in this case that the employee knowingly concealed his earnings and that the decision to remove work deductions was obtained by similar fault. Consequently, the RRB may apply work deductions in the year in question and assess an overpayment.

Example 2: Same as the above except that the employee had no intention of working at the time of his application but then later decides to return to work. He earns over the exempt amount but never reports his earnings. Since the RRB never made a decision with respect to the application of excess earnings, it may adjust the annuity rate for the period in question and assess an overpayment at any time. This is not a reopening but is a post-adjudicative action.

6.2.30 Decisions Involving New and Material Evidence

New and material evidence includes any evidence which was not a part of the claim file when the decision was made, which was unavailable to the agency when the decision was made, and which the claimant could not reasonably be expected to have submitted at that time. This evidence must relate to facts or circumstance existing at the time of adjudication although the evidence itself may have been acquired subsequently.

Within 4 years of the date of the notice of a decision, you may reopen a decision on the basis of new and material evidence if:

Additional service and/or compensation, regardless of when claimed, is verified by employer records, or, in the case of service, by affidavits; or

- The evidence submitted is acceptable under the regulations of the Board, provided there is no conflicting evidence or a previous conflict is satisfactorily explained; or

- The age evidence is of a higher probative value than the evidence previously relied upon.

6.2.31 Reopening Denials

Denials are subject to the same reopening rules as is any other decision we make. RCM 5.1.47 covers the reopening of denials.

6.2.40 Reopening A D/A Claim After Reduced A&SA Awarded

Reopen for certification under the disability provisions of the Act any case in which we awarded a reduced A&SA to an employee after he filed a claim for a disability annuity if:

- Before the annuitant appeals, we find that disability began as of a date before the expiration of the appeals period; and

- If the disability ABD is later than the ABD of the initial award, all payments made for the period before such later ABD are recovered.

If we reopen a prior decision under this section and we make a new award, the ABD of the new award is the first day we found the applicant to be disabled but not earlier than 12 months before the filing date of the application.

6.2.41 Later ABD Or Cancellation Of Application Is Requested

When an employee, spouse, or survivor annuitant requests an ABD which is later than the ABD previously established, or he requests cancellation of his application, reopen the award if:

- The annuitant shows that it is to his advantage to select the later ABD or cancel the application (see NOTE); and

- Such person is alive at the time the request cancellation is filed; and

- All payments made for the period before the later ABD or on the basis of the cancelled application are recovered by cash refund or set-off.

However, an employee awarded a reduced A&S or disability annuity with an ABD before July 1, 1974, may not cancel his application or request an ABD of July 1, 1974, or later to qualify himself for an unreduced A&S annuity on the basis of having attained age 60 and completed 30 years of service or to qualify his spouse for an annuity at age 60.

NOTE: Usually, Headquarters will become aware of a request to cancel an award or application when the field office sends in the applicant's request to be imaged. No further action will be required when the request is received. If the initial request for cancellation is received in Headquarters, forward the request to the Retirement or Survivor Customer Service Group for handling.

Take special care when the applicant claims the rate will increase by postponing the annuity beginning date to eliminate age reduction. If social security benefits, public service pension, railroad retirement dual entitlement, etc. is involved, eliminating age reduction may not increase the net annuity. If the applicant's net rate will not increase, contact the applicant to explain that age reduction is not the only factor reducing the annuity.

6.2.42 M/S Eliminated From Award

We may reopen an award when M/S had been included in the computation of an annuity and we later find that the elimination of the M/S will benefit the annuitant. That portion of past annuity payments attributable to M/S must be recovered.

NOTE: SSA will not allow credit for M/S if we used it in our award as compensation. SSA applies this restriction even if the M/S is later removed. If an annuitant requests us to remove the M/S as compensation in order to receive credit for it under the SS Act, explain fully to the annuitant that the removal will not benefit him

6.2.43 Finality Of DOB Established

Once a DOB has been established and it is material to an award (even though only a partial award has been made) or is the basis for a determination of entitlement to Medicare, the DOB is final for the purpose(s) for which it was established and may be changed only if the claim is reopened because:

- The determination was caused by fraud or other fault of the applicant (do not develop these factors if the claim folder does not indicate them), or
- There is a clear and obvious mistake of fact or a clear and obvious mistake of law, or
- New and material evidence received after the determination would result in a decision favorable to the applicant. Do not consider the decision favorable if establishing an earlier DOB changes an employee's closing date and disqualifies him from receiving a SUP ANN.

In those cases in which it is determined after the award of an employee annuity and/or the determination of entitlement to Medicare is made that new evidence, superior to the original birth-date evidence, established that the employee is younger than was previously believed, apply administrative finality to the existing award(s) and/or entitlement determination(s), unless the original determination was caused by fraud or

other fault of the annuitant. Use the DOB established by the superior evidence for determining any new entitlement to an annuity or Medicare.

For further discussion of finality of DOB established, see sec. 4.2.17.

6.2.44 Switching To An Employee D/A After A Reduced A & S Award

If an employee qualifies for both an age annuity and a disability annuity when an application for an age annuity is filed, the application may be reopened to award a disability annuity based on a notice from the Social Security Administration that a period of disability has been established. When the disability notice is received, an application for a disability annuity should be developed. However, the beginning date of the disability annuity is not restricted to twelve months before the disability application is filed. The disability annuity can be paid based on the filing date of the application for the age annuity, even if the disability notice is received more than one year after the age annuity is awarded. If notice of disability is received from another source, forward the file to P&S-RAC.

Notify DMG and BTRS of this change in annuity type using a G-59.

6.2.45 Re-opening A Disability Award to a Denial

Part of the definition of disability is that the claimant must have a severe and permanent medical condition. For total and permanent employee disability annuities and for survivor disability annuities, the condition must be severe enough to prevent substantial gainful activity (SGA). For employee occupational disability annuities, the condition must be severe enough to prevent the performance of occupational duties of the regular railroad occupation. “Permanent” is defined as lasting for at least 12 months or resulting in death.

There is a distinction between disability annuities that are terminated because the annuitant recovered from the disability and annuities that are re-opened and denied because the annuitant’s medical condition did not meet the 12-month duration requirement. When the claimant returns to work at the SGA level (or at regular railroad occupation in occupational disability cases) during the waiting period and after the final determination, and this work continues, the disability examiner will re-open the determination of allowance on the claim and revise it to a denial.

See DCM 10.5.1.3 for actions that a disability adjudicator will take when a disability decision is reopened to deny.

6.2.50 Tolerance Rules

To eliminate the recertification of an award solely to pay or recover a negligible amount, the Board established rules of tolerance.

6.2.51 Definition

Tolerance is considered to be a final decision to an annuitant's rate (recurring, OPO, or for a closed period) if a letter is released containing appeal rights and:

- An award is vouchered; or
- A PREH update award is certified.

6.2.52 Overpayment Tolerance

The tolerance amount for a newly established overpayment is $25.00. Do not recover an overpayment that is $25.00 or less. Do not enter the overpayment on the Program Accounts Receivable (PAR) system.

Once tolerance has been applied to an overpayment, the Railroad Retirement Board will not "seek" recovery. This means that the amount of the tolerance overpayment will not be added to future overpayment amounts or recovered from future accruals.

Follow the instruction in 6.2.54 or 6.2.55 if the monthly rate is changing. This applies to the recurring rate and for a closed period.

6.2.53 Underpayment Tolerance

The tolerance amount for underpayments is $5.00. Do not issue an accrual payment or lump sum award when the accrual is $5.00 or less. This only applies to one payment only situations, i.e., tax refund, SALSA, LSDP, and residual payments. The underpayment will not be included on any future adjustment for a subsequent period being paid to either the underpaid annuitant or to the eligible survivor(s) of that annuitant.

Previously, when tolerance was applied to an underpayment, a form G-114 (3-94), Folder Record of Underpayment Tolerance, was completed to document the underpayment. Form G-114 is no longer necessary and is obsolete. Previous forms in file can be ignored.

If you are adjusting annuity components for reasons described in 6.2.54 or 6.2.55, issue the accrual payment even if the accrual is $5.00 or less.

Note: When the $5.00 tolerance is applied to a lump sum award, the amount not paid is still deductible from the gross residual. Place a note in the file of the amount payable should an eligible person request the payment.

6.2.54 Monthly Rate Tolerance

Monthly rate tolerance refers to a change in the annuity rate at the effective date of the adjustment. This applies in a recurring situation or in a closed period, i.e., adjustment is needed from 1/1/99 then you consider tolerance as of 1/1/99.

- If the change in the monthly annuity rate is $1.00 or less, do not reopen the case unless an exception applies as specified in 6.2.55.
- If the change in the monthly rate is more than $1.00, adjust the case as follows.

Monthly rate change is	**And**	**Then**
More than $1.00	Overpayment $25.00 or less	• Correct rate • O/P is tolerance • No PAR entry • Use paragraph 444.1 • Do not complete tier summary - Complete payment summary only
More than $1.00	Overpayment more than $25.00	• Correct rate • Recover O/P • Enter onto PAR • Complete tier summary
More than $1.00	Underpayment exists(any amount)	• Correct rate • Issue accrual • Complete tier summary

Note: For a closed period adjustment, complete a PREH update award or OPO.

6.2.55 Exceptions To Tolerance

Monthly rate tolerance does not apply in the following situations.

- An annuitant requests that his/her annuity be increased or a beneficiary requests payment of a lump sum amount.
- A partial award was made and the annuitant died before a final award could be processed.
- For purposes of establishing the computation change in an O/M to RR or a RR to O/M switch, tolerance should not be considered when deciding to do an award. Examiners should always do an award to show when the RR or O/M rates became effective. Tolerance will be determined at the effective date of any potential change. For example, if the Tier 1 is due a recalculation from the ABD, tolerance is determined at the ABD. If the tier 1 is due a recomputation, tolerance is determined at the effective date of the recomputation. If tolerance applies the rates, pay the current RR rate on the record when doing an O/M to RR switch.
- A STAZA award can be made.
- A simultaneous RR/SS adjustment is required due to an increase in the SS benefit rate. (In such a case, the recurring rate tolerance will not apply. However, if an RR overpayment exists after the SS accrual has been used as an offset, overpayment tolerance should be considered.)
- Recovery of Medicare premium arrearages.
- Cost-of-living, RAIL, SSA COLA rejects
- RESCUE rejects if the EDM activity is a railroad lag service/compensation posting
- Applying DRC's (based on age or work)

The following chart only applies in exception cases as described above.

Monthly rate change is	**And**	**Then**
$1.00 or less	Overpayment $25.00 or less	• Correct rate • O/P is tolerance • No PAR entry

		• Use paragraph 444.1 • Do not complete tier summary - Complete payment summary only
$1.00 or less	Overpayment more than $25.00	• Correct rate • Recover O/P • Enter onto PAR • Complete tier summary
$1.00 or less	Underpayment exists(any amount)	• Correct rate • Issue accrual • Complete tier summary

Note: For a closed period adjustment, complete a PREH update award or OPO.

6.4.1 When To Reinstate Payments

The decision to reinstate payments is often based on the annuitant's own statement. Accept the annuitant's statement and reinstate payments subject to later confirmation unless there is sufficient reason to doubt his statement.

A. Suspended Payments - Reinstate suspended payments when:

- An overpayment is recovered or waived;
- An employee or spouse annuitant ceases railroad service;
- A disabled employee or survivor annuitant's earnings no longer require work deductions;
- An investigation which caused suspension is completed;
- A new payee is selected in foreign cases;
- A SMI premium is deducted from the accrual; or
- The reason for suspension no longer exists.

B. Terminated Payments - Reinstate terminated payments when:

- The marriage which caused termination was annulled;
- The marriage which caused termination was void;
- The adoption which caused termination was revoked; or
- There was an erroneous report of death.

6.4.2 Record Of Previous Payments

Construct a record of returned checks and previous payments from the claim file, microfilm record of checks, and the various adjustment listings.

Assume that payments were made for all months that the annuity was in force and that all lump-sum payments previously certified were made.

Assume that a check was returned or withheld if the claim file contains:

- A G-96 dated before the cut-off date or is stamped "Check dated cancelled."
- A G-695 (provided the claim file does not contain a record of rejection),

- A G-696 showing the check was cancelled or withheld,
- A photostatic copy of the check marked "cancelled" or "not negotiable,"
- 'Green Sheets' as described below:
    - Notice of Cancelled Payment
    - Limited Payability Cancellation Notice
    - Reclamation Credit Notice
    - Non-Receipt Credit Notice
- A computer-generated code 97 referral.
- Xerox copy of an SF-1184e, Unavailable check cancellation with a check mark beside, "Check NOT paid ..... etc."

If the annuity payments were being sent Direct Deposit prior to the termination, the processing of an initial, reinstatement or reinstatement/recert award will delete the Direct Deposit information from the checkwriting master record.

NOTE: For RR-only or SS-only payments, the Direct Deposit information will always be deleted. For combined RR/SS payments, use the following chart to determine whether the Direct Deposit will be deleted:

STATUS		**DELETE DIRECT DEPOSIT?**
RR	**SS**	
TERM	N/A	YES
N/A	TERM	YES
TERM	TERM	YES
TERM	SUSP	NO
SUSP	TERM	NO
TERM	CPS	NO
CPS	TERM	NO

The accrual will be mailed to the annuitant's home address. The Direct Deposit information will also be deleted from the DATA-Q display when the award is processed.

6.4.3 Award Forms

When reinstating an annuity, prepare the appropriate award forms:

- Regular employee annuity, see RCM 8.6
- Supplemental annuity, see RCM 8.7
- Spouse annuity, see RCM 8.8
- Survivor insurance annuity, see RCM 8.9

6.4.4 Award Notices

When reinstating an annuity, use the Automated Award Letters Annuitants (ALTA) System to produce the award letter.

Give the payee a complete explanation about any recovery or waiver of an erroneous payment.

Send the field office servicing the area in which the annuitant lives a copy of the adjustment award letter.

6.4.5 Reinstatement After Mechanical Adjustments

A mechanical suspension - reinstatement action (e.g., SMI adjustments) will cause a slight delay in the issuance of the adjusted benefit.

If the adjustment involves a combined payment, the payment will be split into the separate components and as many as three separate payments may be issued in the month of adjustment. Only the components actually involved in the adjustment will be delayed (i.e., either the RR REG and SUP component(s) or the SS component.

If the payment is normally issued under the direct deposit program, the benefit being adjusted will also be forwarded to the financial organization.

6.4.11 Payments Suspended Because Of An Overpayment

Reinstate payments if:

- The annuitant refunds the overpayment;
- The annuitant accepts an actuarial adjustment;

- Recovery of an overpayment is waived;
- It is determined that payment thought to be erroneous were not erroneous;
- The amount of the annuities withheld exceeds the overpayment; or
- The overpayment is recovered by any combination of the above methods.

6.4.16 Reinstatement After Return To Service

Situation

An employee who returns to railroad service after the ABD has his annuity suspended, not terminated. When he stops working for the railroad, the annuity is payable and reinstated the month after his date last worked.

Age and Service Annuitant

If the employee is an age and service annuitant, he must relinquish his rights before reinstatement.

Disability Annuitant

If the employee is a disability annuitant, he does not have to relinquish his rights.

However, the Disability Benefits Division must reconcile a return to work with the disability rating. The file should have been sent to DBD for the reconciliation at the time the benefits were suspended. Do not reinstate benefits until DBD has made a disability determination on the case.

Tier 1/OM

The additional earnings may be used to increase tier 1. However, the increase cannot be paid until January of the following year.

Delayed retirement credits (DRCs) are applicable for those months where the employee annuity is withheld between the employee's FRA/age 65 and age 70. DRCs earned in years prior to age 70 are payable effective January of the following year. DRCs earned in the year the employee attains age 70 are payable effective with the month the employee attains age 70.

Tier 2

The additional service months and earnings acquired in railroad service will be used to increase the tier 2. The increase is due the month of reinstatement.

Reinstating Benefits

When you are informed that an employee who had returned to railroad service is no longer working, take the following steps:

1. Reinstate the annuitant at the latest rate shown on PREH, updated for any intervening COLs.

   EXAMPLE: The employee was suspended for return to service in 08-1999. He tells his local field office that his last day of work was 12-27-2000. His benefits can be reinstated effective 01-2001. Update the rates shown on PREH for the 12-1999 and 12-2000 COLs and pay this rate effective 01-2001.

2. If the TEMP-RT-FLG code of 2 is present on PREH for the suspension months, change the Annuity Not Payable code to zero (0) on ROC effective with the reinstatement date.

3. If the TEMP-RT-FLG code of 2 is not entered on PREH for the period of railroad service, summarize the suspension period on ROC with an Annuity Not Payable code of 2.

   EXAMPLE: In the case above, you would take the following actions to make sure PREH is correctly coded for the suspension period.

   - Check PREH screen 3235, the TEMP-RT-FLG field, for the period 08-1999 through 12-2000.

   - If the code of 2 is not shown, include the suspension period on ROC.Calculate the tiers from 08-1999 through 12-2000. Include the COLs.

   - On PF 19, enter the Annuity Not Payable code of 2 for 12-2000,12-1999, and 08-1999.

   - Enter the date of 01-2001. The 12-2000 rates will automatically appear. Change the Annuity Not Payable code to zero(0).

4. Set a tickler for June 1 of the year following reinstatement. Earnings for the previous year should be posted by that time.

   NOTE: The BUSI clearance screen (PF17) is required when reinstating an EE annuity suspended for return to RR employment.

<u>Legal Opinion L-95-20</u>

Legal Opinion L-95-20 affirms that all COLs that accrue during the suspension period are due to the annuitant with the reinstatement. Therefore, the COL rates that are calculated by ROC should be paid to the annuitant.

<u>When the tickler matures</u>

After the earnings have been posted to EDM, send an updated EDM screen showing the earnings to CCU.

If the earnings are high enough, have CCU calculate a new PIA for January of the following year.

Have CCU calculate a new AMC for any reinstatement dates.

When CCU returns the case with the new PIA and/or AMC(s), use ROC to calculate the new tier 1 and tier 2.

Single Recalculation Date for tier 2

When the case has a single recalculation of the AMC, enter this information on PF 10:

- Enter the new number of total months.
- Enter the new AMC amount.
- Use the reinstatement date as the TIER 2 CALC EFF DATE.

ROC will automatically calculate the reinstatement rate, and the COL rates. Process the rest of the case as usual.

Multiple Recalculation Dates

If the case has several recalculation dates because the employee went in and out of railroad service more than once, you will have to take several steps on ROC.

1. On PF 10, enter the total months, the AMC, and the TIER 2 CALC EFF DATE for the first recalculation date. Go to PF 15 and write down the net tier 2 effective with the recalculation date, and the COL rates until the next recalculation date.

2. Repeat these steps for each recalculation until you reach the LAST recalculation date. After you have entered the information for the last recalculation, go to PF 19.

3. On PF 19, insert the previous dates and calculated tier rates. Make sure you enter the appropriate Annuity Not Payable Code of 2 or zero (0) for each datebreak. You will be able to compute underpayments/overpayments as usual.

4. Send a 59R to Statistical Services. Tell them the EE-SPEC-CALC-CD on the 3300 screen of PREH should be coded ‘1’ to show that RR service after the ABD is included in the calculation.

74 Act Cases

If you have a 74 Act return to service case, refer it to the RBD operations analyst.

6.4.17 When A Disabled Employee Annuitant Stops Working

Before reinstating a disability annuity, forward the claim folder to DPS for reconciliation of work with the employee's disability, if it has not previously been reconciled.

6.4.18 Payments Suspended

Spouse Annuitant Returned To Service

When a spouse indicates that (s)he ceased railroad service and relinquished her rights, reinstate her annuity. Request the district office to secure confirmation of the DLW and R of R. The D/O will obtain Form G-88 from the spouse and forward it to headquarters to verify the DLW and R of R.

Survivor Annuitant Returned To Service

When a survivor annuitant indicates that (s)he ceased railroad service, reinstate the annuity. If the case has been in suspense for more than 6 months, verify the annuitant's address before reinstating the annuity.

For Investigation

Reinstate payments as soon as the investigation is completed if reinstatement is in order. This includes code 98 actions that require manual reinstatement.

When manual reinstatement of a code 98 action is deemed necessary, payment records will forward the case to an adjudication examiner with a G-696 stamped "Reinstate all payments due including the returned check". Prepare the award form in the usual manner for reinstatement and route the folder to (1) "Vouchering (2) PR code 98."

The award action will void the 98 code, produce a message indicating the amount that should have been paid on the reinstatement, and authorize issuance of a check. Payment records will hold the folder until the computer message is received from the benefit payment group.

NOTE: SMI premiums in code 98 (or 97) cases are only transferred to the SMI account for months in which a check was issued. When making a manual reinstatement, be sure to show in the Deduction section, "SMI premiums previously transferred" followed by the premium amount for months in which a check was issued and returned. Then deduct premiums for other withheld months in which a check was issued and returned. Then deduct premiums for other withheld months in the SMI premium block of the award form.

Entitlement To Other Benefits

A. Basic Rate - Pay the annuity at the basic rate (i.e., the rate for the individual based on the 1966 Railroad Retirement Act amendment formula and a spouse annuity on the basis of 1/2 of the employee's basic rate) if:

1. The monthly rate of the SS benefit the annuitant has applied for is not known; or

2. The monthly rate of the unreduced SS benefit the annuitant is eligible for is not known; or

3. The monthly rate of the supplemental annuity the employee is entitled to is not known.

B. Increased Rate - Pay the annuity at the rate as increased under the O/M or the 1968 and 1970 RR Act amendments and reduced for SS benefit entitlement if:

1. The effective date and monthly rate of the SS benefit can be determined from data in the claim folder furnished by SSA; or

2. The effective date and monthly rate of the SS benefit can be determined from information furnished by the D/O which is based on documentary evidence from SSA; or

3. The monthly rate of the supplemental annuity the employee is entitled to is known.

Change Of Payee

Claims examiners in RM and SM reinstate payments to the new payee when payments were suspended because of a change of payee. If payments were under direct deposit for the former payee, delete direct deposit. If the new payee wants payments made under direct deposit, a new Form SF-1199A must be completed jointly by the payee and financial institution.

See Chapter 5.10 when the selection or cancellation of the selection of a representative payee is involved.

NOTE: The initial adjudication units handle cases in which a partial award has been made and the final certification is pending.

6.4.37 Child's Payments Suspended When Mother Died

When a mother receiving an annuity for herself and child(ren) or for child(ren) alone dies, secure her insured status from SSA if unknown.

A. Mother Insured Under the SS Act - If the mother was insured under the SS Act:

1. Reinstate payments to the new payee at the RR basic rate;

2. Request SS benefit data;

3. Tell the new payee, in the award letter, to file at SSA if he has not already done so; and then

4. When SS benefit data is received, recertify the annuity to the rate as increased under the O/M or the RR Act formula and reduce for SS entitlement.

B. Mother Not Insured Under the SS Act - If the mother was not insured under the SS Act, reinstate payments to the new payee at the rate as increased under the O/M or the RR Act formula, whichever is higher.

6.4.38 When Outstanding Checks Are In The Possession Of A Person Other Than The Proper Payee

When outstanding checks are in the possession of a person other than the proper payee, advice that person he cannot legally cash the checks and ask him to return them or make refund.

Reinstate payments to the new payee beginning with the month payment was suspended. When the outstanding checks or refund are received, pay the amount due to the proper payee.

6.4.41 Payments Adjusted Mechanically To Start SMI Premium Deductions

Annuities are mechanically adjusted to deduct SMI premiums. Manual awards cannot initiate recurring SMI premium deductions. MIRTEL initiates, reinstates or changes SMI premium deductions. MIRTEL must be furnished the most current SMI enrollment and/or premium rate information.

A. Recertification Award - An adjustment to deduct a single month's premium is processed as a recertification award. This includes both cases when the deductions are started timely and when the deductions exceed the mechanical limit (i.e., more than half of the annuity or more than six months plus the current month's premiums) so a one month adjustment is made and the arrearage must be recovered manually.

B. Reinstatement Awards - When an adjustment is made for multiple months, MIRTEL suspends and then reinstates the annuity, deducting the past due premiums from the accrual. See RCM 3.7.17 for more information.

6.4.42 Payments Adjusted To Stop SMI Premium Deductions

A. Mechanical Award - MIRTEL adjusts the annuity to stop SMI premium deductions whenever the SMI option in MIRTEL is 3, 4, 6 or8.

1. State Buy-In Accretion - When a State Buy-In accretion notice is received, MIRTEL adjusts the annuity to remove the deductions, refunds any premiums deducted since the effective date of the buy-in coverage, and prints an RL-119d for the annuitant and G-96d for the claim folder.

2. Other Cases - When the MIRTEL SMI option is a termination or refusal (3, 4 or 6), MIRTEL adjusts the annuity to stop premium deductions and makes any necessary refund, up to 9 months of premiums. If MIRTEL has a SMI option of 2, no response, it prints out a referral.

B. Manual Award - Most SMI adjustments are processed mechanically, in special cases, it is possible to suspend the annuity to stop SMI premium deductions. In addition to the G-96 and award action, a G-810 must be prepared to correct MIRTEL. If the SMI option in MIRTEL remains 1 or 5, deductions will be resumed mechanically.

6.4.43 Payments Adjusted To Change The SMI Premium Rate

As part of the monthly processing, MIRTEL information is compared to CHICO. If there is a discrepancy in the SMI premium rate, MIRTEL takes action to adjust the SMI premium deduction and prints out a referral to check for a possible refund or arrearage due. If the rate on MIRTEL is incorrect, a G-810 activity code 17 must be submitted.

6.4.44 Manual Action To Recover A SMI Arrearage

As noted 6.4.41 and 6.4.43 it is sometimes necessary to recover SMI premiums for a prior limited period (arrearage). This may be full month premiums or the difference between the premium amount collected and what should have been collected.

A. SMI Deductions in Force - When SMI premiums are currently being deducted from the annuity or benefit, action must be taken to insure that deductions continue or resume properly.

1. RR annuity or SS benefit only - If only one benefit or annuity is being paid, take the following actions:

- suspend the annuity or benefit; and
- reinstate, deducting the SMI arrearage in the SMI premium box in the accrued deduction portion of the award form; and

- deduct SMI premiums from the suspension month through the voucher month; and

- prepare a G-810 activity code 20 to change the paid thru date in MIRTEL.

2. RR annuity and SS benefit in force and SMI premium deductions can "float" - Take the following actions regardless of where SMI premium deductions are being made:

   - suspend the annuity or benefits; and

   NOTE: It is generally better to suspend the annuity or benefit that does not have the recurring SMI premium deduction. This will prevent the SMI deduction from "floating", eliminating MIRTEL mechanical adjustments to the monthly payment.

   - reinstate, deducting the SMI arrearage in the SMI premium box in the accrued deduction portion of the award form.

   DO NOT PREPARE A G-810.

3. RR annuity and SS benefit but SMI premium deductions cannot "float" - If the SMI premium deduction cannot "float" either because the other benefit is too small or in suspense, handle as explained in section A 1.

B. SMI Deductions Not in Force - When SMI premium deductions are not currently being made because of a SMI option other than 1 or 5 on MOLI:

- suspend the annuity or benefit; and

NOTE: It is generally better to suspend the annuity or benefit that does not have the SMI code. This will eliminate MIRTEL activity to "float" the SMIB option code.

- reinstate, deducting the SMI arrearage in the SMI premium box in the accrued deduction portion of the award form.

DO NOT PREPARE A G-810.

6.4.46 Erroneous Report of Death

An erroneous report of death occurs when an annuitant's benefit is terminated for death, or a death termination transaction is pending on the annuitant's record, but the annuitant is not deceased. The erroneous report may be the result of the annuitant's annuity payment being returned by the U.S. Postal Service (USPS) or his or her financial institution (FI), a PAM termination transaction from SSA, or administrative error; e.g. wrong annuitant was terminated.

NOTE: An erroneous report of death does not include a "wrong date of death." A wrong date of death occurs when the annuitant died, but the reported month, day, and/or year of death is earlier or later than the actual month and/or year of death. See RCM 6.6.141

IMPORTANT: The RRB receives death reports from SSA and CMS computer matching processes. These reports are investigated by the Death Match Section (DMS) in Program Evaluation and Management Services – Program Evaluation Section-UI/SI/DIB/FLD (PEMS-PES-UI/SI/DIB/FLD). If the following message appears in the remarks section of the APPLE Notice of Death screen:

> "SSA/CMS DEATH MATCH TERM, NOTIFY DMS
> IF ERRONEOUS REPORT OF DEATH RECEIVED"

the erroneous death report must be reconciled prior to any reinstatement action, contact the PES Supervisor.

A. Death Terminations Entered on APPLE

Death terminations that are entered on the APPLE system are processed nightly. When an error is discovered, promptly determine what corrective actions are necessary. In some cases, the APPLE First Notice of Death (FNOD) and FAST-S/T transactions can be deleted; avoiding the need to reinstate the annuity. In other cases, the annuity will be terminated and must be manually reinstated.

- Error discovered before APPLE and FAST-S/T processing

  If the error is discovered on the same day as the initial entry, but before nightly processing has occurred, the FNOD transaction can be deleted. The deletion on APPLE will also delete the pending transaction on FAST-S/T. These actions will prevent the annuity from being terminated and a Death Notification Entry (DNE) from being released to the FI. Refer to the FOM1 – 1581.25.4 for instructions on deleting an APPLE FNOD record.

- Error discovered after APPLE processing but before FAST-S/T processing

  If the error is discovered after nightly processing has occurred, and the termination action is still pending on FAST-S/T, the pending transaction can be deleted from FAST-S/T (see RCM 9.7.25). The annuity status on APPLE must be corrected from FNOD to ERRDTH (erroneous death). This action will prevent the annuity from being terminated.

  Additionally, the annuity status on APPLE must be corrected from FNOD to ERRDTH (erroneous death). Indicate in the remarks section of the Notice of Death screen that the death report was erroneous, i.e. "Date of death of 01-02-00 is erroneous. Annuitant is alive". Refer to the APPLE Training Package for instructions on correcting an APPLE FNOD record.

NOTE: If benefits are paid by EFT, a DNE will be released to the FI. The FI's Automated Clearing House (ACH) department must be notified that the DNE was released to them in error. The FI must be instructed not to return any payments and to remove any death alert indicators from their records.

- Error discovered after APPLE and FAST-S/T processing

  If the error is discovered after nightly processing has occurred and the FAST-S/T transaction has also processed, the annuity will be terminated and must be manually reinstated. Also, the annuity status on APPLE must be corrected from FNOD to ERRDTH (refer to the FOM1 – 1581.25.4 for instructions on correcting an APPLE FNOD record). The remarks section of the Notice of Death screen must indicate that the death report was erroneous, i.e. "Date of death of 01-02-00 is erroneous. Annuitant is alive".

  NOTE: If benefits are paid by EFT, a DNE will be released to the FI. The FI's ACH department must be notified that the DNE was released to them in error. The FI must be instructed not to return any payments and to remove any death alert indicators from their records.

  Additionally, the RRB records must be corrected. Sections D and E below describe the actions that are required and who is responsible for taking the actions.

B. Death Terminations Because of Returned Payments or PAM Transactions

If the source of the erroneous report of death is a returned payment or PAM transaction activity, there is nothing to prevent the annuity from being terminated, even if the activity is waiting to be processed. The annuity must be reinstated and the RRB records must be corrected. Sections D and E below describe the actions that are required and who is responsible for taking these actions.

NOTE: The RRB will not release a DNE to the FI when the source of the erroneous report of death is a returned payment or PAM transactions. However, it is possible for the FI to have received a DNE from another government agency. If the annuitant's benefits were paid by EFT, it is recommended that the FI be notified that the annuitant is not deceased.

C. Annuitant Receiving SS Benefit Paid by RRB

The RRB does not have the authority to adjudicate social security (SS) benefits certified to the agency for payment without the prior approval of SSA. If the annuitant is receiving a SS benefit paid by the RRB, the terminated SS benefit cannot be reinstated unless approval is first received from SSA. Use Form RR-25 to refer the case to SSA. Provide a detailed explanation as to how the erroneous report of death occurred and summarize the facts uses to support reinstating the benefits. The Form RR-25 **must** be signed by the unit manager. Be sure to include any supporting documentation that may have been received from the field office, FI, USPS, nursing home, etc.

EXCEPTION: RRB can reinstate the SS benefit if any of the conditions listed below are met and documented, **and** the RRB did not receive a PAM termination transaction from SSA.

- The erroneous report of death was due to administrative error, i.e. wrong payee terminated. A written explanation from the person who terminated the annuity is required. The error can be documented in the priority e-mail to RBD or SBD.

- The FI or USPS returned a payment in error and furnished the RRB with a signed statement attesting the error. The statement can be received by fax.

- A second payment was returned for death, based on the first erroneous report of death, after the benefit was reinstated.

- A face-to-face interview was conducted with the annuitant in question by an official representative of the RRB, e.g. contact representative. Documentation must be a written statement by the interviewer, signed by the supervising manager. The documentation can be faxed to RBD or SBD to the attention of the customer service group.

NOTE: If a PAM termination transaction was received, the annuitant must also contact the local SSA office in person. Additionally, use Form RR-25 to refer the case to SSA. This will help to expedite reinstatement of the SS benefit. Include any documentation that will support reinstating the benefit. SSA will advise when benefits can be reinstated.

D. Actions by the Field Offices

Field offices report erroneous reports of death to either the retirement or survivor customer service group in the Office of Programs-Operations. In retirement cases, a "high priority" e-mail is sent to the Retirement Benefits Division (RBD) and in survivor cases, a "high priority" e-mail is sent to the Survivor Benefits Division (SBD).

The field office also takes the following actions:

- Deletes any pending APPLE and/or FAST-S/T transaction.

- Corrects the annuity status in APPLE to ERRDTH and indicates in the remarks section that the death entry was in error; i.e., "Date of Death of 01-01-00 is erroneous. Annuitant is alive".

- If benefits are paid by EFT, telephones the FI's ACH department to inform them of the erroneous death report. The telephone number can be found in the on-line Financial Organization Master File (FOMF) on the RRAPID menu. The field office will advise the FI that a DNE was released in error and that the annuitant is not deceased, and instruct the financial institution to remove any death alert indicators from their records.

- Releases Form RL-380F, State Verification of Medicare Buy-In, if Medicare is involved and premiums are paid through State Buy-In.

- Secures the supporting documentation when the erroneous report of death was due to administrative or a returned payment and the annuitant is receiving a SS benefit paid by the RRB. The documentation must be received by the customer service representative before the SS benefit can be reinstated. Statements received from the FI and USPS should be to be faxed to RBD or SBD to the attention of the customer service group.

NOTE: If the erroneous report of death is received directly at headquarters, it is to be referred to the retirement or survivor customer service group in RBD or SBD, respectively. The customer service representative will take the actions described above, i.e. delete any pending FAST-S/T transaction, correct the annuity status in APPLE, notify the FI of the erroneous DNE report, and when applicable, secure the necessary documentation for reinstating the annuitant's social security benefit. If Medicare is involved and premiums are being paid through State Buy-In, the customer service representative will advise the Medicare Section, using Form G-217, that Form RL-380F must be released.

E. Actions by the Customer Service Representatives

The customer service representatives set the case up for reinstatement of the annuity by the close-of-business the day following the receipt of the e-mail notice of the erroneous report of death. .

The customer service representatives are also responsible for correcting RRB records (see section F below), reinstating Direct Deposit information, if applicable, referring the case to SSA if applicable, and notifying the payee that the annuity was suspended in error. The reinstatement award letter is sufficient for notifying the payee. However, do not refer to the erroneous report of death.

F. Correcting RRB Records

Use Forms G-205, G-217, and PC-G-607 to correct RRB records and Form RL-73 to notify the last RR employer.

1. Correcting Records With Form G-217

   RRAILS Form G-217 is used to notify various RRB units of the erroneous report of death. Copies of Form G-217 should be sent as an E-mail attachment to the various RRB group mailboxes (see Form G-217, Disposition instructions). Subsections (a) through (c) below indicate which units to notify and why they need to be notified. After releasing copies to the various units, an online copy can be sent directly to the Imaging System. For instructions on how to complete the imaging dialog box see RRBVision presentation titled *Sending RRAILS Documents to Imaging*.

a. Program Evaluation and Management Services -Program Evaluation Section (PEMS-PES-UI/SI/DIS/FLD) - Release an electronic copy of Form G-217 to the supervisor in PES-UI/SI/DIS/FLD in all erroneous report of death cases. PEMS-PES-UI/SI/DIS/FLD will monitor the case for any subsequent erroneous report of death received after the case has been reinstated.

b. P&S-RRA Application and Calculation (P&S-RAC) – Release an electronic copy of Form G-217 to the RAC – Erroneous Report of Death group mailbox in all erroneous report of death cases. P&S-RAC will review the information to determine what action, if any, they will need to take to correct their records.

c. Medicare Section (MS) - Release an electronic copy of Form G-217 to the Medicare Group Mailbox when Medicare is involved. MS will correct the Medicare status, update the premium paid through date, and where applicable, notify the field office to release Form RL-380F.

d. P&S-Compensation & Employer Services Center (P&S-CESC) – Release an electronic copy of Form G-217 to the CESC – Compensation & Employer Services Center group mailbox in all erroneous report of death cases. P&S-CESC will review the information to determine what action, if any, they need to take to correct their records.

2. Correcting records with Form G-205

Release Form G-205 to the Debt Recovery Division (BFO-DRD). BFO-DRD will need to delete/cancel any pending reclamation action and correct the accounts receivable record.

3. Correcting CHICO Using the PC-G-607 Program

Use the PC-G-607 program to correct CHICO if an interim widow status has been entered erroneously into the record. When the employee is erroneously terminated, the spouse is put in interim widow (IW) status. Reinstatement of the employee does not change IW status in CHICO. Data completion instructions for the PC-G-607 program are explained in RCM 9.4, Record Changes.

NOTE: If the spouse annuity was converted to a widow's annuity, the widow's record must be deleted from CHICO and PREH before the employee can be reinstated. Process a FAST-S/T transaction, using code 62, to delete the CHICO record. Additionally, telephone P&S-RAC and request them to delete the record from PREH. Any overpayment resulting from the spouse-to-widow conversion must be recovered according to current overpayment recovery procedures.

4. Notification to Last Railroad Employer

Release Form Letter RL-73 to notify the last railroad employer when the employee is erroneously terminated. The employer will need the information to correct any improper action that was taken based on the erroneous report of death.

G. Correspondence

All correspondence and supporting documentation related to the erroneous death termination are to be imaged.

6.4.51 Marriage Annulled

A. General - Decrees of annulment vary from state to state. While in a rare case an annulment may be equivalent to a divorce, an annulment is ordinarily a judicial declaration that a marriage was legally non-existent. How an annulment affects reinstatement depends on whether the marriage was void or voidable under State law.

A void marriage is one non-existent from the start (e.g., a bigamous marriage.) An insurance annuity or a divorced spouse's annuity which was terminated due to marriage can be reinstated as of the date of termination if the annulled marriage was void.

A voidable marriage is one defective under State law but considered valid until declared void by a court. An insurance annuity or a divorced spouse's annuity which was terminated due to marriage cannot be reinstated. A new application is required for any subsequent entitlement unless there is continuous entitlement to a widow(er)'s type annuity. For example, a new application is not required for payment of a widow(er)'s annuity if a remarried widow(er) on the rolls has the later marriage annulled. The widow(er)'s OBD is based on the original entitlement date prior to remarriage.

B. Effect of Alimony - Some State courts have the power to grant permanent alimony in an annulment action. Reentitlement to benefits as a parent or child may be precluded if an annulement is granted and the court either granted permanent alimony or retained power to grant alimony later.

C. Development - Obtain a copy of the annulment decree. If it does not state the grounds on which the annulment was based, obtain a copy of the complaint filed in the proceedings.

D. Submission and Finding - Upon receipt of the decree and, if necessary, the complaint, send the case to the attorney-advisor for a ruling. The attorney-advisor will specify the reinstatement date, if any, unless he finds that a formal submission to the DGC is required.

6.4.52 Void Marriage - No Decree

A. General Rules - When a marriage is void under State law, the parties are not always required to have the marriage annulled by a court. A former annuitant may request reinstatement of the annuity, contending that the marriage was void because of an impediment and that no decree of annulment will be secured.

B. Development - Secure a complete statement of facts showing the basis of the contention and evidence of the impediment or condition which made the marriage void.

C. Submission - Upon receipt of the above statement and evidence, send the case to the attorney-advisor for a ruling. The attorney-advisor will specify the reinstatement date, if any, unless he finds that a formal submission to the DGC is required.

6.4.53 Marriage Ended By Divorce

A. General Rules - The Railroad Retirement Act does not provide for the reinstatement of an insurance annuity or a divorced spouse's annuity when the marriage which caused termination was dissolved by divorce. The marriage causes a break in entitlement; therefore the former annuitant must file a new application for any subsequent entitlement.

B. Divorce Decree Effected An Annulment - If the annuitant alleges that the divorce decree effected an annulment, request a copy of the complaint. When the copy of the complaint is received, send the case to the attorney-advisor. The attorney-advisor will specify the reinstatement date, if any, unless he finds that a former submission to the DGC is required.

6.4.54 Marriage Ended By Death

The Railroad Retirement Act does not provide for the reinstatement of an insurance annuity or a divorced spouse's annuity when the marriage which caused termination was ended by death. The marriage causes a break in entitlement; therefore the former annuitant must file a new application for any subsequent entitlement.

6.4.55 When The Adoption Which Caused Termination Was Revoked

A. General Rules

1. General Cases - A child's (including a disabled child's or full-time student's) insurance annuity can be reinstated as of the date of termination, if the adoption was absolutely void. If the adoption was voidable and was abrogated, revoked or annulled in accordance with

State law, the attorney-advisor will determine whether the child must file a new application for any subsequent entitlement to benefits.

2. Retirement Cases - A child (including a disabled child or full-time student) can be included in the computation of an O/M retirement annuity as of the date of termination, if the adoption was absolutely void. If the adoption was voidable and was abrogated, revoked or annulled in accordance with State law, the attorney-advisor will determine whether new Forms G-319, and/or G-320 are required.

B. Development - Obtain a copy of the revocation of the adoption. If it does not state the grounds on which the revocation was based, obtain a copy of the complaint filed in the proceedings.

C. Submission - Upon receipt of the above decree and, if necessary, the complaint, send the case to the attorney-advisor for a ruling. The attorney-advisor will specify the reinstatement date, if any, unless he finds that a formal submission to the DGC is required.

6.5.1 Introduction

This chapter discusses monitoring programs that help ensure that benefits are paid in the correct amounts and to the correct individuals. The types of monitoring programs and procedure sections that describe each program are:

Subject	Begins With Section
Annual Earnings & LPE Monitoring Program	6.5.5
EDP Monitoring Program	6.5.47
Representative Payee Monitoring Program	6.5.70
Aged Monitoring Program	6.5.82
Foreign	6.5.85
Uncashed Check Investigation	6.5.101

6.5.5 Annual Earnings & Last Pre-Retirement Non-Railroad Employment (LPE) Monitoring Program (APOLO)

The vast majority of employee and spouse annuitants requiring work deductions have maximum withholding in place. Annual monitoring of these beneficiaries uses Form RL-19L and RL-19L.1 questionnaires that are only to be returned by the beneficiary if his or her earnings are below a posted threshold amount. The threshold amount is the amount of annual earnings that requires maximum benefit withholding to remain in place for the current year. Individuals in this category whose earnings fall below the threshold amount may be due refunds of work deductions withheld.

A small number of annuitants whose withholding is less than the maximum are required to complete and return Form G-19L questionnaires.

Earnings questionnaires are released to beneficiaries who live within the U.S., U.S. possessions and Canada and who fall into one of the following categories:

A. Employee and spouse annuitants who:

1. Are under full retirement age and;

- Based on reported earnings which exceed the applicable exempt amount, have temporary work deductions in place or

were in place at the time the annual earnings monitoring program was run; and

- Are subject to work deductions under the 1974 RR Act; or
- Are being paid under the O/M and reported earnings exceed the annual earnings exempt amount.

2. Are any age and indicate last pre-retirement employment earnings after the ABD.

B. Non-disabled survivor annuitants who:

1. Are under full retirement age, and

2. Have reported estimated earnings which exceed the applicable exempt amount.

NOTE: The RRB does not monitor annuitants, who live in foreign countries for earnings.

6.5.6 Annual Earnings Monitoring Forms

Annual earnings and LPE monitoring forms are released annually, generally during the month of April.

- Annuitants having both tier 1 and tier 2 work deductions receive Form **RL-19L.1**.
- Annuitants having only LPE work deductions in force receive Form **RL-19L** as a reminder to contact the RRB if a change occurs in LPE work patterns or if LPE earnings drop below an amount that would allow payment of additional benefits.
- Annuitants having LPE work deduction withholding that is less than 50% of their tier 2 receive Form **G-19L** for mandatory completion.
- NOTE: RRB uses the SSA earnings information as the official report of earnings to validate and adjust annuity withholding amounts. See EDP Policing in RCM 6.5.47.

6.5.7 Handling of Earnings Monitoring Forms

A. Field Office Handling - Monitoring forms are returned to field offices and the information is entered into SPEED. Field offices retain the earnings reports until September 30 each year, at which time they are sent to Operations – Program Support Division (PSD). Completed forms are entered into the Imaging system. Refer to FOM I-15125 for detailed information on SPEED.

B. Headquarters Handling - When earnings information is entered into SPEED, action is taken by SPEED or, if SPEED cannot yet complete action on the earnings report, a USTAR (Universal System Tracking and Reporting) referral will be made to RPS-A in retirement cases and SPS in survivor cases. USTAR is an on-line system used to assign and track work and provide information that is necessary in the payment of the claim. Refer to FOM1-1105 for detailed work deduction information and FOM1-15125.40 for actions taken on a completed SPEED report.

Batched earnings reports are submitted in a large plain brown envelope to Operations – Program Support Division (PSD). The front of the envelope will show "Earnings Reports." NOTE: This action is not required if reports are entered into the Imaging system by field offices.

6.5.47 EDP Policing

The Railroad Retirement Board (RRB) conducts a computer match with the Social Security Administration (SSA) to monitor compliance of the Railroad Retirement Act (RRA) earnings restrictions. The Electronic Data Processing (EDP) program captures earnings obtained through a computer match with SSA. EDP policing is performed twice a year on all retirement and survivor annuitants. Disability annuitants are also monitored to determine their continuing eligibility to receive benefits. Retired employee and spouse annuitants are assessed component work deductions, while disability and survivor annuities are liable for full annuity withholding.

EDP 1st Run - The first earnings request to SSA is generally made in May following the year the earnings are attributed. For example, 2007 earnings are requested in May 2008. The run is conducted when SSA has processed and posted approximately two-thirds of the prior year's earnings reports. The results are used to assess permanent work deductions.

EDP 2nd Run - The second request for earnings is made during the first few months of the second year after the earnings year, and is made to secure the earnings that had not been reported at the time the first run took place, and to obtain information about corrections that were made to the previous earnings reports. For example, the second run for 2007 earnings is made in early 2009. The results are used to assess further permanent work deductions for the prior year and to project annuitant earnings for the subsequent year. (In prior years this second run was performed in November. Effective in 2005, RRB began performing the second run in the second year following the earnings year in order to obtain more complete earnings information.)

6.5.47.1 SSA Validation Process

The RRB bases the computer match with SSA on a memorandum of understanding (MOU) that includes strict matching requirements to verify RRB records with those on the SSA database. If matching requirements are not met, the records are identified as "unverified" and the SSA program does not check for earnings.

Each request file sent to SSA results in two returned files: a validation file and an earnings file.

6.5.47.2 SSA Validation File

The SSN validation file is the initial output of the RRB request file being matched against SSA's database, and verifies the social security numbers of the annuitants prior to running the job that provides the earnings information. The returned validation files are reviewed and analyzed and the records which are unverified or indicate the annuitants are deceased are loaded to the Universal System Tracking and Reporting application (USTAR) for Operations handling. Refer to RCM 6.5.58 for handling instructions. Very few employee records are not validated. The spouse and survivor files generate more non-validated records because of the much higher volume of inconsistent beneficiary names. Since there are no names on the PREH database associated with the IPI social security numbers and, therefore not on the request files sent to SSA, all IPIs are returned as not validated.

6.5.47.3 SSA Earnings and Employer Information File

The second file received from SSA contains the actual earnings information for the annuitants whose social security numbers have been verified. For these validated cases, SSA initiates a request to generate the earnings and employer information file through their VAEARN program. This program automatically takes the **validated** output and queries the earnings file.

Returned earnings files are analyzed and categorized in Policy and Systems and the results are loaded to USTAR.

6.5.48 Categories of Annuitants Selected for EDP Policing

The EDP program was originally established to identify potential Tier 1 work deductions. Elements were later added and the program revised, which resulted in the improvement of RRB detection of LPE employment. Employee and spouse annuitants meeting specific criteria are now selected in the EDP program to identify potential LPE (Tier 2 and/or Supplemental annuity) work deductions.

Type of Annuity	**Age as of Policing Year**
RETIREMENT	
Employee	60+ *
Spouse	60+ *
IPI	15-22**

SURVIVOR	
Survivor children	0-22
All other survivor annuitants	Any age
DISABILITY	
Disabled employee	Any age
Disabled IPI	Any age**
Disabled survivor annuitants	Any age
Disabled widows	Any age

* Employees/Spouses over full retirement age are selected for EDP policing only if their ABD is within 3 years of the policing year for purposes of identifying potential LPE earnings. See RCM 6.5.56 for additional criteria.

**SSA does not provide earnings data for individuals where certain RRB identifying information does not match their records. Currently RRB does not house the names of IPIs on the files transmitted to SSA; therefore, earnings information for IPIs is not obtained through the EDP program.

An evaluation of all "unverified" IPI cases out of the 2004 run for 2003 earnings revealed that **no IPI under age 15 had earnings that exceeded the statutory limit. Based on the results of this review, we revised our policy and IPIs under age 15 are excluded from the monitoring process, effective with EDP policing of 2003 earnings.

6.5.49 SSA Earnings Report Types

SSA earnings files contain detailed information on each earnings report linked to an individual. The report information includes a code which describes the type of earnings. The following chart lists the report type codes and the type of earnings reported.

Code	Represents
A	Current W-2 FICA "Current" means that the W-2 or W-2C was reported and processed in the year it was due **EXAMPLE:** A W-2 or W-2C for tax year 2007 reported and processed in 2008, would be current

Code	Represents
C	Current W-2P (Pension)
D	Current Non-FICA W-2
E	Current Corrected W-2 FICA (W-2C)
F	Current Corrected Non-FICA W-2
G	Current Corrected W-2P (Pension)
H	Informational detail signifying that either no earnings were found in scouting, or there was a change in the railroad segment earnings
I	Delinquent W-2 FICA
L	Delinquent corrected W-2 FICA (W-2C) "Delinquent" means that the W-2 or W-2C was processed in a year subsequent to the year when it was due. **EXAMPLES:** • A W-2 or W-2C for tax year 2004 submitted for processing after 2005 is delinquent. • A W-2 or W-2C for tax year 2003 submitted January 15, 2005, is delinquent.
M	Pre-Annual Reporting Quarterly reinstated from Suspense
N	Pre-Annual Reporting Self-Employment reinstated from Suspense
O	Tape "SE"
P	Annual Wage Determination transactions processed through the "annual" system are based on a Form SSA 7010-U5, Notice of Determination of FICA Wages or ITEM CORRECTION (ICOR) transaction.
Q	Quarterly Wage Determination Adjustment Wage determination transactions processed through the "quarterly" system are based on a Form SSA 7010-U5, Notice of Determination of FICA Wages or ITEM CORRECTION (ICOR) transaction.
R	Unreported Tips Quarterly

Code	Represents
	"Unreported tips" transactions are based on tip reports filed by an employee through IRS or based on an IRS audit of an employee's tax return.
S	External Adjustment Quarterly "External" means the transaction resulted from an adjustment filed by an employer through IRS or from an IRS audit
T	Unreported Tips Annual
U	IRS Tape Adjustment
W	Quarterly Current
X	Quarterly Delinquent **NOTE:** "Quarterly" transactions are based on quarterly reports of earnings submitted by private employers on Form 941A prior to 1978 and from quarterly reports of earnings submitted by State and local employers prior to 1981. "Current" means the report was submitted timely. "Delinquent" means the report was submitted after the due date.
Y	Internal Wage Adjustment This is a non-determination wage adjustment processed through the "quarterly" wage system based either on an OEO paper transaction or ITEM CORRECTION (ICOR) transaction.
Z	Internal Adjustment Annual This may be either a non-determination wage adjustment processed through the "annual" wage system or an SE adjustment (either determination or non-determination). SE adjustments have an EET field of I or C.
1	Posting Adjustment "Posting adjustment" offset details are created by exact duplicates or W-2Cs processing to offset a previously posted detail.

Earnings reported to SSA are further broken down by the type of employment. Files received from SSA in the EDP program do not include this employment type code. For purposes of applying work deductions to railroad retirement annuities, the employment type is not needed when the earnings report represents FICA earnings.

Many of the earnings report types, particularly for railroad employees, represent non-FICA earnings. For these cases, the employment type code must be secured in order

to determine if the earnings should be considered for work deduction purposes. Cases where the total of the FICA earnings do not exceed the yearly exempt amount plus the appropriate tolerance amount, are removed from the earnings files that are loaded to USTAR. These files are downloaded from the mainframe program and Excel spreadsheet listings are provided to Operations for manual handling. The employment type code can be secured by querying DEQY from the SSA database. Refer to RCM 19.2.15 for detailed instructions for accessing a DEQY query.

6.5.50 Universal STAR Referrals (USTAR)

EDP files are compared to output from the previous Annual Earnings Monitoring (APOLO) project and output from queries of the ROC database to identify earnings cases that may have already been handled. The EDP primary files, ROC QMF files and APOLO files are imported into D-Base tables where the data comparison is performed.

Earnings records are loaded to a test environment in USTAR and Operations analysts preview the load and determine the records that are ultimately loaded to production USTAR for examiner handling.

6.5.50.1 Retirement Referrals

Examiners access USTAR to secure the EDP earnings information. The employee and spouse earnings records are loaded as referrals in one of 6 categories. The categories, descriptions of the cases in each category, and the methodology used to select cases in the category are shown below.

Category	Description	Methodology
EA	Annuitant was part of the Annual Policing Operation (APOLO) file. Tier 1/VDB temporary work deductions were being withheld when the APOLO file was created. EDP earnings amount is less than the calculated APOLO amount. Possible underpayment.	Compare file from annual earnings program with calculated earnings ceiling against EDP file.

EB	Annuitant was part of the APOLO file. Tier 1/VDB temporary work deductions were being withheld when the APOLO file was created. EDP earnings amount is greater than the threshold amount. Possible overpayment. NOTE: The current threshold amounts are $30,000 (EE) and $20,640 (MA), and are determined by RBD.	Compare file from annual earnings program with calculated earnings ceiling against EDP file. Comparison amounts are based on "average" monthly work deduction amounts of $780 (EE) and $390 (MA). NOTE: Comparison amounts are determined by RBD.
EC	The ABD and the work deduction end date are in the policing year.	Review actual monthly payment data to validate the accuracy of work deductions applied during the policing year. Cases derived through comparing APOLO category of work deduction end date in policing year with EDP file.
EF	SS earnings on EDP file are greater than the exempt amount by greater than $300 if FRA or $200 if less than FRA and no work deductions applied.	Compare EDP file with all other files. This category represents new hits – cases where RRB was unaware of the work and earnings.
EP	SS earnings on EDP file are greater than earnings amount entered in ROC by greater than $200. Possible overpayment.	Compare the EDP against a query drawn from the ROC database. Since ROC data is retained for only 150 days, the query is processed three times a year to assure all adjustments are included. This category represents rework of earnings activity.

6.5.50.2 Survivor Referrals

EDP monitoring of survivor annuitants is performed to assess permanent work deductions for the reporting year, and to estimate temporary work deductions required for the current and subsequent years. The estimated work deduction withholding is calculated using the annuitant's earnings estimate or projected earnings, based on the previous year's EDP data. EDP earnings reports for Survivor annuitants are loaded to USTAR as category **SPS L**. Some cases on USTAR may include earnings from the two prior years. There is a separate USTAR category (SPS L) for each year.

SPEED processes monthly reinstatements after temporary work deductions have been applied based on the yearly earnings amount entered in SPEED. Referrals are generated to USTAR by SPEED if the system is unable to process a reinstatement. These referrals are loaded to USTAR as category **SPS-S1**.

6.5.50.3 Disability Referrals

EDP disability referrals are made to assist in determining the continuing eligibility of retirement and survivor disability annuitants to benefits. The determination is based on whether the employment is reconcilable with the beneficiary's disability. In addition, the disability annuity of an employee is not payable for any month in which the annuitant earns more than the earnings limit amount, after deducting disability related expenses. Earnings limit amounts can be found in DCM 10.5.4 E2.

The annual earnings test does not apply to a disabled widow(er) under age 60. However, any work performed before age 60 must be considered in determining whether the widow(er) has recovered from the disability. The work and earnings may demonstrate that the widow(er) is able to perform regular and gainful employment and therefore, is no longer disabled for purposes of receiving a DWIA and/or early Medicare coverage. Refer to DCM 10.4 for more information on substantial gainful employment.

A widow(er) age 60 and over, who was receiving a DWIA prior to age 60, will continue to receive an annuity after age 60. But, the DWIA will be converted to an age annuity. Regular survivor earnings restrictions will apply beginning with the month the widow(er) attains age 60 and ending with the month before attainment of full retirement age (effective January 1, 1983 or later).

Disability earnings reports are loaded to USTAR in the same basic format as earnings reports for retirement cases. However, a link is provided to the employer name and address information obtained from SSA. This information is used in conducting investigations on the employment. Disability earnings cases are loaded with the following USTAR categories:

- EO - occupational disability (2a4) with earnings greater than the yearly exempt amount
- ET - total and permanent disability (2a5) with earnings greater than the yearly exempt amount
- ES - survivor disability with earnings greater than the substantial gainful employment amount
- EB – ABD year equals earnings year

6.5.51 Handling of Referrals

Operations' units (RBD, SBD, and DBD) determine the handling of earnings monitoring cases that have been loaded to USTAR. The following are guidelines for examiners to assist in handling EDP referrals.

6.5.51.1 Survivor Cases

Some portion of the earnings amounts reported by SSA and found on USTAR may include deferred compensation, which may or may not be considered earnings for work deduction purposes. To determine the correct amount of earnings that should be used to assess work deductions, it must first be determined if there is any portion of the earnings which may be attributable to deferred compensation and if so, how much. For detailed information on deferred compensation, refer to FOM1-1110.10.

Earnings files received from SSA do not provide enough details to determine the type of earnings reported. If the type of earnings shown on USTAR is other than "A", (regular FICA earnings) a DEQY must be requested. Refer to RCM 6.5.49 for the different earnings and employment types.

Examiners should enter the claim number and earnings amount for the annuitant with excess earnings into the SPEED database. Review the SPEED procedure in FOM1-15125 for any questions regarding processing.

6.5.51.2 Retirement Cases

Temporary Work Deductions (TWDs) in force in the earnings year	
Step	**Action**
1	Determine if annuitant attains FRA in the earnings year. If yes, only the earnings before FRA are used for WD purposes. Review Imaging and USTAR to determine if a final monthly earnings report was submitted and final work deductions were assessed. If yes, notate remarks in USTAR and close the referral. If no, trace on final monthly earnings report and process final work deductions upon receipt. If annuitant is less than FRA, go to step two.
2	Determine if the appropriate TWD(s) for the earnings year were applied based on the EDP earnings shown on STAR. If TWD(s) = PWD(s) notate the remarks section of USTAR. If TWD(s) are not equal to PWD, determine if adjustment is necessary and process accordingly.

	NOTE: All earnings through the current calendar year must be considered. It may be necessary to secure a DEQY.
3	Determine if the appropriate TWD(s) is in effect for the current year. If TWD(s) are appropriate, close USTAR. If not, process an award to adjust TWD(s) accordingly.

Temporary Work Deductions (TWD's) were not in force in the earnings year	
Step	**Action**
1	Determine if annuitant attains FRA in the earnings year. If yes, only the earnings before FRA are used for WD purposes. Review Imaging and USTAR to determine if a final monthly earnings report was submitted and final work deductions were assessed. If yes, notate remarks in USTAR and close the referral. If no, trace on final monthly earnings report and process final work deductions upon receipt. If annuitant is less than FRA, go to step two.
2	Check for SSA/VDB entitlement. If Tier 1 is reduced for social the entire earnings year and there is no VDB, WD does not apply. Notate the remarks section of USTAR and close out the referral. Otherwise, go to step 3.
3	Release standard EDP email to the Field Office to secure information on the annuitants work status.
4	Upon receipt of earnings information from the Field, adjust the annuity according to standard procedure. See FOM1-1105.

6.5.52 Development Of Excess Earnings For Years Other Than The Calendar Year Being Policed

Check SPEED and/or USTAR for years previous and subsequent to the calendar year being policed to determine if there are additional years for which an overpayment exists. Develop for excess earnings in those years and take action to recover any overpayments for those additional years.

6.5.53 Discrepant Earnings Report

Refer to FOM1-1115.20.4.

6.5.54 Substantial Earnings Reported For Disabled Or Incompetent Annuitant Who Has Representative Payee

Handle any case in which little or no earnings are reported for an annuitant with a representative payee but substantial wages or SEI from SSA are shown on the referral, as follows:

- In a disability case, DBD will make a determination about the beneficiary's recovery from disability and request field determination as to whether or not a new payee is needed.

- In a non-disability case, examiner should request field determination as to whether a new payee is needed.

6.5.55 Referrals For Disability Cases

For any disabled employee under full retirement age, refer the case to the Disability Benefits Division (DBD) to reconcile work/earnings before taking adjudicative action. Refer to DCM 8.2 for earnings monitoring procedure of disability annuities.

6.5.56 Potential LPE Earnings

Another function of the EDP monitoring process includes analyzing the earnings files to identify cases where it appears an employee, spouse or disabled employee may be working in last person employment (LPE).

Criteria for potential LPE earnings for **Employees or Spouses**:

- The date last worked (DLW) for the non-railroad employer is within 5 years prior to the annuity beginning date (ABD); and

- The ABD is in the earnings year or in the 2 years prior to the earnings year. For example, for the 2007 earnings year, the ABD should be between 1/1/2005 and 12/31/2007; and

- Total annual earnings must be greater than $200 if the annuitant is less than full retirement age (FRA)/$300 if the annuitant is FRA or older; and

- Total annual earnings must be less than the exempt amount applicable to the earnings year.

Criteria for potential LPE earnings for **Disabled Employees**:

- The date last worked (DLW) for the non-railroad employer is within 5 years prior to the annuity beginning date (ABD); and

- The ABD is in the earnings year or in the 2 years prior to the earnings year. For example, for the 2007 earnings year, the ABD should be between 1/1/2005 and 12/31/2007; and

- Total annual earnings must be greater than $200; and

- Total annual earnings must be less than $5,000.

The employee and spouse referrals are loaded to USTAR as **RBD LP** and the disability referrals are loaded as **RBD LD**.

6.5.57 Unverified Case Processing

SSN Verification Process - The State Verification and Exchange System (SVES) used by the Social Security Administration (SSA) verifies social security numbers (SSNs) prior to providing earnings information of railroad retirement beneficiaries. SSA utilizes the NUMIDENT, MBR, and SSR databases to determine identity, permitting verification against any of the three to mean positive verification.

Following is an explanation of the SVES SSN Verification Process:

Step 1: The SSN submitted by the RRB is first matched against the NUMIDENT. The record is considered matched if:

a) The SSN matches, *and*

b) The surname matches exactly, or the surname submitted by the RRB has either one missing letter, one extra letter, or one transposition of letters; *and*

c) The first and middle initial (if provided) match; and

d) The year of birth on the request is within 1 year prior or 1 year after the year on SSA's records.

Step 2: If the criteria in Step 1 are not met, SVES tries all combinations of the numbers in the SSN. If any of these combinations match the NUMIDENT SVES checks the surname (per the criteria in Step 1b and the year of birth, +/- 1 year.

Step 3: If the criteria in Steps 1 or 2 are not met, SVES drops the surname and if the following are an exact match, SVES will return a verified SSN:

a) The first initial must be an exact match, and

b) The middle initial must be an exact match, and

c) There must be an exact match on the month and year of birth.

NOTE: The SSN will be returned as unverified if there is no middle initial on the input, the NUMIDENT, or both the NUMIDENT and the input, and the month and year of birth is not an exact match.

SVES looks for an exact match on the SSN, but does not try the 99 combinations as in Step 2. This feature helps to match female records since it does not require a match on the current surname; i.e., avoids problems with maiden surname and various married surnames. This feature also allows more matches for males and females who have been adopted.

If the record fails all attempts at NUMIDENT verification, the same actions as in Steps 1 and 2 are attempted against the MBR and SSR.

After attempting to match the RRB's SSN against SSAs records per steps 1 through 3, SVES assigns a Verification Code. The following section lists the SSN verification codes, the data element definitions for the codes and the appropriate action needed.

6.5.58 Handling Of Unverified Cases

Records that are not verified from the EDP runs require manual review and must be reconciled. The records are loaded to Universal STAR for handling by Operations' Retirement and Survivor units. Retirement and Survivor cases are loaded under category codes RBD-US and SPS-US, respectively.

The following actions should be taken by Operations when handling cases involving unverified social security numbers:

VERIFICATION CODE	DEFINITION	ACTION
X	SSN is verified, NUMIDENT indicates individual is deceased.	Verify that RRB has terminated the benefits of the annuitant by checking APPLE that a FNOD has been entered and, if so, that the effective date matches the SSA DOD shown on USTAR. If the annuitant is in current pay status, contact the appropriate field office to investigate the annuitant's death.
1	SSN is an invalid number or not in file.	1Check the following systems to search for a correct SSN: • **PREH** - to determine if the invalid SSN belongs to another RRA annuitant. See if the person with the

		invalid number might be receiving benefits under one of the other accounts. • **APPLE** - to check whether one of the applications on record may have the correct SSN. • **IMAGING** - for correspondence, form letters, applications, medical evidence, award forms, or other documentation that might have a correct SSN. • **SSA MBR** - on other family members' SSNs obtained from PREH. If they are receiving benefits on any other account number, the BOAN will be shown. 2Request the claim folder, if one was established, to see if there is a different SSN in file than what is on the database. If the correct SSN cannot be determined, send an assignment to the field office to contact the annuitant to request the correct SSN. 3Once the SSN has been reconciled, obtain a NUMIDENT from the SSA database on this number, and, correct the SSN on RRB records as appropriate. • Complete a PREH record correction to correct the annuitant's SSN in PREH. • Complete a PC G-607 transaction (RCM 9.4) to correct the Checkwriting Master (DATAQ) and tax accounting system. • Send an e-mail to the Program Support Division-Medicare (PSD-MS) Group Mailbox to complete a

		MEDCOR transaction to correct the Medicare records.
3	Surname matched, but DOB did not match NUMIDENT. The DOB on the NUMIDENT will be displayed in the SSN Data field.	The SSA DOB will be displayed in USTAR, if it was provided by SSA. The difference in the dates may be due to transposing of numbers and can be easily resolved by reviewing the proof of age on RRB systems or in the file. If the difference cannot be resolved: • Compare the probative values (RCM 4.2.60) of the proof(s) on record. RRB records cannot be changed based on SSA records alone. Follow instructions in RCM 4.2.70 for reconciling RRB date of birth with SSA. • Verify the DOB by notifying the appropriate field office and requesting a corrected proof. • Once the proof is received, review RCM 4.2.67 regarding the finality of the DOB previously established before making any changes to RRB records. • If the DOB needs to be corrected: 1. Enter the new proof on APPLE if it had not been entered by the field office. 2. Correct PREH record by doing a PREH record correction. 3. Complete a PC G-607 (RCM 9.4) to correct the Checkwriting Master (DATAQ) and tax accounting system. 4. An incorrect DOB can also effect Medicare entitlement. Send an e-mail to the Medicare Group Mailbox providing the correct

		DOB and they will determine whether action should be taken to correct Medicare records. NOTE: If only the DAY of birth is different but the month and year are the same, no action is necessary.
5	Name does not match, e.g. Pam Smith on RRB records/Pam Jones on SSA records. DOB was checked.	When the name does not match consider taking the following action(s): • Secure a NUMIDENT from the SSA database. Compare the RRB annuitant's name with the name on the SSA database. The name may have been misspelled, a middle name may have been used instead of a first name, there may be multiple names on the records, or the annuitant married and neglected to notify both agencies of a name change. • Review RRB documents (e.g. application, proofs, etc., to reconcile the difference). • Compare the probative value of the proof(s) on record at RRB and SSA. Consider the proof with the higher weight to be accurate; however, RRB records cannot be changed based on SSA records. Unless it is apparent that the difference is due to a misspelling and can be resolved by reviewing file documentation, investigate the discrepancy by requesting that the field office contact the beneficiary to inquire whether the spouse or survivor annuitant married, remarried, or divorced. If the annuitant chooses to go by a different name, inform him or her of the problems that may occur with agencies having conflicting information. No further action can be

		taken unless the annuitant requests the name on record be changed. • If it is determined that RRB's records show an incorrect name and the correct name is proven, take the following actions: 1. Enter any corrected proofs received on APPLE if not already entered by the field office. 2. If the employee's name needs to be changed perform a record correction on PREH (the 3000 record). If any other beneficiary's name needs to be changed, complete a G-59 (RCM 9.4). 3. Complete a PC G-607 (RCM 9.4) to correct the Checkwriting Master (DATAQ) and the tax accounting system 4. Send an e-mail to the Medicare Group Mailbox, who will determine if action is needed to correct Medicare records
Blank	Records failing initial edit checks and not making it as far as the verification process.	The majority of cases that fail initial edit checks and do not make it as far as the verification process involve railroad beneficiaries whose names are not listed in the PREH database. Check PREH to see if the applicant's name is on the Family Group Menu screen. If the name is missing no action is needed to correct the record. If it does not involve a missing name, request a NUMIDENT on the SSN and compare the SSN, DOB, and NAME with the same information on RRB records. Take appropriate action as indicated above if there is a discrepancy.

After reviewing and reconciling the unverified record, request a DEQY to secure earnings for the earnings year or earlier, beginning with the annuitant's ABD/OBD year.

Retirement examiners should always consider LPE earnings as well as excess earnings over the exempt amounts.

6.5.70 Representative Payee Monitoring

The Board is responsible not only for selecting a representative payee but also for monitoring the payee to determine if the annuitant's rights are being protected.

Upon selection by the Board, the representative payee assumes a continuing responsibility to keep informed of the annuitant's current and future needs, to spend benefits in a reasonable and prudent manner and to periodically account for the use of railroad retirement benefits. The payee also agrees to inform the Board of any changes in the annuitant's status, including any custody changes.

6.5.71 Program Prior To 1973

Questionnaires G-99, G-99a (white) and G-99a (yellow) were released to court appointed payees every three years and Board selected payees every two years. Returned questionnaires were handled by the disability rating section.

6.5.72 1973 Program

The field sampled 500 court appointed and 500 Board appointed representative payees. Contact representatives completed form T-99 recommending retention or replacement of the representative payee. The T-99's were forwarded to the regional offices for review and reviewed forms were then sent to Methods and Procedures.

6.5.73 1975 Program

Methods and Procedures provided the field offices with identification labels, control cards, and list of all Board and court appointed representative payees in their territory with claim number digits ending in 00 through 32.

Contact representatives completed form G-99a recommending retention or replacement of the representative payee and forwarded the G-99a to the regional office for review.

6.5.74 1976 Program

Beginning in 1976, full responsibility for representative payee monitoring was transferred to the field. The field offices created representative payee files and monitored all cases not selected during the 1975 program.

6.5.75 1977 Through 1980 Programs

The field selected and monitored representative payees throughout these years, monitoring one third of the Board and court appointed payees each year.

6.5.76 1981 Through 1984 Programs

Representative payee monitoring was suspended for these years pending the results of a study conducted by the Social Security Administration (SSA) of its monitoring program and a court decision concerning SSA's program.

Field offices requested representative payee accounting during these years only when complaints were received.

6.5.77 1985 Program

During the 1985 monitoring program 25,540 Representative Payee Reports, form G-99a, were released from headquarters to all representative payees in current pay status.

Completed forms were returned to field offices for review. In suspect cases, the field office personnel conducted personal interviews with annuitants, representative payees and custodians (if any) in order to obtain more detailed information for completion of the Representative Payee Evaluation Report, form G-99c.

Headquarters reviewed a random sample of 1500 G-99a's both to evaluate the representative payee's performance and to determine if any single category of payee demonstrated "defects" involving waste, fraud or abuse.

The sample indicated that the field's representative payee selections showed good judgment and no particular group of payees warranted special future monitoring.

6.5.78 1987 Program

The 1987 program initiated the first year of a triennial monitoring program for all Board selected and court appointed representative payees.

Each year one third of these representative payees would be selected according to the last two digits of the claim number.

In 1987, 5,898 board and court appointed representative payees for account numbers ending with digits 01-33 were selected. Only 1.5% of the representative payees were changed as a result of the monitoring.

In 1988 6,058 board and court appointed representative payees for account numbers ending with digits 34-66 were selected for monitoring.

In 1989 6,077 board and court appointed representative payees for account numbers ending with digits 67-00 were selected for monitoring.

In 1990, the cycle will begin again with digits 01-33.

6.5.79 Parental Custody Verification

During Social Security's 1981 study of their representative payee monitoring program, they identified parent for child(ren) representative payees as a category of payees with a high incidence of waste, fraud and abuse.

This monitoring program does not require a full accounting of benefits - only verification that the child remains in the parents custody.

We will conduct a monitoring of all parent for child(ren) representative payees once every three years, beginning in 1989.

6.5.80 Form G-99d

The Parental Custody Verification Report, form G-99d, asks if the child lives with the parent. If the answer is "YES", the parent signs and returns the form. If the answer is "NO", additional questions of where the child lives, how often the parent visits, and who is responsible for making decisions concerning the child, are asked.

Custody is assumed if the child lives with the parent. Custody can be deemed if the child lives elsewhere AND the parent retains responsibility for making decisions concerning the child.

The most common reason for the child to live elsewhere is when the child is institutionalized in a school or hospital.

6.5.81 1989 Program

In October 1989, approximately 6,000 G-99d's will be released from headquarters and returned to the appropriate field office for review. Field offices will be provided with control lists of annuitants in their territory. Field personnel will review returned reports, conduct any necessary investigations, trace outstanding forms and prepare reports.

6.5.82 Aged Monitoring

Aged Monitoring is conducted to ensure that a "high risk" population is alive and able to handle their own benefits.

The selected population for the 1987, 1990 and 1991 monitoring programs consisted of annuitants who were in current pay, did not have a representative payee, did not attain age 100 within 6 months of a certain date, were at least age 90 in the previous calendar year and either were not covered by or did not use Medicare during the previous calendar year.

The selected population for the 1992 monitoring program remained the same except that the monitoring age was lowered from age 90 to 89. For the 1993 monitoring program, the age was lowered from 89 to 85.

For the 1994 monitoring program, the age was lowered from 85 to 78. Also, for the first time, the 1994 monitoring program did not monitor any annuitant that was selected for monitoring in the previous year.

In August 1994, a study group was established to conduct a comprehensive review of the aged monitoring program to determine its current effectiveness and future direction. As a result of this study, some significant changes were made in the 1995 monitoring program as shown below. Further analysis will be done once the results of the 1995 program are received.

- The monitoring age was lowered from 78 to 75;
- Annuitants selected for monitoring in the 1994 program were not selected for the 1995 program;
- Annuitants with social security benefit entitlement were excluded;
- If more than one annuitant in pay status was living in the same household, they were excluded;
- A random five percent of the selected annuitants were monitored by personal visit or telephone rather than by the monitoring questionnaire, Form G-19c; and
- A test of the feasibility of assigning individuals with addresses in Mexico to the West Covina, California field office will be done.

Based on the analysis of the results of the 1995 aged monitoring program, it was determined that no changes in the 1996 program will be made. The selection criteria will be comparable, the monitoring age will continue to be age 75, and those annuitants monitored in 1995 will not be included in the 1996 program. The results of the 1996 program will again be reviewed to determine the continuing effectiveness of the aged monitoring program.

Those annuitants age 105 and older are personally visited by field office representatives instead of receiving a monitoring questionnaire. The age 105 and older annuitants are visited each year.

6.5.83 Form G-19c

Form G-19c has been designed to identify annuitants whose death has not been reported to the Board or who require a representative payee. General questions are asked whose answers should be known to the annuitant and be easily verified on DATA-Q.

6.5.84 Annual Programs

Because of the success of the 1987 monitoring program in discovering unreported deaths and the need for representative payees, beginning in 1990 an annual monitoring program was initiated. The annual aged monitoring program results in unreported deaths being discovered earlier thereby reducing the amount of erroneous payments made. This monitoring program is conducted by the Office of Programs, Assessment and Training, Program Evaluation Section.

6.5.85 Foreign Monitoring

Periodically, SSA invites the RRB to submit a listing of beneficiaries living in a specific foreign country where they are performing an itinerant service trip. If the RRB has beneficiaries in pay status residing in that country, the RRB provides SSA with their names and addresses. The SSA representative visits the addresses on record to determine if the beneficiaries are alive and provides RRB with the result of their visits. There is no other monitoring of beneficiaries living in foreign countries.

6.5.86 Disability Monitoring Section 2(e) 4 Refunds

At the end of the current calendar year, P&S - PAS requests a listing for employee disability cases in the following categories:

1. Cases which

    - were in suspense in December of the preceding year, and
    - the suspension code was "09", and
    - the annuitant was under full retirement age in some months of the current calendar year.

2. Cases which were suspended with code "09" in the current calendar year.

3. Cases which were coded "09" for call-up on the first of the year following the current year.

6.5.87 Release Of G-19's (Annual Earnings Monitoring Questionnaire)

Policy & Systems releases all Forms G-19 and field offices receive and trace on the return of the forms. Refer to FOM-I-1115.35 for details regarding this program.

6.5.95 CMS Death Match

The Railroad Retirement Board (RRB) receives a weekly file containing reports of death from the Centers for Medicare & Medicaid Services (CMS). The file is compared to

RRB's active beneficiary rolls. A referral is produced when a match is found. Per our data exchange agreement, RRB must independently verify the date of death (DOD) before we take action to terminate Railroad Retirement benefits.

6.5.100 SSA Death Match

The SSA Death Match is a monthly computer match between SSA's Volume Death Master File (VDMAS) and RRB's master benefit payment file (CHICO). The death master file is received from Social Security Administration via Connect: Direct to RRB's mainframe. When a match is found, the system then identifies the status of the payments. Approximately 350 death reports are matched to RRB beneficiaries each month. The primary purpose of this match is to identify cases where benefits are being paid after an annuitant's death. The secondary purpose is the detection of fraud and abuse in the RRB's benefit payment system.

6.5.100.1 Background

The SSA Death Match operation has been in existence for many years, however, the process was first automated in July 2003. The automated system requires much less human intervention and reduces the amount of overpayments made to deceased employees. The Death Match system consists of three programs, and a small database.

- Program R26525 – Matching
- Program R26526 – Creation of RL-75 Letters
- Program R26527 – Suspension/Tracking
- DEDU001 –On-Line Deletion

6.5.100.2 Processing

A. Matching Program (R26525) – There are 3 steps involved in this program:

Step	Action
1	RRB receives the Volume Death Master File (OLBG.NDI.RRB.VDMAS.R255.R*YYMMDD*) from SSA on or about the 3rd business day of the month.
2	The file does nothing for approximately 2 weeks. In most cases the RRB is notified of death at or about the same time as SSA. Waiting to run the program for a couple weeks allows our cases to be suspended or terminated in already established manners. It also minimizes the chances of sending

	death notifications out to families that have already informed the RRB of the annuitant's death.
3	The matching program is run around the 18th of every month. This program reads the death match file from SSA and matches it to PREH using Social Security numbers, dates of birth and, in some cases, names. In 90% of the cases a match to PREH will not be found. In the cases that a match is found, the program will determine which cases are still in current pay status (CPS) and which are in suspended or terminated status. Claim numbers of the terminated and suspended cases will be listed on a report. In CPS cases, the program checks to see if there was a prior erroneous notification of death. In most cases, none are detected. For those that are detected, the program will list their claim numbers on a report. For the CPS cases with no prior erroneous notification of death, a record is written to the SSA/RRB Death Match tracking database called DEREC. The database record is linked to a database index based on the date of the notification letter. This index is referenced in program R26527. A flat file (P.RSP.R2525DD2.Y2K) is created and passed to program R26526.

B. Letter Creation Program (R26526)

This program runs directly after R26525. It creates the RL-75 letters that are sent to "The Family, or Friends of Family" of the alleged deceased annuitant. It also creates an image of the letter for future reference and for viewing by field offices. Approximately 150 letters are released each month.

C. Suspension/Tracking Program (R26527)

This program is run each month just prior to the final DAISY run. The main purpose of this program is to search for records that indicate an RL-75 letter was sent over 30 days prior. When a record is found that is 30 days old with no response received indicating the annuitant is alive, the program refers to the PREH database. For cases where the annuitant is still in CPS, a termination/suspension record is created and run through DAISY to suspend the record on CHICO/PREH/TAX using FAST S/T processing. The case is then removed from the date of notification index and placed on the date of suspension index. The date of notification index is searched to identify records that have been in suspense for more than 60 days. A termination referral is created for these records. Every 30 days thereafter, a referral is released and the investigation continues until a record is in the index for 150 days (180 days after letter released). One final notice is issued and the record is then deleted from the index.

D. On-Line Deletion Program (DEDU001)

This program creates a database screen that allows a user to access the SSA Death Match record through RRAPID by entering an annuitant's RRB claim number. The purpose of this on-line program is to remove records from the index used to suspend

records. By choosing ***"17 DTHMATCH"*** on the RRAPID main menu a user can report an erroneous death report and prevent an annuitant from being erroneously suspended.

6.5.100.3 On-Line Outputs – Matching Program

1. File that is sent to the letter printing program.

2. P.RSP.R2525DD2 – Letter File listing – a listing of all the annuitants for whom letters are prepared.

3. P.RSP.R2525DD4 – Dual RR Cases / Suspected Erroneous Death / Code 93 Suspension Cases listing:

    a. Cases that have been identified as being dual annuitants.

    b. Cases that have been identified as being possible erroneous reports of death. This involves a payment action after the date of death reported by SSA, such as a previous termination and subsequent termination.

    c. Cases that are suspension 93 situations. These involve cases that are suspended due to the death of a representative-payee. The case is treated as any other suspension.

4. P.RSP.R2525DD5 – Records SSA has deleted– Cases that are identified on SSA's file with an indication that they should be deleted from lists they had previously sent.

5. P.RSP.R2525DD7 – Terminated Cases listing – As a precaution, a listing of all matched cases that were already terminated on PREH are listed on a referral. If desired, these can be checked against PREH or DATAQ.

6. P.RSP.R2525.DD8 – Letter Creation File listing – This is a list of all records for which RL-75 letters are prepared.

6.5.100.4 RL-75 Letters

All annuitants as identified and explained above will have the RL-75 letter printed to be sent to "The Family, or Friends of Family" of the reported deceased annuitant. The letters have the following business day's date printed on the letter. A file of the letters is also sent to Imaging for placement in the Imaging database. The printed letters are delivered to the mailroom with the specially stamped return envelopes. The RL-75 letters can also be manually prepared through RRAILS. All the cases for which letters were mechanically prepared and released the previous month and are still in current pay status on PREH are suspended.

6.5.100.5 Suspension/Tracking Program

As described in RCM 6.5.100.2, the suspension program, like the match program, checks for cases that are on the FAST S/T database waiting for the actions to be run in that day's processing. The suspension codes used are "miscellaneous" codes used for the particular type of annuitant:

Employee = 06

Spouse = 56

Survivor = 16

Suspension Program On-Line Outputs – There are numerous reports that are created in the suspension program. They are very useful and are an integral part of the automated death match program. The following list briefly describes these reports.

- P.RSP.2527DD1 – Suspension Report

  This report lists all the cases for which the program has created a FAST suspension. An estimate of outstanding payments for each case is provided. Totals of amounts "saved" by the suspension action and totals of the amounts outstanding, however, are the amounts of the current monthly annuity rates multiplied by the number of months between the dates of death and the suspensions. If the annuity rate had changed at some point during this period of time, the outstanding payment amount may not be completely accurate.

- P.RSP.2527DD2 – On-FAST Report referral listing

  This report lists the cases for which the program tried to create a FAST suspension, but found that another system had already placed one on the FAST database.

- P.RSP.2527DD3 – Already Suspended Report

  This report lists all the cases that PREH indicates are already suspended. These cases remain on the SSA Death Match database for further tracking purposes.

- P.RSP.2527DD4 – 90 Day Suspension Report

  This report lists all the death match cases that have been in suspension status for over 90 days.

- P.RSP.2527DD5 – Suspension Cases to be Purged in 30 Days

  This report lists all the suspended death match cases that will be purged in 30 days.

- P.RSP.2527DD6 – Purge Report

This report lists the suspended cases that have been purged from the death match database.

- P.RSP.2527DD7 – Notice of Erroneous Report of Death

  This report lists all the death match cases that have been suspended, but are now back in current pay status.

- P.RSP.2527DD8–Termination Report

  This report lists all the death match cases that were terminated by other systems within the initial, approximately 30-day period after a confirmation letter was released. All of these cases have been purged from the death match database.

- P.RSP.2527DD9 – 180 Day Suspension Report

  This report lists the suspended death match cases that have been in suspense status for over 150 days.

- P.RSP.2527D10 – Bad FAST Action Report

  This report lists the current pay cases that the suspension program failed to suspend.

- P.RSP.2527D11 – Cases Purged from Erroneous Notice of Death Index

  After residing on the IX-ERRNOTIC for over 90 days the erroneous notice of death cases are purged from the database. This report lists these cases.

- P.RSP.2527D12 – No Match Report

  This is the report that lists the cases for which the suspension program failed to find a matched record on PREH.

- P.RSP.2527D13 – Legal Process Cases

  Whenever a legal process case is discovered it will be listed on this report for manual handling and tracking. The record is then purged from the SSA Death Match database.

- P.RSP.2527D14 – Late Terminations Report

  This report lists cases from the suspension/termination index which are now terminated, but cannot be purged because the beneficiary was entitled to a benefit on another claim number that is not terminated (Dual cases).

6.5.100.6 SSA Death Match Responsibilities

A. Bureau of Information Services (BIS) is responsible for:

1. Making sure the VDMAS file is received every month from SSA via telephone lines;

2. Making sure the SSA/RRB Death Match system is run on schedule every month;

3. Notifying PEMS-PES and P&S-PAS when there is a delay in the scheduled run;

4. Assuring that the automated SSA/RRB Death Match program has successfully completed its monthly tasks:

   a. RL-75 letters are printed correctly and have been delivered to PES;

   b. Assuring that suspensions are correctly processed through FAST S/T;

   c. Trouble shooting when a system failure occurs, taking corrective action to address the immediate problem and making changes, if necessary, to prevent the problem from reoccurring in future matches;

5. Notifying P&S-PAS when a program change is needed.

B. Program Evaluation and Management Services – Program Evaluation Section (PEMS-PES) is responsible for:

1. Downloading the monthly Death Match letter file from TSO and converting it to a PC format report;

2. Making sure that the RL-75 letters generated by the program are received and are properly delivered to the Mailroom for folding and delivery on a timely basis;

3. Handling the responses to the RL-75 letters by recording them on tracking forms; this would involve terminations, developments with the field or the annuitant; taking appropriate action if the response indicates the report of death is erroneous;

4. Preparing a monthly report of the automated suspensions as well as the cases that have been manually suspended or terminated as a result of the responses received;

5. Verifying that bills received for the SSA Death Match service are appropriate and referring them to RMC for appropriate handling.

C. Policy & Systems – Payment Analysis Section (P&S-PAS) is responsible for:

1. Developing, clarifying and revising procedures for SSA Death Match duties performed by PES;

2. Contacting SSA in the event that the VDMAS is not received;

3. Assisting PES in determining the cause and extent of any problems reported by PES;

4. Coordinating with BIS to determine the cause and solution to any problems reported by PES, and to determine whether program changes and re-runs are required; and

5. Revising procedure required by the solution to problems discovered, and handling changes required by any systems enhancements suggested by PES.

D. Supply and Service - Mailroom is responsible for:

1. Stuffing and mailing RL-75 letters that have been delivered by PES.

E. Field Offices are responsible for:

1. Referring telephone calls with references to the RL-75 letter to the PES personnel identified on the letter. Field office staff can view the letter in the Imaging system the day after it is released.

2. In the event an erroneous report of death is received, field offices are instructed to notify PES prior to any reinstatement action to reconcile the discrepant information.

3. NOTE: Field office involvement should be requested only as a last resort, when all attempts by PES to verify the information prove to be unsuccessful.

6.5.100.7 Screening SSA Death Match Referrals

Program Evaluation and Management Services – Program Evaluation Section (PEMS-PES) creates monthly benchmark reports of the RL-75 letters released through the automated death match program. These reports are sent to the Death Match Section (DMS) in PES the middle of every month. The reports are in the form of spreadsheets and are e-mailed to the Investigation Technicians to begin the process of investigating and following up on the records that were found in the death match, and resulted in the release of the RL-75 letters.

The following sections explain the investigation process handled by the Death Match Section which can be used for training and reference purposes. While the material does not cover every situation that may be encountered, it does provide the user with basic instructions.

Step	Action
1	About the middle of the month check your Outlook incoming mail for SSA Death Match Reports. Print a copy of the report.
2	Complete Form G-609 for each case on the report that shows the RL-75 letter released. Form G-609's should be printed on color paper depending on the month the death match is processed: January /July – Green February/August – Pink March/September – Blue April/October – Orange May/November – White June/December – Yellow For "Type of Match" enter "SSA/CHICO Benchmark" and for "Date of Match" enter the current month.

6.5.100.8 Handling Returned Death Match Letters

The actions that you should take in response to the returned RL-75 letter vary, depending on the response shown on the letter. The table below lists the most common type of responses you will receive. Refer to your supervisor if the returned RL-75 letter has a response that is NOT listed below.

RL-75 Response	Action
Letter Confirming DOD	Check status on DataQ (see RCM 9.5.9 and RCM 9.5.10 for detailed instructions on the DataQ system). If status is: • TERM w/EFF DT or NO APPL – Match with tracking form. Place in tray labeled "Cases found Terminated during Investigation." • TERM w/o EFF DT – Match with tracking form. Enter the date of death by doing the following: 1. Access the beneficiary's DataQ record by entering the deceased annuitant's claim number.

	2. Enter the DOD on the S/T screen by pressing the *F7* key; type the Unit ID *2372;* type the appropriate termination code*; and the effective date as shown on the letter; press *F2* key twice and print the screen. * Term codes: 01-Employees, 51-Spouses, 41-Survivors. For a complete list of appropriate S/T codes you can also refer to RCM 9.7.14B. • IN FRC or SUSP – Match with tracking form. Complete a First Notice of Death using APPLE which is #34 on your mainframe RRAPID menu (see FOM1-1581.12 for APPLE instructions). Print and attach all screen printouts. Calculate overpayment (O/P) by multiplying payments that should not have been released by the monthly check amount shown on DataQ. Fill in O/P amounts on tracking form. Place in tray labeled "Cases Terminated as a result of Our Investigation – O/P Calculated."
Erroneous DOD (Annuitant is NOT Deceased)	If the death match report is erroneous, check status on DataQ. If payment status is: • IN FRC – The case must be removed from the automated death match system by using the on-line deletion program. The on-line program is *DTHMATCH* (#17) on the TPX RRAPID menu. Type the prefix and claim number and use the tab key until you get to "Erroneous Notice of Death." Type a "Y" in the space immediately following this then press F6 twice. Attach all screen prints to tracking form and place in tray labeled "Erroneous Report of Death." • IN SUSP or TERM – Remove the case from the automated death match system by using the on-line deletion program exactly as explained above. Send an e-mail to Bertha Atwater in SBD to reverse the termination and/or suspension and reinstate benefits. Attach screen prints of all your actions to tracking form and place in tray labeled "Erroneous Report of Death."
Discrepant DOD Letter (Annuity is Deceased but DOD	Match RL-75 letter to tracking form. If death certificate received terminate the benefits using the DOD shown on the death certificate. If no death certificate received contact the informant to confirm the DOD. If the DOD is still discrepant, suspend the benefits using the DOD from the death match list; e-mail the annuitant's local field office

Does Not Match)	to request follow-up investigation. Attach e-mail and DataQ to tracking form and place in tray labeled "Discrepant DOD pending."
Undeliverable Letter	Match the returned RL-75 letter to the tracking form. Suspend benefit using the DOD from the death match list. Attach the DataQ print to the tracking form and place in tray labeled "Suspended Cases Pending 30 days."
RL-75 Enclosures	Occasionally an informant will enclose a returned check and/or a death certificate with the RL-75 letter. All checks should be placed in the box labeled "Checks" on the 11th floor NW. All death certificates should be sent to SBD 10th floor – Attn: Valerie Allen.
Claim # Not Found on DataQ	Check PREH or FSIS (on RRAPID) to verify status and handle according to instructions above.

6.5.100.9 Tracing Pending Cases

Several times per month cases that are pending further investigation should be reviewed by checking to see if the payment status has changed on DataQ. Although the RL-75 letters provide the telephone number to the PES Death Match Section (DMS) investigator responsible for the death match investigation, callers may call their local field offices instead. In the FOM 145.10.3, field office representatives are instructed to refer the calls to the DMS section. However, in the event that a notice of death or erroneous notice of death is not received in the death match section, periodically checking the status of an annuitant's benefits will prevent unnecessary follow-up work.

6.5.100.10 Handling "Pending Suspended Cases"

On or about the 21st of every month the cases that are pending suspension should be sorted according to the current status on DataQ.

A. 30-Day Suspended Cases – Check status of annuity on DataQ. If status is:

- TERM – Place case in tray labeled "Cases Found Terminated During Investigation"
- SUSP with DOD provided - terminate the monthly benefits on APPLE, calculate the overpayment, and complete the G 609 tracking form. Place the file in tray labeled "Cases Terminated as a Result of Investigation – O/P Calculated."
- SUSP without DOD provided - place the file in the tray labeled "Suspended Cases – Pending 60 Days."

B. 60-Day Suspended Cases – If no DOD received and no erroneous report of death indicated, terminate benefits by entering a First Notice of Death (FNOD) on APPLE; calculate the overpayment, and place in tray labeled "Cases Terminated as the Result of Investigation – O/P Calculated."

6.5.100.11 Preparing "SSA Death Match" Monthly Reports

There are 2 reports you will need to complete each month. The first one is the SSA Death Match Monthly Report and is for entering details of cases terminated in the course of the month. This report is not sent to anyone. It is for your own tracking purposes and filed away at the end of the month. This section explains how to complete this report. The second report is sent to your supervisor and is basically the totals from the first report and also includes totals from the CMS death matches. Instructions for completing this report can be found in RCM 6.5.100.12.

<table>
<tr><th>Step</th><th>Action</th></tr>
<tr><td>1</td><td>Remove tracking forms and any attachments from tray labeled "Cases Terminated as the Result of Investigation – O/P Calculated"</td></tr>
<tr><td>2</td><td>From your PC double click on "My Computer"</td></tr>
<tr><td>3</td><td>Double click on "Atcommon on 'Share' (P)"</td></tr>
<tr><td>4</td><td>Double click Access File (KeyImage) "SSA Death Match 2000"</td></tr>
<tr><td>5</td><td>Click on "Tables" located in left bar</td></tr>
<tr><td>6</td><td>Double click on "SSA Death Match 2000"</td></tr>
<tr><td>7</td><td>Highlight the entire table and hit "Delete" key</td></tr>
<tr><td>8</td><td>Enter information from G-609 tracking form as shown below. Use "Tab" key after all entries.
<table>
<tr><td>ID</td><td>ItemNo</td><td>Match Ind</td><td>Trans Date</td><td>Sym Pfx</td><td>ClmNo</td><td>ChkAmt1</td><td>O/SChk1</td></tr>
<tr><td>(tab)</td><td>1</td><td>S(SSA)</td><td>Last Day*</td><td>A,MA, etc</td><td>000000</td><td>$0.00</td><td># of O/P</td></tr>
<tr><td>Chk Amt2</td><td>O/SChk2</td><td>ChkAmt3</td><td>O/SChk3</td><td>Tot Amt</td><td>Ttl RcvrP</td><td>DO Term</td><td>DO Death</td></tr>
</table>
</td></tr>
</table>

	$0.00	# of O/P	$0.00	# of O/P	$0.00	$0.00	1st Day**	0/0/00
9	After all tracking forms have been entered click the "X" in the upper right corner on the "Death Match 2000: Table" bar (not the Microsoft access bar)							
10	Click "Reports" on the left bar							
11	Double click "SSA Death Match 2000"							
12	Click "Print"							
13	Attach copy of report to tracking forms							
14	Exit							

*Enter last day of current month

**Enter the 1st day of current month

After the table is completed go to "SSA Death Match FY-(*current year)* All New" and complete the SSA Death Match Counts report.

6.5.100.12 PEMS Production Report from Death Match Cases (SSA & CMS)

As explained in the previous section, a report is prepared which combines the death match results from the SSA and CMS death matches. The following table explains the steps involved in preparing this report.

Step	Action
1	Double click on desktop icon "My Network Places".
2	Double click on "Entire Network".
3	Click on "Entire Contents".
4	Double click on "Microsoft Windows Network".
5	Double click on "USRRB".
6	Scroll down and double click on "Share".
7	Scroll down and double click on "Workload Reporting".
8	Double click on "OP Production Reports FY04-07".

9	Double click on “PEMS Report FY04-FY07.xls”. If *update* box appears, select “Update”. The Death Match table should open.
10	Enter data from G-609 tracking form.
11	Combine receipts from SSA and CMS Death Match Count Reports. Enter total in “Receipts” column.
12	Combine “Subtotal of Cases Completed (Dispositions)” from SSA and CMS Death Match Counts reports. Enter total in “Production” column.
13	Combine “On Hand Subtotal (Additional Handling Required)” from SSA and CMS Death Match Counts reports. Enter total in “Ending Balance” column.
14	Print 3 copies of completed table. File one with the SSA Tracking Forms, one with the CMS Tracking Forms, and deliver one to your supervisor.

6.5.100.13 Representative Payee Needed

An individual entitled to, or receiving, railroad retirement benefits, is presumed to be competent until information to the contrary is received. If, during the investigation, you are informed that the annuitant is not deceased and needs a representative payee DO NOT suspend or terminate benefits. Take the following actions:

1. Remove the case from the automated death match system by using the on-line deletion program (#17-DTHMATCH on RRAPID main menu). If benefits are already suspended follow the instructions in RCM 6.5.100.8.

2. Contact the appropriate field office by sending an E-mail to the Field Office’s mailbox and request an investigation.

3. Provide the field office with the name and telephone number of the informant.

4. Document the information on the tracking form. No further action is necessary.

6.5.100.14 Fraud

If, during the investigation process, you run into a case where you suspect fraud, it is important that you refer the case to the Office of the Inspector General (OIG). If you are unsure of whether or not a case should be referred to the OIG, see your supervisor. Also, refer to RCM 6.6.190 for more detailed information on handling suspected cases of Fraud.

6.5.101 Uncashed Check Investigation

From 1964 to 1981, the Treasury Department furnished a punch card record of each uncashed check issued to RRB beneficiaries in the second year preceding the year in which the investigation was being conducted. The purpose in getting this record was to determine by folder examination, correspondence, or personal contact, the reason that the checks had not been cashed and to reimburse the Railroad Retirement Account when necessary.

The 1983 RR Amendments to the Railroad Retirement Act included a provision that called for the Treasury Department to identify and cancel railroad retirement benefit checks that were not presented for payment by the end of the sixth month after issue. Treasury's Administrative Cancellation program provides this funds transfer information to the bureau of fiscal operations each month. The monthly credits reimburse the railroad retirement accounts for uncashed checks (including interest) reduced by checks that have been cashed after credit was returned to the Railroad Retirement Board.

In June 1990 uncashed check investigations were resumed with the implementation of the uncashed checks system (UCS). Each month, the latest administrative cancellation tape from Treasury is processed through UCS. The administrative cancellation tape contains notice of uncashed checks (checks which remain uncashed six months after issue) as well as reversal information for checks previously reported as uncashed. Reversals include reports that a check was subsequently cashed, reclaimed, returned to Treasury (cancelled) or reported as not received, lost or stolen. The uncashed checks system produces three types of output: RL-81 letters to annuitants, G-236 requests for field office investigations and G-608 folder referrals. Samples of these output forms are located in RCM 6.5 Exhibits 6, 7 and 8.

The purposes of the letters and field office investigations are:

- to advise annuitants that checks must be cashed within one year of the issue date or, if issued before October 1, 1989, by September 30, 1990;
- to encourage annuitants who regularly do not cash their checks to enroll in the direct deposit program; EFT payments are not subject to the limited payability provisions;
- to secure earlier notification of annuitant deaths, changes of address, or situations requiring representative payee development;
- to reduce the possibility of endorsement of checks by persons other than those to whom the checks are payable.

Appendices

Appendix A - Previous EDP Policing Program

I. Background - The previous EDP policing program was used for years before 1978. It served the following functions:

- Identifying annuitants who may not be complying with earnings and employment restrictions i.e. annual earnings test, disability earnings restrictions, and last person service.
- Identifying annuitants who had acquired an insured status at SSA after their ABD.
- Identifying annuitants entitled to an AERO recomp.

The previous EDP policing program is no longer functional because SSA changed their reporting from a quarterly basis to a yearly basis. In addition, the last two functions are no longer needed because the Board now has other more reliable means of identifying these categories of annuitants.

NOTE: This program did not identify retirement annuitants subject to work deductions under the '74 Act.

II. Explanation of Referrals for Previous EDP Policing Program

A. Reason for referral - The following referral messages were produced for the previous EDP policing system:

1. Retirement

- EARNINGS REPORTED BY SSA INDICATES ADJUSTMENT NECESSARY FOR (year);
- ADJUSTMENT NECESSARY BECAUSE OF ELIGIBILITY FOR SS BENEFIT;
- INVESTIGATE, MAY HAVE SUFFICIENT QC FOR AN INSURED STATUS;
- CHECK FOR POSSIBLE LAST PERSON SERVICE.

2. Survivor

- EARNINGS REPORTED BY SSA INDICATE ADJUSTMENT NECESSARY FOR (year);

- ADJUSTMENT NECESSARY BECAUSE OF ELIGIBILITY FOR SS BENEFITS;

- INVESTIGATE, MAY HAVE SUFFICIENT QC FOR AN INSURED STATUS.

B. Interpreting the referral - Here is an explanation of other information printed on the referral:

1. Earnings Entries - Earnings entries for both retirement and survivor cases receive the same interpretation. A printout showing earnings as "950.00" means that the annuitant had earnings of $950.00 for that particular year. All money amounts represent creditable earnings except those followed by "CR." Money amounts followed by "CR" represent a negative earnings figure.

2. QC Pattern - QC patterns were printed out in all cases. The meaning of the symbols used in these patterns is outlined in Section III below.

   - The First Four Positions - The first four positions in the pattern show whether earnings have been reported for, or allocated to, calendar quarters, with the entries in the first position pertaining to the first quarter the entries in the second position to the second quarter, etc.

   - The Fifth and Sixth Positions - The entries in the fifth position show the QC credited on the basis of SEI, while those in the sixth position indicate the earnings reported for agricultural work. In some cases QC's will have been allocated for SEI and agricultural work; in other cases, the allocation will not have been made. If the allocation has not been made, refer to the instructions in "Insured Status" chapter.

   - The Seventh Position - An "X" in the seventh position means that the total earnings printed out include a credit (CR or minus item), but the figure represents creditable earnings (a plus item). A "CR" in the seventh and eighth positions means that a credit item or items have resulted in a negative earnings figure.

3. Examples of QC Patterns - The following examples illustrate possible QC patterns:

Example 1 - 1968	First Four Positions: QC PAT CNNNOOX	A wage QC has been reported for the first

		quarter of 1968; no wages have been reported for the other quarters.
	Fifth Position:	No SEI has been reported.
	Sixth Position:	No AG earnings have been reported.
	Seventh Position:	"X" in the seventh position means that the earnings total printed out includes a credit (CR or minus) item.
Example 2 - 1969	First Four Positions: QC PAT CNAAOB	A wage QC has been reported for the first quarter; no earnings have been reported for the second quarter. QC's have been allocated by SSA to the third and fourth quarters on the basis of AG earnings.
	Fifth Position:	No SEI has been reported.
	Sixth Position:	$200 to $299.99 to AG earnings; the last two quarters of year are QC.
Example 3 - 1970	First Four Positions: QC PAT SSSNCO	QC's have been allocated to three quarters of the year on the basis of SEI.
	Fifth Position:	Three QC's have been credited on the basis of SEI.

	Sixth Position:	No AG earnings have been reported.

4. Employer Identification Numbers - Our policing file contained SSA employer identification numbers recorded by claims examiners on Form G-322. There are three possible printouts for the "POL EIN":

   1. No number in a case in which an employer number has not yet been recorded in the policing file;

   2. A number containing all "8's" in cases in which it has been determined that there is more than one LPS employer; or

   3. An SSA employer identification number in cases in which there is one LPS employer.

   NOTE: In those cases in which it is determined that there is no LPS employer, an identification number of all "9's" is recorded in the policing file; there should be no printouts for LPS with this number.

6.8.1 Scope Of Chapter

Changes that must be made in large numbers of cases are accomplished with mass mechanical adjustment operations. In a mass adjustment, annuity information for affected annuitants is taken from the master benefit file (MBF) and a new annuity amount is calculated mechanically.

The railroad annuity cost-of-living adjustment (COLA) is performed in December to adjust the January 2 payment. The RRB also performs an adjustment in December to increase LAF E social security benefits for cost-of-living increases. Prior to 2006, retirement annuities were adjusted 1) in September (October 1 payment) in the AERO to include social security wages earned after the ABD, 2) in June (July 1 payment) in the RAIL to include ABD year railroad service and compensation and delayed retirement credits, and 3) in August, in the SALSA mass adjustment to issue separation allowance lump sum amounts. Beginning in 2006, RESCUE adjusts retirement annuities each quarter in response to any service and earnings changes posted to EDM. The RAIL, AERO and SALSA mass adjustments are no longer performed.

Other mass adjustment actions are performed as needed in response to legislative amendments or budgetary restrictions. The most common adjustment is performed to reduce vested dual benefit payments in response to VDB funding limitations.

6.8.2 RR Cost-of-Living Increase

Annual cost-of-living increases have been paid on tier 1 since 1974. The increase has been payable on the benefit for December (January 2 check) since December 1983; prior to that the COL was added to the June benefit (July 1 payment). Between 1965 and June 1974, COL increases were paid as authorized by the Congress, but not on a fixed schedule. Tier 1 benefits are adjusted by the same COL increase percentage as is applied to social security benefits.

Since June 1977, annual COL increases have been added to tier 2 benefits. The tier 2 increase percentage is equal to 32.5 percent of the percentage payable on tier 1. Tier 2 COL increases were paid each June from 1977 through 1983. In 1984, the tier 2 COL increase effective date was changed to December. A tier 2 COL increase has been paid each year except in 1985. In that year, no tier 2 COL increase was paid because funds were sequestered.

In 2009, Railroad retirement annuities, like social security benefits, did not increase in January 2010 as there was no increase in the Consumer Price Index (CPI) from the third quarter of 2008 to the corresponding period of 2009. There was no increase in tier 1 nor tier 2 for 2009. Appendix G provides tier 1 and tier 2 COL increase percentages.

6.8.3 Tier 1 COLA Calculation

The mechanical operation increases the tier 1 PIA and the survivor family maximum share by the COL increase percentage. These amounts are then adjusted for delayed retirement credits and reduced for age, SSA benefits, public service pension and dual RR entitlement as appropriate.

A. SSA OFFSET AMOUNT

The tier 1 calculation performed in the RR cost-of-living mass adjustment operation uses social security benefit amounts which are provided by the Social Security Administration in November. The records provided by SSA are matched to the RRB's annuity records by comparing the SS claim number, the RR claim number and the beneficiary's own account number (BOAN) in SSA's MBR and the RRB's MBF. If a match occurs on any one of the three numbers and the BOAN, DOB (month and year) and name are the same at SSA and the RRB, the SS record is accepted as belonging to the RR annuitant.

1. The benefit information provided by SSA allows the Board to adjust the tier 1 SS offset amount to reflect AERO increases which SSA has added to their benefit as well as the COL increase. If the annuitant has received AERO increases in his/her benefit, the correction of the tier 1 SS offset amount in the COLA operation causes the monthly annuity rate to decrease on the January 2 payment. Annuitants who receive Social Security benefits which are paid by SSA (LAF C benefits) are sent form letter T-51 on December 1 if their monthly payment must be decreased because of increases they have received in their SS benefits. An example of the T-51 is provided in Exhibit 7.

   Annuitants are instructed to contact the Board if the benefit amount provided by the Social Security Administration and quoted on the T-51 is incorrect. If an annuitant questions the T-51 information, the following actions are taken:

   1) Field offices collect all SSA claim numbers upon which the annuitant receives benefits and the monthly benefit amount claimed by the annuitant. The information is forwarded to headquarters via HSL with a flag, "T-51 Inquiry."

   2) The SSA claim numbers in the MBF should be checked for accuracy using the "SS Info" screen on PREH. Any necessary corrections should be sent to the Division of Statistical Services in the Bureau of Information Systems. Examiners should investigate with SSA to determine the total benefit amount received by the annuitant. The RR annuity paid in the COL mass adjustment should be corrected if the SSA offset used in tier 1 was incorrect.

2. The benefit information provided in November by SSA also allows the RRB to identify cases in which SSA has received a report of death for the annuitant

but no report has been made to the RRB. The case is rejected in the COLA and listings are produced of these cases which show the SSA claim number and the month and year SSA terminated their benefits. Examiners send an assignment to the appropriate field office to investigate the death report after determining that the SS beneficiary and RRB annuitant are the same person. If the terminated SSA record does not belong to the RRB annuitant, SSA claim number information in the MBF should be corrected.

3. Missing SSA benefit offsets are also identified in the COLA. If SSA benefit information is received for an annuitant but tier 1 is not offset for the benefit, the case is rejected in the COLA and listed for investigation. The listing shows the SSA claim number and type of benefit. Examiners should obtain SSA master benefit file (MBR) records for the cases and adjust the RR annuity. If the SS benefit does not belong to the RRB annuitant, the SSA claim number information in the MBF should be corrected.

B. PSP OFFSET AMOUNT

Prior to 1992 spouse and widow(er) annuitants were not adjusted in the COLA if tier 1 was offset for a PSP, but the PSP did not reduce tier 1 to zero. The spouse/widow(er) was rejected from the mechanical operation. From 1992 through 1995, the tier 2 COL was paid in these spouse or widow(er) cases, and only the tier 1 COL was withheld pending the policing of the PSP amount.

From 1991 through 1995, form letter RL-212 was released with policing form G-212 attached as part of the COLA operation. The annuitant provided updated PSP information on the G-212 which allowed the examiner to adjust the case to pay the COL. See RCM 1.3 and 2.1 for information on the handling of form G-212.

In 1996, the effective date of the COL increase payable on public service pensions paid by the Office of Personnel Management (OPM) was changed to December 1st. The 1996 COLA calculated a COL increased PSP offset amount if the spouse/widow's PSP was paid by OPM, and the PSP was a recurring benefit. If the PSP was paid by an organization other than OPM or the PSP offset is based on a lump sum payment the annuitant received, the COLA subtracted the PSP offset amount in the RRB's records. If the resulting net tier 1 amount was greater than zero and the PSP was paid by an organization other than OPM, the case was referred to the field service for policing.

C. DUAL RR OFFSET

In retirement cases, the spouse tier 1 is reduced for the spouse's own gross or net employee tier 1 as appropriate. In survivor cases, the widow(er) tier 1 is reduced for the widow(er)'s own net employee tier 1.

Prior to October 1988, the dual offset amount in widow(er) cases was based on the widow(er)'s own employee tier 1 amount after reduction for SSA benefits but before

reduction for age. In the December 1988 COLA operation, the tier 1 offset for dual RR entitlement was changed for widow(er)s who began receiving an annuity prior to October 1988. The offset amount was made equal to the net tier 1 amount from the widow(er)'s own employee annuity. Since the change in the widow(er) dual offset amount was effective October 1988, the COLA calculated a tier 1 accrual for October and November which was issued in January 1989.

6.8.4 Tier 2 COLA Calculation

The mechanical operation increases tier 2 for the COL as follows:

1. 1974 Act employee - components 1 and 3 of tier 2 are increased.

2. Spouse with ABD January 1, 1984 or later - the tier 2 amount before age reduction is increased and a new age reduction amount is calculated.

3. All other retirement cases - the net tier 2 amount is increased.

4. Survivor cases - the increase is added to the tier 2 amount before additions for dual entitlement restoration, spouse minimum guaranty and equalization.

In the December 1983 and 1984 COLA operations, a takeback amount was subtracted from tier 2 as a fund solvency measure. The total amount subtracted in the two operations was equal to 5 percent of the net tier 1 payable in November 1983. The takeback amounts are permanent reductions in tier 2.

No tier 2 cost-of-living increase was paid in the December 1985 COLA operation because the Balanced Budget and Emergency Deficit Control Act (PL99-177) suspended automatic increases in some federal programs.

Note: Prior to enactment of PL99-177, approximately 6,500 manual December awards were processed with a December 1985 COL included in tier 2. In February 1986, a mechanical operation removed the December 1985 tier 2 COL effective February 1, 1986 from all but 200 of the cases. The 200 rejects were corrected manually effective with February 1, 1986 or a later month. PL99-177 prohibited recovery of the tier 2 COL paid for December 1985.

In the December 1989 COLA operation, the tier 2 computational sequence of spouses with ABDs after 1983 was corrected so that all tier 2 COL increases are added to the tier 2 amount after it has been reduced for takebacks and the RRA maximum.

6.8.5 Retirement Temporary Work Deductions

The temporary work deduction amounts withheld from retirement cases may be increased in the COLA operation. In most cases, the tier 1 work deduction amount is increased by the tier 1 COL percentage, and half the COL increased tier 2 is established as the new tier 2 work deduction amount. In some instances, the work

deduction amount continues to be subtracted but is not increased. The work deduction is not increased if the individual tier 1, tier 2 and VDB work deduction components cannot be identified from the information in the MBF or if the MBF shows the annuitant no longer claims excess earnings and the work deductions should be removed. The tier 2 work deduction component is not increased if the component is a partial work deduction amount (less than one-half of the pre-COL tier 2).

6.8.5.1 Survivor Earnings Suspensions

Beginning in December 2001, survivor annuitants who are suspended for excess earnings are updated in the COLA if the annuity rate in PREH includes all prior cost-of-living increases and the case does not reject in the COLA. The new cost-of-living increase is added to tier 1 and tier 2. Because the annuitant is in suspense, the record is rejected with cause code 19. PREH will store the updated information; the following records reflect the COLA information:

- 3210 tier 1
- 3215 tier 2
- 3235 rate
- 3250 mass adjustment (calculation reject code 19)

The cost-of-living information is only updated to PREH; the CHICO records are not updated. When the survivor annuitant can begin receiving the annuity, the annuity should be put into pay status using a reinstate-recertification award

6.8.6 COLA Rejects and Reviews

There are three main stages in the COLA mass adjustment operation: the update of the tier 1 SSA offset amount using SSA's MBR, the calculation of new annuity rates and the certification of the new rate to the checkwriting record. During any of these stages, a case can be rejected by the mechanical process.

Cases are automatically rejected if a December manual voucher action (other than a one-payment-only award or an award affecting only the supplemental annuity) has been taken. The manual award will have paid the COL increase, and the manually calculated rate takes precedence over a mechanically calculated rate.

Cases are earmarked for examiner review in the COLA operation if the accuracy of the mechanically calculated rate needs to be verified or if the payments made for months prior to December need to be corrected.

Reject and review codes and explanations are listed in Appendix B.

6.8.7 Tax Withholding Adjustment

As part of the COLA operation Federal income tax withholding amounts are adjusted to reflect annual changes in tax withholding tables.

6.8.8 SMI Adjustment

As part of the COLA operation, the SMI premium amount is adjusted to reflect the annual change in the basic premium rate. The increase in an individual's premium amount is restricted by the cost-of-living increase amount in tier 1 and any SSA benefits. Cases are tested to determine if a variable SMIB premium should be established, except in the following instances:

- Cases paid under the OM formula
- Dual entitlement cases
- Cases which reject in the mechanical operation
- Cases in which tier 1 is not payable due to felony, alien suspension or deportation or cases in which tier 1 is terminated
- Cases in which the RR annuity is in suspense
- Lawyear 83 cases in which the age 62 tier 1 recalculation is due but has not yet been performed
- Spouses or widows whose tier 1 COL increase is withheld pending the necessary policing of the PSP amount

For cases in these categories, the regular premium at the basic or appropriate penalty rate is established in the mass adjustment.

If the Board is paying both a railroad annuity and an SSA benefit, the new premium will be deducted from the SSA benefit portion of the monthly payment if the premium is too large to deduct from the railroad annuity.

6.8.9 COLA RUIA Clearance

To avoid RUIA overpayments, stops are placed on RUIA records for the period December 1st through December 31st if the RUIA claimant is shown as a railroad retirement annuitant. If such an annuitant files an RUIA claim for days in December, the stop on the record will prevent payment of RUIA benefits. A computer-printed notice is sent to the employee advising that payment of RUIA benefits is being deferred because of the expected COL increase in the retirement annuity.

As part of the mechanical COLA operation, the December retirement rate is compared to RUIA records if the employee annuitant worked in the railroad industry in the last 39 months and has a COL or pre-COL annuity rate less than the maximum RUIA benefit amount.

RUIA records the COLA rates, and the RUIA benefits due the employees are computed and paid. A notice is sent to the employee to advise that either (1) the COL increase has been computed and the RUIA benefits are being paid with the correct reduction for retirement annuities, or (2) the case rejected in the COLA, the COL increase will be paid at a later date, and the RUIA benefits are being reinstated at the old rate. RUIA will advise these employees that the RUIA benefit overpayment will be recovered from the COL accrual at the time it is paid by OP.

6.8.10 COLA Notices

Prior to 1997, annuitants involved in the mechanical COLA operation received a check enclosure on January 2. The notice was mailed to the home address of annuitants enrolled in the direct deposit program. Form T-55 was sent to annuitants if the COL was paid mechanically; form T-56 was sent to those annuitants who were rejected in the operation, except annuitants rejected because the COL was paid on a December manual voucher.

Beginning in 1997, an explanation of the cost-of-living adjustment is included in the annual rate verification letters, T-55, T-56 and T-57. The 2010 annual rate notices (Forms T-62, T-63, T-64 and T-65) were developed to address the zero cola. Please refer to IB 10-12 for more information.

Since no rate verification letter is sent to annuitants adjusted on December vouchers, examiners must provide COL, SMI and tax information in the manual award letter prepared for the December voucher. See RCM 6.8.13, "Special Actions on December Vouchers."

6.8.11 Records of The COLA

A microfilm record of the mechanical COLA action was provided for each operation through 1991. Appendix A describes the information displayed on the film.

G-358 folder notices were also provided for each COLA operation through 1990. The information on the G-358 is the same as the information displayed on the microfilm.

Beginning with the December 1991, COLA, the mass adjustment information is available in the on-line Mass Adjustment Inquiry System (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details.

The adjusted annuity rate information and SMI premium amount are loaded into the DATA-Q and MOLI database systems. The records in DATA-Q and MOLI before the COLA are replaced with new records after the operation is complete. This process

normally takes from one to three days. Records are loaded in reverse claim number order (e.g. 700 series numbers first, six-digit claim numbers last); as the COLA records are loaded, they can be viewed on the CRT screens.

Beginning with the December 1995 COLA, the results of the mass adjustment are available on the Payment, Rate and Entitlement History database (PREH) in RRAPID.

6.8.11.1 RR Cola Voucher Numbers

Cases adjusted in the RR COLA operation will be assigned a voucher number of 472 or 473. A special voucher number of 471 is assigned to cases if the annuity rate is not adjusted, but the Medicare premium is updated. Voucher number 471 is assigned in the following situations:

- the RR annuity rejects and the annuitant has a monthly Medicare premium deduction
- the interim widow has a monthly Medicare premium deduction

If voucher number 471 is assigned to a record, the voucher date on PREH and DATAQ is the RR COLA voucher date.

6.8.12 Inquiries

If an inquiry is received from an annuitant whose rate was adjusted in the COLA operation, IFR releases a RL-85 to the annuitant and sends the inquiry to the field. If the annuitant's rate adjustment rejected in the COLA, the inquiry is sent to the unit which has the file. Folders in claim files will be forwarded to the retirement post section or the survivor post section.

If an inquiry is received by the field and the office cannot satisfy the inquirer, the field will contact headquarters via an HSL message directed to the unit which has the folder. The annuitant will be advised it will take 90 days for a response to be made.

If the annuity was adjusted mechanically and the rate is correct, advise the field office that no further action will be taken. If the mechanical adjustment is incorrect or no adjustment was made, the manual award action serves as the response to the field's inquiry. No additional response is necessary to the HSL message unless the manual award cannot be processed within 90 days. If action will be delayed beyond 90 days, advise the field office.

6.8.13 Special Actions on December Vouchers

Since a December voucher establishes the January 1 monthly recurring payment rate, computations for all awards with accruals through November (December vouchers) must include the computation of the COL increased rate

Manual payment of the COL increase requires special actions:

A. SS Benefit Reduction - If the new SSA COL rate is not available to the RRB, compute the SSA benefit reduction for tier 1 purposes only as follows:

Multiply the November pre-rounded SSA rate by the SSA COL percentage and round down to the nearest multiple of ten cents. Add the result to the November pre-rounded SSA rate and then round down to the nearest dollar.

Example: The 12-89 SSA pre-rounded rate is 429.90.

The 12-89 SSA rate is 429.00.

The 12-90 COL is 5.4%.

Step 1 - 429.90 x 5.4% = 23.20 (Rounded down)

Step 2 - 429.90 + 23.20 = 453.10

Step 3 - Rounded down 12-90 SSA COL rate to be used for tier 1 offset is 453.00.

Document the above computation in the remarks section of the award form where the COL SS reduction is shown.

Exception: In the event a pre-rounded SSA rate cannot be obtained from the information in file, use the dollar rounded November SSA rate to compute the December COL SSA rate.

The COL-adjusted SSA tier 1 offset amount computed for use on a December award action is considered correct and final, unless the tier 1 computations must be redone for another reason.

B. SMI Premium - At the time a COL increase is applied to the annuity, it should also be determined if a variable SMI rate will apply.

Refer to RCM 3.7.3,B, for information on the principle of variable SMI. Also refer to RCM 3.7, Appendix D, for a detailed description of the conditions which will cause a variable SMI rate to apply.

C. RUIA Clearance - Precede all updated COL annuity rates and SS benefit rates shown on a G-259 by a "#" sign. Enter "# 12-19--COL" in the remarks block.

Discontinue the "# 12-19--COL" notation effective January 1. BUSI will assume that on a G-259 dated January 1, or later all rates furnished with COL date breaks include the COL increase.

D. Award Notices - The award letter prepared for a December voucher must include the COL information as well as annual tax and Medicare information.

1. COL Code Paragraphs

   (a.) December awards - Code paragraph 702 is included on December vouchers if a tier 1 and/or tier 2 COL increase is included in the next payment. Code paragraph 702 should not be used if the case does not have a December datebreak or the ABD/OBD is in December or later.

   (b.) January or later awards

   - Code paragraph 700 should be included on manual awards if the case rejected on the most recent mechanical COLA operation or the initial award is being made and the ABD/OBD is prior to December.

   - Code paragraph 701 should be included on manual awards if the case rejected in more than one past COLA operation.

2. Tax Code Paragraph

   Code paragraph 702.1 should be included on all December vouchers.

3. SMI Code Paragraph

   Code paragraph 973.1 should be included on December vouchers if SMI premiums have been and will continue to be deducted from the monthly annuity payment.

6.8.20 SS Cost-of-Living

The mechanical operation to pay the cost-of-living (COL) increase to social security beneficiaries is processed separately from the railroad retirement annuity adjustment. An extract of SSA's updated benefit records (MBR's) for RRB certified beneficiaries is matched against our social security payment inventory (SSPI), the record of all SS benefits paid by the RRB. SS benefits paid by the RRB by the first voucher cutoff date in December are mechanically increased in the SS COL operation.

The SS operation follows some general rules when adjusting SS benefits.

- If identifying information matches on both the MBR and SSPI records and the new MBR rate is greater than the current rate on SSPI, the SS COL operation pays the new MBR rate effective December 1.

- MBR records which do not match SSPI records are sent to the PAM system. If the MBR matches a PAM record, the PAM record is updated with the December rate.

- Any MBR which does not match a PAM record is matched against the orbit file of awards pending manual certification. If an MBR record matches an orbit record, a referral is produced, indicating that there is a pending SS award and giving the rates for manual updating.

- If it does not receive an MBR record for an SS benefit in force on SSPI, the COL operation mechanically increase the SS benefit by the COL percentage effective with the December rate.

- A referral is also produced for MBR records that do not match SSPI, PAM or orbit file records and for cases involving discrepancies in the identifying information or the payment status at either agency.

- If the COL operation pays the December rate indicated on the MBR, the adjustment is made under voucher number 987. If the COL operation pays a percentage increase because it cannot match a SSPI record to the MBR, the adjustment is made under voucher number 988. If a SSPI record is matched to the MBR, but, because of discrepancies, a percentage increase, rather than the MBR rate, is paid, the adjustment is made under voucher number 985.

- SSA applies rounding procedures to the MBR rates it sends to the RRB. Therefore, the COL operation pays the MBR rate and deducts SMIB premiums, if applicable, without any further rounding. However, if the SS COL operation pays a percentage increase, it rounds the December rate down to the nearest dollar amount before deducting SMIB premiums.

6.8.21 Referrals

The Social COL referrals are loaded to USTAR under work unit categories RSJ and RSV for retirement and SPG for survivor.

There are two types of SS COL referrals:

- Type A are rejects and requiring examiner handling to process the COL adjustment. These cases should be handled as soon as possible to prevent overpayments or to make a COL adjustment.

- Type B are cases requiring examiner review. For these cases, the social benefit was adjusted in the mechanical COL operation but require additional review by an examiner. In some cases, FAST-S/T transactions should be processed or G-607's should be prepared to correct the SSPI record.

There is a group of referred cases which are not loaded to USTAR, although referrals are produced for these cases, they do not require examiner handling. Most of these cases are controlled by some other means, such as PAM or KOR, and should be handled in the normal flow of work.

6.8.22 Referral Format

The format for the USTAR source screen is shown below:

SEE EXHIBIT 9

The referral contains information from both the MBR and SSPI records. Most items are self-explanatory.

- Note that previous and current MBC (monthly benefit credited - formerly identified as MBA: Monthly benefit amount) and MBP (monthly benefit payable) are shown in the MBR portion of the referral. The COL adjustment is based on the MBP amount. The only exception to this rule is the adjustment made for referral code 17.

- The trust fund indicator (TF IND) obtained from the MBR is shown, as sell as the trust fund indicator obtained from SSPI. Code 0 is "unknown," code 1 indicates RSI, code 2 represents DI, and code 4 indicates receipt of both DI and RSI benefits.

- If a special code J, K or L is received from the MBR, it is printed on the 805 referral. However, these special codes, which indicate partial withholding or dual entitlement, are not considered in the COL adjustment, since they are sometimes unreliable. The display of these codes is simply informative to help you determine the status of the benefit payment. Code J is shown if a partial benefit is being paid. Code K is printed if the beneficiary is entitled to benefits on more than one SS account. Code K is displayed if both partial withholding and dual entitlement apply.

- The current rate shown in the SSPI section of the referral reflects the COL adjustment. If no COL adjustment has been made, the previous SSPI rate equals the current SSPI rate.

- If a payment is terminated or suspended at the RRB, a code appears in the T/S-IND item in the SSPI section of the referral. Code S (1) indicates suspension and code T (2) indicates termination.

- The SS earmark is printed in the SSPI portion of the referral. This code represents the status of the SS benefit after the current SS COL mechanical operation. See RCM 6.9.40 for a description of the earmark codes. These codes are listed in that section under item 67, "SS EAR MKS", Position 2.

- No entries are made in the MBR section of the referral if MBR data could not be matched with a SSPI record. Likewise, the SSPI section has no entries if an MBR record has no matching SSPI record.

- One of the following messages is printed at the bottom of each 805 referral.

  1. MBR RATE PAID

2. SSPI PLUS PERCENTAGE INCREASE PAID

3. REJECT - NO COL PAID

These messages will follow one of the messages listed in 6.8.23 explaining the reason for referral.

6.8.23 Referral Messages

Each referral message is assigned a numeric code. The referral type and numeric code assigned to each referral message, as well as the handling required, is described below.

REFERRAL CODE	REFERRAL TYPE	MESSAGES
1	A	MBR IN SUSPENSE - SS TERMINATED AT RRB No adjustment is made if the MBR indicates suspended status and the RRB record is terminated. Prepare a RR-3 to notify SSA of the terminating event. Advise SSA of the paid through date, if applicable.
2	A	MBR LAF CODE E - SS SUSPENDED AT RRB Most of time, this referral is generated because of timing problems. SSA has changed the LAF code from S to E, but the RRB has not yet processed the reinstatement award. Check PAM and the MBR to determine the effective date of the adjustment and reinstate the SS benefit accordingly.
3	A	MBR LAF CODE E – RRB TERMINATED – AWARD PENDING ON PAM SSA has reinstated the SS benefit but RRB has not processed the reinstatement yet. Process the reinstatement or current pay award as necessary.
4	A	MBR LAF CODE E -SS TERMINATED AT RRB - NO PENDING PAM AWARD OR REFERRALSSA has the benefit in current pay status, LAF E. There is no pending referral for reinstatement or a current pay award at RRB. Check the termination code in our records and notify SSA

REFERRAL CODE	REFERRAL TYPE	MESSAGES
		of the terminating event. Provide paid through dates, if applicable.
5	A	MBR TERMINATED – SS IN PAY STATUS AT RRB This referral is produced when the MBR indicates terminated status, but RRB has an active payment record. Verify reason for the MBR termination. Enter a FAST S/T transaction on the SS benefit. Adjust Tier 1, recovering as much of the LAF E SS benefit overpayment as possible. If the entire LAF E SS overpayment cannot be recovered, prepare a RR-3WD advising SSA of the remaining overpayment balance, including the reason for the late adjustment.
6	A	MBR TERMINATED - SS SUSPENDED AT RRB No adjustment is made if the MBR is terminated, and DATAQ indicates suspended status. FAST-S/T transactions should be processed to correct the DATAQ record.
7	A	MBR SUSPENDED – SS IN FORCE AT RRB This referral is produced when the MBR indicates suspended status, but DATAQ has an active payment record. The COL operation does not adjust the rate in force. Priority handling should be given to these referrals to resolve the discrepancy in payment status and to prevent possible overpayments.
8	B	MBR LAF CODE C – SS ALSO IN FORCE AT RRB If an MBR and a DATAQ record match on SS claim number and BIC, but the MBR contains a LAF code C, the beneficiary is receiving two payments - one from RRB and one from SSA. Review the case to determine which agency should be certifying payment of the SS benefit. If RRB is correctly certifying payment of the SS benefit, release an RR-3 and a T-3 to SSA via the priority fax process advising SSA to correct the LAF code on the MBR from “C” to “E”. In these situations, the SSA overpayment is the amount of

REFERRAL CODE	REFERRAL TYPE	MESSAGES
		the LAF "C" payments. RRB should not release a RR-3WD in these cases. If RRB should not be certifying payment of the SS benefit, terminate the SS benefit and notify SSA of any overpayment via RR-3WD.
9	B	MBR LAF CODE C – SS IN SUSPENSE AT RRB The same procedure described in code 8 above is used to generate this referral. If duplicate payments are discovered, but the DATAQ record is suspended, no adjustment can be made. Release a T-3 to SSA to change the LAF Code from C to E. After SSA has changed the LAF Code, benefits should be reinstated. However, if the LAF Code C status is correct and SSA should be making payments, terminate the RRB payments.
10	B	MBR LAF CODE C - INCORRECT BIC OR SS CLAIM NUMBER – SS IN FORCE AT RRB If an MBR and a DATAQ record match on SS claim number and BIC, and the MBR contains a LAF Code C, review the case to determine if both agencies are paying the same SS benefit. If the SS claim number or BIC on DATAQ is incorrect, prepare a G-607 to correct the record. If in fact both agencies are paying the same SS benefit, determine which agency should be paying the SS benefit and adjust the case accordingly. Be sure to notify SSA via RR-3.
11	A	MBR LAF CODE C - INCORRECT BIC OR SS CLAIM NUMBER – SS IN SUSPENSE ON DATAQ Prepare G-607's to correct the BIC or SS claim number on DATAQ or prepare RR-3 to SSA. If RRB is terminating the SS benefit, be sure to include the paid through date on the RR-3. .

REFERRAL CODE	REFERRAL TYPE	MESSAGES
12	NONE	RRB PAYMENT RECORD INDICATES DUE PROCESS This category of referrals is no longer produced.
13	A	PRE - COL SS RATE EQUALS COL MBR RATE If the pre-COL SS rate is the same as the COL MBR rate and the COL earmark does not indicate COL activity, review the case to determine if RRB paid the SS COLA rate too soon. Check PREH 3277 and imaging. If the SS COLA rate was paid too early, complete a RR-3WD and send it to SSA.
14	NONE	PRE-COL SSPI NOT EQUAL TO PRE-COL MBR - PENDING RR-1E This referrals is obsolete.
15	B	PRE-COL SS RATE NOT EQUAL TO PRE-COL MBR - NO PAM AWARD PENDING This referral is produced if the pre-COL SS rate is not equal to the pre COL MBR rate. Review the SS rates paid prior to the COLA to determine if any additional SS benefits are due. Note: If partial withholding to recover a SMI arrearage was previously entered on the SS benefit, the SS COLA wipes this withholding out so the examiner will have to re-enter the partial withholding.
16	B	MANUAL COL PAID EXCEEDS MBR COL RATE A SOLAR award was processed on a December voucher and the rate paid is greater than the December rate shown on the MBR. The SS COL did not adjust the rate. Process a SOLAR award (and adjust Tier 1 accordingly) using the rate shown on the MBR. **Exception:** If RRB is paying a combined SS benefit and SSA has erroneously picked up payment of one of the benefits, do not adjust the SS benefit being paid at RRB. Instead, advise SSA via RR-3 to correct their records and

REFERRAL CODE	REFERRAL TYPE	MESSAGES
		re-combine the dual payment under the BIC A account number.
17	B	PRE-COL SS RATE > COL MBP RATE – (MBC RATE PAID BY COL) Most times SSA has a garnishment or PWH reduction in force, but RRB has not yet processed the adjustment. The SS rate is adjusted for the withholding in the COL. Review the case to see if the SS adjustment was applied timely. If not, notify SSA via RR-3. Even though the SS rate is adjusted in the COL, review the MBR to make sure the correct SS rate is being paid. If not, process a SOLAR award accordingly.
18	A	PRE-COL SS RATE > COL MBP AND MBC Possible dual entitlement at SSA. If RRB was paying a combined SS benefit and now SSA has picked up the auxiliary benefit LAF C, do not adjust the SS benefit at RRB. Instead, prepare a RR-3 and advise SSA that they have began paying LAF C benefits erroneously. The LAF C benefits represent the SSA overpayment so do not complete a RR-3WD or T-3 in this situation. If the SS benefit has decreased for some other reason, adjust the SS benefit and release a T-3 as needed.
19	A	MBR LAF CODE E - NO RRB PAYMENT RECORD Check RRB prefix, MBR RAIL line, BOAN, DOD and any pending PAM transaction. If the RAIL line is missing or incorrect, complete a G-60S to correct the information. If any information on CHICO is incorrect, complete a G607 to correct the information.
20	NONE	MBR LAF CODE E - PENDING RR-1E This referral is produced if an MBR record cannot be matched to a corresponding SSPI or PAM record, but can

REFERRAL CODE	REFERRAL TYPE	MESSAGES
		be matched to an SS award pending on the orbit file. Since no payment is in force, no COL adjustment is made. Before processing the SS award, update it with the COL rate found on the MBR.
21	A	MBR MATCHED TO PAM - PAM UNABLE TO PROCESS PAM has matched a record on the MBR but cannot process a COL adjustment for some reason (e.g., discrepant LAF codes or rates, dual entitlement, etc.). The benefit is probably terminated due to the employee's death. Review the case to determine if any adjustment prior to the termination is due. Process a FAST S/T or SOLAR award as needed.
22	B	DUPLICATE PAYMENTS AT RRB Two records on CHICO/PREH contain the same SS claim number, BIC, and BOAN. If the BIC or BOAN is incorrect, prepare a G-607 to correct the record. Also, review the case to make sure duplicate payments are not being made.
23	A	COL EXCEEDS MAXIMUM % Check for a dual entitlement, partial withholding involvement or SMI withholding from the SS benefit. Adjust the case as needed.
24	B	DUPLICATE MBR RECORD If two MBR records are found with the same SS claim number and BOAN, and no match is made on SSPI or PAM, this referral is produced. Since no match to an RRB record is made, no adjustment can be processed. Notify SSA to take corrective action on the MBR.
25	NONE	SS IN PAY STATUS AT RRB – NO MBR Determine why there was no MBR match. Check the social security claim number and BIC on DATAQ and PREH. Prepare a G-607 to correct the SS claim number

REFERRAL CODE	REFERRAL TYPE	MESSAGES
		and/or BIC as needed. Also, check the RAIL line on the MBR. If it is missing or incorrect, prepare a G-60s to input or correct the information.
26	A	RRB PAYMENT RECORD INDICATES DUE PROCESS - NO MBR Under normal processing circumstances, if a SSPI record is not matched with an MBR, the SSPI record is adjusted by the percentage increase to produce the new COL rate. However, if a due process code is present in the SSPI record, no adjustment is made. Follow the procedure outlined in referral 25 above to determine if the SSPI record has an erroneous claim number or BIC. If necessary, prepare form G-607 to correct the SSPI record. Pay the COL increase when the due process code is removed.
27	NONE	PARTIAL W/H IN FORCE – NO PARTIAL WITHHOLDING ON THE MBRCheck to case to see if partial withholding of a railroad annuity or SMIB arrearage is being recovered from the SS benefit. If so and the required withholding is complete, prepare a SOLAR award to remove the partial withholding. If the required withholding is not complete yet, make sure the case is controlled to remove the partial withholding at the appropriate time. Also, the withholding could be for a SS overpayment that we began withholding for at a later date than SSA originally requested. If this is the case, advise SSA via RR-3 of the circumstances and provide them with the expected recovery date.
28	NONE	MBR SUSPENDED OR DEFERRED - NO RRB PAYMENT RECORD This referral is produced if an MBR record is in suspended or deferred status and does not match a SSPI, PAM or orbit record. Consequently, no adjustment can be made. Follow procedures outlined in referral code 19 for handling referrals in this category.

REFERRAL CODE	REFERRAL TYPE	MESSAGES
32	B	MBR TRUST FUND = DI; RRB TRUST FUND = OASI The social rate is correct but is being paid from an incorrect trust fund. Complete G-607 to correct CHICO and a G-92 to transfer funds.
34	B	MBR TRUST FUND = OASI; RRB TRUST FUND = D1 The social rate is correct but is being paid from an incorrect trust fund. Complete G-607 to correct CHICO and a G-92 to transfer funds.

6.8.24 Employee Lag Recomputation

Prior to 1989, railroad compensation earned in the employee's ABD year and any delayed retirement credits earned in the ABD year were included in the computation of tier 1 through an annual mechanical mass adjustment. The adjustment was effective with the month of January and was generally processed in the first half of the calendar year; accruals were issued for the tier 1 increase due from January up to the month the adjustment was performed.

The LAG/DRC adjustment paid a PIA 1 that was based on the compensation reported on form G-88a by the railroad employer at the time the employee filed for an annuity. This PIA was computed at the time the initial SEARCH calculations were performed for the case, and the PIA was stored in the master benefit file (MBF). The PIA paid by the Lag/DRC adjustment did not reflect any changes in compensation which the railroad may have made between its G-88a report and its final report for the same year.

The Lag/DRC adjustment was eliminated in 1989 when the RAIL operation was created.

6.8.25 Annuitants Who Were Considered In the LAG/DRC Adjustment

The Lag/DRC adjustment considered all employees who had ABD year earnings high enough to cause an increase in PIA 1. Age and service employees were not included in the adjustment until the year following the year the employee attained age 62.

The Lag/DRC adjustment also considered employees who were over 65 in the ABD month and, therefore, accrued DRC's in the ABD year.

6.8.26 Windfall Cutback

Each fiscal year (October 1 payment thru September 1 payment), Congress will appropriate a certain amount of money to be sued to pay the windfall benefit. If the

amount provided is less than the amount needed to pay the full windfall, the Board must distribute the money evenly. Therefore, all railroad retirement annuitants who receive a windfall benefit in their payment will share the cutback proportionately. This means that each year, it is possible to have a different cutback percentage.

A mass adjustment to either reduce or increase the windfall reduction percentage is scheduled each year for the 10-1 payment. The mass adjustment will include all annuities with a windfall, in current pay status in September, and vouchered in August of the current year or earlier.

6.8.27 Preparation of Pre-Adjustment Vouchers and Form G-96 After August Cut-Off

All annuities with a windfall must consider the new reduction percentage for September or later accruals (October vouchers). This also means that mechanical and manual initials, reinstatements, recert-reinst, and recertification awards processed with an August accrual must set up the September payment (October 1 check) considering the new windfall reduction percentage.

The new monthly October 1 rate minus the SMI premium should be used on any G-96 prepared to stop the November 1 check or later check. (The G-96 will reject if the pre-windfall cutback minus the SMIB rate is used.

6.8.28 Check Rate after Windfall Cutback Too Small To Deduct SMIB

In a few cases the check rate after windfall cutback is too small to deduct SMI premiums. In such cases, a listing is produced around September 4. Examiners should suspend the listed cases in order to stop the October 1 check from going out. The suspension automatically puts the annuitant on direct billing. The annuitant should be put into pay status as the windfall cutback rate as soon as possible with an explanation of the cutback in the reinstatement letter.

6.8.29 Mechanical Clearance for Annuities Included In Mass Adjustment

P&S will furnish RUIA a tape file with the September rate of all railroad retirement employee annuitants who last worked in railroad industry in the past 40 months and were selected for the mass adjustment.

6.8.30 Type Of Notification

A check insert is used to explain the new windfall percentage reduction effective each fiscal year (or for charges in a particular fiscal year).

6.8.31 Special Categories Not Mechanically Adjusted

- Interim Widows - If the widow is a spouse in the CHICO record at the time cases are selected for the mechanical adjustment, the claim will reject. Since widows are entitled to receive at least as much as they received as a spouse the month before the employee died, there are no overpayments in interim widow cases.

- Partial Awards - Include both IMPACT and SPAR cases. RASI will pay the windfall cutback at the time the case is paid final.

6.8.32 AERO Recomputation

An AERO (Automatic Earnings Recomputation Operation) adjustment recomputes PIA 1 and PIA 9 to include the latest social security wages which have been posted by the Social Security Administration. If these wages were earned by the employee in a year prior to the ABD year, the PIA increase is payable from the ABD. If the wages were earned in the ABD year or a subsequent year, the PIA increase is not payable earlier than January of the year following the year the wages were earned.

- In age and service cases, other than law year 83 reduced 60/30 cases a PIA increase attributable to earnings in the ABD year or later years cannot be paid until January of the year following the year the employee attains age 62.

- In law year 83 reduced 60/30 cases, the PIA cannot be increased for earnings in the ABD year through the year the employee is 61 until the first month the employee is 62 the entire month. Any PIA increase attributable to earnings in the years the employee is 62 or older cannot be paid until January of the year following the year the wages were earned.

- In disability cases, a PIA increase attributable to earnings in the ABD year or later years cannot be paid until January of the year following the year the wages were earned.

The first AERO adjustment was performed in 1978. Appendix E provides a chart of the history of the AERO adjustments since that time. In 2006, the annual AERO adjustment was replaced by the RESCUE system.

As the first step in the AERO adjustment, a record of wages for all employees is obtained from the Social Security Administration. Prior to 1993, a request was sent to SSA to obtain wage records; beginning in 1993, the wage records in the EDM database are used. A request is sent to SSA only if EDM has no wages for the employee or EDM has an indication the employee has multiple social security numbers. If wages are obtained directly from SSA for the AERO, the wage record on the AERO G-90 may not be the same as the wage record in EDM.

The second step in the AERO process is the calculation of PIA 1 and PIA 9 by the SEARCH system using the updated wage record.

NOTE: The AERO does not adjust disability employees if the wages being considered are earned in a year after the employee's ABD year and prior to attainment of age 65. Post ABD earnings may require withholding of a disability annuity. When the disabled employee attains age 65, (s)he is selected for AERO consideration.

6.8.33 Annuitants Considered In the AERO Adjustment

Beginning in 1994, the AERO adjustment is scheduled in September to adjust the October 1 payment to include wages earned in the previous two years. In most cases, the Social Security Administration posts wages for a year by August of the following year; in about five percent of its cases, SSA is not able to post the earnings until after August. Cases with this delayed posting are not included in the AERO until the following year. Each AERO operation looks at the latest two earnings years to insure that SSA's late postings are captured.

For the operation to consider an employee, (s)he must be paid final as of July, and the AERO PIA 1 produced by SEARCH must exceed the current PIA 1 by $1.00 or more.

Spouse annuitants are considered in the AERO if the employee is considered, the spouse is paid final as of recertification cut-off in September (August prior to 1996), and the spouse is eligible for a tier 1 adjustment.

NOTE: As part of the EDP review process of spouse awards paid by RASI after recertification cut-off in September, examiners should determine if the employee was adjusted in the AERO, and if RASI used the AERO increased PIA for the spouse award. If the AERO PIA was not used, the spouse annuity should be recertified to reflect the AERO PIA 1 if the spouse is eligible for such an adjustment. If the employee receives a lawyear 83 reduced 60/30 annuity, the spouse is not eligible for the PIA 1 recomputation until the spouse is 62 for a full month.

If the annuitant has tier 1 work deductions in force, the case is adjusted in the AERO. However, since the additional earnings cause the tier 1 work deduction component to increase by the same amount as tier 1 is increased, the net annuity does not change. If only tier 2 and/or vested dual benefit work deductions are being withheld, the AERO adjustment is made and the annuity rate will increase.

6.8.34 Annuitants Who Cannot Be Adjusted In The AERO

The following categories of annuitants are considered in the AERO but the mechanical adjustment cannot be made in tier 1:

- Annuitants who are suspended (unless the suspension code is 35 or 69) or terminated before FAST cut-off in September. Beginning in 1996, if the record is suspended to recover an overpayment from the October 1st payment (code 35 or 69), the AERO will adjust the monthly rate and the AERO accrual will be released. ASTRO will then take its overpayment recovery action and reinstate the new rate.

- Disability annuitants who have a worker's compensation or public disability benefit offset in tier 1. The affect of the additional earnings on the WC/PDB offset cannot be mechanically determined.

- Employees whose earnings record has some wages that may be a duplication of railroad compensation, as determined by the SEARCH system.

- Annuitants paid under the overall minimum formula.

- Law year 83 reduced 60/30 annuitants who are not yet eligible for or are eligible for but have not yet received the tier 1 recalculation due at age 62.

- Employees who have a percentage of their annuity garnished. Part of the employee's tier 1 increase may have to be paid to the third party.

- Employees dually entitled to a spouse or widow annuity if the tier 1 of the auxiliary annuity is not completely offset by the dual entitlement reduction. The auxiliary annuity must be reduced in conjunction with the increase in the employee annuity.

- Employees who's PIA 1 must be modified for non-covered service pension entitlement. SEARCH cannot provide the modified PIA for the AERO.

- Disability annuitants who have earnings between the ABD and the year FRA is attained. The intervening earnings must be monitored and work deductions may need to be assessed.

Appendix K explains the reject and review codes used in the AERO.

6.8.35 AERO Accrual Payment

Generally, additional wages can be used in PIA 1 beginning in January of the year after the wages are earned. Because SSA does not post the wages until August or later, the AERO must pay a retroactive accrual amount.

The AERO accrual is issued in the third week of September and represents the amount due from the effective date of the PIA increase through August. The effective date of the PIA increase can be one of several dates, depending on the employee's earnings record and the limitations of the mechanical adjustment. The effective date may be:

- January 1 of the year the AERO is performed if earnings in the previous calendar year cause the PIA increase, or

- January 1 of the year before the AERO is performed if earnings in the second previous calendar year cause the PIA increase, or

- The annuity beginning date, or

- The first month the annuitant is 62 the entire month (applies only to law year 83 reduced 60/30 cases), or

- The month the annuitant became entitled to social security benefits, the SSA offset amount changes, or the SSA terminates, or

- The month the spouse becomes entitled to a public service pension, the PSP offset amount changes, or the PSP terminates, or

- The month the spouse becomes entitled to an employee annuity, or

- The month all the delayed retirement credits currently on record are payable

Note: Prior to the October 1, 1994 AERO, the accrual effective date could have been December 1 of the year prior to the year the AERO adjustment was performed if the annuitant rejected in COLA operations and had not yet been adjusted manually.

If the employee had earnings in both of the last two years and both years increase PIA 1, the AERO will pay the later increase from January of the current year. The case is earmarked with review code 40 so that the increase due for the previous year can be paid.

In some situations, the October 1 monthly recurring payment will be adjusted to include the tier 1 increase, but the accrual cannot be paid. This is true in the following situations:

- the annuitant is entitled to social security benefits which are paid by the Social Security Administration (LAF C benefits), and those SSA benefits can increase because of the employee's earnings ("A" benefits for the employee or "B" benefits for the spouse), or

- tier 1 work deductions, though no longer in effect, were withheld for some months in the accrual period, or

- tier 1 is offset for SSA benefits, but the SSA date of current entitlement is blank in PREH (3205-SS-BENF-CURR-ENT-DT)

Prior to 1986, the AERO accrual was issued the month after the recurring rate was adjusted. The accrual may not have been released if the case was suspended in that month. SAMM tapes can be used to confirm that the accrual shown on the AERO microfilm was actually released.

In the 1984 and 1985 AEROs the accrual may have been withheld if excess earnings were revealed during EDP policing.

- In the 1984 AERO, the accrual was withheld if there were excess earnings in 1981. The SAMM tape labeled "9-84 AERO ONE PAY" can be used to confirm the release of the accrual.

- In the 1985 AERO, the accrual was withheld if there were excess earnings in 1982 and tier 1 was not offset for SSA benefits at the time the AERO was performed. The SAMM tape labeled "9-85 AERO ONE PAY" can be used to confirm the release of the accrual.

Beginning in 1986, the AERO accrual is released in the month in which the recurring rate adjustment is made. If an accrual amount is shown on the AERO microfilm or MAIS or PREH, that accrual was released unless the annuity is in code 98 suspended status at the time the AERO accrual is issued. In code 98 situations, the AERO accrual is added to the undeliverable amount being accumulated, and it will be issued at the time a corrected address is processed. If the annuity must be reinstated manually because a corrected address is not received within three months of the suspension date, the AERO accrual should be issued as part of the award.

The AERO accrual is deposited with the financial organization if the annuitant is enrolled in the direct deposit program. Otherwise, a check is sent to the annuitant's home address.

6.8.36 Calculation Of The AERO Accrual

The AERO adjustment calculates the increased net tier 1 to be included in the recurring monthly rate payable for September. The rate increase amount is computed by taking the difference between the increased net tier 1 and the pre-adjustment net tier 1. This amount is multiplied by the number of months in which the new monthly rate applies; the new monthly rate applies from the later of the accrual effective date or December 1st of the previous year.

The accrual period covers more than one date break if the accrual effective date is before December 1st of the previous year. The cost-of-living increase is removed from the net tier 1 increase amount computed for the new monthly rate. The result is multiplied by the number of months between the accrual effective date and November of the previous year.

The accrual amounts computed for each date break are added to determine the total accrual to be paid.

Example: The October 1, 1998 AERO computes a PIA increase payable effective January 1, 1997. The net tier 1 computed by the AERO for inclusion in the October 1 payment is $626.00. The annuitant was receiving a net tier 1 of $593.00.

The net tier 1 increase of $33.00 included the December 1997 COL increase of 2.1 percent. To determine the net tier 1 AERO increase payable for months prior to December 1997, $33.00 was divided by 1.021, producing an amount of $32.40.

The total AERO accrual payment was calculated as follows:

$32.40 X 11 months from January through November 1997 = $356.40

$33.00 X 9 months from December 1997 through August 1998 = 297.00

Total accrual = $653.40

This AERO accrual process does not always produce whole dollar net tier 1 increase amounts. Examiners should not adjust tier 1 solely to round the increase amounts paid by the operation.

6.8.37 Aero G-90 Forms

Prior to 2001 AERO, G-90s were printed for all cases in which there was an increase in the PIA 1 or PIA 9, including those that reject from the AERO operation. Beginning in 2001, AERO G90s are no longer printed; they are available in GOLD.

The paper AERO G-90 had the caption," (YEAR) AERO, Associate and File Down," in item 1U. The year shown was the calendar year in which the PIA increase was payable. For example, the G-90 forms produced for the May 1, 1991 AERO displayed "1990 AERO, Associate and File Down" in item 1U. The 1991 AERO added 1989 wages to PIA 1 so the increase was payable effective January 1, 1990. The last earnings year considered in the computation of the PIAs was the year immediately preceding the year shown in item 1U.

On GOLD the Messages block provides the information previously found in item 1U of the paper G90. For the 2001 AERO, the Message was “2001 AERO” indicating that earnings through 2000 were considered in the PIA. Beginning with the 2002 AERO, the Messages block shows “AERO (year)”. The year indicates the last earning year considered in the computation of the PIAs.

The last earnings year considered in the computation of the PIAs is the most recent wage year posted by SSA for most cases. In rare instances, SSA may have collected and posted wage information for a later year; however, the AERO ignores any wages posted to years after the year in the Messages block on GOLD.

The wage amounts used by the AERO are those posted by SSA as of the “SS reply” date (item 3O of paper G90s; SS Reply block on GOLD). If SSA made any corrections to the wage record since that date, those corrections will not be considered by the AERO. Examiners should compare the SS reply date of an AERO G90 to the SS reply date on other current G-90s. For manual award actions, use the G-90 with the latest SS reply date.

Prior to 2002, AERO PIA 1 amounts were provided as follows:

A. All cases except reduced lawyear 83:

1. ABD year was two or more years before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

   The first PIA 1 was computed using earnings through the second year prior to the year shown. The PIA effective date ("Recomp Eff." On paper G90s; "Eff Dt" on GOLD) was shown as January 1 of the year before the year shown in item 1U or the Messages block. The second PIA 1, if any, was computed using earnings through the year before the year shown in item 1U or the Messages block. The effective date for this PIA was shown as January 1 of the year shown in 1U or the Messages block.

2. ABD year was the year before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

   One PIA 1 was computed using earnings through the ABD year. The effective date for the PIA was shown as January 1 of the year following the ABD year.

3. ABD year was the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

   The first PIA 1 was computed using earnings through the year before the ABD year, and it was payable on the ABD. No effective date was shown for this PIA. The second PIA 1, if any, was computed using earnings through the ABD year. The effective date for this PIA was shown as January 1 of the year after the ABD year.

B. Reduced lawyear 83 cases:

1. Employee attained age 62 two or more years before the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

   The first PIA 1 was computed using earnings through the second year prior to the year shown. The effective date of the PIA was shown as January 1 of the year before the year shown in item 1U or the Messages block. The second PIA 1, if any, was computed using earnings through the year before the year shown in item1U or the Messages block. The effective date for this PIA was shown as January 1 of the year shown in item 1U or the Messages block.

2. Employee attained age 62 before October of the year shown in item 1U of a paper G90 or in the Messages block of GOLD:

   The first PIA 1 was computed using earnings through the year the employee was age 61, and it was payable from the first month the employee was 62 for the full month. No effective date was shown for this PIA. The second PIA 1, if any, was computed using earnings through the year of attainment

of age 62. The effective date for this PIA was shown as January 1 of the year after the employee attained age 62.

3. Employee attained age 62 after September of the year shown in item 1U of a paper G90 or in the Messages block on GOLD:

   One PIA 1 was computed using earnings through the year prior to the ABD year. The PIA was payable on the ABD, and no effective date was shown.

The PIA 1 shown on AERO G90s prior to 2002 may actually be payable from an earlier date than the effective date shown on the G90. Examiners should verify the date against the earnings record.

The PIA displayed next to the number 5 in item 10A of a paper AERO G-90 (or in the PIA 5 block on GOLD) was the PIA used as the basis for the tier 1 amount being paid prior to the AERO adjustment. This PIA which was compared to the PIA(s) calculated by SEARCH to determine if an increase was payable.

Paper G-90 forms were printed for adjusted cases and all rejected cases except reject codes 01 and 05.

Beginning with the 2002 AERO, the AERO G90s on GOLD provide up to 19 occurrences of PIAs 1 and 9. The most recent recomp PIA is shown and up to 18 earlier PIA amounts. The effective dates for each PIA are accurate.

Unlike G-90s produced daily by SEARCH (for RASI, for a G-60 request), most mass adjustment G-90s are not kept in the orbit file which PREH uses to update G-90 information. AERO G-90s are not orbited if the AERO adjusts the case; the G-90 information for adjusted cases is entered into PREH as part of the AERO update to the database. AERO G-90s are not orbited if the case is rejected because the AERO SEARCH calculations may not be correct (reject codes 16, 23, 26, 29, 30, 31, 37, 39, 62, 65, 68, 70, 74, 75, 80, 81, or 84). Effective with the 1998 AERO, the G-90 information for all other AERO reject codes is placed on the PREH orbit file. When the case is adjusted, the AERO G-90 date can be shown on the ROC award; PREH will update information in the normal manner.

NOTE: If the employee was paid final before April 28, 1994, the FAMC on the AERO G-90 is not placed on the orbit file. SEARCH computes the FAMC in all cases using new rules which do not apply to these cases. The tier 2 basic amount on the AERO G-90 is not placed on the orbit file. The amount is not correct if the employee has military service that is creditable as RR service and was used as RR service.

Some AERO G90s contain a message indicating re-entry B actions are needed. These G90s are not sent to CCU automatically. Examiners should forward a G-563 to CCU if tier 1 is reduced for work deductions currently or in the past and railroad earnings before 1975 are different on the AERO G90 compared to earlier G90s. CCU must compute PIA 17 in this situation.

6.8.38 AERO Adjustment Notices

Employees are notified of the tier 1 adjustment and the retroactive accrual payment with form T-13, and spouses receive form T-14. Samples of the notices can be found in Exhibits 2 and 3.

6.8.39 Records Of The AERO Adjustments

Various records are produced to document the AERO adjustment.

1. Microfilm - a microfilm record of each AERO adjustment was produced through May 1991. The film uses the standard mass adjustment information format described in Appendix A, Section I. The film title gives the date of the AERO adjustment and the wage year that was the focus of the operation.

   Codes are displayed on the microfilm to indicate the AERO accrual effective date. The chart in Appendix E provides the codes and corresponding dates for all AERO adjustments.

   The AERO microfilm displays all pertinent tier 1 data. Only net tier 2 and net vested dual benefit amounts are shown for these annuity components since the AERO does not adjust those components.

2. G-358 - folder notices were produced for each AERO adjustment through May 1990. The G-358 forms show the same information as the microfilm.

3. DATA-Q - the adjusted monthly recurring rate is displayed on DATA-Q. The rate is identified by a September voucher date and a mass adjustment voucher number 472 or 473.

   If the AERO pays an accrual amount, the amount of the accrual is displayed under "ACCRUAL" on the DATA-Q screen. If the "ACCRUAL" field is blank, the AERO accrual rejected.

   Prior to 1998, DATAQ displayed earmarks for cases rejected or coded for review in the AERO. Effective with the 1998 AERO, these earmarks are no longer carried on DATAQ. The PREH mass adjustment screen provides information on reject and review cases.

4. Beginning with the May 1991 AERO, the mass adjustment information is available on the on-line Mass Adjustment Inquiry System (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details. Effective with the October 1996 AERO, MAIS is no longer updated for the AERO. The AERO information can be found in PREH.

5. Beginning with the October 1995 AERO, the adjustment information is available in the PREH database. For non-rejected cases, the following records are posted to the database:

   - Tier 1 record(s) with a beginning date which reflects the accrual effective date from the AERO adjustment. If the accrual effective date is before December of the previous year, two tier 1 records are posted for the AERO.

   - Rate record(s). Two records are posted if the accrual effective date is before December of the previous year.

   - An accrual record if the AERO paid an accrual amount. The accrual effective date is shown in this record.

   - A new recurring payment record

   - A deduction record if the annuitant's payment is reduced for tier 1 work deductions or tax withholding and the tax amount changes

   - A mass adjustment record

   For rejected cases, a mass adjustment record is posted to the database.

   In three situations, the mass adjustment record shows a calculation reject code (3250-MASS-ADJ-CALC-REJ-CD) but the adjustment result code (3250-MASS-ADJ-RESULT-CD) is '1', or adjusted. No action is needed in these situations:

   - Code 88 is shown if the PIA increase did not produce an increase in the monthly rate. This happens if 1) tier 1 is reduced to zero by an offset or 2) tier 1 work deductions are in force

   - Code 01 is shown if the AERO earnings increased the years of coverage for PIA 1, but not the amount of the PIA

   - Code 05 is shown if the earnings in the AERO year (eg., for the 1998 AERO, 1997 was the AERO year) were:

     - too low to increase the PIA. The earnings shown on EDM for the AERO year are less than the amount shown in PREH in 3300-PIA-1-LOW-COMPU-YR-AMT.

     - already included in tier 1. The earnings shown on EDM for the AERO year are greater than or equal to the amount shown in PREH in 3300-PIA-1-LOW-COMPU-YR-AMT.

   If the recurring rate adjustment is made by the AERO, but the accrual is rejected, 3250-MASS-ADJ-SPEC-2-CD on the PREH screen shows "A" followed by the accrual reject code.

6.8.40 Tier 2 Increase (Additional Compensation and/or Service Months)

Background - Due to the untimely reporting of compensation and/or service months, a process was developed to identify and calculate a new gross tier 2 from AERO SEARCH activity.

Purpose - The process identifies cases in which service and/or compensation was not reported in time for the RAIL mass adjustment.

When will this occur - The process is performed in September of each year.

Selection - Cases are selected under the following conditions.

- Employee is not in terminated status.
- Compensation is reported in the current year less 1 or the current year less 2, i.e., current year 1998 - employee selected if compensation is reported for 1997 or 1996.
- Annuity beginning date (ABD) is in the current year less 1 or the current year less 2, i.e., current year 1998 - employee selected if ABD is in 1997 or 1996.
- Tier 2 increase is greater than $1.00.
- Employee will not be selected in the next RAIL mass adjustment (i.e., 1999 RAIL).

Tracking	Cases identified are not earmarked on PREH. They are available on retirement STAR.
STAR	The following is located in the remarks section in retirement STAR.
Display	Function
MS	Number of military service months.
RRMOS	Number of railroad service months.
TOTMOS	Number of military service months plus railroad service used to compute gross tier 2.
AMC	New average monthly compensation amount.
Gross T2	New gross tier 2.

<table>
<tr><td>Examiner</td><td>The cases identified may be handled without the folder. The handling information used to compute the gross tier 2 is available in the retirement STAR remarks section. When adjusting tier 2 consider the following:
Vested dual benefit reduction.
LPE work deduction.
RRA maximum reduction, etc.
If military service is involved, verify the number of months with:<table><tr><th>Database</th><th>Screen</th></tr><tr><td>EDM</td><td>MILSERV, PF22</td></tr><tr><td>PREH</td><td>RHMLTRY (3305)</td></tr></table></td></tr>
<tr><td colspan="2">Note: Consider any other adjustments that may be necessary, i.e., AERO reject/review pending, entitlement or adjustment to supplemental annuity, etc.</td></tr>
<tr><td>Folder</td><td>A screen print of the retirement STAR screen is to be used as document folder documentation of tier 2 calculation.</td></tr>
</table>

6.8.44 RAIL Adjustment

Prior to May 1988, railroad lag service and compensation was collected from railroad employers as part of the initial application and payment process of individual employees. This step contributed to delays in initially paying retirees.

Beginning in May 1988, the Board stopped collecting lag information at the time the employee files for benefits, as long as the lag service is not required for eligibility. Lag service and compensation are now included in annuities through an annual mass adjustment called the RAIL (Retirement Adjustment to Include Lag). The RAIL includes service months and compensation earned in the prior year which are posted to EDM as of May 1st.

The first RAIL operation was performed in 1989; it included 1988 railroad service and compensation posted to EDM by May 1, 1989. The first RAIL considered employees (and their spouses) who last worked in the railroad industry in 1988 or 1989.

The RAIL adjusts tier 1 and/or tier 2 to include increases resulting from the addition of lag service and compensation. The RAIL operations in 1989 through 1995 adjusted the September 1 payment; beginning in 1996, the RAIL adjusts the July 1 payment. Appendix F provides a chart of the RAIL history to date.

In 2006, the annual RAIL adjustment was replaced by the RESCUE system.

6.8.45 Adjustment Of DRCs In The RAIL

Delayed retirement credits earned by the employee in the ABD year are added to tier 1 in the RAIL, regardless of when the employee last worked in the railroad industry.

6.8.46 Annuitants Selected For The RAIL

The RAIL considers all employees paid final through the date in May when SEARCH begins to use service and compensation earned in the previous year (for RAIL jobs 1989-95, employees paid final through the end of May were considered). Employees are selected for the RAIL if they last worked in the railroad industry in the current year or the previous year, or they last worked in the railroad industry two years ago but the annuity beginning date is in the current year or the previous year. The RAIL also considers employees if the ABD was in the previous year and the employee was between ages 65 and 70 on the ABD.

Spouses are considered in the RAIL if the employee is considered, and the spouse was paid final before recertification cut-off-in June (July for RAIL jobs 1989-95).

NOTE: As part of EDP review of RASI spouse awards paid final after the cut-off in June, examiners should determine if the employee is adjusted in the RAIL. If so, the spouse rate should be recertified manually.

The mass adjustment considers all types of employees who have lag railroad service, including reduced 60/30 annuitants who are under age 62. If a reduced 60/30 annuitant has attained age 62 but has not yet received the tier 1 recalculation due at age 62, the RAIL performs the age 62 recalculation.

Beginning in 1996, the RAIL uses a master benefit file which reflects all award activity through the June pre-period, so cases will not reject just because there is an award action in the same month as the mass adjustment. Cases in suspense in June will reject, except ASTRO single month suspensions (suspension codes 35 and 69). Examiners should consider lag railroad service in preparing July or later vouchers to reinstate suspended cases.

Appendix L explains the reject and review codes used in the RAIL.

6.8.47 RAIL Tier 1 Computation

A PIA 1 is calculated by the SEARCH system for the RAIL. SEARCH will compute the PIA using all compensation and wages posted to the employee's account for years prior to the year the RAIL operation is performed. For example, the 1996 RAIL considered all compensation and wages posted as of May 1996 for years through 1995. The new PIA is used in the tier 1 calculation only if it exceeds the current PIA by at least $1.00. If the

new PIA increases or decreases by less than $1.00, no tier 1 calculation is performed. If the PIA decreases by $1.00 or more, the case is rejected.

The spouse tier 1 calculation is based on the same PIA as the employee tier 1 except in reduced 60/30 cases if the employee is over 62 but the spouse is under 62. If the employee attains age 62 in the ABD year, the ABD and age-62 PIA are the same; the PIA 1 used for the spouse tier 1 is the PIA provided by SEARCH reduced by the employee's ABD age reduction factor. If the employee attains age 62 after the ABD year SEARCH does not provide the ABD PIA upon which the spouse tier 1 should be based. In this instance the employee's ABD PIA in the Payment, Rate, Entitlement and History database (PREH) is used for the spouse; no change is made in the spouse tier 1.

In age and service annuities, tier 1 cannot include earnings in the year the annuity begins as long as the employee is under age 62. For full 60/30 employees who retire in the lag year, the RAIL makes any change necessary to the ABD tier 1 resulting from changes in earnings for years before the ABD year. The RAIL does not include ABD year earnings in tier 1 if the full 60/30 employee is under age 62. If the ABD year earnings are high enough to produce an increase in the PIA, tier 1 is adjusted automatically at the later date when the employee becomes eligible for the recomputation.

The tier 1 calculation may reject or be bypassed if no tier 1 adjustment is required, and the tier 2 calculation is performed.

6.8.48 RAIL Tier 2 Computation

SEARCH provides the new tier 2 basic annuity which reflects service and compensation through the latest year reported by railroad employers. This amount is adjusted for the vested dual benefit reduction if appropriate.

If lag service for the current year was initially developed to establish the employee's eligibility, that service information is stored in PREH and is included in the calculations.

Military service months are included in the RAIL tier 2 computation if PREH shows that a period of M/S is creditable under the Railroad Retirement Act and was used as railroad service in the initial award.

6.8.49 RAIL RRA Maximum Test

SEARCH provides the FAMC which reflects all compensation reported to date. The RAIL calculates the new RRA maximum amount and the new annuity amounts subject to the maximum effective on the later of the ABD or the VDB date of entitlement. If the RAIL tier 2 adjustment date is the vested dual benefit effective date, examiners must test the RRA maximum for the period from the ABD to the VDB effective date.

If the RAIL test indicates the RRA maximum does not apply, the rate adjustment is made; if a maximum reduction was previously in force in the rate, it is removed. If the RAIL test indicates the RRA maximum applies, the case is adjusted if 1) only the spouse must be reduced for the maximum and 2) any resulting overpayment in the spouse's annuity is fully recoverable from the employee's accrual. Otherwise, if the RRA maximum applies, the case is rejected.

In cases adjusted only for additional DRCs, a RRA maximum test cannot be made. Such cases are rejected if a maximum reduction is currently in force.

A PARS record is created for cases in which the RRA maximum adjustment produces a spouse overpayment which is recovered from the employee's accrual. The identification code for the billing and cash receipt documents show "RAIL".

Effective with the 2003 operation, the RAIL no longer performs a RRA maximum test because all cases involved in the RAIL have annuity beginning dates after 2001.

6.8.50 RAIL Adjustment Of Temporary Work Deduction Amounts

The RAIL computes a new monthly work deduction amount if temporary work deductions are currently withheld from the annuity. If the tier 1 work deduction is a partial amount, the RAIL continues to withhold that amount. If the tier 1 work deduction is the full component, the new tier 1 work deduction amount is calculated by adding the increase in the adjusted tier 1 to the tier 1 work deduction amount in force prior to the RAIL. If the annuitant receives a reduced 60/30 annuity and the RAIL performs the age 62 tier 1 recalculation, a new tier 1 work deduction amount is calculated based on the adjusted PIA 17 received from the SEARCH system.

The new tier 2 work deduction amount is half the adjusted tier 2 if full LPE work deductions are in force. If the tier 2 work deduction amount in force is only a partial amount, the RAIL continues to withhold that amount.

6.8.51 RAIL Accrual Payments

The RAIL adjustment corrects the recurring monthly annuity rate payable for June (July 1 payment)(September 1 payment for August for RAIL jobs 1989-95). The increase in tier 1 attributable to lag compensation is payable, in general, from the ABD or the following January; the increase in tier 2 attributable to lag service and compensation is payable from the ABD. The RAIL issues retroactive accrual payments for the months prior to June.

In certain situations, the accrual cannot be paid mechanically or the amount must be restricted:

- If the annuitant rejected in a previous COLA job and the COL has not yet been paid manually, the accrual cannot be calculated.

- If tier 1 work deductions are withheld, no tier 1 accrual is paid.
- If tier 2 work deductions are in force or tier 2 work deductions were withheld for some portion of the annuitant's entitlement period, only one-half the tier 2 accrual is paid.
- If the annuitant receives social security benefits and the SSA date of entitlement is after the ABD, the tier 1 accrual for months prior to the SSA date of entitlement cannot be calculated.
- If the increased PIA 1 and increased DRCs are payable from different dates, the RAIL cannot calculate the entire tier 1 accrual due.
- If the vested dual benefit date of entitlement is later than the ABD, the entire tier 2 accrual cannot be calculated in some situations.

The total accrual calculated by the RAIL is issued in the third week of June (third week of August for RAIL jobs 1989-95).

6.8.52 Calculation Of The RAIL Accrual

The RAIL calculates the increased net tier 1 and net tier 2 amounts to be included in the July 1 payment. The accrual payment uses the increase amounts for tier 1 and tier 2 (the differences between the RAIL tier 1 and tier 2 and the pre-adjustment tier 1 and tier 2). The tier 1 and tier 2 increase amounts are adjusted to remove cost-of-living increases if the tier 1 or tier 2 accrual effective date is earlier than the latest COL date. The resulting tier 1 and tier 2 increase amounts are then multiplied by the number of months from the RAIL tier 1 and tier 2 effective dates through May.

The RAIL effective dates are:

1. Tier 1 - The RAIL tier 1 accrual effective date is:
    - the ABD, or
    - the month DRCs are payable, or
    - the month PIA 1 is payable, or
    - the SSA benefit date of entitlement, or
    - the first month the annuitant is 62 the entire month (lawyear 83 reduced 60/30 cases only)
2. Tier 2 - The RAIL tier 2 effective date is:
    - the ABD, or

- the vested dual benefit effective date

6.8.53 RAIL G-90s

G-90 forms are produced by SEARCH for the RAIL adjustment. Paper RAIL G-90 forms show the caption, "RAIL (year)," in item 1U; on GOLD, the Messages block shows “RAIL (year)”. The year displayed is the latest year for which employers have submitted final reports. The RAIL adds the service and compensation posted for this year to the annuity rate. Beginning in 1994, the RAIL also includes any SSA wages posted for the year.

Note: SEARCH will use the SS wages in EDM unless there is an indicator that the employee has multiple SSNs or EDM has no wages. In these situations, SEARCH will go directly to SSA to obtain a wage record for the employee. If SEARCH had to go to SSA, the earnings record shown on the RAIL G-90 could be different from the earnings record in EDM.

Item 2 of the paper RAIL G-90 forms (“Subsequent Service and Compensation Data” on GOLD) will show the creditable M/S months from PREH if military service is used as railroad service. If M/S is used as wage in the annuity, no M/S months will be shown, even though the creditability code for the M/S period indicates the period is creditable as compensation.

A "P" in the right hand margin of item 4 (“DM/LAG” column of Compensation Data on GOLD) indicates the potential for deemed service months in the year earmarked. The RRB has released a GL-99 form to the railroad to obtain additional information needed to make the deeming decision; the RAIL G-90 does not reflect any deemed service months for the year. An "R" indicates a GL-99 was released and was returned by the railroad; the G-90 reflects any service months deemed for the year.

Item 13 of the paper RAIL G-90 (“Remarks” on GOLD) shows messages as follows:

a. "Service After ABD" - the RAIL tier 2 calculation ignores all service months credited for months after the ABD. If more than three months are reported after the ABD, the case is rejected in the RAIL. The message, "Service After the ABD", is shown on the G-90. Assessment and Training investigates to determine if the post-ABD months are due to a return to service by the employee. If the employee worked in the reported months, PEMS sends the case to OP to adjust the ABD. If the employee did not work, the erroneous service months are removed from EDM. When PEMS advises that the correction is made, OP should request a new G-90 and adjust the case. See RCM 7.4, Appendix A for further information.

b. "Possible Dup. Earns. - Wages Not Used in Years __" - in its PIA calculations, SEARCH ignores any wages in a year 1978 or later if they equal the railroad compensation for the year. The years for which wages have been ignored are

listed in the message. If the wages are legitimate, request revised PIA calculations to include the wages.

c. "Possible Dup. Earns - BA#"__" - the BA number in EDM belongs to a railroad which is known to have reported earnings to the RRB and SSA. For one or more years after 1977, there are wages posted which may be a duplication of compensation causing the PIA to be overstated. Cases in this category are rejected in the RAIL mass adjustment if investigation reveals the wages are erroneous. A manual PIA calculation is needed to exclude the erroneous wages.

The PIA data on GOLD provides the complete PIA history for the employee as of the date of the SEARCH calculations. The PIA 1 amounts and effective dates shown on the paper RAIL G-90s are as follows:

a. All cases except reduced 60/30 cases:

- ABD year the same as the lag year- the first PIA is based on earnings through the year before the ABD year and is payable on the ABD; the second PIA, if any, is based on earnings through the ABD year and is payable January 1 of the year in which the RAIL operation is performed.

- ABD year after the lag year - the PIA is based on earnings through the lag year and is payable on the ABD.

b. Reduced 60/30 and the employee has not attained age 62 at the time the RAIL is performed in June (August for RAIL jobs 1989-95) -

- ABD year the same as the lag year - the PIA is based on earnings through the year before the ABD year and is payable on the ABD.

- ABD year after the lag year - the PIA is based on earnings through the lag year and is payable on the ABD.

c. Reduced 60/30 and the employee attains age 62 before July (September for RAIL jobs 1989-95) -

- Age 62 in the lag year - the first PIA is based on earnings through the year the employee is 61, and is payable in the first full month the employee is 62; the second PIA, if any, is based on earnings through the lag year and is payable January 1 of the year the RAIL operation is performed.

- Age 62 after the lag year - the PIA is based on earnings through the lag year and is payable in the first full month the employee is 62.

Effective with the 1999 RAIL, G-90 information may be updated to PREH by entering the G-90 date on a ROC/PC/manual award: if the calculation reject is 01, 02, 05, 10, 11, 12, 15, 21, 34 through 39, 41, 49, 60, 61, 62 or 65; or if payment reject is 01, 02, 03, 07,

09, 11, 13 or 17. If information on the G-90 is discrepant, request a new G-90 accordingly.

6.8.54 Records of The RAIL Adjustment

Various records are produced to document the RAIL adjustments.

1. Microfilm - a microfilm record of each RAIL adjustment was produced through August 1991. The film uses the standard mass adjustment information format described in Appendix A, Section I. The film title gives the date of the RAIL adjustment and the compensation year that was the focus of the operation.

   Codes are displayed on the microfilm to indicate the tier 1 and tier 2 accrual effective dates. The chart in Appendix F provides the codes and corresponding dates for the 1989-91 RAIL adjustments.

2. G-358 - folder notices were produced for each RAIL adjustment through August 1990. The G-358 forms show the same information as the microfilm.

3. DATA-Q - the adjusted monthly recurring rate is displayed on DATA-Q. The rate is identified by a June voucher date and a mass adjustment voucher number (472 or 473).

   If the RAIL pays an accrual amount the sum of the tier 1 and tier 2 accruals is displayed under "ACCRUAL". If the RAIL accrual rejects, the "ACCRUAL" field is blank.

4. MAIS - information for the August 1991 through August 1995 RAIL operations is available on the on-line mass adjustment inquiry system (MAIS) in RRAPID. MAIS replaced the microfilm and G-358 records. See RCM 16 for details. Beginning in 1996, PREH replaces MAIS as the source for RAIL information.

5. PREH - beginning with the August 1995 RAIL, the mass adjustment information is available in the PREH database. For non-rejected cases, the following records are posted to the database:

   a. RHMADJ (3250) record

      - MASS-ADJ-EFF-DT is June 1
      - MASS-ADJ-TYP-CD is '3'
      - MASS-ADJ-RESULT-CD is '1'
      - MASS-ADJ-CALC-REJ-CD shows '88' if the addition of lag service and compensation does not change the monthly rate

- MASS-ADJ-SPEC-1-CD has a value if the record is earmarked for further review or adjustment by an examiner

- MASS-ADJ-SPEC-2-CD has a 'T' followed by a numeric code if the attempt to adjust tier 1 rejected. The code has an 'A' followed by a numeric code if the tier 1 accrual rejected.

- MASS-ADJ-SPEC-3-CD has an 'A' followed by a numeric code if the tier 2 accrual rejected

b. RHTIER1 (3210) record(s) for each date break in the accrual period:

- If the RAIL PIA 1 was the same as the PIA already used to compute tier 1, no tier 1 adjustment is made. No RHTIER1 record is posted for the RAIL.

- If MASS-ADJ-SPEC-2-CD shows a tier 1 reject, no RHTIER1 records were posted for the RAIL

- If MASS-ADJ-CALC-REJ-CD in the RHMADJ record shows '88' (the total annuity rate did not change), the latest RHTIER1 record was posted for the RAIL

- If MASS-ADJ-SPEC-2-CD shows a tier 1 accrual reject, the RHTIER1 record with the June 1 beginning date was posted for the RAIL

c. RHTIER2 (3215) record(s) for each date break in the accrual period:

- If the calculation reject code is 88 (the rate did not change), the latest RHTIER2 record was posted for the RAIL.

- If MASS-ADJ-SPEC-3-CD on the RHMADJ shows a tier 2 accrual reject, the RHTIER2 record with the June 1 beginning date was posted for the RAIL.

- If there is a review code '36' (spouse) or '38'(employee), the first RHTIER2 record posted for the RAIL has a beginning date equal to the VDB date of entitlement. If there is no review code '36' or '38', the RAIL adjusted the case from the ABD; all the RHTIER2 records reflect RAIL information.

d. RHWKDED (3278) record(s) for each date break in the accrual period (beginning with the 1996 RAIL)

e. RHREDCT (3220) record if the annuitant's record is reduced for work deductions or for tax withholding and the tax amount changes

f. RHRATE (3235) record for the current recurring rate

g. RHRCPAY (3277) recurring payment record with a July 1 beginning date

h. RHACOPO (3275) record if the RAIL paid an accrual amount. The payment beginning date reflects the earlier of the tier 1 or tier 2 accrual effective date.

For rejected cases, a RHMADJ (3250) record is posted to the database:

- MASS-ADJ-EFF-DT is June 1
- MASS-ADJ-TYP-CD is '3'
- MASS-ADJ-RESULT-CD is '2'
- MASS-ADJ-PYMT-REJ-CD has a value if the reject occurred when the RAIL attempted to put the new annuity rate onto the check writing master file
- MASS-ADJ-CALC-REJ-CD has a value if the reject occurred when the RAIL attempted to calculate the new recurring monthly annuity rate.

6.8.55 RAIL Adjustment Notices

Employees are advised of the RAIL adjustment with letter T-11, and spouses receive letter T-12. Prior to 2002, employees and spouses adjusted for the RRA maximum received form letters T-11a and T-12a if the spouse adjusted rate was lower than the pre-RAIL rate. Form letters T-11b and T-12b were released if the spouse adjusted rate increased, but the spouse was overpaid for a period of months prior to the effective date of the increased rate. Exhibits 4 and 5 provide samples of these letters.

6.8.56 SALSA

Special payments of separation allowance lump sum amounts (SALSA) are payable to employees if:

a. The employee received a severance or separation allowance payment from a railroad employer after 1984, and

b. Retirement tier 2 taxes were withheld from the severance/separation allowance payment, and

c. All or part of the severance/separation allowance payment could not be used to produce regular retirement service credits.

In the mechanical SALSA operation, the SALSA calculation program calculates payable amounts for all retired employees for whom railroad employers have reported separation allowance payments. The amount calculated is then compared to the SALSA amount previously paid according to the Payment, Rate and Entitlement History database (PREH). The difference between the SALSA amount calculated and the amount previously paid are sent to the check writing system to be issued to the

employee. If the employee is enrolled in the direct deposit program, the SALSA is deposited with the employee's financial institution.

In 2006, the annual SALSA operation was replaced by the RESCUE system.

6.8.57 SALSA Payment Notices

Form letter T-30 is released to employees who are issued SALSA payments. There are two versions of the T-30. One version is released to the employee if the payment is the first SALSA issued to the employee. If the employee previously received a SALSA and an additional amount is now payable, the second version of the T-30 is released.

Exhibit 6 provides an example of the T-30.

6.8.58 Records of SALSA Payments

For the August 1989 through August 1995 mass adjustments, a copy of the T-30 letter was produced for the claim folder to document the SALSA payment.

A microfilm record of the SALSA payment was produced through August 1991. The amount of the payment, or a reject code if the payment cannot be made, is shown in item 31 of the film. For the August 1991 through the August 1995 SALSA mass adjustments, information is available on the Mass Adjustment Inquiry System (MAIS) in RRAPID. See RCM 16 for details.

Beginning with the August 1995 SALSA mass adjustment, the results of the operations are stored on the PREH database.

a. If the mass adjustment issued a payment, PREH will contain the following:

   (1) a RHACOPO (3275) record for the payment showing the amount issued by the mass adjustment. The ACTVY- SOURCE-CD shows 7068 if the payment was released or 7069 if the case was in code 98 undeliverable suspended status. In code 98 suspended situations, the SALSA payment amount is added to the accrued undeliverable amount which is released when a corrected address is received. VCHR-NO-1 shows 0474 and VCHR-DT shows the date of the mass adjustment.

   (2) the RHREFND (3050) screen shows code 3, "Mass Adj", as the SALSA-PYMT-SOURCE-CD and SALSA-LST-ACCT-DT is the same as VCHR-DT on the RHACOPO (3275) screen. SALSA-CUM-PYBL-AMT on the RHREFND screen is the gross SALSA amount calculated for the mass adjustment; SALSA-PD-TTD-AMT includes the amount paid by the mass adjustment. The amount paid is added to any SALSA-PD-TTD-AMT present before the mass adjustment.

b. A case is rejected in the SALSA mass adjustment if:

(1) the employee is not yet paid final at the time of the mass adjustment, or

(2) the employee is terminated, or

(3) the employee is suspended for other than code 98 undeliverable or code 35/69 small overpayment recovery, or

(4) the gross SALSA amount calculated is less than $5.01 (tolerance applied)

(5) the gross SALSA amount calculated was less than the amount previously paid to the employee. The SALSA- CUM-PYBL-AMT is less than the SALSA-PD-TTD-AMT on the RHREFND (3050) screen, or

(6) the gross SALSA amount calculates to zero because all of the severance/separation allowance payment was used to provide service month credits, or

(7) the gross SALSA amount could not be calculated mechanically because of discrepancies in the severance/separation allowance report received from the railroad employer. The SALSA-ALERT-FLG is '1' on the RHREFND (3050) screen

If the case rejects in the mass adjustment, there is no RHACOPO (3275) screen with the current mass adjustment voucher date. The RHREFND (3050) screen shows the following:

a. The SALSA-CUM-PYBL-AMT shows the gross SALSA amount (including zero) computed for the mass adjustment.

b. The SALSA-ALERT-FLG shows '1' if the gross SALSA amount could not be computed mechanically.

c. The SALSA-AMT-CHNG-ACCT-DT shows the mass adjustment voucher date.

d. The SALSA-LST-ACCT-DT on the RHREFND (3050) screen does NOT show the voucher date of the current mass adjustment.

e. The SALSA-PYMT-SOURCE-CD is not changed. If the source code shows "Mass Adj.", it refers to a previous mass adjustment; the SALSA-LST-ACCT-DT shows the date of that mass adjustment.

From 1989 through 1997, one-page informational G-90 forms were produced for cases which rejected in the mass adjustment because the employee was terminated, in partial payment status or the gross SALSA amount was less than the amount previously paid. The SALSA amount shown on the informational G90s produced form 1993 through 1997 may not be correct; these G90s should not be used to make manual SALSA

payments. Instead, use the SALSA-CUM-PYBL-AMT and the SALSA-PD-TTD-AMT on the PREH RHREFND (3050) screen to determine any amount payable.

6.8.59 Handling SALSA Inquiries

Examiners should handle inquiries concerning non-receipt of SALSA payments if a SALSA was calculated but was not issued because the employee is terminated, suspended or in partial status, or if the SALSA was issued but not received by the employee.

Forward the inquiry to Assessment and Training - STARS Project if:

a. the employee inquires about entitlement to a SALSA amount and the SALSA-CUM-PYBL-AMT is zero and the SALSA-ALERT-FLG is zero, or

b. the employee received a SALSA payment and questions the amount

Forward the inquiry to Policy and Systems - Records Analysis and Systems if the SALSA-ALERT-FLG is not zero.

6.8.60 Supplemental Annuity Reductions

At various times between 1987 and 1990, supplemental annuity funds were sequestered under the Balanced Budget and Emergency Deficit Control Reaffirmation Act (also known as the Gramm-Rudman act). When a sequestration order was issued, monthly supplemental annuity payments were reduced by the required percentage through a mass adjustment operation.

A total of five supplemental annuity adjustment actions were performed in this period. Most of the supplemental annuity amounts withheld were later paid to employee annuitants. Appendix I provides a chart of the various cutback mass adjustments.

Legislation was eventually passed which exempts supplemental annuity funds from sequestration. Supplemental annuity payments are now protected from Gramm-Rudman reductions.

6.8.61 CPI Correction

In October 2000, the Bureau of Labor Statistics identified an error in the consumer price index (CPI) that was used to determine the cost-of-living increase paid for December 1999. The original percentage used in December 1999 was 2.4%; the corrected percentage was 2.5%. The error of 0.1% affected tier 1 benefits paid by the Railroad Retirement Board (RRB), benefits paid by the Social Security Administration (SSA), and pensions paid by the Office of Personnel Management (OPM).

The error of 0.1% did not impact the December 1999 tier 2 cost-of-living increase. Although the tier 2 cost-of-living percentage is 32.5% of the tier 1 percentage, the small

change in the tier 1 percentage was not significant enough to produce a change in the tier 2 percentage.

6.8.62 Impact of the CPI correction

Benefits were affected if the employee (or the wage earner in the case of SSA benefits) was:

- Age 62 before 2000, or
- Rated disabled before 2000, or
- Died before 2000

The majority of monthly benefits were understated $1.00 or less as a result of the CPI error in 1999.

6.8.63 Corrective Action

The RRB and SSA corrected monthly benefits effective July 1, 2001 (August 1, 2001 payment). Accrual payments were calculated for the period from December 1999 through June 2001. OPM corrected monthly benefits effective May 1, 2001 (June 1, 2001 payment).

6.8.64 RRB mass adjustment

The RRB performed a mass adjustment on July 3, 2001 to correct tier 1. The adjustment voucher number was 473.

The primary insurance amount (PIA) used in tier 1 was recalculated using 2.5% as the December 1999 cost-of-living increase percentage. SSA provided a file with corrected benefit amounts which were used for the tier 1 SS offset. OPM public service pension offset amounts were also corrected; the corrected offset amounts were calculated in the mass adjustment operation.

Note: OPM pension offset amounts subtracted from tier 1 were corrected effective July 1, 2001. No correction was made in the offset amounts for May and June 2001 even thought OPM corrected its payments for those months.

If the correction in the cost-of-living percentage increased the net tier 1 payable for July 2001, an accrual was calculated for the months between December 1999 and June 2001. The net increase in the July 2001 net tier 1 was used to compute the accrual. The amount was accrued from the later of:

- The annuity beginning date, or

- The first full month the annuitant was age 62 if the annuity was paid under the 60/30 provision of the 1983 Amendments, or

- December 1999.

Federal income taxes were deducted from the accrual payment only for amounts paid to non-resident aliens.

6.8.65 Correction of SSA Benefits

RRB corrected the July benefit for LAF E payments using the information provided by SSA. The RRB computed the accrual due in LAF E payments. The net increase in the July benefit was used to compute the accrual due from the later of:

- The SSA date of entitlement, or

- December 1999.

SSA corrected the July benefit for LAF C payments. SSA computed the accrual due for January 2001 through June 2001 using the net increase in the July benefit. For the months prior to 2001, SSA was not able to compute precise accrual amounts. Instead, SSA paid an amount to each beneficiary that was intended to approximate the total amount the beneficiary could have been underpaid in 2000. SSA based the approximation on ranges of PIA values and paid $12, $24, $36, or $48. SSA assumed the beneficiary was entitled for all months in 2000.

SSA corrected its benefit history from July 1, 2001. The accrual payments were not reflected in the rates in the benefit history. Tier 1 was reduced for the new SSA benefit payable July 1, 2001. The approximation amounts SSA paid for months before July 2001 did not impact tier 1 and were not taken into consideration when computing tier 1 rates for months before July 2001.

6.8.66 CPI correction notices

Form letter T-60 was released to beneficiaries to explain the CPI correction. A single letter was used to explain the adjustment in the RR annuity and LAF E SS benefits. The letter was dated July 20, 2001. Eleven different versions of the T-60 were used to explain the various situations:

- The beneficiary received an increase in monthly benefits and a retroactive accrual payment,

- The beneficiary was not eligible for the December 1999 cost-of-living,

- The beneficiary was eligible for the December 1999 cost-of-living but the CPI correction is did not change the monthly rate,

- The correction could not be made mechanically in the mass adjustment operation.

RCM 6.8 Exhibits 8 through 18 provide samples of the T-60 versions. The following chart explains the situation addressed in each version of the letter:

T-60 version	Case category
01	RR only not eligible for December 1999 COL
02	RR only but no change in tier 1
03	RR only rate adjusted and accrual paid
04	RR and/or LAF E SS and both rejected or one rejected and the other benefit was not impacted by the correction
05	SS only and not eligible for December 1999 COL or correction did not change the monthly rate
06	SS only rate adjusted and accrual paid
07	RR and LAF E SS; both adjusted or one benefit was adjusted and the other benefit was not changed (either the unchanged benefit was not eligible for the December 1999 COL or the correction did not change the monthly rate)
08	RR and LAF E SS; RR adjusted but SS rejected
09	RR and LAF E SS; SS adjusted but RR rejected
10	RR and LAF E SS; not eligible for the December 1999 COL or the correction did not change the monthly rate
11	RR and LAF E SS; both adjusted but dollar for dollar offset in tier 1 produced no change in the monthly rate. An SS accrual was paid.

In addition to the T-60, a form T-61 insert was included with versions 03, 06, 08 and 09 of the T-60 mailed to non-resident alien beneficiaries. The insert provided information about Federal income tax withholding from the accrual payment. Exhibit 19 in RCM 6.8 provides a sample of the T-61.

6.8.67 PREH records of the CPI correction

The PREH database contains the following records of the CPI corrective actions:

PREH record	What is shown
Tier 1 (3210-RHTIER1)	The tier 1 screen has a beginning date of 20010701. Even if the correction did not yield an increase in net tier 1 a new 3210 record was added to the tier 1 history if the annuitant was eligible for the December 1999 COL. No 3210 records were posted for the retroactive accrual payments.
SSA history (3206-RHSSHIST)	The results of the mass adjustment in LAF E SS benefits are displayed even if the monthly benefit did not increase if the beneficiary was eligible for the December 1999 COL.
Payment (3277-RHRCPAY)	There is a record with a beginning date of 20010801 if the monthly payment changed.
Mass adjustment (3250-RHMADJ)	The record for the RR CPI correction shows: • 20010701 effective date • type code of 5 (“Other”) • normal reject and review information plus special CALC REJ codes: o 87 – the beneficiary was not eligible for the 12/99 COL and therefore tier 1 was not adjusted o 88 – the correction did not produce a change in net tier 1. The 3210 tier 1 record was corrected to show the new tier 1 calculation, but the monthly payment was not changed. o 89 – the increase in LAF C SSA benefits caused net tier 1 to decrease by less than $2.01 or the adjusted rate increased by less than $1.00 and the CPI accrual was less than $1.00. The 3210 tier 1 record was corrected to show the new tier 1 calculation, but the monthly payment was not changed. o 90 – the CPI correction could not be made because 1) the beneficiary received an SS benefit increase prior to the CPI correction for

PREH record	What is shown
	which tier 1 was never adjusted, or 2) PIA 1 was incorrect due to an AERO or RAIL reject, or 3) the dual RR offset needed to be corrected in the spouse/widow tier 1
Accrual (3275-RHACOPO)	The record shows "CPI" as the source of the payment. The amount may be RR only, SS only, or a combination of the two. A voucher number of 477 was used for combined RR/SS accruals.

6.8.68 CPI correction for terminated beneficiaries

Terminated annuities were not corrected in the mass adjustment. The CPI correction was done manually if the annuitant inquired about the correction and:

- the employee annuitant was born before January 2, 1938 or was rated disabled before 2000 or died before 2000, and
- the annuitant was terminated after December 1999, and
- net tier 1 was not reduced to zero by offsets, and
- the correction would increase gross tier 1 by at least $1.00

6.8.69 CPI correction for deceased beneficiaries

Annuities of deceased annuitants were not corrected in the mass adjustment. The CPI correction was done manually if an inquiry was received and:

- the person inquiring was receiving a monthly annuity from the RRB, and
- the employee was born before January 2, 1938 or was rated disabled before 2000 or died before 2000, and
- the deceased annuitant died after December 1999, and
- net tier 1 was not reduced to zero by offsets, and
- the correction would increase gross tier 1 by at least $1.00

6.8.70 Student Suspension/Family Adjustment

The Social Security Act (SSA) Amendments of 1981 limit the definition of educational institutions to elementary or secondary schools effective August 1, 1982. The legislation also provides for a gradual phase-out of student beneficiaries on the rolls in August

1981 who are enrolled in a post-secondary school previous to May 1982. Although entitlement provisions to a Railroad Retirement Act (RRA) annuity remain unchanged, the RRA annuity amount payable is affected by the 1981 SSA Amendments. This is because a survivor student's annuity under the Railroad Retirement Act consists of a tier I amount, which is computed under the social security formula, and a tier II amount, which is computed under the railroad retirement formula.

Unless students in post-secondary school met certain criteria, their benefits were terminated effective August 1982. While the phase-out aspects of the 1981 Amendments allow benefits to continue to certain post-secondary students beyond August 1982, they also place certain limitations on these benefits. Specifically, these are:

- Benefits will not be paid for the months of May through August.
- No cost-of-living increase in tier I will be paid.
- In September 1982, the tier I original rate of a phase-out student will be reduced to 75 percent of the tier I original rate that was applicable in August 1981.
- In September 1983, the tier I original rate of a phase-out student will be reduced to 50 percent of the August 1981 tier I original rate level.
- In September 1984, the tier I original rate of a phase-out student will be reduced to 25 percent of the August 1981 tier I original rate level.
- Payment to all phase-out student beneficiaries will terminate effective August 1985.

These provisions are implemented for survivor students by a mechanical program twice a year starting with June 1, 1982 and continuing through

June 1, 1985. The program has been set up to:

- mechanically suspend phase-out students effective with the check dated 6-1
- mechanically reinstate phase-out students effective with the check dated 10-1
- mechanically adjust the rates of family members for the period of May, June-August, and September-April, whenever the maximum applies.

6.8.71 Type Of Notification

A. Phase-out Student Notification in May

A code letter is mechanically released through the G-96 suspension program during the last week in May.

B. Phase-out Student Notification in September - A letter is mechanically released to each student in the third week in September. There are 3 versions of the letter because there are 3 kinds of computations at which the student can be reinstated:

- sole survivor minimum rate
- phase-out (6-1981 PIA xx .75, .50 or .25)
- phase-out student original rate reduced for the maximum

The adjustment letter used is the RL-119. There is no folder record or copy for the field.

C. Family Member Notification - If the maximum applies, the rates of the other family members are affected by the exclusion of the student for May through August, and the inclusion of the student in September. Therefore, in maximum cases, each payee code is sent a letter explaining the new rates payable to each beneficiary on that payee code. If applicable, the amount of the accrual check which will be sent out later that month is included in the letter. The letter format used is the RL-119. There is no folder record or copy for the field.

6.8.72 Microfilm/Microfiche

A. June 1, Microfilm/Microfiche - A microfilm of the June 1, student suspension and family adjustment is available for examiners. A microfiche is available for the field. The standard format as explained in Appendix A, Section II is used. The only exception is that in column (D) "GROSS TIER 1," either the original rate or reduced for maximum rate (whichever applies) is shown. No code is shown, and no DRC's are shown.

B. October 1, Microfilm/Microfiche

A microfilm of the October 1, student reinstatement and family adjustment is available for examiners. A microfiche is available for the field. The standard format as explained in Appendix A is used. The only exceptions are:

- Maximum Determined by Research Shown - Under column (A), "RES MAX XXX.XX" will be shown. This will be on the first line, before any other data for all family members and all students on that claim number.
- Original or Reduced for Max Rate - Column (D), "GROSS TIER I" shows either the original or reduced for maximum rate, whichever applies. No code is shown. DRC's are not included.

- Student in Suspense - If the phase-out student was in suspense before the May mechanical suspension, he will be on the microfilm as a NO MASTER RECORD.

The following special effects are added if the October 1 adjustment includes 3 rate breaks:

- Three Rate Breaks Shown - The first 2 lines in a combined check case shown the claim number, PC, and columns (Y) through (d) for May. The next 2 lines show the same information as it pertains to June through August. The next 2 lines show the same information as it pertains to September. The effective date for each rate break is shown in the "CLAIM NUMBER" column.

After the "combined check" information is shown, each beneficiary on the payee code has 3 sets of data (3 rate breaks). Each rate break takes up 2 lines (per usual). The effective date for each rate break is shown in the "CLAIM NUMBER" column.

- Accrual Check Shown - The amount of the accrual check sent to each payee of the family group is shown in column (c). That column is labeled "SUP ANN RED FOR RRA MAX" but will show the amount of the accrual check released in mid-October.

6.8.73 Computations

The mechanical adjustment computes cases the same way they would be handled manually, with 3 exceptions. These exceptions are explained below. In all cases, the rate which is paid in the mechanical job should be considered correct, and used as the basis for future adjustments. Only if the beneficiary requests a review of his case should the rate be questioned or changed.

A. Sole Survivor Minimum

In the mechanical job, the sole survivor minimum (SSM) is computed for students as follows:

- If the year of eligibility is before 1979, the SSM equals the minimum AMW PIA.

- If the year of eligibility is in 1979 or later, $122.00 is increased for COL's. In the October 1982 adjustment, all COL's were given, even if no individual was entitled to a benefit in each year. In the October 1983 adjustment, $122 was increased only by 1.074 for the June 1982 COL.

B. RIB Limitations

In the maximum cases, when the student is out of the computations in the summer, the RIB LIMIT will not be tested to see if it applies. The widow(er)'s rate is calculated without regard to any possible RIB limitation.

C. Determination of Saving Clause Maximum

The savings clause maximum can be hundreds of dollars over the table maximum, or cents over the table maximum; each case is different. Since this information is not in the research record, the mechanical operations will try to create the savings clause. It may not be exactly what you would get if computing the case manually.

6.8.74 RRSIA RRA Maximum Removal

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminated the RRA maximum test for retirement annuities payable for months after 2001. Beginning in January 2002 and later, regular retirement annuities and supplemental annuities are no longer subject to RRA maximum reductions.

6.8.75 Mass Mailing to Annuitants with RRA Maximum Reductions

In January of 2002, form letter T-75 (Exhibit 29)was released to employee and spouse annuitants who had RRA maximum reductions in force in tier 2 and/or the supplemental annuity. The T-75 advised annuitants that the RRA maximum would be removed in the near future.

During the years the RRA maximum provision was in force, situations arose in which the spouse did not file for an annuity because the combined spouse and employee rates would cause the RRA maximum to apply. Letter T-76 (Exhibit 30) was released to employees if no spouse annuity was in force and the PREH RHEE record indicated the spouse would invoke the RRA maximum. The purpose of the T-76 was to alert employees that the RRA maximum no longer applied beginning in January 2002 in case the employee's spouse wanted to file for an annuity.

6.8.76 Mass Adjustment to Remove RRA Maximum Reductions

A mass adjustment operation was performed in May 2002 to remove the RRA maximum reduction from the tier 2 of employees and spouses who were paid final before May 17, 2002. The tier 2 benefits of 13,711 annuitants were adjusted.

The mass operation also removed the RRA maximum reduction from the supplemental annuity of 340 employee annuitants.

The increased monthly rates were reflected on the June 1, 2002 payment.

Retroactive accrual amounts were paid in the mass operation. Accruals were calculated for tier 2 from the later of:

- January 1, 2002, or
- The annuity beginning date, or
- The vested dual benefit effective date, or
- The effective date of LPE work deductions, or
- The ending date of LPE work deductions.

Supplemental annuity accruals were calculated from the later of:

- January 1, 2002, or
- The supplemental annuity beginning date, or
- The effective date of LPE work deductions, or
- The ending date of LPE work deductions.

If the accrual amounts were restricted to a date later than January 1, 2002 or the benefit beginning date, referrals were issued to RBD to pay any additional accrual due.

If the accrual amount calculated in the mass operation was less than $1.00, no accrual was issued.

6.8.77 RRA Maximum

Benefit Calculations

The tier 2 calculations performed by the mass operation included tier 2 take back reductions. The December 1983 and December 1984 take back amounts found in the RHTIER2 record were used in the computation of tier 2. If the RHTIER2 record did not contain take back amounts (i.e., tier 2 was reduced to zero by the RRA maximum reduction), the total tier 2 take back amount found in the RHRRID record of PREH was used in the calculation of tier 2. Seventy percent of the total take back amount was used as the December 1983 take back amount, and the balance of the total take back was subtracted as the December 1984 take back amount. The $10.00 tier 2 minimum guaranty was applied where appropriate.

Railroad pension information found in the RHPENS record in PREH was used in the computation of the adjusted supplemental annuity.

If LPE work deductions were in force, a work deduction amount was calculated for the adjusted tier 2 and/or supplemental annuity. If a partial work deduction amount was in force, that deduction amount was continued in the new rate. If full work deductions were in force, half the adjusted tier 2 and/or half the adjusted supplemental annuity

were withheld from the new rate. If PREH indicated the annuitant was in LPE, but no work deductions were previously assessed because the RRA maximum reduced tier 2 and/or the supplemental annuity to zero, the mass operation initiated LPE work deductions in the monthly rate.

Mass Operation Voucher Dates and Numbers

The voucher date for the adjustment in the recurring monthly payment was May 17, 2002. The voucher date for the accrual payment was May 18, 2002.

If only tier 2 or only the supplemental annuity was adjusted, the voucher number was 473. If both tier 2 and the supplemental annuity were adjusted, the voucher number was 477.

Mass Operation Notifications

The following letters were released to adjusted annuitants:

Circumstances	Letter	RCM 6.8 Exhibit
The RRA maximum was removed in the mass operation	T-84	Exhibit 22
Only the supplemental annuity was reduced for the RRA maximum, and the net supplemental annuity continues to be zero due to a RR pension.	T-85	Exhibit 23
The attempt to remove the RRA maximum reduction rejected.	T-86	Exhibit 24

Mass Operation Referral Codes

Referrals were issued to RBD if the RRA maximum could not be removed in the mass operation, or if the mechanical adjustment needed to be followed with further examiner action. The referral codes are found in Appendix P

6.8.81 Widow(er)'s Initial Minimum Amount

The Railroad Retirement and Survivors' Improvement Act of 2001 (RRSIA) created an initial minimum amount for aged and disabled widow(er)s and young mothers and fathers paid under the 1981 amendments. The "widow(er)'s initial minimum amount" (WIMA) is based on amounts payable to the annuitant on the original beginning date

(OBD). If the annuitant's rate is adjusted for the family maximum, amounts are computed that would have been payable on the OBD based on the current family group. The WIMA is a fixed amount; it is not adjusted for cost-of-living-increases that are payable after the OBD. The WIMA is an alternative to the regular widow(er)'s annuity computation. The WIMA was effective February 1, 2002.

6.8.82 Initial WIMA Mailing

In January of 2002, letters were sent to all widow(er)'s on the rolls to make them aware of the WIMA provision of the RRSIA:

Letter	Released to	Text sample
T-71	1981 amendment widow(er)s who were eligible for an increase in monthly benefits because of the WIMA.	Exhibit 25
T-72	1981 amendment widow(er)s who were not eligible for an increase under the WIMA provision. In these cases, the widow(er) had been on the rolls long enough so that annual cost-of-living increases made the regular annuity rate higher than the person's WIMA.	Exhibit 26
T-73	Remarried widow(er)s and surviving divorced spouses to explain why those annuities were not subject to the WIMA provision	Exhibit 27
T-74	Widow(er)s paid under the 1937 or 1974 acts to explain why those annuities were not subject to the WIMA provision	Exhibit 28
T-77	1981 amendment widow(er)s if a determination of WIMA eligibility could not be made in advance of the mass adjustment operation.	Exhibit 31

6.8.83 WIMA Adjustments

Two WIMA mass operations were performed in 2002:

- In April, the WIMA operation tested the WIMA for 114,700 1981 amendment widow(er)s who were paid find before April 17th. The WIMA was paid to 46,213 of these widow(er)s. In the rest of the cases, the widow(er)'s current regular annuity rate exceeded the WIMA.

- In June, a WIMA clean-up operation was performed to test the WIMA for the 713 widow(er)s who came on the rolls after the April operation and before changes were finalized in SURPASS to test the WIMA on all initial widow(er) awards.

6.8.84 WIMA Computations

In both WIMA operations, the WIMA amount was computed as follows:

- WIMA tier 1 component – the statutory share of the OBD PIA adjusted for the family maximum (based on the family group in force at the time of the operation) and reduced for the RIB limit or the number of months the widow(er) was under FRA on the OBD

- WIMA tier 2 component – 100 percent of the deceased employee's tier 2 adjusted for vested dual benefit entitlement and cost-of-living increases accrued between the employee's date of death and the widow(er)'s OBD. The tier 2 amount was adjusted for the family maximum, the number of months the widow(er) was under FRA on the OBD, and any employee actual or fictional section 4(d) takeback.

The total WIMA amount computed as described above was compared to the following amount from the February 1, 2002 regular annuity rate:

- Tier 1 adjusted for cost-of-living increases, the family maximum, and the RIB limit or the number of months the widow(er) was under FRA on the OBD. The tier 1 amount was before reductions for social security benefit, public service pension and/or dual railroad retirement entitlement.

- Tier 2 adjusted for early retirement and section 4(d) takebacks and increased for the spouse minimum amount. The regular tier 2 used for the comparison did not include any dual entitlement restored amount.

If the WIMA was higher than the regular annuity amount, the May 1, 2002 monthly rate was increased for the main operation, and the July 1, 2002 payment was increased in the subsequent clean-up operation.

Retroactive accruals were computed from the later of:

- February 1, 2002, or

- The OBD, or

- The month after February in which the family group changed.

If the total accrual was less than $1.00, no accrual was paid in the mass operations.

6.8.85 Rules Used in the Automated WIMA Computation

The following rules were applied in both automated operations:

- If there was no RHTIER1 record for the OBD in PREH, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1 amount. If PREH contained tier 1 information for the annuity rate payable on the OBD, that information was used to calculate the WIMA tier 1 amount, unless tier 1 was subject to the 2001 CPI correction.

- If the OBD was after November 30, 1999 and the tier 1 was adjusted in the July 2001 CPI correction, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1.

- If the tier 1 beginning date was after the OBD, the WIMA tier 1 was zero.

- If the family maximum applied on the OBD or in April 2002, the WIMA tier 1 was computed by removing cost-of-living increases from the current tier 1.

- If the family group changed in March or April, the computation of the accrual was restricted to that month. Referrals were issued for SBD to determine the amount payable from February 1, 2002 up to the month the family group changed.

- If the widow(er) was under FRA on the OBD, the number of age reduction months applicable on the OBD (before any ARF) were used to calculate the WIMA tier 1 and tier 2.

6.8.86 WIMA Mass Operation Notifications

Letter T-78 was released to widow(er)s if the May 1st payment was increased because the WIMA was higher than the regular annuity rate. The text of the T-78 can be found in Exhibit 20.

Letter T-79 was released if the WIMA test could not be done in the mass operations. The text of the T-79 is provided in Exhibit 21.

Letter T-72 (Exhibit 26) was released to widow(er)s who received the T-77 in the initial WIMA mailing in January, and the mass operation determined no WIMA increase was payable.

6.8.87 WIMA Mass Operation Referral Codes

If the WIMA could not be tested by the mass operation, or if the mechanical adjustment action needed to be followed by further examiner action, a referral was issued to SBD. The referral codes are provided in Appendix O.

6.8.88 RESCUE Overview

The system to **re**calculate for **s**ervice and **c**ompensation **u**pdated to **E**DM (RESCUE) was developed to automate annuity adjustments in response to changes in railroad service, railroad compensation, or social security wages posted to the Employment Data Maintenance database (EDM). RESCUE also issues SALSA payments in response to changes made in the separation payments master records.

RESCUE replaces the following annual mass adjustments: RAIL, AERO, SALSA. In addition, RESCUE adjusts annuities for all corrective reports made by railroad employers and for internally-generated corrections to EDM.

The first RESCUE run considered all EDM and SALSA activity posted after 2005.

Generally, RESCUE runs four times a year, approximately once every three months. The RESCUE runs do not necessarily conform to standard calendar quarters. In the month of a RESCUE run, RESCUE awards are sent to ROC in the last week of the month. The awards are vouchered the first of the following month.

RESCUE only processes annuity adjustments for retirement cases. If there is a survivor annuity being paid, RESCUE will request a wage record. A manual evaluation of the survivor annuity is made to determine if an adjustment is needed. Any necessary survivor adjustments are done manually in SBD. Because examiners always obtain fresh PIA and tier 2 computations when a survivor application is filed, most survivor annuities already reflect the service and earnings changes that RESCUE applies to the retirement annuity.

6.8.89 RESCUE Triggers

There are several ways for a case to be activated in RESCUE:

- A change in service months (reported and/or deemed) is posted to EDM
- A change in railroad compensation (regular or miscellaneous) is posted to EDM
- A change in social security wages is posted to EDM
- Delayed retirement credits (DRCs) earned in the ABD year need to be included in tier 1 either in the following January or in the month the employee attains age 70
- Tier 1 needs to be adjusted for RRSIA 60/30 cases to include ABD earnings in tier 1 beginning in January after the year the employee attains age 62.

RESCUE sweeps EDM to find changes in service and/or earnings. RESCUE also checks the Payment, Rate and Entitlement History database (PREH) in the first run each year to identify full age employees with ABDs in the previous calendar year who

need DRCs added to tier 1 and to identify RRSIA 60/30 employees who are due a PIA 1 recomputation because the employee turned 62 the previous year.

If RESCUE is activated for a change in service and/or earnings but there is no record in PREH, RESCUE will check APPLE for a pending retirement or survivor application. If an application is found, a referral is issued for RBD/SBD to check to make sure the initial award considers all service and earnings found in EDM.

Dates for each RESCUE run are provided below:

EDM activity posted	**RESCUE G90 date**	**ROC voucher**
January 1, 2006 – June 16, 2006	June 23, 2006	July 3, 2006
June 16, 2006 – September 15, 2006	September 26, 2006	October 2, 2006
September 15, 2006 – April 13, 2007	April 24, 2007	May 1, 2007
April 13, 2007 – July 13, 2007	July 25, 2007	August 1, 2007
July 13, 2007 - October 12, 2007	October 29, 2007	November 1, 2007
October 12, 2007 – February 15, 2008	February 22, 2008	March 3, 2008
February 15, 2008 – May 14, 2008	May 27, 2008	June 2, 2008
May 14, 2008 – September 15, 2008	September 24, 2008	October 1, 2008
September 15, 2008 – January 4, 2009	April 30, 2009	May 5, 2009
January 4, 2009 – May 13, 2009	May 21, 2009	June 9, 2009
May 14, 2009 – August 12, 2009	August 19, 2009	September 1, 2009
August 13, 2009 – January 2, 2010	February 22, 2010	March 2, 2010
January 2, 2010 – May 12, 2010	May 25, 2010	June 1, 2010
May 12, 2010 – August 16, 2010	August 23, 2010	September 1, 2010
August 16, 2010 – January 2, 2011	February 19, 2011	March 1, 2011
January 2, 2011 – May 11, 2011	May 19, 2011	June 1, 2011

EDM activity posted	RESCUE G90 date	ROC voucher
May 11, 2011 – August 16, 2011	August 25, 2011	September 1, 2011
August 16, 2011 – January 2, 2012	February 24, 2012	March 1, 2012
January 2, 2012 – May 14, 2012	May 23, 2012	June 1, 2012
May 1, 2012 – August 14, 2012	August 22, 2012	September 4, 2012
August 14, 2012 – January 1, 2013	February 25, 2013	March 1, 2013
January 1, 2013 – May 14, 2013	May 24, 2013	June 3, 2013
May 14, 2013 – August 14, 2013	August 21, 2013	September 3, 2013
August 14, 2013 – January 1, 2014	February 20, 2014	March 3, 2014
January 1, 2014 – May 13, 2014	May 23, 2014	June 2, 2014
May 13, 2014 – August 14, 2014	August 21, 2014	September 2, 2014
August 14, 2014 – January 1, 2015	February 20, 2015	March 2, 2015
January 1, 2015 – May 13, 2015	May 21, 2015	June 1, 2015
May 13, 2015 – August 13, 2015	August 24, 2015	September 1, 2015
August 13, 2015 – January 1, 2016	February 25, 2016	March 1, 2016
January 1, 2016 – May 11, 2016	May 20, 2016	June 1, 2016
May 11, 2016 – August 18, 2016	August 24, 2016	September 1, 2016
August 18, 2016 – January 1, 2017	February 22, 2017	March 1, 2017
January 1, 2017 – May 15, 2017	May 23, 2017	June 1, 2017

A special RESCUE run in November 2006 adjusted non-terminated employees for any service or earnings changes posted to EDM prior to 2006. The cases were identified by comparing new SEARCH PIA 1 and gross tier 2 computations to the amounts being paid. Approximately 42,000 employees were considered in this special run. Adjusted annuities have a voucher date of November 2, 2006.

The special run also included the spouses and divorced spouses of the active employees. If the spouse/divorced spouse was deceased, any accrued annuity due was released to the employee. If the spouse was terminated for other than death, the

accrued annuity was posted to PREH and a STAR referral was issued for RBD to pay the accrual to the spouse. If the former spouse was in receipt of a divorced spouse annuity, the accrued spouse annuity was released to the divorced spouse.

A special RESCUE run in March 2007 paid accrued annuities resulting from service or earnings changes posted to EDM prior to 2006. The terminated employee annuities were identified by comparing new SEARCH PIA 1 and gross tier 2 amounts to the amounts in PREH. Approximately 15,000 employees were considered in this special run.

If there was an active widow(er)/young mother on the rolls, RESCUE paid the employee's accrued annuity to this survivor annuitant. Based on the high percentage of widow(er)s/young mothers who meet "living with" requirements, the Board agreed to have RESCUE release the employee's accrued annuity without a "living with" determination in order to facilitate automated handling of the cases. If RESCUE was not able to pay the employee's accrued annuity (the case rejected or there was no active widow(er)/young mother on the rolls), examiners should investigate "living with" in the normal manner before paying the employee's accrued annuity.

If the only active survivor annuitant was a child, a parent, a remarried widow(er), or a surviving divorced spouse, RESCUE computed the employee's accrued annuity and posted a 3275-RHACOPO record to PREH with OPO type code A. A STAR referral was issued for SBD to pay the accrued annuity to the appropriate recipients.

If there was no active survivor annuitant on the rolls, no further action was taken on the case after the special RESCUE run. APPLE will issue a referral if a survivor application is ever filed; SBD should take action to pay the employee's accrued annuity that was posted to PREH. If RESCUE rejected the case, SBD must have the accrued annuity computed by RBD. The Board will waive the two year filing requirement for these accrued annuity payments.

In the special run in March 2007, RESCUE also paid spouse/divorced spouse accrued annuities if the spouse/divorced spouse was receiving a survivor annuity. If the spouse/divorced spouse was not on the rolls as a survivor, RESCUE computed the accrued annuity and posted a 3275-RHACOPO record (OPO type code A) to PREH. A STAR referral was issued for RBD to pay the spouse/divorced spouse accrued annuity.

6.8.90 RESCUE SEARCH Computations

RESCUE will obtain PIAs and AMC computations from the SEARCH system for all activated cases found in PREH in final payment status except cases activated solely to add delayed retirement credits.

If RESCUE adjusts the annuity a RESCUE G90 is loaded to the G90 Online Database (GOLD). If RESCUE issues a reject referral to STAR, a RESCUE G90 is loaded to GOLD unless the reason for the reject indicates the G90 may be incorrect.

6.8.91 RESCUE Evaluation

After obtaining computations from SEARCH, RESCUE evaluates the case to determine if an adjustment is needed in:

- Tier 1 to adjust PIA 1 or to include DRCs earned in the ABD year
- Tier 2 to correct the basic annuity
- The supplemental annuity, including both initial payment of a supplemental annuity or adjustment of an existing supplemental annuity
- A SALSA payment is due, including an initial payment or an additional payment

If the case needs one or more of the above adjustment actions, RESCUE edits the information in EDM and PREH and the SEARCH computations to determine if the automated adjustment can be made or if the case must be referred for examiner handling.

RESCUE evaluates spouse and divorced spouse annuities if the employee is activated. The spouse/divorced spouse tier 1 will be adjusted only if half of the new PIA 1 is greater than the spouse/divorced spouse's current gross tier 1.

RESCUE does not apply any tolerance when it determines if the annuity needs to be adjusted. If RESCUE sees any increase in PIA 1, the tier 2 basic annuity, or the gross supplemental annuity amount, RESCUE will send the case to ROC to compute an adjustment. If ROC determines that the net monthly rate will not change (for instance, tier 1 is reduced to zero by other benefits), an update only award will be sent to PREH.

6.8.92 RESCUE Processing for Terminated Records

RESCUE will update the monthly annuity rates for terminated records. The only terminated records not activated by RESCUE are:

- Terminated spouses/divorced spouses when RESCUE rejects the employee
- Terminated spouses/divorced spouses where the payee code of the record is the same as another CPS or terminated spouse/divorced spouse record.

If an accrued annuity is due in a terminated annuity, RESCUE will post the amount due on PREH (3275-RHACOPO record) and STAR referral will be issued if RESCUE cannot determine who is entitled to receive the accrued money. If the employee is deceased, the STAR referral will be under the unit code SPR. OP must determine appropriate payees for the accrued annuity. Unpaid accruals posted by RESCUE in terminated cases can be recognized by the following:

- The activity source code on the 3275 record is "RESCUR R CO 7205."

- The OPO type code on the 3275 record is “COMP ONLY A”

Prior to November 2006, RESCUE processed PREH update only awards for all terminated annuities. Beginning in November 2006, RESCUE processes PREH update only awards for the following terminated annuities:

- Deceased employee – SBD must determine the appropriate payees. If there is an active widow, SBD must verify that the widow met “living with” requirements and is entitled to the accrued annuity

  In normal RESCUE runs, a change in service or earnings may be detected for deceased employees where the annuity was terminated more than two years ago. The two year period during which survivors can file an application for the accrued annuity should be counted from the date of the RESCUE run, not the date the employee was terminated. In this situation, the application should be submitted with code 6 manual review on APPLE.

  In order to automate deceased employee accrued annuity payments due in cases where service/earnings changes were reported before 2006, the Board authorized payment of accrued annuities to active widow(er)s/young mothers without a “living with” investigation in the special RESCUE run in March 2007. The waiver of the “living with” investigation applies only to cases paid by RESCUE. SBD must investigate for “living with” before paying deceased employee accrued annuities that RESCUE was not able to pay.

- If there was no active survivor annuitant on the rolls at the time of the special RESCUE run in March 2007, no further action was taken. APPLE will issue a referral in these cases if a survivor application is ever filed. The Board has waived the two year filing requirement for payment of the deceased employee’s accrued annuity in the cases RESCUE could not pay.Deceased spouse/divorced spouse if the employee is deceased

- Annuities terminated for other than death – RBD must determine if the annuitant is alive and obtain a current address

Beginning in November 2006, RESCUE releases accrued annuity payments in the following situations:

- Deceased spouse/divorced spouse – the accrued annuity is released to the active employee

- Terminated spouse converted to divorced spouse – the accrued annuity is released to the divorced spouse

- Terminated spouse/divorced spouse who is now an active widow(er)/surviving divorced spouse – the accrued annuity is released to the active widow(er) or surviving divorced spouse

6.8.93 ROC Processing for RESCUE

Once RESCUE determines that an annuity needs to be adjusted, RESCUE uses ROC to compute the new annuity rates. RESCUE gives ROC the adjustment effective date(s) and the G90 ID number. ROC obtains the PIA, service and AMC information that it needs from the SEARCH database, and ROC performs its normal computations.

ROC will obtain RUIA clearance where needed for RESCUE cases. If the RUIA recovery amount exceeds the RESCUE accrual, the case will be referred to WORKLIST in the normal manner. The list will show that the award originated in RESCUE.

Voucher number 575 is used for all RESCUE retirement awards.

ROC does the following as part of its processing for RESCUE awards:

- Tier 1 social security offset amounts are obtained from PREH's tier 1 records. ROC does not call JADE for RESCUE awards.

- If temporary work deductions are in force (regular and/or LPE) equal to the full work deduction component amount, ROC recomputes the work deduction components based on the new tier 1, tier 2 and supplemental annuity and continues to withhold the maximum amounts. RESCUE will ask ROC to adjust the tier only from the later of January of the current year or the month TWDs began; ROC will restrict its accrual calculation to that date. If the TWDs are only partial amounts, RESCUE will refer the case for examiner handling.

- If the annuity is reduced for a fixed non-partition deduction, ROC derives the beginning date of the deduction by comparing the annuity rate and deduction history in PREH. All cases with partition deductions and all cases with percentage deductions are referred by RESCUE for examiner handling.

- If the spouse tier 1 is reduced for dual RR entitlement, ROC goes to the spouse's employee annuity to obtain the amount (gross or net employee tier 1) by which to reduce the spouse tier 1. If the employee annuity is archived (no tier 1 history in PREH), ROC will use the maximum dual offset amount found in the spouse's tier 1 records.

- If tier 1 is adjusted for months between December 1999 and June 2001, RESCUE gives ROC a deduction amount representing the CPI accrual paid for those months.

- RESCUE performs special computations to derive accrual amounts payable for years before 1995. ROC adds these pre-1995 accrual amounts to the accrual which it computes for years after 1994.

- ROC will process PREH-update-only awards if the current recurring monthly rate does not change

RESCUE awards are processed in ROC during the last week of the month. **If a RESCUE award is pending vouchering in ROC, examiners should defer any award action on the case until after the RESCUE award is vouchered, unless the RESCUE award will create an error in the case. If the pending RESCUE award should not be allowed to voucher, a lead examiner or supervisor should delete the RESCUE award from ROC. The service and earnings change that RESCUE was going to voucher should be taken into consideration in the examiner award.**

If a RESCUE award rejects in DAISY, the ROC award will be sent to the ROC reject Inbox in WORKFLOW. Examiners can correct the problem that caused the reject and submit the RESCUE computations again. **If examiners decide to recompute the RESCUE award in any way, the RESCUE award should be deleted from ROC. In preparing their own awards examiners should consider the service and earnings change that RESCUE was going to voucher.**

6.8.94 RESCUE Pre-1995 Accruals

ROC is able to perform calculations for RESCUE only for the months for which history is available in PREH. For the majority of cases that were already on the rolls at the time PREH was first loaded in June 1995, the database only has history retroactive to December 1994. The earliest adjustment effective date RESCUE gives to ROC for calculations is January 1, 1995.

If the ABD of the case is before 1995 and tier 2 is increasing or the PIA 1 is increasing prior to 1995, RESCUE uses special processing to compute amounts payable for months prior to January 1995. The special accruals calculated are then given to ROC to add to the accrual ROC calculates for months after 1994.

Tier 1 accrual for months before 1995 is calculated as follows by RESCUE:

- The new raw PIA 1 is adjusted for all tier 1 cost-of-living increases through December 1994.
- The new tier 1 amount payable for December 1994 is computed. The computation uses the DRCs shown in PREH for December 1994, and all offset amounts that are shown in PREH for December 1994 (social security benefit, public service pension, maximum dual entitlement offset). The age reduction amount is computed using the number of age reduction months shown in PREH.
- This amount is compared to the December 1994 net tier 1 in PREH
- The difference in the two rates is multiplied by the number of months from the PIA 1 effective date through December 1994
- Sample: The employee tier 1 is reduced by 3 months. The net tier 1 previously paid for December 1994 was $979.40. The eligibility year is 1980. RESCUE finds the

employee is due a PIA 1 increase from January 1983. RESCUE computes the pre-1995 tier 1 accrual as follows:

Step	Computation
1	Add cumulative COLs to the January 1983 raw PIA 1: $484.70 (raw PIA 1) x 2.05756 (cumulative COLs 1980-1994) = $997.20 new December 1994 PIA 1
2	Age reduce the December 1994 gross tier 1: $997.00 (new December 1994 gross tier 1) x .98333 (age reduction factor) = $980.38 new December 1994 net tier 1
3	Compute the December 1994 net increase in tier 1 $980.38 - $979.40 = 0.98 net increase in December 1994 tier 1
4	Compute total pre-1995 tier 1 accrual: $0.98 x 144 months (January 1983 – December 1994) = $141.12 pre-1995 tier 1 accrual paid by RESCUE

Tier 2 accrual amounts for months before 1995 are computed as follows by RESCUE:

- The current tier 2 basic annuity shown in PREH is subtracted from the new tier 2 basic annuity computed by SEARCH for RESCUE
- The difference in the two amounts is reduced for age using the age reduction months shown in PREH. For spouses, the increase in the tier 2 basic annuity is multiplied by 45 percent, and this amount is reduced for age.
- The age reduced increase in the tier 2 basic annuity is adjusted for each tier 2 cost of living increase to which the annuitant is entitled through December 1994. Each COL-adjusted amount is multiplied by the appropriate number of months for which that amount is payable.
- Sample: The employee is due a tier 2 increase from the ABD of August 1, 1991. The annuity is age reduced by 28 months.

Step	Computation
1	Compute the increase in the tier 2 basic annuity:

Step	Computation
	$422.17 (new basic tier 2) - $414.72 (current basic tier 2) = $7.45
2	Age reduce the increase in the basic tier 2: $7.45 x .84444 (age reduction factor) = $6.29
3	Add COLs to the age-reduced increase in the tier 2 basic annuity and round up to the penny: $6.29 x 1.012 (December 1991 COL) = $6.37 $6.37 x 1.01 (December 1992 COL) = $6.44 $6.44 x 1.008 (December 1993 COL) = $6.50 $6.50 x 1.009 (December 1994 COL) = $6.56
4	Accrue the increase amounts: $6.29 x 4 (August 1991 – November 1991) = $25.16 $6.37 x 12 (December 1991 – November 1992) = $76.44 $6.44 x 12 (December 1992 – November 1993) = $77.28 $6.50 x 12 (December 1993 – November 1994) = $78.00 $6.56 x 1 (December 1994) = $6.56
5	The total pre-1995 tier 2 accrual paid by RESCUE is $263.44

The tier 1 and tier 2 computations described above produce accrual amounts that are different from the amounts that would be computed if the tier 1 and tier 2 accruals were computed manually using history found in the folder for years before 1995. In the majority of cases, the formula RESCUE uses for tier 1 will produce an amount higher than the amount that would be computed manually. The formula used by RESCUE to compute pre-1995 tier 2 accruals produces an amount that may be a few dollars more than the amount that would be computed manually.

Board Order 05-72 dated November 23, 2005 authorizes the use of these formulas by RESCUE in order to facilitate automated annuity adjustments for years prior to 1995. Accrual amounts calculated and paid by RESCUE in accordance with these formulas are considered by Board Order 05-72 to be the correct amount due for the period prior to 1995. Annuitants who are paid an accrual by RESCUE for years before 1995 can

ask for verification that RESCUE followed the rules of the formulas, but they cannot appeal the fact that RESCUE used the formulas for its calculations.

The formulas authorized by Board Order 05-72 are strictly for use by the RESCUE system. If a case referred by RESCUE for manual handling needs adjustment for years before 1995, the computations should be done on ROC. If PREH does not have complete history for the case, history for years before 1995 should be obtained from the folder.

6.8.95 RESCUE ROC Awards

RESCUE awards can be viewed in:

- The ROC database using the normal online viewing screens (RESCUE awards will be purged from the ROC database using the normal purge schedule), and
- The electronic folder in the Imaging system if the RESCUE award is vouchered

The ROC RESCUE awards display explanatory information on both the award forms and the online screens:

ROC screen	Award form	Explanation
General Information	Remarks	Remarks message explains the actions taken by RESCUE. For example, "RESCUE/PIA/T2/SUPP/ADJ"
Tier 1 Payment Summary	Remarks	Remarks message explains any restrictions on the RESCUE tier 1 adjustment effective date. For example, "RESCUE T1 ACCR LIMITED BY WORK DED"
Tier 2 Payment Summary	Remarks	Remarks message explains any restrictions on the RESCUE tier 2 adjustment effective date. For example, "RESCUE T2 ACCR LIMITED BY PREV OM".
Supplemental Annuity Payment Summary	Remarks	Remarks message explains any restrictions on the RESCUE supplemental annuity adjustment effective date. For example,

ROC screen	Award form	Explanation
		"RESCUE SUPP ACCR LIMITED BY PREH HISTORY"
Additional Amounts	Additional Amounts block RESCUE ADDITIONS T1 B4 11-83 T1 B4 11-85 T1 B4 12-94 T2 B4 11-83 T2 B4 12-94	If RESCUE computes pre-1995 accrual amounts, the tier 1 and/or tier 2 amounts paid are displayed along with the accrual period beginning date . The amounts are broken down into the appropriate tax accounting components. **Note: If the RESCUE award is pre-empted by an examiner, the pre-1995 accrual information should be deleted using the PF4 key.**
Tier 1 Accrual Summary	Deduction Amounts block	The CPI accrual deduction, if any, is displayed as a "PREV OPO"
Tier 1 Accrual Summary	Remarks	If RESCUE computes a pre-1995 tier 1 accrual, the accrual effective date and the 1994 raw PIA 1 are displayed.
Tier 2 Accrual Summary	Remarks	If RESCUE computes a pre-1995 tier 2 accrual, the accrual effective date and the gross tier 2 increase amount are displayed.
Final Rates and Accrual Summary	Remarks	• If RESCUE computed an accrued annuity for a terminated case, "ACCRL DUE AT TERM" is displayed in Remarks. • The ACCRUAL PER FROM date displayed is the date from which ROC calculated accrual amounts. If RESCUE paid accrual amounts for years before 1995, ACCRUAL PER FROM date will be 01/01/1995, the date from which ROC calculated its portion of the total accrual.

6.8.96 RESCUE Award Letters

Form letters RL-119R (recertification award) and RL-45R (one-time payment) are used to notify annuitants of RESCUE award actions. A sample of the letter templates can be found in Exhibit 32 (RL-119R) and Exhibit 33 (RL-45R). A copy of the RESCUE letter can be found in the electronic folder in the Imaging system.

One or more special paragraphs are used to explain the RESCUE award action. The RESCUE paragraphs are provided below:

Reason for adjustment	RESCUE paragraph
Add DRCs to tier 1	"Additional credits are payable in the tier 1 portion of your annuity. You earned a credit for each month before your annuity began last year during which your were between full retirement age and age 70."
Increase PIA 1 or tier 2 (supplemental annuity may also be adjusted)	"An adjustment was made to the service months and/or earnings reported for you. The adjustment increases the amount of your monthly annuity. A total of ___ service months are used to compute your annuity. This is the number of reported service months and creditable military service months prior to the beginning date of your annuity."
Increase in PIA 1, tier 2, or supplemental annuity due to service/earnings changes posted before 2005 (released in the special backlog run to employees with ABDs before 2005)	Recent system improvements make it possible for us to review all our records. This review shows your service and earnings record was adjusted sometime after you retired. The adjustment increases the amount of your monthly annuity. A total of ___ service months are used to compute your annuity. This is the number of reported railroad service months and creditable military service months prior to the beginning date of your annuity.
Add deemed service months	"For one or more years after 1984, your former railroad employer reported more compensation than the amount allowable for the number of service months reported. We used the extra compensation to give you additional service months."

Reason for adjustment	RESCUE paragraph
RRSIA 60/30 with delayed tier 1 increase for ABD year earnings	"Because your tier 1 annuity component is computed under Social Security Act rules, the additional earnings cannot be included in your tier 1 until the year after you attain age 62. We will adjust your tier 1 automatically when you become eligible."
RRSIA 60/30 tier 1 increase at age 62	"An increase is payable in your railroad retirement annuity because you have attained age sixty-two. Your earnings in the year your annuity began and later years can now be used in the tier 1 portion of your annuity."
Tier 1 adjustment for additional SS wages	"Additional wages that you earned outside the railroad industry are now available to include in the tier 1 portion of your annuity."
Increase in supplemental annuity (used if the regular annuity is not adjusted)	"An adjustment was made to the service months reported for you. The additional service months increase the amount of your monthly supplemental annuity."
Initial supplemental annuity payment	"An adjustment was made to the service months reported for you. You are now entitled to a supplemental annuity."
Initial SALSA payment	"Your former railroad employer paid to you a separation allowance or severance payment. Your employer correctly deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. As a result, you are due a special payment based on these taxes."
Additional SALSA payment	"Your former railroad employer paid to you a separation allowance or severance payment. Your employer correctly deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. After you retired, we sent to you a special payment based on these taxes. We have now received new information from your former employer. As a result, you are due another special payment based on the taxes you paid."

Reason for adjustment	RESCUE paragraph
Spouse or divorced spouse adjustment	"An adjustment in the employee's annuity results in an increase in your annuity."
Deceased spouse accrued annuity paid to employee	The adjustment in your annuity results in an increase in the annuity that was previously paid to your spouse. By law, you are entitled to receive all unpaid accrual due on your spouse's account.
Terminated spouse accrued annuity paid to divorced spouse	A change has been made to the service and earnings record of the railroad employee. This results in an increase in the spouse annuity previously paid to you.
Deceased employee accrued annuity paid to widow(er)/young mother (used only in the special RESCUE run in March 2007)	"A change has been made to the service and earnings record of the railroad employee. By law you are entitled to receive all unpaid accrual due on the employee's account."

6.8.97 Tracking RESCUE Actions

If RESCUE determines the annuity should be adjusted, the results of the RESCUE run can be determined by the following:

- Adjusted cases will have a RESCUE ROC award and a letter in the electronic folder in the Imaging system and a G90 in GOLD. PREH records of the RESCUE adjustment will contain the source code of "RESCUR".

- Rejected cases will have a referral in STAR under the unit code "RUE" or "SPR" and a G90 in GOLD (unless RESCUE decided the SEARCH computations were not reliable).

If RESCUE determines the annuity does not need to be adjusted, there is no STAR referral and there is no G90 in GOLD. For each RESCUE run, an Excel spreadsheet is available in the RESCUE NAN folder in the Share server of the USRRB domain (\\Share\RESCUE NAN) containing the claim numbers of records in which activity was posted to EDM and considered by RESCUE but the activity did not result in a change in the annuity. The spreadsheet provides the following information:

- The last railroad earnings year on record at the time of the RESCUE run

- The railroad service months and compensation in the last earnings year on record at the time of the RESCUE run

- The last social security earnings year on record at the time of the RESCUE run
- The social security wages in the last wage year on record at the time of the RESCUE run (wages will be shown only if the wage year is within twenty years of the current calendar year).

A second spreadsheet is available in the RESCUE NAN folder with the claim numbers of RRSIA 60/30 employees who attained age sixty-two in the previous calendar year and ABD year earnings do not produce an increase in PIA 1. This spreadsheet contains the ABD year and the date of birth.

When Field Service representatives check to determine if a case was considered by RESCUE, they should take the following steps:

- Start by checking PREH and/or the electronic folder in the Imaging system. If no RESCUE award is found, then
- Check FieldStar for a referral with unit code RUE. For further information about a RESCUE referral, send an email to the general RBD mailbox. If no RESCUE referral is found in STAR, then
- Check the RESCUE NAN folder in the shared area of USRRB (\\Share\RESCUE NAN)

6.8.98 RESCUE Referrals

RESCUE edits the EDM, PREH and SEARCH information before attempting to adjust any case. The evaluation process may result in a reject from the automated system, or the case may be adjusted by RESCUE but a referral is issued for further examiner action. The chart below provides the referral codes and explanations for those situations in which RESCUE cannot adjust the annuity or the automated adjustment must be followed by additional examiner review.

Note 1: When handling a RESCUE reject, always check for and make all necessary adjustments in tier 1, tier 2, the supplemental annuity and the SALSA.

Note 2: When handling an employee reject, always check PREH for terminated spouse and divorced spouse records and determine if accrued annuities are due.

STAR referral code	Reject or review	Explanation
01	Review	The OM was previously payable and PIA 9 is now increasing. Adjust the OM for the months it was in effect.

STAR referral code	Reject or review	Explanation
02	Reject	The OM is currently payable or was previously payable and PIA 9 is now decreasing. Investigate the reason for the decrease. Adjust the OM, and check for any increase/decrease in the regular RR formula rate.
03	Not used	
04	Reject	Service months have increased for the 1937/1974 Act employee annuity. Obtain a G90 and pay any tier 1 and tier 2 increase due.
05	Reject	The tier 2 basic annuity has decreased. Investigate the reason for the decrease. Adjust tier 2 and check for any changes in tier 1, the supplemental annuity or the SALSA.
06	Reject	PIA 1 is decreasing. Investigate the reason for the decrease. Adjust tier 1 and check for any changes in tier 2, the supplemental annuity or the SALSA.
07	Reject	PIA 1 is increasing for the 1937/1974 Act age-reduced annuity.
08	Review	The SALSA amount has decreased. Investigate the reason for the decrease and take appropriate recovery actions.
09	Reject	A service/earnings report submitted by the railroad rejected from EDM. Send the case to PEMS – Compensation and Employer Services (CES) to resolve the problem, then request a new G90.
10	Review	Deeming of service months has not been resolved for one or more years. Referral goes to PEMS – CES to resolve the deeming.
11	Reject	Service is reported for months after the ABD. If EDM indicates an investigation is pending, hold the case for a resolution then request a new G90. If a return to RR service has been confirmed, request a new G90 and make all necessary adjustments.

STAR referral code	Reject or review	Explanation
12	Review	Tier 1 and tier 2 compensation discrepancies exist in one or more years. Referral goes to PEMS – CES to resolve the problem .
13	Reject	The account number in EDM is not verified. Send the case to PEMS- CES to resolve the problem then request a new G90.
14	Reject	Earnings before 1975 have changed and the employee receives a VDB. Adjust tier 1, tier 2, the VDB, and the supplemental annuity as needed.
15	Reject	The disabled employee has earnings over $4999.99 in a year after the ABD but before attainment of FRA. Adjust the annuity as needed with appropriate disability work deductions.
16	Reject	SEARCH rejected RESCUE's request for computations. Request a new G90 and make any necessary changes in the annuity.
17	Reject	SS wages posted on the account may be a duplication of RR earnings for the year. Investigate and request a new G90.
18	Reject	There is a discrepancy between the type of annuity according to PREH and the type of annuity according to SEARCH. Request a new G90 and make all necessary changes in the annuity.
19	Reject	EDM does not show a sufficient number of service months for the type of annuity being paid.
20	Review	The Frozen Minimum PIA may apply. Recertify tier 1.
21	Reject	The employee has multiple SSNs. Send the case to PEMS-CES to validate the information in EDM. Request a new G90 when the earnings record is correct.
22	Reject	The PIA 1 eligibility year in PREH and the eligibility year used by SEARCH are discrepant. Request a new G90.
23	Review	The employee has more than 4 periods of MS. Request new PIA and tier 2 computations using all appropriate MS.

STAR referral code	Reject or review	Explanation
24	Reject	The correct 1959 earnings amount could not be determined. Request a new G90.
25	Reject	The RRSIA 5 year annuity contains a tier 1 amount but the employee does not have the required SS insured status to receive a tier 1.
26	Review	Railroad service and/or compensation are reported for the current calendar year. Control the case until SEARCH can include the current year information in PIAs and tier 2 then request a new G90.
27	Reject	PREH military service records may not be accurate. Validate the number of MS months used as RR service on the RESCUE G90. Request a new G90 as needed.
28	Reject	The employee's earnings record contains a previously reported error. Request new PIA and or tier 2 computations as needed.
29	Reject	The annuity is in suspense. Control for reinstatement and adjust the annuity for the change in service and/or earnings. If the annuity is suspended for debt recovery, prepare a ROC award and use any accrual to reduce the debt. Voucher the award as a reinstatement if the accrual fully recovers the debt. Voucher the award as a PREH update only if the accrual does not fully recover the overpayment. Take necessary actions to update the PARS records also.
30	Reject	There is an unhandled COLA reject in the case.
31	Reject	PIA 1 must be modified for NCSP.
32	Reject	The annuity has not yet been paid final.
33	Reject	• The annuity is currently reduced for any type of 3rd party partition deduction, or • The annuity is reduced for a non-partition deduction that is based on a percentage, or

STAR referral code	Reject or review	Explanation
		• ROC cannot determine the correct beginning date for the 3rd party deduction, or • The annuity was previously reduced for a 3rd party deduction that is now terminated.
34	Reject	Tier 2 must be indexed
35	Reject	Tier 1 is reduced for worker's compensation benefits or public disability benefits and the change in earnings may affect those offset amounts.
36	Reject	The administrative finality date of birth is missing from PREH. Request a new G90.
37	Reject	Administrative finality was previously applied to a change in the earnings record or to previous payments.
38	Reject	The employee is also entitled to a spouse/survivor annuity and the spouse/survivor tier 1 is greater than zero. Adjust both annuities.
39	Reject	A record was found in PARS for this claim number but there is no annuitant identification code for the overpayment.
40	Reject	A supplemental annuity is now payable but the supp attainment code in PREH does not indicate if the employee has a RR pension or not. RESCUE adjusted tier 1, tier 2 and the SALSA as needed.
41	Reject	The spouse annuity is based on a child who has attained age 18.
42	Reject	The divorced spouse was previously entitled as a spouse, but the ABD for the previous annuity is missing from PREH.
43	Reject	An activity is already pending in ROC for this claim number.
44	Review	PREH does not contain complete tier 1 history after 1994. Adjust tier 1 for months prior to the RESCUE adjustment effective date.

STAR referral code	Reject or review	Explanation
45	Reject	PREH history has been archived for the annuitant. Contact BIS-DMG to have the history restored to PREH.
46	Reject	There are gaps in the tier 1 and/or tier 2 history in PREH.
47	Review	The annuitant is deceased. RESCUE adjusted the tier history and posted an accrued annuity to PREH. Pay the accrual to appropriate survivor annuitants.
48	Reject	The annuitant is entitled to more than one annuity and both annuities are active in the RESCUE run.
49	Reject	The adjustment effective date determined by RESCUE is a future date, or the termination effective date is before the RESCUE adjustment effective date.
50	Reject	The employee receives an age reduced annuity, but the employee has acquired 30 years of railroad service. Remove the age reduction.
51	Reject	There is a survivor A-prefix record but there is no employee record in PREH. RESCUE could not obtain survivor SEARCH computations.
52	Reject	The OM is currently payable. Adjust the OM if PIA 9 is increasing. Update the regular RR formula annuity information for any changes in PIA 1 and/or tier 2. Check for a supplemental annuity change or a SALSA payment due.
53	Review	The OM formula was previously paid. RESCUE adjusted tier 1 from the date the RR formula was paid. Make any further payments or updates to PREH for tier 1.
54	Reject	No current RESCUE SEARCH computations were found. Request a new G90.
55	Review	Military service months were previously required to establish eligibility. Additional RR service has been posted to EDM and the employee is now eligible without MS. Check for potential impact on vesting.
56	Reject	The employee has service months prior to 1937. Verify both the total service and the AMC; request a new G90 if needed.

STAR referral code	Reject or review	Explanation
57	Reject	PIA 1 is modified for NCSP and the YOCs have increased.
58	Review	A retirement application is pending on APPLE. Check to see if the initial G90 reflects all service and earnings shown in EDM.
59	Review	A survivor application is pending on APPLE. Check to see if the wage record reflects all service and earnings shown in EDM.
60	Reject	The case has an outstanding overpayment and either the OIG is investigating the case or the beneficiary's due process rights have not yet expired.
61	Reject	PARS has more than 5 overpayment balances on the claim number.
62	Reject	PARS has more than 1 type of overpayment for the annuitant (for example, both an RRA debt and a Medicare debt).
63	Reject	PARS type of overpayment does not agree with PREH partial withholding overpayment source code.
64	Review	PREH does not contain complete tier 2 history after 1994. Adjust tier 2 for months prior to the RESCUE adjustment effective date.
65	Review	Non-exclusion applies to PIA 1 and the employee has earnings after the eligibility year. Request new PIA calculations to include the additional wages.
66	Review	The disabled employee has earnings between the disability onset and FRA. Request new PIA calculations to include the additional earnings.
67	Review	PREH does not contain complete supplemental annuity history after 1994. Adjust the supplemental annuity for months prior to the RESCUE adjustment effective date.
68	Reject	RUIA clearance is needed for the annuity adjustment and there is an open RUIA debt on PARS. The clearance amount returned to ROC may or may not include the open debt on PARS.

STAR referral code	Reject or review	Explanation
69	Reject	The supplemental annuity is increasing but the current supplemental annuity payment is not reduced for the RR pension shown in PREH. Adjust tier 1 and tier 2 as needed also.
70	Reject	The supplemental annuity needs to be adjusted but the RR pension effective date cannot be determined from the supplemental annuity history in PREH. RESCUE adjusted tier 1, tier 2 and the SALSA as needed.
71	Reject	The initial PIA 1 formula is TRANS but the formula switches to AIME.
72	Reject	PREH indicates military service has been used as RR service, but the current tier 2 does not include MS.
73	Review	The effective date of the tier 1 adjustment was restricted to January of the year after tier 1 work deductions ceased to be withheld. If tier 1 work deductions ended in the current year, the tier 1 adjustment was restricted to the month after the work deductions ended. Adjust tier 1 and work deductions for earlier months.
74	Reject	• Partial work deduction withholding is currently in force, or • Work deductions were previously withheld but the ending date of the work deduction withholding is unknown(either there is no ending date in PREH or the ending date conflicts with the withholding history) • Tier 1 work deductions are in force but there is no PIA 17 available
75	Reject	• The termination effective date is later than the termination accounting date. The case may have been in suspense prior to termination, or • The annuitant died prior to 1995. Obtain payment history from the folder.
76	Reject	There is EDM activity for an employee with an ABD before 1950. Obtain manual PIA and AMC computations.

STAR referral code	Reject or review	Explanation
77	Reject	No record was found in PREH for the annuitant.
78	Reject	The spouse has a dual entitlement reduction in tier 2, or PREH does not contain the tier 2 restored amount effective date for the dual spouse.
79	Reject	RRSIA 5 year age reduced annuity with tier 1 SS offset but there is no information in PREH about the type of SS benefit or the date of entitlement.
80	Reject	The case involves more than one active spouse or more than one active divorced spouse.
81	Reject	Additional service gives the employee 120 service months. Recalculate the annuity under non-RRSIA rules and correct PREH information.
82	Review	The effective date of the tier 2 adjustment was restricted to January of the year after tier 2 work deductions ceased to be withheld. If tier 2 work deductions ended in the current year, the tier 2 adjustment was restricted to the month after the work deductions ended. Adjust tier 2 and work deductions for earlier months.
83	Review	The effective date of the supplemental annuity adjustment was restricted to January of the year after supplemental annuity work deductions ceased to be withheld. If supplemental annuity work deductions ended in the current year, the supplemental annuity adjustment was restricted to the month after the work deductions ended. Adjust the supplemental annuity and work deductions for earlier months.
84	Reject	Service months have decreased. The supplemental annuity is overpaid, or may be overpaid for months before the RR pension began.
85	Reject	Tier 1 needs to be adjusted but tier 1 has a felony code for a period after January 1995.

STAR referral code	Reject or review	Explanation
86	Review	Temporary work deductions are in force. RESCUE adjusted tier 1 from January of the current year or the month TWDs began if later. Adjust tier 1 for previous months.
87	Reject	The spouse current gross tier 2 is more than 45% of the employee's basic tier 2.
88	Reject	The spouse current gross tier 1 is more than 50% of the employee's PIA.
89	Reject	Non-exclusion applies to PIA 1 but the eligibility year in PREH appears incorrect.
90	Review	The employee who receives a disability annuity has acquired 30 years of service. Correct the annuity type code in PREH to insure proper payment of spouse annuities.
91	Reject	The divorced spouse has excess earnings.
92	Review	The special minimum PIA applies in tier 1. The regular PIA 1 has increased; update the regular PIA 1, AIME/AMW and YOCs in PREH.
93	Review	The OM formula was previously paid. RESCUE adjusted tier 2 from the date the RR formula was paid. Make any further payments or updates to PREH for tier 2.
94	Review	Temporary work deductions are in force. RESCUE adjusted tier 2 from January of the current year or the month TWDs began if later. Adjust tier 2 for previous months.
95	Review	Supplemental annuity temporary work deductions are in force. RESCUE adjusted the supplemental annuity from January of the current year or the month TWDs began if later. Adjust the supplemental annuity and work deductions for previous months.
96	Reject	Earnings are posted to EDM for a year after the employee died.
97	Reject	The terminated spouse has the same payee code as another spouse record.

STAR referral code	Reject or review	Explanation
98	Reject	ROC calculated a rate decrease or a negative accrual.
99	Reject	• The spouse was rejected because the employee rejected, or • ROC rejected the employee because the spouse award had to be rejected
100(1A on STAR)	Review	Pre-1995 tier 2 accrual may be due. RESCUE did not pay an accrual for years before 1995 because: • Tier 2 was previously reduced to zero by the VDB, the takeback, or the RRA maximum, or • The OM formula was in force in December 1994, or • Tier 2 was withheld in December 1994 due to a return to RR service, or • Disability work deductions were withheld in December 1994, or • The spouse is a dual RR annuitant and tier 1 increased for years before 1995 so the tier 2 restored amount needs to be adjusted, or • LPE work deductions were withheld before 1995
101 (1B on STAR)	Review	Pre-1995 tier 1 accrual may be due. Rescue did not pay an accrual for years before 1995 because: • The OM formula was in force in December 1994, or • Tier 1 was withheld in December 1994 due to a return to RR service, or • Disability work deductions were withheld in December 1994, or • PREH does not contain a tier 1 record for December 1994, or

STAR referral code	Reject or review	Explanation
		• Tier 1 was withheld in December 1994 for felony, non-citizenship, or deportation, or • RESCUE previously paid a tier 1 accrual for years before 1995, or • The tier 1 PIA is AMW formula or TRANS formula, or • The spouse is a dual RR annuitant and the December 1994 maximum dual offset amount is zero in PREH or the tier 2 restored amount needs to be adjusted before 1995, or • Tier 1 work deductions were withheld before 1995, or • Tier 1 was reduced for worker's compensation or public disability benefits in December 1994
102 (1C on STAR)	Review	Multiple PIA 1 increases are due before 1995. RESCUE paid the latest increase. Adjust tier 1 for the earlier increases.
103 (1D on STAR)	Review	1937/1974 Act dual spouse and the tier 2 restored amount must be adjusted.
104 (1E on STAR)	Review	The annuitant is deceased and there are no active survivor annuitants. RESCUE computed an accrued annuity and posted it to PREH. Determine if there are any payees entitled to the accrued annuity.
105 (1F on STAR)	Review	The annuitant is terminated for a reason other than death. RESCUE computed an accrued annuity and posted it to PREH. Investigate to determine if the annuitant is still alive, obtain the correct address, and pay the accrued annuity. If the annuitant is deceased, determine if there are survivors who should receive the accrued annuities.
106 (1G on STAR)	N/A	Used in June and September of 2006 only.

STAR referral code	Reject or review	Explanation
107 (1H on STAR)	Review	RESCUE adjusted the supplemental annuity from January 1995. Pay the supplemental annuity accrual due before 1995.
108 (1J on STAR)	Reject	One of the following is true: • VDB waiver code is set in PREH, or • Part of the annuity is being waived, or • Part of the annuity was previously waived
109 (1K on STAR)	Reject	PIA 1 has increased but the PIA formula is not AIME. Adjust tier 1.
110 (1L on STAR)	Reject	One or more records in PREH have more than 50 occurrences.
111 (1M on STAR)	Reject	RESCUE computed a pre-1995 tier 2 accrual of more than $15,000.00 (employee) or $7,000.00 (spouse).
112 (1N on STAR)	Reject	RESCUE computed a pre-1995 tier 1 accrual of more than $5,000.00 (employee) or $2,500.00 (spouse).
113 (1P on STAR)	Reject	Tier 1 is paid with the special minimum PIA 1 and the YOCs are increasing.
114 (1Q on STAR)	Reject	ROC calculated an accrual greater than $20,000.00 (employee) or $10,000.00 (spouse).
115 (1R on STAR)	Reject	ROC cannot determine the maximum dual offset amount for the spouse because the spouse's own employee annuity is archived.

STAR referral code	Reject or review	Explanation
116 (1S on STAR)	Reject	Tier 2 needs to be adjusted but the $10.00 minimum guaranty applies or previously applied to the current tier 2.
117 (1T on STAR)	Reject	Employee and spouse rejected because one or both has an outstanding overpayment, or divorced spouse rejected because the divorced spouse has an outstanding overpayment. The indication of an outstanding overpayment is: • An open debt on PARS, or • The annuity is currently reduced for partial withholding
118 (1U on STAR)	Reject	ROC was unable to correctly prefill information from PREH, or there was an error in the ROC calculations.
119 (1V on STAR)	Reject	The employee tier 2 was previously reduced for the RRA maximum. Roc cannot compute tier 2 correctly because the employee and spouse tier 2 adjustments have different effective dates.
120 (1W on STAR)	Review	Tier 2 decreased but the PIA 1 increased by a greater amount so ROC adjusted the annuity. Investigate the reason for the tier 2 decrease; request EDM corrections and/or adjust the annuity where appropriate.
121 (1X on STAR)	Review	PIA 1 decreased but tier 2 increased by a greater amount so ROC adjusted the annuity. Investigate the reason for the PIA 1 decrease; request EDM corrections and/or adjust the annuity where appropriate.
122 (1Y on STAR)	Reject	There was an active widow(er)/young mother on the rolls but RESCUE could not compute the entire accrued annuity for the deceased employee. Compute the accrued annuity and investigate for “living with” before paying the amount.
123 (1Z on STAR)	Reject	SEARCH computed incorrect PIA 1 recomputations for the RRSIA 60/30 employee.

STAR referral code	Reject or review	Explanation
124	Reject	Independent XA – request a G90 to obtain the latest wage record and adjust annuity if necessary. Also consider possible partition entitlement and needed change in rate due to additional earnings.

Appendices

Appendix A - Mass Adjustment Reject And Review Codes

I. The following described mass adjustment microfilm format is used for all mass mechanical annuity adjustment operations begining December 1, 1988 through December 1991. Information for all 1991 and later mass adjustments is stored in the Mass Adjustment Inquiry System (MAIS) in RRAPID. See RCM 16 for details.

Item	Title	Contents
(1)	CLAIM NUMBER	The beneficiary symbol, prefix and claim number. Below this information "PC" is followed by the CHICO payee code and in divorced spouse and survivor cases "SYM" is followed by one of the symbols below: Symbol — Type of Beneficiary A — Disabled Widower B — Father (Widower) C — Minor child D — Disabled child F — Father (parent) G — Minor, Disabled or Student Grandchildren H — Aged Widower

Item	Title	Contents	
		M	Mother (Widow)
		P	Parent
		R	Disabled Widow
		S	Student
		W	Aged Widow
		X	Divorced Wife
		KA	Divorced disabled widower
		KB	Divorced father (widower)
		KH	Divorced aged widower
		KM	Divorced mother (widow)
		KR	Divorced disabled widow
		KS	37 or 74 Act nonphase-out student
		KW	Divorced aged widow
		LF	Parent(father) if both parents are entitled under 1983 SS amendments
		LP	Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled
		LS	83 RRA amendment nonphase-out student
		NS	81 amendment continuing entitlement student
		PS	81 amendment nonphase-out student
		RA	Remarried disabled widower
		RB	Remarried father (widower)
		RH	Remarried aged widower

Item	Title	Contents
		RM Remarried mother (widow) RR Remarried disabled widow RW Remarried widow TS 37 or 74 Act continuous entitlement student
Tier 1 Data		Items (2) through (15) are blank if no RR annuity is being paid or the RR annuity adjustment rejects.
(2)	Tier 1 PIA/CODE	In employee and survivor cases, the PIA 1 based on the employee's earnings record upon which the tier 1 computation is based. Shown in dollars and dimes. If the employee is a law year 83 60/30 case in which no tier 1 COL is payable, item (2) is blank. Item (2) is blank in spouse cases, except in the RAIL mass adjustment. If a PIA is shown, the type of PIA code is as follows: Code Type of PIA A AIME T TRANS W AMW S SPC MIN P Old Start R Alternative PIA F Frozen minimum
	In the RAIL, REJ and the reason code is shown in item (2) if the tier 1 cannot be calculated mechanically. If the lag compensation does not increase PIA 1, "NO CHGE" is shown.	

Item	Title	Contents
(3)	Gross Tier 1/ CODE	The gross tier 1 amount. For employees, the COL increased PIA, including DRCs rounded down to the nearest dollar or dime as appropriate. For spouses, fifty percent of the employee's COL increased PIA rounded down to the nearest dollar or dime as a appropriate. For survivors, the COL increased original rate, including DRCs and rounded down to the nearest dime. Codes are as follows: Code — Situation A — PL 94-547 applies B — Survivor maximum case D — Reduced 60/30 employee or spouse not eligible for tier 1 COL E — Reduced 60/30 employee eligible for tier 1 COL F — Reduced 60/30 spouse eligible for tier 1 COL
(4)	AGE RED/CODE	In retirement cases, the tier 1 age reduction amount. In survivor cases, the tier 1 after age reduction or RIB limitation. Codes are as follows: Code — Situation A — Survivor case with entitlement before 1978 B — Survivor case with entitlement after 1977 C — Retirement case with reduction factor based on 1/180 D — Spouse or divorced spouse with reduction factor based on 1/144

Item	Title	Contents
		E Survivor with RIB limitation amount as first adjusted rate. F Survivor with 82-1/2 percent of the PIA as first adjusted rate. G Employee or spouse with lawyear 83 60/30 age reduction and tier 1 COL payable Item (4) is blank in law year 83 cases in which tier 1 COL is not payable.
(5)	INCR 1/CODE	In the 12/88 COL the recalculated 10/88 net tier 1 amount for dual widows. In the AERO or RAIL mass adjustment, the tier 1 monthly increase amount payable on the tier 1 accrual effective date. The code indicates the effective date of the adjustment. RCM 6.8 Appendices E and F provide effective date codes for the AERO and RAIL respectively.
(6)	DRC	The number of delayed retirement credits used in tier 1.
(7)	%	The DRC increase percentage. If 1/12 of one percent is used, 1 is shown. If 1/4 of one percent is used, 3 is shown. If a variable percent is used because the employee's DOB is after 1-1-25, 5 is shown.
(8)	PSP	The PSP offset amount subtracted from a spouse or widow(er) tier 1.
(9)	SSA OFFSET	The SSA offset amount in tier 1 as determined by Research. The amount shown is rounded to the dollar. The amount in (9) may differ from the amount in (37). In LAF E cases, only the SS benefit certified by the Board is shown in (37). If the beneficiary is also receiving a benefit certified by SSA, the amount in (9) will reflect both benefits.

Item	Title	Contents
(10)	DUAL OFFSET	The amount by which a spouse or widow annuitant is reduced because of entitlement to his/her own employee annuity.
(11)	INCR 2	In the AERO and RAIL, the tier 1 monthly increase amount payable on the second date break, if any, in the accrual period. In the COLA, the tier 1 work deduction amount.
(12)	NET TIER 1/CODE	The net tier 1 amount after DRC's and COL increase are included, and after all reductions except tax withholding are considered (maximum, age, public pension, own employee annuity tier 1, SS benefit, (worker's comp). The code is as follows: Code Situation A Alien suspension F Felony suspension T Spouse or widow tier 1 terminated D LY83 spouse with net tier 1 decrease due to SSA benefit increase E Deportation If tier 1 is zero due to reductions or because of non-payment provisions "000.00" is shown. If no reductions are required in tier 1, the rate in (3) is repeated in retirement cases. In survivor cases, the rate in (4) is shown rounded down to the dollar.
(13)	PREV TIER 1	The net tier 1 amount before the current adjustment action. If the previous net tier 1 is zero, "000.00" is shown. Blank in OM cases.
(14)	WC/PDB	The worker's compensation and/or public disability benefit offset amount. In the RAIL, the item shows the tier 1 monthly increase amount, payable on the

Item	Title	Contents
		third date break, if any, in the accrual period. In the AERO, the new tier I work deduction amount.
(15)	TOTAL ACCRUAL	In the 12/88 COL the total accrual amount computed for dual widows. In the AERO or RAIL mass adjustment, the total tier 1 accrual amount. If the accrual is a reject "REJ" is shown.
Tier II Data		Items (16) through (31) are blank if no RR annuity is being paid, the annuitant is not entitled to tier 2 or the record rejects in the adjustment operation.
(16)	COMP 1/CODE	The amount shown is indicated by the code as follows: Code — Amount Represents A — Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has only a component 1 in tier 2 and the $10.00 takeback minimum guaranty applies, the component 1 before the guaranty is shown. B — Employee was initially awarded under the 1981 or 1983 amendments. Tier 2 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the $10.00 takeback minimum guaranty applies, the net tier 2 before the guaranty is shown. C — Spouse base rate is 50% of the employee's tier 2. (SP awarded before the 1981 Amendments.) The amount shown is the tier 2 after restoration of the tier 1 dual offset after COL increase, age reduction, RRA max reduction and 12/83 and 12/84 takebacks but before the $10.00 takeback minimum guaranty.

Item	Title	Contents
		D Spouse base rate is 45% of the employee's tier 2 (spouse awarded under 1981 or 1983 Amendments). The amount shown is after restoration of the tier 1 dual offset, after COL increase and after reduction for RRA max and 12/83 and 12/84 takebacks but before the $10.00 takeback minimum guaranty. If the spouse ABD is before 1-1-84, the amount shown is after age reduction. If the spouse ABD is 1-1-84 or later, the amount shown is before reduction for age.
		E 30% of the survivor 5/82 or OBD original or reduced for maximum rate reduced for age, increased for additional COL increases and reduced for 12/83 and 12/84 takebacks but before $10.00 takeback minimum guaranty. F Applicable percentage of the employee's tier 2 on the survivor's OBD reduced for age, increased for COL and reduced for 12/83 and 12/84 takebacks but before the $10.00 takeback minimum guaranty. If tier 2 is reduced to zero, (16) should be blank.
(17)	SURV EQL AMT	The equalized amount added to a survivor tier 2.
(18)	LAG BAS ANN	The new tier 2 basic annuity computed in the RAIL mass adjustment.
(19)	INCR 1/CODE	The tier 2 monthly increase amount payable on the tier 2 accrual effective date in the RAIL. The code indicates the adjustment effective date. RCM 6.8 Appendix F provides the effective date codes.
(20)	COMP 2	If the employee was initially awarded under the 1974 Act, component 2 after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown.

Item	Title	Contents
		Item (20) is blank if the employee is a 1937 Act case, a 1981 or 1983 amendment case or a 1974 Act case with only one component payable in tier 2. Item (20) is blank in spouse and survivor cases.
(21)	SURV RST AMT	If the annuitant is a widow(er), the amount shown is the amount to be restored in tier 2 if the widow(er)'s own employee annuity tier 1 was deducted from the widow(er)'s tier 1.
(22)	AGE RED	The tier 2 age reduction amount. In 1974 employee cases in which tier 2 is composed of three components, Item (22) is the sum of prorated age reduction amounts for each of the components. The age reduction amount is already subtracted from the tier 2 amounts shown in (16), (20) and (24), except in spouse cases with an ABD of 1-1-84 or later.
(23)	INCR 2	In the RAIL, the tier 2 monthly increase amount payable on the second date break, if any, in the tier 2 accrual period.
(24)	COMP 3	If the employee was initially awarded under the 1974 Act, component 3 after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown. Item (24) is blank if the employee is a 1937 Act case, a 1981 or 1983 Amendment case, or a 1974 Act case in which only one component is payable in tier 2. Item (24) is blank in spouse and survivor cases.
(25)	SP MIN GUAR	The amount added to the survivor tier 2 for the spouse minimum guaranty. In the RAIL the RRA maximum reduction amount subtracted from the spouse tier 2.
(26)	AMC W/LAG	The new tier 2 AMC computed in the RAIL mass adjustment.
(27)	UNTITLED	In the COLA, the new tier 2 work deduction amount. In the AERO, the tier 2 work deduction amount. In the RAIL, the tier 2 monthly increase

Item	Title	Contents
		amount payable on the third date break, if any, in the tier 2 accrual period.
(28)	NET TIER 2	In employee and spouse cases, the net tier 2 amount payable after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks and after application of the $10.00 takeback minimum guaranty. Item (28) is the sum of items (16), (20) and (24), or $10.00 if the takeback guaranty applies. If the spouse ABD is 1-1-84 or later, item (28) equals item (16) minus item (22). In survivor cases, the net tier 2 amount payable after COL increases and after reduction for age and 12/83 and 12/84 takebacks and after the application of the $10.00 takeback minimum guaranty, plus any restored amount, equalized amount or spouse minimum guaranty amount. Item (28) is the sum of (16), or $10.00 if the takeback minimum guaranty applies, and items (17), (21) and (25). If net tier 2 is zero, 0000.00 is shown.
(29)	PREV TIER 2	The net tier 2 amount before the current adjustment action. If the previous net tier 2 is zero, "000.00" is shown. Blank in O/M cases.
(30)	SM W/LAG	The new total railroad service months computed in the RAIL mass adjustment. The number includes any military service months used as railroad service.
(31)	TOTAL ACCRUAL	The total tier 2 accrual paid in the RAIL mass adjustment. If the accrual rejects, REJ and the code are shown. If the spouse tier 2 decreases because of the RRA maximum reduction, the tier 2 overpayment amount is shown. In the SALSA, the payment amount or the reject code is shown.
	VDB Data	Items (32) through (34) are blank if no RR annuity is being paid, the annuitant is not entitled to a

Item	Title	Contents
		vested dual benefit, or the record rejects in the adjustment operation.
(32)	NET VDB	The net vested dual benefit after age reduction and any cutback. If a survivor VDB was computed as zero, "000.00" is shown.
(33)	AGE RED	The VDB age reduction amount in retirement cases.
(34)	C/B	The VDB cutback amount if a funding restriction is in force.
(35)	UNTITLED	In the COLA and the AERO, the VDB work deduction amount. In the RAIL, the amount of employee accrual used to recover the spouse overpayment caused by the RRA maximum reduction.
	SS Ben Data	In the COLA, these items are used for SS benefit information. Data is shown if the person is entitled to an SS benefit even if the RR annuity is a reject. In the RAIL, these items are used to show RR annuity work deduction information.
(36)	SSA PIA	In the COLA, the PIA upon which the SS benefit is based. If the person receives dual benefits, the PIA on the person's own account number ("A" benefit) is shown. In the RAIL, the tier I work deduction amount.
(37)	SSA AMOUNT	In the COLA, the amount of the SS benefit after dollar rounding, but before SMI premium deduction. In cases where the annuitant is receiving more than one SSA benefit, it is possible that RRB is paying one of the benefits and SSA the other. In such cases, the amount shown is what RRB is paying. The offset amount shown in the tier 1 data will reflect all the SS benefits. If the SS benefit rejects, item (37) is left blank. In the RAIL, the tier 2 work deduction amount.

Item	Title	Contents
(38)	In the COLA, if the person receives SS benefits, "BIC" is shown followed by the benefit suffix (the alpha character indicating the type of benefit - A, B, C, D, etc.). In the RAIL, the VDB work deduction amount.	
(39)	UNTITLED	If the person receives an SSA benefit, "LAF" is shown followed by E if RRB pays the benefit or C if SSA pays the benefit. If the SS benefit is paid by the Board but the benefit rejects in the SS COLA "REJ" shows. In the RAIL, the total net accrual paid. For employees the amount is the sum of items 15 and 31 minus item 35. In spouse cases, the amount is the sum of items 15 and 31 plus item 35.
(40)	RECUR REG TAX	The tax withholding amount subtracted from the recurring regular annuity rate. If there is no regular annuity tax, "000.00" is shown.
(41)	RECUR SUPP TAX	The tax withholding amount subtracted from the recurring supplemental annuity rate. If there is no supp tax, "000.00" is shown.
(42)	SSEB PIA/CODE	For employee records the adjusted SSEB PIA. The code indicates the type of SSEB PIA: Code PIA Type A AIME T TRANS W AMW S SPC MIN P Old Start F Frozen Min. Blank in spouse and survivor cases.

Item	Title	Contents
(43)	ACCRL TAX RECUR RATE DATA	Tax amount, if any, withheld from a total mass adjustment accrual.
(44)	OLD RATE BEFORE SMI	The pre-adjustment regular RR annuity rate before SMIB and tax withholding but after actuarial adjustment, partial withholding, temporary work deductions or legal process deduction. Item (44) is blank if the RR is a reject or RRB is paying an SS benefit only.
(45)	NEW RATE BEFORE SMI	The adjusted regular RR annuity rate before SMIB and tax withholding but after actuarial adjustment, partial withholding, temporary work deductions or legal process deduction. If the RR annuity is a reject, item (45) will show "REJ" with one of the following codes shown to identify the type of reject: Code — Type of Benefit A — BDP reject B — Benefit payment reject C — Due Process code in benefit payment record D — Case in partial rate status E — Interim widow F — No adjusted record received by CHICO from Research. Item (45) is blank if we are paying an SS benefit but no RR annuity.
(46)	NEW RATE AFTER SMI	The new regular RR annuity rate after actuarial adjustment, partial withholding, temporary work deductions, legal process deduction and tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown.

Item	Title	Contents
		This rate does not include the Supp annuity if one is payable or the SS benefit if RRB is paying it. This column is blank if the regular annuity rejects unless a deduction is needed for the SMI premium or tax withholding.
(47)	CHECK RR/SS/SUPP	The total monthly payment amount. The amount is the total of the RR annuity (after actuarial adjustment, partial withholding, temporary work deductions, legal process deduction tax withholding and SMIB), the Supp annuity (after tax withholding) and the SS benefit (if RRB is paying the SS benefit). The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not issued because the claim is suspended for other than cause code 98 or was terminated, item (47) will be blank. An asterisk(*) immediately follows the amount if a code 98 suspension is in effect.
(48)	SMIB PREM/CODE	The SMIB premium amount (table or variable) being subtracted from the monthly payment. An F is shown in the code box if the premium is being deducted from the SS benefit instead of the RR annuity.
(49)	SMIB CODE	The five position code on CHICO which describes the SMIB status. Rate Table Indicator (S, P, or C) Variable Rate Indicator (V or N) Penalty Percentage Indicator (000 through 220)
(50)	OTHER DED/CODE	The rate deductions if any, subtracted from the gross annuity rate. The code indicates the type of deductions.

Item	Title	Contents
		Code — Situation A — Actuarial adjustment P — Partial withholding W — Retirement temporary work deductions G — Legal process deduction B — Actuarial adjustment and partial withholding C — Actuarial adjustment and temporary work deductions D — Partial withholding and temporary work deductions E — Actuarial adjustment, partial withholding and temporary work deductions F — Actuarial adjustment, and legal process deduction J — Partial withholding and legal process deduction K — Temporary work deduction and legal process deduction M — Actuarial adjustment, partial withholding and legal process deduction Q — Actuarial adjustment, temporary work deduction and legal process deduction R — Partial withholding, temporary work deduction and legal process deduction S — Actuarial adjustment, partial withholding, temporary work deduction and legal process deduction
(51)	SUP BEFORE TAX	The monthly supplemental annuity rate before tax withholding.

Item	Title	Contents
(52)	RJ/RV	The reject and special handling review codes. "SA" is shown for cases with LAF E SSA benefits which are due an AERO increase. An asterisk(*) is shown if the record rejected or was earmarked for special handling and review in a previous mechanical COL operation. The asterisk will show even if the case does not reject or is not earmarked for review in the current COL operation.

II. The following described format was used for all mass adjustments December 1, 1985 through November 1988. All items described below were used on cost-of-living microfilms. Selected items were used on the microfilms for other mass adjustments.

Item	Title	Contents and Instructions
(A)	CLAIM NUMBER	Beneficiary symbol, prefix, and claim number are shown.
(B)	PC	Payee Code
(C)	SYM	Blank for employee and the spouse records. For divorced spouse and survivor records the symbol is derived as follows: Symbol Type of beneficiary A Disabled Widower B Father (Widower) C Minor child D Disabled child F Father (parent) G Minor, Disabled or Student Grandchild H Aged Widower M Mother (Widow)

Item	Title	Contents and Instructions	
		P	Parent
		R	Disabled Widow
		S	Student
		W	Aged Widow
		X	Divorced Wife
		KA	Divorced disabled widower
		KB	Divorced father (widower)
		KH	Divorced aged widower
		KM	Divorced mother (widow)
		KR	Divorced disabled widow
		KS	37 or 74 Act nonphase-out student
		KW	Divorced aged widow
		LF	Parent(father) if both parents are entitled under 1983 SS amendments
		LP	Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled
		LS	83 RRA amendment nonphase-out student
		NS	81 amendment continuing entitlement student
		PS	81 amendment nonphase-out student
		RA	Remarried disabled widower
		RB	Remarried father (widower)
		RH	Remarried aged widower
		RM	Remarried mother (widow)

Item	Title	Contents and Instructions
		RR Remarried disabled widow RW Remarried widow TS 37 or 74 Act continuous entitlement student
	Tier 1 Items (D) through (J) are blank if: • the RR annuity is a reject, or • RRB is paying only an SS benefit	
(D)	TIER 1 PIA	In employee and survivor cases, the PIA 1 based on the employee's earnings record upon which the tier 1 computation is based. Shown in dollars and dimes. If the employee is a Lawyear 83 60/30 case in which no tier 1 COL is payable, item (D) is blank. Item (D) is blank in spouse cases.
(E)	GROSS TIER 1 CODE	The gross tier 1 amount is shown with an explanatory code. • If the annuitant is an employee, the COL increased PIA, including DRC's, rounded down to the nearest dollar. • If the annuitant is a spouse or divorced spouse, 50% of the employee's COL increased PIA rounded down to the nearest dollar. • If the annuitant is a survivor, the COL increased original rate. The amount shown will include DRC's and is rounded to the nearest dime. Code Amount Represents A PL 94-547 rate for an employee or spouse, rounded down to the nearest dollar.

Item	Title	Contents and Instructions
		B Survivor maximum case. The PIA upon which the reduced for maximum rates are based. The amount shown will include DRC's and is rounded to the nearest dime. D Reduced 60/30 employee or spouse not eligible for tier 1 COL (annuitant under age 62, or age 62 but tier 1 recalculation has not been performed prior to COL mass adjustment). No amount will show in (E). E Reduced 60/30 employee eligible for tier 1 COL. Gross tier 1 equals PIA 1 (not rounded to the dollar.) F Reduced 60/30 spouse eligible for tier 1 COL. Gross tier 1 equals 50% of employee's PIA 1 rounded to the dime.
(F)	DRC DRC %	The number of increment months, if any, used to compute the employee's or survivor's delayed retirement credit. A "1" is shown if the DRC's used are based on 1/12 of one percent for each month. A "3" is shown if DRC's used are based on 1/4 of one percent for each month.
(G)	AGE REDUCTION	In retirement cases, the age reduction amount is it applies in tier 1. In survivor cases, the first adjusted rate, i.e., the rate after age reduction or RIB limitation. The codes are as follows: Code Meaning A Percentage increase method used (entitlement before 1978). Applies to survivor cases only. B Initial reduction months based on a factor of 19/40 if aged widow(er) or 19/40 and 43/240 if disabled widow(er). Applies to survivor cases only.

Item	Title	Contents and Instructions
		C Initial reduction months based on factor of 1/180. Applies to retirement cases only. D Initial reduction months based on a factor of 1/144. Applies to spouses only. E The first adjusted rate is the RIB limitation amount. Applies only to widows. F The first adjusted rate is 82 1/2% of the PIA. Applies only to widows. G Lawyear 83 reduced 60/30 tier 1 age reduction amount. Shown only if tier 1 COL is payable. In Lawyear 83 reduced 60/30 cases in which no tier 1 COL is payable, item (G) is blank.
(H)	SSA OFFSET	The SSA, offset amount in tier 1 as determined by Research. This amount is rounded to the dollar. The amount in (H) may differ from the amount in (V). The LAF E cases, only the SS benefit certified by the Board is shown in (V). If the beneficiary is also receiving in (H) will reflect both benefits. In code 34 and code 37 special handling cases, the amount shown in (H) is an assumed amount.
(I)	NET TIER 1	The net tier 1 amount shown in this item is the amount after DRC's and COL increase are included, and after all reductions except tax withholding are considered (maximum, age, public pension, own employee annuity tier 1, SS benefit, worker's comp). If the tier 1 is reduced for amounts other than age and SS benefits, the code indicates the type of additional reductions: Code Meaning A Gross tier 1 is reduced by the annuitant's own employee annuity tier 1 amount.

Item	Title	Contents and Instructions
		B Gross tier 1 is reduced by the annuitant's public pension amount. C Gross tier 1 is reduced by both the annuitant's public pension and his/her own employee annuity tier 1 amount. D Gross tier 1 is reduced by the annuitant's worker's comp amount. E Gross tier 1 is reduced by the annuitant's worker's comp and public pension amounts. F Gross tier 1 is reduced by both the annuitant's worker's comp and own employee annuity tier 1 amounts. G Gross tier 1 is reduced by the annuitant's worker's comp, public pension and own employee annuity tier 1 amounts. H Felony case. Tier 1 not payable. I Lawyear 83 60/30 spouse not entitled to a tier 1 COL and net tier 1 decreases due to the increase in the spouse's SSA benefit and/or the increase in the spouse's own employee annuity tier 1 amount. If tier 1 is wiped out due to reductions or nonpayment due to felony conviction, "000.00" is shown. If no reductions are required in tier 1, the (E) rate is repeated in retirement cases. In survivor cases, the (G) rate is shown rounded down to the dollar. In Lawyear 83 reduced 60/30 cases which no tier 1 COL is payable, item (I) is the only tier 1 item with an entry.
(J)	PREV TIER 1	The amount shown in this item is the net tier 1 amount before the current COL adjustment. Blank in O/M cases.

Item	Title	Contents and Instructions
		Tier 2 Items (K) through (P) are blank if: • the RR annuity is a reject, or • only an SS benefit is being paid, or • the annuitant is not eligible for a tier 2
(K)	COMP 1	The amount shown is indicated by the code as follows. If the takeback reduces tier 2 to zero, (K) is blank. Code Amount Represents A Employee was initially awarded before the 1981 amendments. Component 1 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the employee has only a component 1 in tier 2 and the $10.00 takeback minimum guaranty applies, the component 1 before the guaranty is shown. B Employee was initially awarded under the 1981 amendments. Tier 2 after RRA max reduction, age reduction, COL increase and 12/83 and 12/84 takebacks is shown. If the $10.00 takeback minimum guaranty applies, the net tier 2 before the guaranty is shown. C Spouse base rate is 50% of employee's tier 2. The amount shown is the tier 2 after restoration of own EE annuity tier 1, after COL increase and after reduction for the RRA max and 12/83 and 12/84 takebacks but before the $10.00 takeback minimum guaranty. D Spouse base rate is 45% of employee's tier 2. The amount shown is after restoration for own EE annuity tier 1 after COL increase and after reduction for RRA max and 12/83 and 12/84 takebacks but before the $10.00 takeback minimum guaranty.

Item	Title	Contents and Instructions
		If the spouse ABD is before 1-1-84, the amount shown is after age reduction. If the spouse ABD is 1-1-84 or later, the amount shown is before reduction for age. E 30% of the survivor 5/82 or OBD original or reduced for maximum rate reduced for age, increased for additional COL increases and reduced for 12/83 and 12/84 takebacks but before the $10.00 takeback minimum guaranty. F Applicable percentage of the employee's tier 2 on the survivor's OBD reduced for age, increased for COL and reduced for 12/83 and 12/84 takebacks but before the $10.00 takeback minimum guaranty.
(L)	COMP 2	If the employee was initially awarded under the 1974 Act, component 2 after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown. Item (L) is blank if the employee is a 1937 Act case, a 1981 Amendment case or a 1974 Act case with only one component payable in tier 2. Item (L) is blank in spouse cases. If the annuitant is a widow(er), the amount shown is the amount to be restored in tier 2 if the widow(er)'s own employee annuity tier 1 was deducted from the widow(er)'s tier 1.
(M)	COMP 3	If the employee was initially awarded under the 1974 Act, component 3 after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks is shown. Item (M) is blank if the employee is a 1937 Act case, a 1981 Amendment case, or a 1974 Act case in which only one component is payable in tier 2. Item (M) is blank in spouse cases.

Item	Title	Contents and Instructions
		In survivor cases, the amount to be added to the widow(er)'s tier 2 for the spouse minimum guaranty or the amount to be added to a survivor's tier 2 for 1/75 conversion equalization is shown.
(N)	AGE REDUCTION	The total tier 2 reduction amount. In 1974 employee cases in which tier 2 is composed of three components, Item (N) is the sum of the prorated age reduction amounts for each of the components. The age reduction amount shown is already subtracted from the tier 2 amounts shown in (K), (L) and (M), except in spouse cases with an ABD of 1-1-84 or later.
(O)	NET TIER 2	In employee and spouse cases, the net tier 2 amount payable after COL increase and after reduction for RRA max, age and 12/83 and 12/84 takebacks and after application of the $10.00 takeback minimum guaranty. Item (O) is the sum of items (K), (L) and (M), or $10.00 if the takeback guaranty applies. If the spouse ABD is 1-1-84 or later, item (O) equals item (K) minus item (N). In survivor cases, the net tier 2 amount payable after COL increases and after reduction for age and 12/83 and 12/84 takebacks and after the application of the $10.00 takeback minimum guaranty, plus any restored amount or spouse minimum guaranty amount. Item (O) is the sum of (K), or $10.00 if the takeback minimum guaranty applies, and items (L) and (M).
(P)	PREV TIER 2 Windfall	The tier 2 amount to be entered in this item is the net amount before the current COL adjustment. Blank in O/M cases. Items (Q) through (R) are blank if: • the RR annuity is a reject, or

Item	Title	Contents and Instructions
		• only an SS benefit is being paid, or • the annuitant is not entitled to a windfall
(Q)	NET WINDFALL	The amount of the windfall after age reduction. The survivor cases if a windfall was calculated but it resulted in a zero rate, "000.00" is shown.
(R)	AGE REDUCTION	The age reduction amount applied to the windfall. Blank in survivor cases.
(S)	UNTITLED	The tier 1 non-SSEB taxable amount. This amount is included in the annuity amount subject to withholding upon which the tax withholding amount is calculated.
(T)	TAX W/H	Total taxes withheld from the recurring regular RR and Supp annuity monthly payment. If no taxes are withheld, "000.00" is shown.
	SS Benefit	SS benefit data is shown even if the RR annuity is a reject.
(U)	SSA PIA	The COL increased PIA in dollars and dimes upon which the SS benefit is based. For various reasons, the PIA is not always updated for the COL even though the benefit amount is increased. In this case the PIA will be left to avoid confusion.
(V)	SSA AMOUNT	The amount of the SS benefit after dollar rounding, but before SMI premium deduction. This amount is shown in pure LAF E SS cases as well as cases involving RR payments and LAF E or LAF C SS benefits. In cases where the annuitant is receiving a combined benefit as SSA, it is possible that RRB is paying one of the benefits and SSA and other. In such cases, the amount shown is what RRB is paying. The offset amount shown in the tier 1 data will reflect all the SS benefits.

Item	Title	Contents and Instructions
		In the SS benefit rejects, item (V) is left blank.
(W)	Suffix	The suffix that describes the type of SS benefit, e.g., A, B, H, C, D, etc. If RRB is paying SS benefits, the suffix from the CHICO record is shown. Otherwise the suffix from the MBR record is shown.
(X)	Paid	The codes described below indicate which agency is paying the SS benefit: Code Description C LAF C case - SSA is paying the benefit E LAF E case - RRB is paying the benefit R LAF E case - increase rejected
	Monthly Rate Data	These columns show the old and new rates, show a reject or are left blank under certain circumstances.
(Y)	OLD RATE BEFORE SMI	The pre-adjustment regular RR annuity rate before tax withholding but after actuarial adjustment or partial withholding. Item (Y) is blank if the RR is a reject or RRB is paying an SS benefit only.
(Z)	NEW RATE BEFORE SMI	The adjusted regular RR annuity rate before tax withholding but after actuarial adjustment or partial withholding. If the OM formula is paid, the rate shown has no relationship to any tier or windfall amount shown in previous items. Item (Z) is blank if we are paying an SS benefit but no RR annuity. If the RR annuity is a reject, item (Z) will show "REJ". One of the following codes is shown to identify the type of reject: Code Type of Reject

Item	Title	Contents and Instructions
		A BDP (Research) reject B Benefit payment (Checkwriting) reject C Due Process code in benefit payment record D Case in partial rate status E Interim Widow F No adjusted record received by CHICO from Research.
(a)	NEW RATE AFTER SMI	The regular RR annuity rate after actuarial adjustment, partial withholding and tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown. This rate does not include the Supp annuity if one payable or the SS benefit if RRB is paying it. This column is blank if regular annuity rejects unless a deduction is needed for the SMI premium. The following codes are used to describe any special provisions used to make the annuity adjustment: Code Special Provision A Actuarial adjustment B Partial withholding C Actuarial adjustment and partial withholding D Elected tax withholding E Elected tax withholding and actuarial adjustment F Elected tax withholding, actuarial adjustment and partial withholding

Item	Title	Contents and Instructions
		G Elected tax withholding, actuarial adjustment and partial withholding H Mandatory tax withholding I Mandatory tax withholding and actuarial adjustment J Mandatory tax withholding and partial withholding K Mandatory tax withholding, actuarial adjustment and partial withholding
(b)	ADJUSTMENT CHECK AMOUNT	The amount of the adjustment check for each payee. The amount is the total of the RR annuity (after actuarial adjustment and/or partial withholding), the Supp annuity and the SS benefit if RRB is paying the SS benefit minus any reduction for tax withholding and/or SMI. The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not issued because the claim is suspended for other than cause code 98 or was terminated, item (b) will be blank. An asterisk (*) immediately follows the amount if a code 98 suspension is in effect. A code D indicates the check is going to a financial institution.
(c)	SUPP ANN	The monthly supplemental annuity rate payable after RRA max reduction and before tax withholding.
(d)	REJ/REV	This area will show the reject and special handling review codes. A list of codes is provided on RCM 6.8 Appendix B. An asterisk(*) is shown if the record rejected or was earmarked for special handling and review in a

Item	Title	Contents and Instructions
		previous mechanical COL operation. The asterisk will show even if the case does not reject or is not earmarked for review in the current COL operation.

III. The following described format was used for all mechanical adjustments February 1, 1982 through November 30, 1985. An explanation of mircofilm before February 1982 is available in binder "RCM 6.8 PRE-FEB 1982 MASS ADJ" located on your supervisor's desk.

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
	• DATE	Date the mircofilm tape record is prepared.	All
	• TITLE	Name of the adjustment.	All
(A)	CLAIM NUMBER	Beneficiary symbol, prefix and claim number. Includes cases where we are paying an SS benefit but no RR annuity. All	
(B)	PC	Payee code. If there is more than one survivor beneficiary in the payee code (combined check case), the payee code is shown only on the line containing the combined check rate. All	
(C)	SYM	Blank for employee and spouse annuitants. All The divorced wife and survivor beneficiary symbol is based on the following: Symbol Type of Beneficiary A Disabled Widower B Father (Widower) C Minor Child D Disabled Child G Minor, Disabled, or Student Grandchild H Aged Widower	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS		ADJUSTMENT
		M	Mother (Widow)	
		P	Parent	
		R	Disabled Widow	
		S	Student	
		W	Aged Widow	
		X	Divorced Wife	
		KA	Divorced disabled widower	
		KB	Divorced father (widower)	
		KH	Divorced aged widower	
		KM	Divorced mother (widow)	
		KR	Divorced disabled widow	
		KS	37 or 74 Act nonphase-out student	
		KW	Divorced aged widow	
		LF	Parent(father) if both parents are entitled under 1983 SS amendments	
		LP	Parent(mother) if both parents are entitled under 1983 SS amendments or for either parent if only one entitled	
		LS	83 RRA amendment nonphase-out student	
		NS	81 amendment continuing entitlement student	
		PS	81 amendment nonphase-out student	
		RA	Remarried disabled widower	
		RB	Remarried father (widower)	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		RH Remarried aged widower RM Remarried mother (widow) RR Remarried disabled widow RW Remarried widow TS 37 or 74 Act continuous entitlement student If there is more than one beneficiary in a payee code (combined check case), the payee code lines are blank.	
	TIER 1	Columns (D), (E), (F), (G), and (H) are blank if: • The RR annuity is a reject, or • We are paying only an SS benefit, or • The annuity is adjusted only for the SMI premium increase, or • The spouse adjustment is based on the "Tack-On" method.	All, except 2-16-82 WF Accrual Payment
(D)	GROSS TIER I CODE	The term "Gross TIER 1" is defined below. Code Amount Represents • If the annuitant is an employee the COL increased PIA (including DRC's if applicable) rounded down to the nearest dollar.	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		• The SS Act wife's/husband's/divorced wife's benefit based on the employee annuitant's cost-of-living increased PIA. (50% of the PIA rounded down to the nearest dollar.) • The SS Act survivor's cost-of-living increased original rate. The amount shown will include DRC amounts (if applicable as indicated in column (F), DRC). A The PL-94-547 rate for an employee or spouse. This rate is the 12-1974 annuity rate based on the pass-thru PIA and increased annually by the cost-of-living increase percentage applied to SS Act benefits. B In a survivor maximum case, the PIA upon which the reduced for maximum rates are based. The amount shown will include DRC amounts (if applicable as indicated in column (F), DRC). C The new rate was determined by the "tack on" method because the sum of the old rate tier amounts plus the windfall minus deductions does not total within $1.00 of the old annuity rate. This will apply only for spouse cases, only the "new rate", "old rate" SS benefit date, "new rate after SMI" and the adjustment check will be shown. D Reduced 60/30 employee or spouse under age 62 and not eligible for tier 1 COL.	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(E)	NET TIER 1	The net tier 1 amount is the amount after DRC's are included, and after all reductions are considered (maximum, age, public pension, employee annuity net tier 1, SS The amount shown in column (D) is always reduced by the amount of the age reduction (in retirement cases, the amount of age reduction is shown in column (G)), and for the SS benefit amount shown in column (V). The SS amount shown in column (V) is after dollar rounding but before SMI deduction. (See code (D) for exception.) If a public pension or employee annuity net tier 1 are reducing the gross tier 1 amount, the code will indicate the reduction. If the tier 1 is wiped out, "000.00" is shown. If no adjustment is required, the (D) rate is repeated. The codes and amounts represented are as follows: Code Amount Represents A The gross tier 1 amount is reduced by the annuitant's own employee net tier 1 amount. B The gross tier 1 amount is reduced by the annuitant's public pension amount. C The gross tier 1 amount is reduced by both the annuitant's public pension amount and their employee net tier 1 amount.	All, except 2-16-82 WF Accrual Payment benefit).

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		D The SS benefit amount used to reduce tier 1 is different than the SS benefit RRB is paying (column V). The column (V) amount is from the benefit payment master. The SS amount deducted in tier 1 is determined by Research. If the amounts differ by a $1.00 (tolerance) or more and the RR rate results in an increase, this code will appear.	
(F)	DRC	The number of increment months, if any, used to compute the employee's delayed retirement credit. 2-16-82 WF	All, except Accrual Payment
	DRC %	A "1" is shown if the DRC's used are based on 1/12 of one percent for each month (1 percent a year). A "3" is shown if DRC's used are based on 1/4 of one percent for each month (3 percent a year).	All, Accrual except2-16-82 WF Payment
(G)	AGE RED	In retirement cases, the age reduction amount as it applies in tier 1 is shown. In survivor cases, the first adjusted rate is shown, i.e., the rate after age reduction or RIB limitation. The codes and meaning of each code are as follows: Code Meaning A Percentage increase method used (entitlement before 1978). Applies to survivor cases only. B Initial reduction months used based on a factor	All, except2-16-82 WF Accrual Payment All, beginning 1-1-84

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		of19/40 if aged widow(er) or if disabled widow(er). Applies to survivor case only. C Initial reduction months used based on a factor of 1/180. Applies to retirement case only. D Initial reduction months used based on a factor of 1/144. Applies to spouse only. E The first adjusted rate is the RIB limitation amount. F The first adjusted rate is 82 1/2% of the PIA.	
(H)	PREV TIER 1 TIER II	Net tier 1 amount before the current COL adjustment and before restoration of any M/S red. In O/M cases this space is blank. Columns (I) through (O) are blank if: • The RR annuity is a reject, or • We are paying only an SS benefit, or • The annuity is adjusted only for the SMI premium increase, or • The spouse adjustment is based on the "tack on" method.	All beginning with the12-1-83 COL

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(I)	NET TIER II	In retirement cases, the net tier 2 amount payable includes the COL, minus any applicable reductions in columns (M) and (O). For a survivor, the net tier 2 is the amount in column (J), minus any applicable reduction in column (O), plus any additional amount as indicated in column (K) or (L).	All, except2-16-82 WF Accrual Payment
(J)	COMPONENT 1	The amount shown is indicated by the code as follows: Code Amount Represents A The employee was initially awarded before the 1981 Amendments. Component 1 after COL increase is shown. B The employee was initially awarded before the 1981 Amendments. The column is left. C Base rate is 50% of EE's tier 2. The amount shown is the tier 2 before age and M/S reduction reduced for the RRA Max, if applicable, and increased for the COL. D Base rate is 45% of EE's tier 2. The amount	All except2-1-82 EE LAG ADJ. 2-16-82 WF Payment, and 4-1-82 AERO ADJ. Accrual Effective 9-1-83 the reduction for M/S no longer applies

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		shown is before age and M/S reduction, reduced for RRA Max, if applicable, and increased for the COL. E 30% of the survivor's 5-1982 or OBD original or reduced for maximum rate increased for additional COL increases as applicable. F Applicable percentage of the employee's tier 2 on the survivor's OBD increased for applicable COL increases.	
(K)	COMPONENT 2	If the employee was initially awarded before the 1981 Amendments, component2 of tier 2 is shown. If the annuitant is a spouse or widow(er), the amount, if any, to be restored in tier 2 because the spouse or widow's own employee annuity tier 1 was deducted from the spouse or widow tier 1.	All except2-16-82 WF Accrual Payment

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(L)	COMPONENT 3	If the employee was initially awarded before the 1981 Amendments, component 3 increased for COL is shown. In the survivor cases, the amount to be added to a widow(er)'s tier 2 on account of the spouse minimum guaranty, or the amount to be added to a survivor's tier 2 on account of 1-1975 conversion equalization. The amount to be added if more than one of the above conditions applies.	All except2-16-82 WF Accrual Payment
(M)	RRA MAX	Amount of deduction for the RRA maximum.	All except 2-16-82 WF
(N)	TIER 2 COL T/B	Amount of the takeback in tier 2 due to 12-83 or 12-84 tier 1 COL increase. This column will be blank in O/M cases. NOTE: If the figure entered is followed by an asterisk "*", the takeback amount was computed based on a fictional 11-84 net tier 1.	All, beginning with the12-83 COL
(O)	AGE RED	The age reduction amount as it applies in tier 2.	All except 2-16-82 WF Accrual Payment and 1-2-85 COL ADJ
(P)	PREV TIER 2 WINDFALL	The net tier 2 amount before 12-84 COL adjustment. This column will be blank in O/M cases. Column (Q) through column (T) will be blank if,	All, beginning with the 12-83 COL

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		• The RR annuity is a REJECT, or • We are paying only an SS benefit, or • The annuity is adjusted only for the SMI premium increase, or • The spouse adjustment is based on the "tack on" method. In a survivor combined check case, the payee code line showing the combined RR annuity check rate is left blank.	
(Q)	GROSS WF	The amount of the windfall before any reductions for age and/or military and service, and before cutback. In survivor cases if a windfall was recalculated but it resulted in a zero, "000.00" will be in this column. If no windfall this space is left blank.	All
(R)	TOTAL T/B AMT	5% of the 11/83 net tier 1 amount. NOTE: If the figure entered is followed by an asterisk "*", the takeback amount was computed based on a "fictional" 11-83 net tier 1. A fictional figure was used when the SS MBR rate for 12-83 was higher than the updated figure for 12-83 was higher than the updated figure in our record.	All,

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(S)	AGE RED	The age reduction amount as it applies in the windfall.	All
(T)	NONE(Reserved)	Total taxes withheld from recurring monthly annuity payments shown beginning with the 12-84 COL. Previously used to show the amount of any retroactive accrual.	All, beginning with the12-84 COL
	SS BEN DATA	In a survivor combined check case, columns (U), (V), (W), and (X) are blank showing the combined RR annuity check rate. The data for these columns is shown on the line that contains the data for the beneficiary in the combined check. The SS benefit data is shown even though the RR annuity is a REJECT. NOTE: The MBR record is not passed to our system during the February 1 check adjustment. Therefore, if there is no CHICO record, no SS benefit data will be shown on the first line. Refer to the latest cost-of- living microfilm if MBR data is needed.	All, before the November1983 payment. After11-1-83 there should be only 1 beneficiary per payee code.
(U)	PIA	The cost-of-living increased PIA in dollars and dimes upon which the SS benefit is based. For various reasons the PIA is not always updated for the COL even though the benefit amount is increased. In this case the PIA will be left blank to avoid confusion.	COL adjustment

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(V)	AMOUNT	The amount in dollars and dimes of SS benefit after dollar rounding, but before SMI premium deduction. This is true for pure SS cases (RRB paying and no RR annuity) as well as cases involving SS and RR payments. In cases where the annuitant is receiving a combined benefit at SSA, it is possible that RRB is paying one of the benefits and SSA the other. In such cases, the amount shown is what RRB is paying (code E will appear in column (X)). The offset in tier 1 is the entire combined benefit (code D will appear in column (E)). If the SS benefit rejected (as indicated in column (X)), the column is left blank. Due to program error, if no Medicare is involved and the case is pure SS benefit case, the column is left blank for 1982 COL.	COL adjustment
(W)	SFX	The suffix that describes the type of SS benefit, e.g., A, B, H, A, C, etc. If RRB is paying SS this will be the suffix from the CHICO record. Otherwise the suffix will come from the MBR record.	COL adjustment
(X)	RR PD	The codes described below indicate which agency is paying the SS benefit. Code Description	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		C LAF C case - SSA is paying the SS benefit E LAF E case - RRB is paying the SS benefit R LAF E case - increase rejected	.
	RATE BEFORE SMI	These columns show the old and new rates, show a reject or are left blank under certain circumstances.	
(Y) and (Z)	OLD AND NEW RATES	(a) If there is only one beneficiary in the payee code, the old rate is the pre-adjustment annuity rate; the new rate is the adjusted annuity rate. If actuarial adjustment or partial withholding is involved the amount shown is after reduction. Rates are before tax withholding.	All except 2-16-82 WF Accrual Payment
		(b) If there is more than one survivor beneficiary in the payee code, the old rate and the new rate on the payee code line is the combined annuity rate. Succeeding date lines reflect the old and new rate for each beneficiary in the payee code. The old and new rates on the payee code line should equal the total of the old and new rates for each beneficiary.	All, before the November 1983 payment. After 11-1-83, there should be only 1 beneficiary per payee code.

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		(c) The new rate for 100% O/M cases and 100% O/M Grandfather cases has no relationship to any tier or windfall amount that may be shown. Only the 100% O/M cases will get a COL adjustment. The old and new rates for the 100% O/M Grandfather cases, is the same. (d) The old rate column is blank for an RR annuity reject and the abbreviation "REJ" is shown in the new rate column. One of the following codes is shown to identify the type of reject: A DP&A Reject B Benefit Payment Reject C Due Process Code in Benefit Payment Record D Interim Widow (e) The old rate column and new rate columns are blank if: • We are paying an SS benefit but no RR annuity, or • The RR annuity is adjusted only for the SMI premium increase.	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(a)	NEW RATE AFTER SMI	The new regular RR annuity rate after tax withholding. If enrolled for SMI, the rate after the SMI premium deduction is shown. If SMI premiums begin or stop in month of adjustment, rate shown reflect SMI status in month before adjustment. This rate does not include a SUP ANN if one is payable or the SS benefit if we are paying it. Tax withholding applied to any SUP ANN is not considered in this rate. The new combined annuity rate if there is more than one beneficiary in the payee code. This column is blank on the lines containing the beneficiary data. Also, this column is blank if the regular annuity rejects (REJ printed in column (D)) unless a deduction is needed for the new SMI Premium. The following codes are used to describe any special provisions used to make the annuity adjustment. Code Special Provision A actuarial adjustment B partial withholding C actuarial adjustment and partial withholding both apply	All, except 2-16-82 WF All, before November1983 After11-1-83, there should be only 1 beneficiary per payee code.

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		D elected tax withholding E elected tax withholding and actuarial adjustment F elected tax withholding and partial withholding G elected tax withholding, actuarial adjustment, and partial withholding H mandatory tax withholding I mandatory tax withholding and actuarial adjustment J mandatory tax withholding and partial withholding K mandatory tax withholding, actuarial adjustment, and partial withholding	

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
(b)	ADJUSTMENT CHECK AMOUNT	The amount of the adjustment check for each payee code. The amount is the total the RR annuity, SUP ANN and the SS benefit (if we are paying it) after reduction for the new SMI premium, if enrolled for SMI and SUP ANN tax withholding. The amount of the check is shown regardless of whether the annuity rate was or was not adjusted. However, if a check was not printed because the claim was suspended for other than cause 98 (investigation of address) or was terminated, the amount column 1 will be blank. An asterisk(*) immediately follows the amount if a code 98 suspension (investigation of address) is in effect. If there is more than one survivor beneficiary in the payee code, only the date and the amount of the combined check are shown. This column is blank on the lines that contain data for the beneficiaries in the payee code. Should be only 1 beneficiary per payee code. A code "D" indicates whether the check is going to a financial organization.	All. After tax withholding beginning with 12-84 COL All, 1983. After 11-1-83, there
(c)	SUPP ANN RED FOR RRA MAX	This column is used to show several items as explained below: • The amount of reduction in the SUP ANN because of the RRA maximum.	COL ADJUSTMENT

COLUMN	TITLE	CONTENT AND INSTRUCTIONS	ADJUSTMENT
		• The AERO accrual amount, if it was computed. "REJ" and a reject code, if the accrual rejected. • The amount of the windfall accrual.	AERO WINDFALL ACCRUAL ADJUSTMENT starting 10-1-82
(d)	REJ/REV	This area will show the reject and special handling review codes.	All adjustment

Appendix B - COLA Mass Adjustment Reject and Review Codes

Introduction

This appendix explains the reject and review codes for annual COLA mass adjustment operation. In each COLA mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. The type of reject is identified as follows:

Type	Microfilm	MAIS	PREH - general inquiry	PREH - full inquiry
Calculation	"A" in item 45	"CALC REJ"	"REJ CD - CALC"	MASS-ADJ-CALC-REJ-CD
Checkwriting	"B" in item 45	"CHICO REJ"	"REJ CD - PYMNT"	MASS-ADJ-PYMT-REJ-CD

Does a reject/review code require work?

Most reject and review codes are indications that further work must be done in the case. The codes that do not require further examiner handling are identified with an asterisk (*) by the number in the list of codes below. The information in PREH also indicates if a reject/review requires examiner handling:

NOTE: Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (MASS-ADJ-PYMT-REJ-CD). The PREH earmark should be

removed with RREM8 when the COL is included in the reinstatement-recertification award.

Type	**MASS-ADJ-RESULT-CD**	**MASS-ADJ-SPEC-1-CD**
Reject - to work	2	N/A
Reject - NAN	1	N/A
Review - to work	N/A	First position of the code is not “X”
Review - NAN	N/A	First position of the code is “X”

Clearing PREH earmarks in terminated records

An open earmark on PREH on a terminated record can be cleared with an OPO recert award by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction system

Earlier code definitions

The definition for some reject and review codes has changed over the years. This appendix provides the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with ‘#’.

Calculation rejects - retirement RR

The following list provides the code definitions for retirement RR formula calculation rejects:

Code	**Definition**
01#	Unknown type of legal process deduction or unknown type of 3rd party payment
02	Waiver
03*#	COL already paid on December award - NAN if MASS-ADJ-PYMT-REJ-CD is 09
04	Percentage legal process deduction but no 3rd party record in PREH

Code	Definition
06	No tiers in the employee's PREH records
07#	3rd party payee with SSA payment
08	Percentage legal process deduction or 3rd party payment but the factor is missing
09	No PIA 1 in PREH
10	Calculated COL gross tier 1 is less than pre-COL gross tier 1
11#	Partition case but 3rd party's rate does not equal the tier components
12#	RR formula case with partition deduction and tier 1 partition amount
13	The type of annuity is age reduced but the annuitant is over 65 on the ABD
14	The sum of the calculated COL tier 1 and tier 2 is less than the pre-COL tier 1 plus tier 2
15#	The type of legal process computation is unknown or the type of computation in the employee's record does not agree with the type of computation code in one or more 3rd party records.
16	The employee's calculated COL rate is higher than the pre-COL rate by more than the COL percentage
17	The employee's calculated COL net tier 1 is zero
18	The employee's calculated COL rate is zero due to the increase in LAF C SS benefits
19	The employee's calculated COL rate is zero and either there is no SS benefit or the SS benefit is LAF E
20	The employee and spouse are paid under different formulas (RR versus OM)
21	Partition case but 3rd party's tier components do not equal the employee's partition deduction amount
22#	Non-partition case but 3rd party's rate does not equal the employee's non-partition deduction amount
23	The employee's calculated COL rate is less than the pre-COL rate

Code	Definition
24	The 1937 or 1974 Act employee has no tier 2 components in PREH
25	Percentage partition case and one or more of the 3rd party's pre-COL components is not correct
26	The calculated COL rate is less than the pre-COL rate
27#	The number of DRCs is excessive for the employee's DOB
28	Percentage non-partition case but the 3rd party's pre-COL rate is not correct
29	Spouse has percentage legal process deduction
41	The spouse is entitled to his/her own employee annuity and has SS benefits on an account other than the employee's or the spouse's.
42	The divorced spouse has no previous spouse entitlement and the number of calculated age reduction months is erroneous
43	The divorced spouse was previously entitled as a spouse and the number of calculated age reduction months is erroneous
44	The spouse's tier 2 is blank in PREH
45	The spouse's tier 1 must be reduced by the total annuity (s)he is entitled to as an employee
46	The number of age reduction months calculated for the spouse is erroneous
47#	The spouse is based on a child over 18 who is not disabled; the spouse has not been terminated (refer to RCM 1.3.18A, "When A New Application Is Required After Entitlement Ends.")
48	The sum of the COL tier 1 and tier 2 calculated for the spouse is less than the pre-COL tier 1 and tier 2
49	The spouse pre-COL rate is zero but the calculated COL rate is greater than zero.
50	The dual RR offset needed for the spouse cannot be calculated because the spouse's own employee tier 1 has a WC/PDB reduction
51	The COL rate calculated for the spouse is higher than the pre-COL rate by more than the COL percentage

Code	Definition
52	The COL gross tier 1 calculated for the spouse is zero because there is no PIA in the employee's record in PREH
53*#	Both the spouse's pre-COL rate and the rate calculated with the COL are zero
54	The COL rate calculated for the spouse is zero due to the increase in LAF C SS benefits
55	There are no tiers in the spouse's PREH records
56	The employee is a disability annuitant under the 1983 Amendments but the spouse is not age reduced
57	The employee and spouse are not paid under the same Act
58	The spouse's pre-COL gross tier 1 is incorrect
59#	The spouse's tier 2 is not reduced for the employee's vested dual benefit
60	The COL rate calculated for the spouse is less than the pre-COL rate
61	The spouse is entitled to an annuity as an employee but no dual offset amount was calculated for the COLA
62	The dual offset amount in the spouse tier 1 is erroneous
63	The spouse is entitled to an annuity as an employee but the spouse tier 1 is not offset for the dual entitlement
64	The spouse is entitled to an annuity as an employee and the employee annuity is missing some previous COL increases
65	There are multiple non-divorced spouses on the rolls
66	The COL rate calculated for the spouse is zero but the spouse is not entitled to SS benefits or the SS benefits are LAF E
67	The previous ABD is needed to calculate the spouse/divorced spouse age reduction amount
68	Based on the spouse ABD, the tier 2 after COL should be age reduced but no age reduction was calculated
69	The spouse's PSP information in PREH contains errors

Code	Definition
87	The COL increase in the 3rd party payment is too large
88*	The calculated COL rate equals the pre-COL rate
89	The 3rd party COL-increased rate is less than the pre-COL rate
90	The employee has a percentage non-partition deduction and a variable SMIB premium
91	The RRSIA 5-year case includes an illegal component: • The disabled employee is under age 62 but the rate includes a tier 2, or • The employee does not have an SSIS but the rate includes a tier 1
92	The regular annuity and/or the supplemental annuity is still reduced for the RRA maximum
93	The COL-increased RR formula rate is higher than the COL-increased OM formula rate but the annuity is reduced for a percentage non-partition deduction
94	The employee or spouse has an age reduction in tier 1 but the annuity should be calculated under the RRSIA 60/30 provision
95	Annuity is missing the previous COL increase.
99	The spouse rejected because the employee rejected

Calculation rejects – retirement OM

The following list provides the code definitions for retirement OM formula calculation rejects:

Code	Definition
05	The OM could not be calculated because: • The spouse/divorced spouse has a PSP, or • The employee also receives a survivor annuity, or • The IPI is over age 19 and not a DAC

Code	Definition
08	OM formula grandfather clause applies
70	The special minimum PIA applies
71	Work deductions apply
72	The spouse's share is less than the spouse's SS benefit amount
73	The spouse is also entitled to an employee annuity
74	The calculated COL rate is less than the pre-COL rate
75	The COL share calculated for the employee is higher than the pre-COL share by more than the COL percentage
76	The COL share calculated for the spouse is higher than the pre-COL share by more than the COL percentage
77	The COL share calculated for the employee is less than the pre-COL share
78	The COL share calculated for the spouse is less than the pre-COL share
79	The spouse should not be included in the OM because the all the children are over 16 and none of them are disabled
80	The pre-COL OM amount is not offset for the SS benefits the family are receiving
81	There are multiple spouses included in the OM
82#	The total family SS benefit amount on the employee's account includes an amount paid to a divorced spouse; or the divorced spouse's formula code is "OM"
83	Felony case
84	The COL rate calculated is less than zero
85	The SS benefit amount in PREH is greater than $999.99
86	The calculated COL OM amount is less than the calculated COL RR rate but the RR rate may not be correct

Calculation rejects – survivor

The following list provides the code definitions for survivor calculation rejects:

Code	Definition
06	Annuitant has a percentage legal process deduction
10	Waiver
13	Disabled widow(er) is still reduced for months before age 60
15	No tier information in PREH
16	Disabled widow is not age reduced
19#	The annuitant is suspended because of excess earnings. The tier 1 and tier 2 amounts in PREH have been updated for the COL. The checkwriting record was not updated; when the annuitant's rate can again be paid, prepare a reinstate-recertification award.
50	The family has SS benefits and the calculated COL RR rate is less than the pre-COL rate
51	One or more COL rates calculated for the family is higher than the pre-COL rate by more than the COL percentage
52	There is an error in the number of age reduction months
53	The dual RR offset needed for the widow(er) cannot be calculated because the widow(er)'s own employee tier 1 has a WC/PDB reduction
54	MBR received from SSA but tier 1 is not currently reduced for SS
55	The widow(er) is entitled to an annuity as an employee but no dual offset amount was calculated for the COLA
56#	Not currently used
57#	Not currently used
58#	Not currently used
59	The calculated COL family rate is higher than the pre-COL family rate by more than $300.00

Code	Definition
60#	WIMA error: • 1981 amendment widow(er) but WIMA total is missing, or • WIMA tier 2 increase amount is incorrect
61	The dual RR offset in the widow(er)'s tier 1 is still the gross employee tier 1 instead of the net employee tier 1
62	The employee had no earnings after 1936; the widow(er) is not entitled to tier 1 and the rest of the annuity (tier 2 and/or the VDB) are frozen
63	Sole survivor conditions appear to apply to the disabled widow
64	The employee's RIB limit amount is invalid
65	The calculated COL rate is zero due to the increase in LAF C SS benefits
66	The calculated COL rate is zero and either there is no SS benefit or the SS benefit is LAF E
67#	Not currently used
68#	COL WIMA tier 2 increase amount is incorrect
69	The widow has an equalized amount and a restored amount
70	The widow has an equalized amount and a spouse minimum amount
71	Family members have the same payee code
72	The spouse minimum applies and either of the following conditions was detected: • The rate calculated for the COL is less than the pre-COL rate • The rate calculated for the COL is higher than the pre-COL rate
73	The dual RR offset amount calculated for the COL tier 1 is less than the pre-COL dual RR offset amount
74	The pre-COL tier 1 exceeds the PIA and the sole survivor limit
75	The sole survivor amount applies and the annuitant has an age reduction and an OBD after 1977

Code	Definition
76	The SS benefit amount received for the COL includes a B benefit for which the RW should not be reduced
77	The widow(er) is entitled to an annuity as an employee and the employee annuity is missing some previous COL increases
78	The widow(er)'s tier 1 must be reduced by the total annuity (s)he is entitled to as an employee
79	The rate calculated for the COL is higher than the pre-COL rate by more than the COL percentage
80	The rate calculated for the COL is less than the pre-COL rate; the decrease is not attributable to SS benefits or dual RR entitlement
81	The widow(er) is entitled to an annuity as an employee but the widow(er) tier 1 is not offset for the dual entitlement
82	The rate calculated for the COL is less than the pre-COL rate; the decrease exceeds the increase in SS benefits and/or the dual RR offset amount
83	The RW should be reduced for all SS benefits
84	WIMA applies and COL rate decreases, but decrease amount is not valid
88*	The calculated COL rate equals the pre-COL rate
93*	Both the pre-COL rate and the rate calculated for the COL are zero
94	The pre-COL rate is zero and the rate calculated for the COL is greater than zero
95*	COL already paid on December award – NAN if MASS-ADJ-PYMT-REJ-CD is 09
96	Unable to determine the DRC increase percentage because the deceased employee's day of birth is blank
97	There is an error in the PSP information in PREH
98	Unable to determine the deceased employee's age reduction factor because the employee's day of birth is blank

Calculation rejects – retirement/survivor MBR matching

Code	Definition
30	The COL SS benefit rate is less than the pre-COL SS benefit
31	The COL SS benefit rate is higher than the pre-COL SS benefit amount by more than the COL percentage
32	The pre-COL SS benefit amount is zero
35	An MBR record was matched to the annuity but tier 1 is not currently offset for SS benefits
38#	The survivor annuitant is entitled to more than one SS benefit but the correct tier 1 offset amount cannot be determined
39	The SS benefit is a Prouty benefit

Checkwriting rejects – retirement/survivor

The following list provides the code definitions for retirement and survivor checkwriting rejects:

Code	Definition
01	There is no checkwriting record for the annuitant under the prefix, claim number and payee code that are in PREH
02	The annuity is terminated
03	The annuity is suspended for other than codes 35, 69, 88 or 98
04*	The annuitant is an interim widow
05*	The pre-COL checkwriting rate equals the calculated COL rate
07	The pre-COL rate in PREH does not equal the pre-COL checkwriting rate
09*	The COL was already paid on a December voucher
10	A LAF E SS benefit is subtracted from the calculated COL tier 1 and either of the following is true:

Code	Definition
	• there is no SS benefit on checkwriting, or • the SS benefit on checkwriting is less than the tier 1 offset amount
11	The COL tier 1 is not offset for SS benefits but there is an SS benefit on checkwriting
12	No MBR was matched for the RR COLA so the COL tier 1 SS offset was calculated by adding the COL percentage to the pre-COL tier 1 SS offset; the resulting offset amount is less than the SS benefit on checkwriting
13	The calculated COL rate is more than $3000.00 and the COL rate is higher than the pre-COL rate by more than the COL percentage
14	The case is still being paid a partial rate
15	The SS MBR is terminated for death but the RRB is still paying an annuity
16#	Not currently used
18	The SS benefit paid by the RRB is higher than the SS offset amount in tier 1
20	The checkwriting record for the employee shows a December voucher that paid the COL but this voucher is not reflected in PREH; the spouse was rejected to avoid an overpayment
22	3rd party record rejected because the primary annuitant rejected.
96*	SS only case adjusted for SMIB
97*	SS only case adjusted for the COL and SMIB
98*	The RR annuity was adjusted for SMIB but not the COL
99	No COL rate was calculated for the annuitant; one of the following conditions is true: • the spouse was not selected for the COLA because the employee has been in suspense more than two years, or • the payment is a legal process payment that is not correctly identified as such on checkwriting, or • the survivor record was not selected for the COLA because PREH shows the rate as a partial payment, or

Code	Definition
	• PREH and the checkwriting record do not have the same prefix, claim number or payee code for the annuitant

Review codes – retirement

The following list provides the definitions for retirement review codes:

Code	Definitions
01	The 1983 Amendment annuitant is under age 62 but PREH indicates tier 1 has already been adjusted for the recalculation not due until age 62
02#	Not currently used
03*#	Not currently used
04*#	Not currently used
05	The OM formula is in force; the RR formula rate needs to be updated for previous COL increases
06	The MBR SS benefit did not reflect a COL increase so the COL percentage was added to the tier 1 SS offset.
09	The spouse receives his/her own employee annuity and the tier 1 dual RR offset amount was not adjusted for a change that was made in the employee annuity sometime before the COLA
10	The spouse's pre-COL gross tier 1 is less than half the employee's PIA
11	PREH indicates the spouse should be paid the $10.00 guaranty in tier 2; the actual tier 2 is zero in PREH so the spouse is underpaid if the actual tier 2, with the COL increase, now exceeds $10.00
12	No tier 1 COL was calculated for the 1983 Amendment employee because tier 1 has not been adjusted for the recalculation due at age 62
13	No tier 1 COL was calculated for the 1983 Amendment spouse because tier 1 has not been adjusted for the recalculation due at age 62
14	Administrative finality was applied to a DOB discrepancy but the original DOB is not in PREH

Code	Definitions
15	The special minimum PIA exceeds the regular PIA; the SPC MIN PIA was used for the COL but the pre-COL annuity needs to be adjusted to include the SPC MIN PIA
16	The pre-COL gross tier 1 is underpaid for the 1983 Amendment spouse
17	The employee has attained age 62 or age 65 but the WC/PDB reduction is still in force
18*#	Not currently used
19	The WC/PDB offset amount is erroneous because it exceeds the gross tier 1
20	The 1981 Amendment employee has amounts in PREH for components 2 and 3 of tier 2
21*#	Not currently used
22	The spouse was paid the OM formula and the RR rate could not be accurately updated for the COL
23	The OM was paid with an SS reduction but no MBR was received from SSA because the SS benefits are paid on an account other than the employee's; the pre-COL SS amount in PREH was updated by COL percentage. The examiner should verify that the COL SS amount is correct; if the actual SS amount on the MBR is different from the amount used in the COLA take one of the following actions: • Correct the amount in PREH (3200 record) if the discrepancy is $1.00 or less, or • recertify the monthly rate if the discrepancy is more than $1.00
24	The 1983 Amendment spouse is eligible for but has not yet received the tier 1 recalculation due at age 62; the recalculated tier 1 will be greater than zero.
25	The OM formula was paid; the COL update of the RR formula rate rejected
26	The 1983 Amendment spouse is eligible for but has not yet received the tier 1 recalculation due at age 62; the recalculated tier 1 will be zero.
27#	PREH shows a previous COL reject has not yet been handled
28	An MBR record was received for the spouse; tier 1 is currently reduced for dual RR entitlement but not for SS benefits

Code	Definitions
29	The offset for dual RR entitlement in the spouse's tier 1 was calculated by adding the COL percentage to the previous offset amount
40	The spouse's gross tier 2 is less than 45 percent of the employee's tier 2 and the spouse's net tier 2 is greater than zero
41	The spouse's gross tier 2 is less than 45 percent of the employee's tier 2 and the spouse's net tier 2 is zero.
42	The spouse tier 1 is reduced for a non-OPM PSP. Net tier 1 was zero before the COL, but the COL net tier 1 is greater than zero.

Review codes – survivor

The following list provides the definitions for survivor review codes:

Code	Definitions
61*#	Not currently used
62	The spouse minimum guaranty applies
63	The case has one annuitant who is receiving less than the minimum PIA
65#	Not currently used
66	The pre-COL tier 1 of the annuitant(s) is less than the statutory share; a family member may have been terminated but the corresponding adjustment was not made in the shares of the family maximum
67	The offset for dual RR entitlement in the widow(er)'s tier 1 was calculated by adding the COL percentage to the previous offset amount
68	The family group has SS benefits and the COL rate is less than the pre-COL rate
69	The MBR SS benefit did not reflect a COL increase so the COL percentage was added to the tier 1 SS offset.
70	The widow(er) receives his/her own employee annuity and the tier 1 dual RR offset amount was not adjusted for a change that was made in the employee annuity sometime before the COLA

Code	Definitions
71#	Not currently used
72	The special minimum PIA exceeds the regular PIA; the SPC MIN PIA was used for the COL but the pre-COL annuity needs to be adjusted to include the SPC MIN PIA
73	The remarried widow or surviving divorced spouse has tier 2 and/or VDB information in PREH
74	PREH shows a previous COL reject has not yet been handled
75	PREH shows DRCs that were not included in the pre-COL tier 1. The COLA did not use the DRCs. The examiner should adjust the rate to include the DRCs, or, if the DRCs are erroneous, remove them from PREH.
76	Conditions exist for Parisi redistribution; pre-COL tier 1 does not include Parisi increase.
77	The widow9er0 tier 1 is reduced for a non-OPM PSP. Net tier 1 was zero before the COL, but the COL net tier 1 is greter than zero.

Review codes – MBR

The following list provides definitions for MBR review codes:

Code	Definition
30	One of the following is true about the MBR: • it is terminated, or • it is in suspense for waiver, or • it is in suspense for felony imprisonment, or • it is in suspense for a trail work period Check to be sure the MBR information is correct. If the MBR information is correct, remove the SS offset from tier 1; if the SS benefit is suspended for a trial work period, set a call-up to restore the tier 1 SS offset when the SS benefit is reinstated.

Code	Definition
	If the MBR information is not correct, make the necessary corrections (eg., remove the erroneous MBR earmark, etc.)
31#	The LAF is E or the RRIC is R and the SS date of entitlement is prior to the current year, but tier 1 is not offset for the SS benefit
32	The MBR is terminated for death
33	No MBR was matched. Tier 1 is reduced for SSA; the COL SS offset was calculated by adding the COL percentage to the pre-COL offset. Net tier 1 is zero before and after the COLA.
34	No MBR was matched. Tier 1 is reduced for SSA; the COL SS offset was calculated by adding the COL percentage to the pre-COL offset. Net tier 1 is greater than zero.
35* (Surv)	An MBR was received for survivor benefits on the deceased employee's account. Review the case to verify which agency has jurisdiction for payment of the survivor benefits. If the review confirms RRB jurisdiction, advise SSA to correct the laf code to "T0" effective with the month and year of the railroad employee's death via RR-3 using the priority fax process.
35 (Ret)	The 1937/1974 Act annuitant is age reduced. The SS benefit (LAF C or E) was increased before the COLA, but tier 1 was not adjusted for the increase. The correct SS offset was used in the COLA, but tier 1 must be adjusted to correct the calculation of the age reduction.
36	The LAF C SS benefit was increased before the COLA, but tier 1 was not adjusted for the increase. The correct SS offset was used in the COLA but the pre-COL rate(s) are overpaid.
37	The SS offset in tier 1 is higher than the SS rate received on the MBR.
38*	The SS offset in tier 1 is higher than the SS rate received on the MBR, and net tier 1 is zero.
39	SSA and the RRB do not agree on one or more of the following: • Name • DOB • BOAN

Code	Definition
	• The MBR matched for the COLA may not actually belong to the annuitant.

Appendix C - Survivor Decombining Adjustment (paper)

Appendix D - Folder Notice Format (paper)

Appendix E - AERO Mass Adjustment History

Introduction The following charts provide historical information for the AERO mass adjustment operations. The first chart describes the data that was displayed on microfilm and microfiche for the AERO operations from 1978 through 1992.

Beginning in 1993, micrographics were no longer used; the AERO information was provided on MAIS for the operations performed in 1993 through 1995. Beginning in 1995, AERO information is located in PREH. MAIS was not updated after 1995. The second chart provides the dates for operations after 1992.

Chart 1 – 1978 through 1991 AEROs

The following chart describes the information provided on micrographics for the AERO operations performed from 1978 through 1991. An asterisk(*) next to the OPO payment date means the actual release of the accrual must be verified on the AERO SAMM tape if the annuitant was in suspense on the date the accrual was paid or if the annuitant had excess earnings in the AERO earnings year:

Earnings year	Payment adjusted	OPO date	OPO information	Film display
1977	12-1-78	9-25-79*	1-1-1978 or the ABD accrued through 10-31-1978	N/A
1978	4-1-82	4-13-82*	1-1-1979, 1-1-1980, 1-1-1981, 1-1-1982, or the ABD accrued through 2-28-1982	Accrual in item c
1979 and 1980	4-1-83	4-15-83*	1-1-1980, 1-1-1981, 1-1-1982, 1-1-1983 or the ABD accrued through 2-28-1983	Accrual in item c
1981	8-1-84	9-20-84*	Accrued through 6-30-1984	Effective date: • A = 1-1-1982

Earnings year	Payment adjusted	OPO date	OPO information	Film display
				• B = 1-1-1983 • C = 1-1-1984 • D = ABD Increase amounts: • 1st in item Q • 2nd in item S • 3rd in item T Total accrual: item c
1982	8-1-85	9-20-85*	Accrued through 6-30-1985	Effective date: • A = 1-1-1983 • B = 1-1-1984 • C = 1-1-1985 • D = ABD Increase amounts: • 1st in item M • 2nd in item M • 3rd in item S Total accrual: item c
1983	8-1-86	7-18-86	Accrued through 6-30-1986	Effective date: • A = 1-1-1984 • B = 1-1-1985 • C = 1-1-1986 • D = ABD

Earnings year	**Payment adjusted**	**OPO date**	**OPO information**	**Film display**
				Increase amounts: • 1st in item K • 2nd in item M • 3rd in item O Total accrual: item S
1984	10-1-86	9-24-86	Accrued through 8-31-1986	Effective date: • A = 1-1-1985 • B = 1-1-1986 • C = ABD Increase amounts: • 1st in item K • 2nd in item M Total accrual: item O
1985	10-1-87	9-24-87	Accrued through 8-31-1987	Effective date: • A = 1-1-1986 • B = 1-1-1987 • C = ABD • D = month 62 Increase amounts: • 1st in item K • 2nd in item M Total accrual: item O
1986	8-1-88	7-25-88	Accrued through 6-30-1988	Effective date:

Earnings year	Payment adjusted	OPO date	OPO information	Film display
				• A = 1-1-1987 • B = 1-1-1988 • C = ABD • D = month 62 Increase amounts: • 1st in item K • 2nd in item L Total accrual: item M
1987	5-1-89	4-17-89	Accrued through 3-31-1989	Effective date: • A = 1-1-1988 • B = 1-1-1989 • C = ABD • D = month 62 Increase amounts: • 1st in item 5 • 2nd in item 11 Total accrual: item 15
1988	5-1-90	4-17-90	Accrued through 3-31-1990	Effective date: • A = 1-1-1989 • B = 1-1-1990 • C = ABD • D = month 62 • E = month EE 62

Earnings year	Payment adjusted	OPO date	OPO information	Film display
				• F = SSA DOE Increase amounts: • 1st in item 5 • 2nd in item 11 Total accrual: item 15
1989	5-1-91	4-18-91	Accrued through 3-31-1991	Effective date: • A = 1-1-1990 • B = 1-1-1991 • C = ABD • D = month 62 • E = month EE 62 • F = SSA DOE • G = 12-1-1990 Increase amounts: • 1st in item 5 • 2nd in item 11 Total accrual: item 15
1990	5-1-92	4-17-92	Accrued through 3-31-1992	Effective date: • A = 1-1-1991 • B = 1-1-1992 • C = ABD • D = month 62 • E = month EE 62

Earnings year	Payment adjusted	OPO date	OPO information	Film display
				• F = SSA DOE • G = 12-1-1991 Increase amounts: • 1st in item 5 • 2nd in item 11 Total accrual: item 15

Chart 2 - AEROs after 1992

The following chart provides the dates for the AERO operations performed after 1992:

Earnings year	Payment adjusted	OPO date	OPO accrued through
1991	5-1-1993	4-20-1993	3-31-1993
1992	5-1-1994	4-19-1994	3-31-1994
1993	10-1-1994	9-20-1994	8-31-1994
1994	10-1-1995	9-19-1995	8-31-1995
1995	10-1-1996	9-18-1996	8-31-1996
1996	10-1-1997	9-18-1997	8-31-1997
1997	10-1-1998	9-18-1998	8-31-1998
1998	10-1-1999	9-20-1999	8-31-1999
1999	10-1-2000	9-19-2000	8-31-2000
2000	10-1-2001	9-18-2001	8-31-2001
2001	10-1-2002	9-18-2002	8-31-2002
2002	10-1-2003	9-19-2003	8-31-2003
2003	10-1-2004	9-23-2004	8-31-2004

Earnings year	Payment adjusted	OPO date	OPO accrued through
2004	10-1-2005	9-22-2005	8-31-2005

Appendix F - RAIL Mass Adjustment History

Introduction

The following charts provide historical information for the RAIL mass adjustment operations. The first chart describes the data that was displayed on microfilm and microfiche for the RAIL operations from 1989 through 1991.

Beginning in 1992, micrographics were no longer used; the RAIL information was provided on MAIS for the operations performed in 1992 through 1995. The second chart provides the dates for these operations.

Beginning in 1995, RAIL information is located in PREH. MAIS was not updated after 1995. The second chart provides the dates for operations in 1995 and later.

Chart 1 - 1989-1991 RAILs

The following chart describes the information provided on micrographics for the RAIL operations performed from 1989 through 1991:

Lag year	Payment adjusted	Accrual paid	Tier 1 eff. date (film code)	Tier 1 increase amounts (film items)	Tier 2 eff. date (film code)	Tier 2 increase amounts (film items)
1988	9-1-89	8-21-89	A = ABD B = 1/89 C = month 70 D = month 62 E = month spouse 62 F = SSA DOE	#5 = 1st increase #11 = 2nd increase #15 = total accrual	A = ABD B = VDB DOE C = 12/88	#19 = 1st increase #23 = 2nd increase #31 = total accrual

Lag year	**Payment adjusted**	**Accrual paid**	**Tier 1 eff. date (film code)**	**Tier 1 increase amounts (film items)**	**Tier 2 eff. date (film code)**	**Tier 2 increase amounts (film items)**
			G = 12/88			
1989	9-1-90	8-20-90	A = ABD B = 1/90 C = month 70 D = month 62 E = month spouse 62 F = SSA DOE	#5 = 1st increase #11 = 2nd increase #14 = 3rd increase #15 = total accrual	A = ABD B = VDB DOE	#19 = 1st increase #23 = 2nd increase #27 = 3rd increase #31 = total accrual
1990	9-1-91	8-16-91	A = ABD B = 1/91 C = month 70 D = month 62 E = month spouse 62 F = SSA DOE	#5 = 1st increase #11 = 2nd increase #14 = 3rd increase #15 = total accrual	A = ABD B = VDB DOE	#19 = 1st increase #23 = 2nd increase #27 = 3rd increase #31 = total accrual #35 = spouse o/p amount #39 = net T1 + T2 accrual

Chart 2 - RAILs 1992 and later

The following chart provides the dates for the RAIL operations performed after 1991:

Lag year	Payment adjusted	Accrual paid
1991	9-1-92	8-17-92
1992	9-1-93	8-18-93
1993	9-1-94	8-19-94
1994	9-1-95	8-18-95
1995	7-1-96	6-18-96
1996	7-1-97	6-18-97
1997	7-1-98	6-18-98
1998	7-1-99	6-18-99
1999	7-1-00	6-20-00
2000	7-1-01	6-19-01
2001	7-1-02	6-18-02
2002	7-1-03	6-18-03
2003	7-1-04	6-22-04
2004	7-1-05	6-23-05

Appendix G - COL Increase Percentages

Percentages

The following table provides the annual COL increase percentages for tier 1 and tier2.

Date	Tier 1 %	Tier 2 %	Date	Tier 1 %	Tier 2 %
1965	7	N/A	12/1992	3	1
1968	13	N/A	12/1993	2.6	0.8
1970	15	N/A	12/1994	2.8	0.9

Date	Tier 1 %	Tier 2 %	Date	Tier 1 %	Tier 2 %
1971	10	N/A	12/1995	2.6	0.8
9/1972	20	N/A	12/1996	2.9	0.9
3/1974	7	N/A	12/1997	2.1	0.7
6/1974	3.74	N/A	12/1998	1.3	0.4
6/1975	8	N/A	12/1999	2.5	0.8
6/1976	6.4	N/A	12/2000	3.5	1.1
6/1977	5.9	1.9	12/2001	2.6	0.8
6/1978	6.5	2.1	12/2002	1.4	0.5
6/1979	9.9	3.2	12/2003	2.1	0.7.
6/1980	14.3	4.6	12/2004	2.7	0.9
6/1981	11.2	3.6	12/2005	4.1	1.3
6/1982	7.4	2.4	12/2006	3.3	1.1
6/1983	N/A	1.1	12/2007	2.3	0.7
12/1983	3.5	N/A	12/2008	5.8	1.9
12/1984	3.5	1.1	12/2009	0	0
12/1985	3.1	N/A	12/2010	0	0
12/1986	1.3	0.4	12/2011	3.6	1.2
12/1987	4.2	1.4	12/2012	1.7	0.6
12/1988	4	1.3	12/2013	1.5	0.5
12/1989	4.7	1.5	12/2014	1.7	0.6
12/1990	5.4	1.8	12/2015	0	0
12/1991	3.7	1.2	12/2016	0.3	0.1

Appendix H - Non-Current Mass Adjustment Reject And Review Codes

Appendix H provides lists of reject and review codes for mass adjustment operations which are either no longer performed or are not performed on an annual basis. The operations covered are:

i. Section 1: Vested Dual Benefit Cutback

j. Section 2: Retirement Lag/DRC Adjustment

k. Section 3: Student Phase-Out Operations

Section 1: Vested Dual Benefit Cutback Reject Codes

The following is a list of the reject codes for VDB Cutback adjustments.

Retirement DP&A RR Calculation Reject Codes for VDB Cutback Adjustment

Reject Code	Explanation
11	Appears no CB in force (used in mass adjustment to remove CB reduction)
12	Research VDB after cutback greater than Research VDB after age reduction
13	The gross windfall minus the age reduction and military service reduction is less than zero
14	VDB after Adjustment is less than zero
15	Annuity after VDB adjustment is less than zero
16	Invalid increase
17	VDB after CB is zero
20	Entire VDB is being withheld for work deductions
21	Part of VDB is being withheld for work deductions
23	Total VDB equals VDB after CB
24	Invalid VDB age reduction amount

Survivor DP&A RR Calculation Reject Code for VDB Cutback Adjustment

Reject Code	Explanation
50	Net VDB after adjustment is zero
51	Widow(er's) annuity after adjustment is less than zero
52	Family annuity rate after Adjustment is less than zero
53	No change in widow(er)'s annuity after adjustment
54	No change in family annuity rate after adjustment
55	Record indicates VDB not previously adjusted
56	Annuity after adjustment is out of range
57	Appears CB amount incorrect
58	Error in net annuity

Retirement and Survivor Benefit Payment (Checkwriting) Reject Codes for VDB Cutback Adjustment

Reject Code	Explanation
01	There is no CHICO master.
04	The CHICO record is interim widow.
05	The CHICO pre VDB cutback rate equals the rate after VDB cutback from Research.
07	The pre VDB cutback rate in CHICO does not equal the pre VDB cutback rate from Research.

Section 2: EE LAG Reject and Review Codes

The following is a list of the reject and review codes for the EE LAG adjustment. The last LAG mass adjustment was performed in May 1988. Beginning in 1989, the RAIL job (Section 6) added lag service to annuity computations.

Employee DP & A RR Calculation Reject Codes for EE LAG Adjustment

Reject Code	Explanation
08	COL Reject
10	J & S Option
11	Waiver
12	Tier 1 withheld- felony
13	Computed gross Tier 1 unequal to gross Tier 1 in RES record
14	Computed old rate unequal to old ratein RES record
17	O/M Case
22	Reduced LY83 case age 62 but tier 1 not yet recalculated
40	Invalid age reduction months
41	Tier Increase negative or too high
42	Decrease case
43	Lag recomp - increase too high
44	Additional DRC increase too high
46	New Rate Zero
47	No offset, and increase percentage too high
48	Incorrect ABD --DRC's invalid
49	Administrative finality applied to E/E DOB discrepancy

Spouse DP & A RR Calculation Reject Codes for EE LAG Adjustment

Reject Code	Explanation
18	Waiver
19	Computed old rate unequal to old rate in RES record
20	O/M Case

Reject Code	Explanation
52	Gross tier 1 not recomputed
53	Spouse has other RR benefit amount but not own E/E annuity
54	1937/74 Act - Tier 1 decrease before age
55	Age reduction months greater than 36
56	Spouse alone - no matching EE record
57	Net increase in the spouse tier 1 is negative or too high
58	Spouse decrease case
59	Administrative finality applied to SP DOB discrepancy
60	Spouse increase percentage too high
61	New rate zero
62	SP has WC reduction
63	SP has own E/E annuity
64	SP has other RR annuity amount equal to SP gross tier 1
65	Calculated age reduction months are zero
66	Error in divorced spouse age reduction months

Employee and Spouse Benefit Payment (Checkwriting) Reject Codes for EE LAG Adjustment

Reject Code	Explanation
01	No CHICO Master
02	CHICO record terminated
03	CHICO record in suspense for other than cause 98
04	CHICO record is interim widow
05	Matched on new rate

Reject Code	Explanation
07	Unmatched on old rate
11	Railroad adjustment computed without social security offset - SS benefit in active pay status on CHICO
12	Due process
13	New rate more than $2000 or too small for SMI premium deduction

Employee and Spouse Special Handling (Review) Codes For EE LAG Adjustment

Reject Code	Explanation
31	Dual RR case
32	Retro DRC's due
33	Check LAG PIA - may be paid too early
34	SP tier 1 withheld - felony or alien suspension

Section 3 - Student Reinstatement and Family Adjustment Reject Codes

The following is a list of the reject and special handling codes the Student Reinstatement and Family Adjustment.

DP&A Calculation Reject Codes for Student/Family Adjustment

Reject Code	Explanation
1	Waiver of benefits is involved
2	Partial award
3	Widow(er) with own RR annuity
4	Tier I PIA equals zero or tier I PIA is over $1,200
5	Disabled widow(er) with no age reduction
6	More than one widow(er) or remarried widow(er)

Reject Code	Explanation
7	Retirement to survivor conversion phase-out student involved
8	Non-student CPS family member was COL reject
9	Non-student CPS family member with net tier 1 and no 4(g) takeback amount
10	Family composition in force is greater than family composition in CPS
11	Redetermination savings clause--aged widow(er) and student only involved
12	Redetermination savings clause applies--aged widow(er) and 2 or more other members involved
13	Student alone receiving SS benefit
14	Family member other than widow(er) has an SS benefit
15	1937 Act Conversion case where the additional amount payable in tier II applies
16	Non-student family member with net tier I but no 4(g) amount recovered
26	1981 Act case
27	No student in family with date of birth after 10-01-61.
41	Deemed PIA is greater than regular PIA in force
42	Disabled widow with less than 60 or more than 180 age reduction months
43	May individual rate increased by more than [15%]
44	May individual rate decreased
45	May individual rate increased more than $200.00
46	May family rate increased by more than $400.00
47	June 1982 individual rate increased by more than 65%

Reject Code	Explanation
	In June 1983 and June 1984 this code means: additional tier 2 amount
48	June 1982 individual rate decreased
49	June individual rate increased 58 more than $200.00
50	June 1982 family rate increased more than $400.00
51	Frozen minimum or special minimum PIA applies
52	EE year of eligibility is zero or after 1981
53	PIA not in PIA table
54	EE year of eligibility is after 1978 and EE DOD is after (1982)
55	1981 Act Case (1982) Increase Case
56	September individual rate increased more than 35%
57	Student September net tier I is greater than May net tier I (does not include SSM Student)
58	Student September rate is less than 70% (1982) or 60% of the May rate
59	Deemed PIA is greater than regular and special minimum PIA

Benefit Payment (Checkwriting) Reject Codes for Student/Family Adjustments

Reject Codes	Explanation
01	There is no CHICO master
05	The CHICO pre adjustment rate equals the rate after adjustment from Research
07	The pre adjustment rate in CHICO does not equal the pre adjustment rate from Research

Special Handling Codes for Student/Family Adjustment

Code	Explanation
10	Widowed Mother/Father in suspense, should be terminated
17	Computed net annuity not within dollar tolerance of net annuity in the Research record.
41	No May 1982 family maximum amount.
42	One member student family with sole survivor equal to $122.00.
43	Student with EE years of eligibility zero or after 1981.
44	Sole survivor student with no tier 1 benefit.

Appendix I - Supplemental Annuity Sequestration History

Check Dates	%	Notice	Microfilm	Description
12-1-87 through 2-1-88 (benefit for11/87-1/88)	8.5	T-10 check stuffer	11-87 SUPP ADJ	Benefits reduced
3-1-88(benefit for2/88)	N/A	T-17 check stuffer	2-88 SUPP ADJ	Cutback removed. Full refund for 1/87 - 1/88 paid unless: • employee suspended other than code 98 • cutback removed by examiner on January voucher January 1988 TAS Recert removed cutback from 2/1/88 payment. February mass adjustment issued refund for 11/87 - 12/87
11-1-89 through2-1-90 (benefit for10/89 - 1/90)	2.7	T-10 letter	10-89 SUPP ADJ	Benefits reduced
3-1-90 through10-1-90 (benefit for 2/90 - 9/90)	0.7	T-48 letter	2-90 SUPP ADJ	Percentage reduced. Difference between

Check Dates	%	Notice	Microfilm	Description
				2.7% and 0.7% for 10/89 - 1/90 paid unless: • suspended for other than code 98 • amount less than $1.00
11-1-90 (benefit for10/90)	N/A	T-10 letter	None	Cutback removed. No refund.

Appendix J - Vested Dual Benefit Adjustment History

ADJ DT	CB%	CHECK DT	EXPLANATION
09/17/81	21%	10/01/81	VDB reduced effective 9/81 Notice - mechanical letter Record - 10/01/81 VDB CB microfilm
11/16/81	100%	12/01/81	VDB for 11/81 withheld Notice - postcard Record - 12/01/81 MOMS microfilm
12/04/81	N/A	12/04/81	OPO issued for 79% of VDB for 11/81 Notice - postcard Record - 12/01/81 VDB SUPP PMT microfilm
12/16/81	15%	01/01/82	VDB reduced effective 12/81 Notice - T-18 insert Record - 01/02/82 VDB CB microfilm
02/16/82	N/A	02/16/82	OPO issued for 6% of VDB for 9/81, 10/81 and 11/81 Notice - T-5 insert

ADJ DT	CB%	CHECK DT	EXPLANATION
			Record - 02/16/82 VDB ACCL microfilm
09/20/82	0%	10/01/82	Full VDB paid retroactively effective 7/82. The VDB was increased eff with the 10/01 payment for 9/82. The accrual for 7/82 and 8/82 was included in the 10/01 pymt. Notice - T-6 insert Record - 10/01/82 VDB ADJ microfilm
03/18/86	7.7%	04/01/86	VDB reduced effective 3/86 Notice - T-32 insert Record - 03/01/86 VDB CB microfilm
09/15/86	0%	10/01/86	Full VDB paid effective 9/86 Notice - T-16 insert Record -09/01/86 AERO/WF ADJ microfilm
03/01/88	5.3%	04/01/88	VDB reduced effective 3/88 Notice - T-8 insert Record - 04/01/88 VDB CB microfilm
09/19/88	0%	10/01/88	Full VDB paid effective 9/88 Notice - T-16 insert Record - 09/01/88 VDB ADJ microfilm
12/15/95	64%	01/01/96	VDB reduced effective 12/95 Notice - T-60 letter Record - PREH
01/19/96	0%	02/01/96	Full VDB paid effective 12/95. The monthly payment for 1/96 was increased. An OPO was issued for 12/95. Notice - T-60 letter

ADJ DT	CB%	CHECK DT	EXPLANATION
			Record - PREH

Appendix K - AERO Mass Adjustment Reject and Review Codes

This appendix explains the reject and review codes for the annual AERO mass adjustment operation.

In each AERO mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. Calculation rejects are type "A" in item 45 of the microfilm, "CALC REJ" on MAIS and "REJ CD CALC" on the MAD screen of PREH. Checkwriting rejects are type "B" in item 45 of the microfilm, "CHICO REJ" on MAIS and "REJ CD PYMNT" on the MAD screen of PREH.

Most reject and review codes are indications that further work must be done in the case. Some reject and review codes do not cause the case to be earmarked for further handling by examiners. The codes that do not require further examiner handling are identified with an asterisk (*) by the number.

NOTE: Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (PREH: 'REJ CD PAYMENT'). Prior to the 1998 AERO, the earmark was only present on PREH, not DATAQ. Before submitting a reinst/recert award, verify any earmarks on PREH, screen 3250, and remove them if appropriate. Beginning with the 1998 AERO, earmarks are no longer present on DATAQ regardless of the reject or review code.

An open earmark on PREH is to be cleared on a terminated record by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards and processing an OPO recert award. If the case must be forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction facility.

The definition of some codes has changed over the years. This appendix gives the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

DPA RR Calculation Reject Codes for AERO Adjustment (Film:"REJ A")(MAIS:"CALC REJ")(PREH:"REJ CD CALC")

Reject Codes	Explanation

Reject	Explanation
01*	Increase in years of coverage but not PIA
02*	Termination
03	DRCs exceed maximum number allowable based on age
04	Partial Award
05*	AERO wages but insufficient to increase PIA or already included in the PIA
06*	Temporary rate
07	Work deduction information out-of-balance or tier 1 work deduction with SSA offset or VDB work deduction but no VDB or tier 1 work deduction with prior COLA reject
08	Tier 1 PIA missing
09	Error in pre-AERO net tier 1 in PREH
10	Joint and survivor option
11	Employee waiver
12	Record shows reduced age annuity but no age reduction or full age or disability annuity with age reduction
13	Pre-AERO Gross tier 1 in PREH incorrect
14	Error in employee pre-AERO annuity rate in PREH
15	Employee adjusted rate is negative
16	EE has multiple SSN's, SSA indicates the SSN is incorrect or the wage record may have an error; the PIA increase seems excessive so the case has been rejected
17	EE paid under O/M
18	Spouse Waiver
19	Error in spouse pre-AERO annuity rate in PREH
20	Spouse paid under O/M

Reject	Explanation
21	Worker's compensation or other disability benefit reduction
22	Increase in employee adjusted net annuity rate is excessive; the wages posted may be erroneous; request a field office investigation where appropriate
23	Employee type of annuity code blank in PREH
24	Recomp not payable until future date
25	1937 Act case and wage record may be incorrect or employee's age makes the wages suspect
26	PIA must be modified for NCSP
27	The employee's lawyear type code in the record is invalid
28	EE is LY83 disability but SP not age reduced
29	Current PIA is AIME PIA; AERO PIA is not AIME PIA
30	Discrepancy between the annuity type code used by SEARCH and the annuity type code now in PREH
31	Discrepancy between the PIA 1 eligibility year used by SEARCH and the eligibility year now in PREH
32	SP has own RR annuity but the offset amount in the record does not reduce the adjusted spouse tier 1 to zero
33	SP annuity type code blank in PREH
34	SP PSP amount must be verified before tier 1 increase can be paid
35	RRA max applies and tier I increase payable from ABD; use FAMC on AERO G90 if employee paid final after 4-27-94; otherwise request FAMC computation under old rules. Not used after 2001.
36	RRA max may apply; use FAMC on AERO G90 if employee paid final after 4-27-94; otherwise request FAMC computation under old rules. Not used after 2004.
37	RR Earnings may be posted as SS wages
38	Employee net tier 1 zero but rate increases

Reject	Explanation
39	SEARCH Reject
40	Employee calculated age reduction months exceed the maximum allowable
41	Decrease in employee net tier I
42	Employee rate decrease more than a dollar
43*	Employee rate decrease less than a dollar
44	Divorced spouse age reduction based on previous spouse annuity ABD - previous ABD not in PREH
45	Lawyear 83 spouse is less than 62 but the record shows the age 62 tier 1 recalculation has been done
47	RRA max applies; PIA I increase may be due from ABD; new FAMC provided on AERO G90. Not used after 2001.
48	Spouse based on non-disabled child who has attained age 16
52	Current SPC MIN PIA exceeds current regular PIA 1 but SPC MIN not used for tier 1
53	Spouse rate decrease more than a dollar
54*	Spouse rate decrease less than a dollar
55	Calculated spouse age reduction months exceed the maximum allowable or do not equal the number of months PREH
56	Spouse net tier 1 zero but total rate increases
57	Decrease in spouse net tier I
58	Spouse adjusted rate is negative
59	Increase in spouse new rate is excessive
61	Annuity type is full age 65 but EE under 65 on ABD
62	Lawyear 83 EE - less than 360 RR Service months in EDM
63	Administrative finality applied to employee DOB but original DOB not in record

Reject	Explanation
64	Administrative finality applied to spouse DOB but original DOB not in record
65	AERO PIA program calculated TRANS or 1977 O.S PIA; current PIA is AIME or AMW
66	Employee has earnings in the AERO year or the prior year; RBD previously reported an error in the employee's earnings record. Determine if the previous error has been corrected.
67	Total work deduction amount increased by more than the increase in tier 1 or case has tier 1 work deduction and net annuity changed
68	No wage record received for AERO; AERO PIA less than PREH PIA
69	EE currently overpaid because RR earnings erroneously duplicated by SSA were used in the current PIA
70	AERO PIA must be recomputed to include deemed MS credits
72	No change in AMW/AIME but PIA decreases - possible error in previous payments
73	Percentage of EE's annuity is being garnished
74	AERO PIA eligibility year is different from current PIA eligibility year; AERO PIA less than current PIA
75*	EE has more than 4 periods of M/S
76	AERO PIA less than current PIA - AERO wages included in PIA
77	Dual EE receives spouse or widow annuity which must be reduced for EE AERO increase
78	Multiple non-divorced spouses on record
79*	Tier 1 zero but rate increases- increase less than $1.00
80	1959 RR compensation code blank in PREH; AERO PIA must be recomputed
81	Employee has miscellaneous compensation 1982-84 and AERO PIA less than PREH PIA
82	Correct SS benefit rate not available for tier 1 offset

Reject	Explanation
83	Lawyear 83 employee with pre-ABD earnings that increase the ABD PIA
84	SEARCH did not use correct special drop out years for the PIA calculation; request a new PIA computation
85	Open RAIL reject
86	Employee returned to service after the ABD and the annuity was suspended for a period of months.
87	Employee has wages in the AERO year but administrative finality was previously applied to the earnings record. Request a PIA computation from CCU using the new wages with the earnings record to which finality was applied.
88*	No change in net annuity rate
89	More than 3 service months have been reported for periods after the ABD – PEMS must investigate for a return to RR service; adjust the case based on the revised G90
90	RRSIA 5 year annuity with gross tier 1 but employee does not have SS insured status.
99	Spouse rejected because employee rejected

Checkwriting Reject Codes for AERO Adjustment (Film:"REJ B")(MAIS:"CHICO REJ")(PREH:"REJ CD PYMNT")

Reject	Explanation
01	No CHICO master
02	CHICO record terminated
03	CHICO record in suspense for other than cause 35, 69, 88 or 98
04*	CHICO record is interim widow
05*	Calculated AERO rate equals the rate already being paid
07	Pre-AERO rate in PREH not equal to rate being paid on the checkwriting record

Reject	Explanation
11	No SSA offset in computed annuity but SSA benefit in pay status
12	Due process
13	New rate too small for SMI premium rate.
14	CHICO record still in partial rate status.
15	MBR indicates annuitant deceased
19	Employee address is foreign (non-Canadian) - AERO wages may be erroneous
20	Unhandled RAIL reject

Special Handling Review Codes for AERO Adjustment (MAIS:"REV 1, 2, 3")(PREH:"SPEC HNDL CODE 1")

Codes	Explanation
27#	Based on the service months in EDM, an increase is due in the supplemental annuity, or the employee is now entitled to a supplemental annuity
28#	Disability freeze is terminated; AERO PIA may need to be adjusted
29	LY 83 case due increase from first month 62 entire month; AERO paid increase from January of year age 63
30	LY83 tier 1 needs to be adjusted from an earlier date.
31*	All or part of the PIA increase is due to earnings record corrections for years prior to last year, but the corrections do not produce a PIA increase of $1.00 or more
32#	Tier 1 accrual effective date restricted to the SSA benefit date of entitlement
33	Reduced Lawyear 83 annuitant over 62 on ABD
34	Tier 1 accrual effective date restricted to either the effective date or the ending date of tier 1 work deductions.

Codes	Explanation
35	Tier 1 accrual effective date restricted to the month the formula switched from OM to RR.
36	Tier 1 accrual effective date is the ABD for a dually entitled spouse; the tier 2 restored amount may need to be adjusted.
37	Tier 1 accrual effective date restricted to the DRC effective date.
38	Tier 1 accrual effective date restricted to one of the following: • The date the SSA benefit offset changed for other than the COL, or • The date the SSA benefit offset terminated, or • The date of entitlement to a PSP, or • The date the PSP changed, or • The date the spouse became entitled to her own employee annuity
40	The PIA increase paid from January of the current year is payable from an earlier date (AERO G90 has one PIA); or in addition to the PIA increase paid from January of the current year, there is another recomp payable from an earlier date (AERO G90 has 2 PIAs). An "earlier date" does not necessarily refer to January of the previous year. Please refer to RCM 8.11, PIA Determinations, for further instructions. Request appropriate recomps via G-563.
41	The FAMC has increased; the annuity is currently reduced for the RRA maximum; the maximum should be re-tested with the new FAMC and any tier 1 increase payable on the ABD. Not used after 2001.

AERO Accrual Calculation Reject Codes for AERO Adjustment(MAIS:"T1 ACCRL REJ")(PREH:"SPEC HNDL CODE 2: "A")

Reject Codes	Explanation
90#	Not currently used
91	Invalid ABD.

Reject Codes	Explanation
92*	Invalid accrual date, eg. no accrual payable because the increase is effective only from the current month (i.e., September 1st).
93#	Not currently used
94*	Accrual less than $1.00.
95	There are no tier 1 work deductions in force in the recurring monthly rate, but deductions were in force in the accrual period, or the tier 1 work deduction currently in force is a partial amount
98	LAF C SS benefit ("A" benefit if employee; "B" benefit if spouse)
99	The annuitant has a tier 1 SSA benefit offset, but the entitlement date for the benefit (3205-SS-BENF-CURR-ENT-DT) is missing in PREH

Appendix L - RAIL Mass Adjustment Reject and Review Codes

This appendix explains the reject and review codes for the annual Retirement Adjustment to Include Lag (RAIL) mass adjustment operation. In the RAIL mass adjustment, there are two steps in the adjustment action: 1) the calculation of the new annuity rate and 2) the revision of the checkwriting records to show this new rate. In either step, a reject can occur. Calculation rejects are type "A" in item 45 of the microfilm, "CALC REJ" on MAIS and "REJ CD CALC" on the MAD screen of PREH. Checkwriting rejects are type "B" in item 45 of the microfilm, "CHICO REJ" on MAIS and "REJ CD PYMNT" on the MAD screen of PREH.

Most reject and review codes are indications that further work must be done in the case. In this situation, DATAQ will show "RE" under the specific mass adjustment operation earmark code. Some reject and review codes do not cause the case to be earmarked for further handling by examiners. The DATAQ display in these instances will be "OK". The codes that do not require further examiner handling are identified with an asterisk (*) by the number.

NOTE: Records in suspense, other than 35, 69, 88 or 98, during a mass adjustment are rejected with code 03 (PREH: 'REJ CD PAYMENT'). The earmark is only present on PREH, not DATAQ. Therefore, when doing a reinst/recert verify any earmarks on PREH, screen 3250, and remove them if appropriate.

An open earmark on PREH is to be cleared on a terminated record by completing 'Earmarks Considered' for ROC awards or 'All COL's and AERO's Considered' for PC/manual awards and processing an OPO recert award. If the case must be

forwarded to SIS to develop a possible payee, remove the earmark through the PREH correction facility.

The definition of some codes has changed over the years. This appendix gives the current definition. Appendix N provides earlier definitions. The codes included in Appendix N are identified with '#'.

Annuity calculation recurring rate rejects(Film:"REJ A")(MAIS:"CALC REJ")(PREH:"REJ CD CALC")

Code	**Explanation**
01	Annuitant terminated for death – compute any accrued annuity due; if there is a survivor annuitant on the rolls, refer the case to SBD to adjust the survivor annuity
02	Annuitant terminated for reason other than death
03	SEARCH was not able to provide PIA or tier 2 amounts
04	Employee's post-1977 railroad earnings may also be erroneously posted as SS wages
05	OM formula currently paid or the OM was paid for a past period
06	Employee's Research record coded as LY83 half-age reduction or as 1981 Amendment 60/30
07	One of the following applies: 1) temporary rate is being paid, 2) employee has non-entitlement months due to return to service, or 3) employee is disabled and has non-entitlement months due to excess earnings
08	Gross VDB Zero
09	DRC case with unreliable PIA or tier 1 calculation
10	Annuity reduced for percentage legal process deduction
11	Tier 1 reduced for WC or PDB
12	Annuity waiver in force
13	Divorced spouse not coded as 1981 Amendment annuity, or spouse type of lawyear is not the same as the employee's.
14	Spouse ABD before EE ABD or SP ABD not current or prior year

Code	Explanation
15	Annuitant also entitled to other RR annuity. Make all necessary adjustments in both annuities.
16	60/30 employee but EDM has less than 360 service months
17	Spouse in partial status-RASI final award will not reflect employee RAIL information
18	Employee occupational disability under age 60 on ABD but EDM has less than 240 service months
19	EDM has less than 120 service months
20	Too many M/S months may be included in RAIL total months
21	Computed employee age reduction months negative or greater than the maximum allowable
22	Employee coded as full lawyear 83 62/30 but also coded as being age reduced
23	Spouse coded as lawyear 83 half age reduction
24	Spouse of lawyear 83 disability employee but spouse tier 1 is not age reduced
25	Computed spouse age reduction months do not equal age reduction months in the research record
26	Spouse adjusted tier 2 less than current tier 2
27	Employee adjusted annuity rate less than current annuity rate
28*	Employee adjusted rate changed less than $1.00
29	Increase in employee adjusted annuity rate seems too high
30	Spouse adjusted annuity rate less than current annuity rate
31*	Spouse adjusted rate changed less than $1.00
32	Increase in spouse adjusted annuity rate seems too high
33	DRC only case, additional DRCs payable on ABD and RRA Max. reduction currently greater than zero

Code	Explanation
34	RRA maximum cannot be tested because correct ABD PIA not available
35	Calculated RRA max reduction greater than zero and adjustment cannot be made
36	Error in computed tier 2 VDB reduction
37	Decrease in total service months resulting in tier 2 decrease
38	Employee adjusted tier 2 less than current tier 2
39	Increase in employee adjusted tier 2 seems too high
40	Increase in spouse adjusted tier 2 seems too high
41	RRA max no longer applies and increase in employee adjusted tier 2 seems too high
42	RRA max no longer applies and increase in spouse adjusted tier 2 seems too high
45	Employee ABD not current or prior year.
46	Divorced spouse previously entitled to spouse annuity but previous ABD not in record
47	Employee adjusted annuity rate less than zero
48	Reduced lawyear 83 spouse under 62 but research record code indicates spouse has received age 62 Recalc.
49	Employee adjusted tier 1 less than current tier 1
50	Employee adjusted tier 1 less than current tier 1 and earnings record has compensation/wage duplication
51	Spouse adjusted tier 1 less than current tier 1
52	Spouse has PSP and adjusted net tier 1 greater than zero
53	Calculated number of DRCs negative or less than current number of DRCs.
54	Service months credited after ABD used in tier 2 calculation

Code	Explanation
55	Difference between total service months with M/S and total service months without M/S is more than total M/S months in research record
56	Research record shows M/S used as comp but M/S months are not included in current total service months - new total service months include M/S and therefore may be incorrect
58	Employee has multiple SSN's and wage record may be incorrect
59	Multiple spouses with more than one non-divorced spouse.
60	Excessive increase in years of service
61	Rate increase too large
62	EE alone RRA maximum applies
63	Spouse based on non-disabled child - child has attained age 18
64	Error in MS dates in the record
65	Error in work deduction data in the record
66	More than 3 service months reported after the ABD - PEMS will investigate for return to RR service; adjust the case based on the revised G90
68	Erroneous work deduction DRCs in the record
69	Open RAIL reject from previous year
70	BNSF report for lag year includes compensation but no reported service months.
71	Disability annuity based on 5 years of service after 1995; employee not insured for tier 1 and too young for tier 2
72	Tier 2 or supplemental annuity is still reduced for the RRA maximum
88*	No change in rate
99	Spouse rejected because employee rejected

Annuity calculations tier 1 rejects(tier 2 adjusted)(MAIS:"Tier 1 REJ")(PREH:"SPEC HNDL CODE 2: "T")

Code	Explanation
03	RAIL PIA 1 eligibility year different from eligibility year on research record
04	Research record indicates current PIA 1 is AIME but RAIL PIA 1 is not AIME
05	Research record indicates current PIA 1 is AMW or AIME but RAIL PIA 1 is TRANS
06	Adjusted tier 1 is less than current tier 1 and no wage record was received from SSA for RAIL
07	PIA 1 must be modified for employee NCSP
09	Increase in employee adjusted tier 1 seems too high
10*	Spouse previous ABD needed to calculate tier 1
11*	Reduced lawyear 83 spouse under 62 but employee over 62 - no PIA available for spouse tier 1 calculation
12	Spouse adjusted gross tier 1 is zero
13	Spouse has tier 1 work deduction which cannot be updated because the spouse is suspended and/or tier 1 is not yet adjusted for the last COL.
14	Increase in spouse adjusted tier 1 seems to high
16	EE has post 1956 M/S but RAIL PIA does not reflect deemed M/S credits.
89*	No change in PIA 1

Accrual rejects (MAIS:"T1 ACCRUAL REJ","T2 ACCRL REJ")(PREH:Tier 1 accrual reject - "SPEC HNDL CODE 2:"A"; Tier 2 accrual reject - "SPEC HNDL CODE 3:"A")):

Code	Explanation
01	Accrual effective date invalid (future date or impossible date)
02	Research record information indicates there is an error in the current tier amount
03	Tier I work deductions currently in force
04	Unhandled COL reject

Code	Explanation
05*	Accrual less than $1.00

Review codes(MAIS:"REV 1, 2, 3")(PREH:"SPEC HNDL CODE 1")

Code	Explanation
20	Tier 1 adjusted for recomp PIA 1 - additional adjustment due from ABD or age 62
21	Supplemental annuity being paid but EDM shows less than 25 years of service
22	Spouse due tier 1 accrual for months before child attained 16
23	RAIL rate must be adjusted to include prior service
24	Employee paid as regular reduced age but lag provides 30 YOS- employee entitled to full 62/30 annuity
25#	DRC only adjustment in RAIL; RRA maximum reduction is in force and lag compensation changes the FAMC. Re-test the RRA max
26	Increase in service months will result in supplemental annuity entitlement or higher supp annuity amount
27	ABD year DRCs accrued based on age were included in tier 1 from the date the work deduction DRCs are payable. The age-based DRCs are also payable from an earlier date; adjust tier 1 for the earlier months
28	Tier 1 adjusted from DRC effective date - additional adjustment needed from ABD for PIA increase
29	Tier 1 adjusted for recomp PIA 1 - additional adjustment needed for DRC's from ABD or month 70
30	Tier 1 adjusted for recomp PIA 1 - additional adjustment needed for prior months for lawyear 83 age 62 recalc
31	Employee tier 1 adjusted from SSA date of entitlement - additional adjustment due for prior months
32	Reduced lawyear 83 tier 1 adjusted for age 62 recalc and adjustment also needed from ABD

Code	Explanation
33#	Disabled employee's disability freeze was terminated; freeze not considered in RAIL PIA; check for possible impact of terminated freeze
34	Spouse tier 1 adjusted from SSA date of entitlement or PSP date of entitlement or the date a change was made in either the PSP or the SSA benefit (other than the SSA COL) - additional adjustment due for prior months
35#	The accrual effective date was restricted to a) the month after disability work deductions were withheld or b) the month after the employee stopped work after returning to RR service
36	Spouse tier 2 adjusted from employee VDB effective date - additional adjustment needed from ABD up to VDB date
37	Spouse tier 1 adjusted for Recomp PIA 1 - additional adjustment needed for prior months for lawyear 83 age 62 Recalc
38	Employee tier 2 adjusted from VDB effective date - additional adjustment needed from ABD up to VDB date
39	No wage record received from SSA
40	No SSA effective date on record - additional accrual due if SS effective date is later than RAIL tier 1 accrual date
41	No VDB effective date - additional accrual due if VDB effective date later than ABD
42	No DRCs were included on initial award - ABD rate should be adjusted for DRCs.
43	RRA max does not apply - adjust supplemental annuity.
44	Annuitant had tier 2 work deductions for unknown period after ABD - half of tier 2 accrual withheld.
45	Lawyear 83 annuitant adjusted from December - pre-COL SS benefit amount needed to adjust to ABD
46	The accrual effective date was restricted to January 1, 2002 because the employee and/or spouse annuity was reduced for the RRA maximum before 2002 or the annuity should be reduced for the RRA maximum for months prior to 2002.

Checkwriting Reject Codes (Film:"REJ B")(MAIS:"CHICO REJ")(PREH:"REJ CD PYMNT")

Code	Explanation
01	No CHICO record for record received from Research
02	Terminated Record - Research Record not terminated
03	Suspended Record
04*	Interim widow
05*	RAIL adjustment already made manually
07	CHICO and Research pre-adjustment check rates do not match
09	Manual voucher in RAIL voucher month
11	LAF E SS benefit being paid - tier 1 computed without SS offset
13	Monthly rate exceeds $3500.00
14	Case still in partial status
17	RRA Maximum applies- spouse rejected because employee rejected

Appendix M - SALSA Mass Adjustment Reject Codes

This appendix explains the reject and review codes for the annual SALSA mass adjustment operation.

Code	Explanation
01	No SALSA is payable. The employee received a separation allowance payment but the entire amount was used to provide retirement service credits.
02	Employee terminated
03	Employee not paid final
04	SEARCH cannot calculate SALSA due to an error in the employer report.
05	Employee suspended

Code	Explanation
06	SALSA is less than $1.00
07	The current SALSA calculated by SEARCH is less than a previous SALSA payment issued to the employee
08	SEARCH cannot calculate SALSA; SALSA previously paid manually or mechanically
09	Mechanical SALSA rejected to prevent duplication of a payment made manually in the same month.

Appendix N - Previous Mass Adjustment Reject/Review Definitions

Introduction

The definition of some mass adjustment reject and review codes has changed over the years. This appendix gives previous definitions for the codes that have changed. These codes are earmarked with '#' in Appendices B (COLA), K (AERO) and L (RAIL).

Previous COLA definitions

The following definitions were previously used for COLA codes:

Code	Type	Used	Definition
01	Retirement reject	Before 2002	Joint and survivor option
02	Retirement review	Before 1996	Spouse has PSP that must be policed; tier 1 COL not paid
03	Retirement reject	Before 1995	Previous COL reject not yet handled
03	Retirement review	Before 1997	Spouse tier 2 takeback code missing
04	Retirement review	Before 1997	Invalid tier 2 takeback amount
07	Retirement reject	Before 2002	RR formula grandfather clause applies
08	Retirement reject	Before 2002	OM formula grandfather clause applies
11	Retirement reject	Before 2002	1937 act employee has age reduced disability annuity

Code	Type	Used	Definition
12	Retirement reject	Before 2002	MBR received from SSA but tier 1 no currently reduced for SSA
15	Retirement reject	Before 1995	Increase in EE LAF C SS benefits causes RR decrease more than $30.00
16	CHICO reject	1993 1994-1997	MBR received from SSA but no tier 1 SS offset; SSA and RRB DOBs discrepant but last name matches Previous unhandled COL reject
18	Retirement review	Before 1997	Invalid EE tier 2 takeback amount
19	Survivor reject	Before 1994	Previous unhandled COL reject
21	Retirement review	Before 1997	Tier 1 not payable (felony, alien suspension, deportation, termination)
22	Retirement reject	Before 1990	EE increased by too high a percentage
27	Retirement reject	Before 1994	Discrepant work deduction information in MBF
27	Retirement review	Before 1990	Increase in LAF C SS benefits causes RR decrease less than $30.00
31	MBR review	Before 1994	MBR indicates partial benefit rate
38	MBR reject	Before 1994	SS benefit amount from SSA includes survivor benefit on deceased RR employee
47	Retirement reject	Before 1991 1991	Divorced spouse not 1981 Amendment case Spouse based on child and either child over 16 and tier 1 not terminated or child over 18 and tier 2 not terminated
49	Retirement reject	Before 1991	Increase in spouse LAF C SS benefits causes RR decrease more than $30.00

Code	Type	Used	Definition
53	Retirement reject	Before 1991	Spouse increased by too high a percentage
56	Survivor reject	Before 1990	COL rate increases by too high a percentage
57	Survivor reject	Before 1990	COL rate decreased
58	Survivor reject	Before 1990	COL rate increased by too high an amount
59	Retirement reject	Before 1992	Spouse has PSP that does not exceed tier 1; PSP must be policed
60	Survivor reject	Before 1990	Increase in LAF C SS benefits causes RR decrease more than $30.00
61	Survivor review	Before 1997	Tier 1 not payable (felony, alien suspension, deportation, termination)
65	Survivor review	Before 1990	Increase in LAF C SS benefits causes RR decrease less than $30.00
67	Survivor reject	Before 1992	Widow has PSP that does not exceed tier 1; PSP must be policed
68	Survivor reject	Before 1992	Remarried or divorced widow has tier 2
71	Survivor review	Before 1996	Widow has PSP that must be policed; tier 1 COL not paid
82	Retirement reject	Before 1992	Divorced SP in OM family

Previous AERO definitions

The following definitions were previously used for AERO codes:

Code	Type	Used	Definition
27	Review	Before 1992	Review employee's other RR annuity for change in tier 1 offset

Code	Type	Used	Definition
28	Review	Before 1997	All or part of the PIA increase is due to earnings record corrections for years prior to last year. The increase has been paid only from January of the current year.
32	Review	Before 1994	Tier 1 accrual restricted to 1)SSA DOE or 2) previous December because of a COLA reject
71	Reject	Before 1997	PIA decrease for unknown reason
90	Accrual reject	Before 1990	SSA benefit effective date within the accrual period
93	Accrual reject	Before 1991	Accrual amount seems excessive

Previous RAIL definitions

The following definitions were previously used for RAIL codes:

Code	Type	Used	Definition
25	Review	Before 1995	More than 3 service months reported after the ABD; RAIL did not use these months. Investigate for return to RR service
33	Review	1989	Employee accrual effective date restricted to December 1988 due to military service in PL100-647 period
35	Review	1989	Spouse accrual effective date restricted to December 1988 due to employee's military service in PL100-647 period

Appendix O - WIMA Mass Adjustment Reject Codes/

In April and June of 2002, the "widow(er)'s initial minimum amount" was tested in a mass adjustment for aged and disabled widow(er)s, young mothers and young fathers paid under the 1981 amendments. The following reject codes were used in the mass adjustments.

Calculation reject codes:

Code	Explanations
01	The annuity was suspended before January 2002, and the reason for the suspension was something other than excess earnings or small overpayment recovery, or The annuity was suspended for excess earnings and either the suspension was effective before January 2001 or there is no net annuity rate in PREH
02	There is an unhandled COLA reject in the case.
03	The annuitant has a gross tier 2, but the deceased employee's tier 2 on the OBD is zero.
04	DIB age reduction rules apply, the annuitant is over 65, and there is no OBD tier 1 information in PREH.
05	The annuitant's OBD is after November 1983, the deceased employee's ABD was before 1984, and there is no employee actual or fictional takeback amount in PREH.
06	A "D" case and he annuitant's OBD is after November 1983, the employee died before 1984, and there is no employee actual or fictional takeback amount in PREH.
07	The annuitant's gross tier 2 is less than 50% of the employee's tier 2 on the OBD and the gross tier 2 is not restricted by the family maximum.
08	The current tier 1 is reduced for age or the RIB limit but the OBD tier 1 is not reduced.
09	The OBD tier 1 is reduced for age or the RIB limit but the current tier 1 is not reduced. There is no ARF in the case, and the DIB age reduction rules do not apply.
10	The cases involves both the DIB age reduction rules and an ARF.
11	The annuitant's OBD is after November 1983 and PREH does not contain any takeback information.
12	The WIMA increase amount is more than 50% of the employee's tier 2 on the OBD.
13	The WIMA tier 1 is greater than the current tier 1 before reductions for other benefits.
14	The calculated new rate is less than zero.
15	The calculated new rate is less than the current rate.
16	The calculated new rate is higher than the current rate by more than the WIMA increase amount.

Code	Explanations
17	The number of months the widow(er) is under FRA on the OBD were calculated and one of the following is true: • The months calculated are zero but PREH has age reduction months for either tier 1 or tier 2 • The months calculated are greater than zero but there are no months in PREH and there is no ARF in the case. • The months calculated do not equal the months in PREH and there is no ARF in the case.
18	The age reduction factor does not correspond to the number of age reduction months.
19	The OBD information in PREH does not reflect the CPI correction but a backdated tier 1 was not computed.
20	PREH does not contain an OBD gross tier 1, and a backdated gross tier 1 could not be calculated.
21	Tier 1 was restricted by the family maximum on the OBD and the correct WIMA tier 1 could not be calculated.
22	The widow(er)s' tier 1 is based on the ALT PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.
23	The widow(er)s' tier 1 is not based on the ALT PIA or the special minimum PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.
24	PREH does not contain OBD age/RIB adjusted tier 1 information, and a backdated age/RIB adjusted tier 1 could not be calculated.
25	The calculated gross WIMA tier 2 is greater than the deceased employee's tier 2 on the OBD.
26	A WIMA tier 2 could not be calculated.
27	The necessary age reduction could not be calculated for the WIMA tier 2.
28	The WIMA tier 2 takeback amount could not be determined.
29	There was an error in the calculation of the WIMA tier 2.
30	The takeback guaranty should be applied to the WIMA tier 2 but the net WIMA tier 2 is not $10.00.
31	The WIMA is higher than the current rate but the case is in suspense.
32	The widow(er)s' tier 1 is based on the special minimum PIA and the statutory share is adjusted for the family maximum; the correct WIMA tier 1 could not be calculated.
33	The annuitant was terminated after February 2002 and the WIMA is higher than the last rate paid.

Code	Explanations
34	Tier 1 is restricted by the family maximum but the annuitant's current share of the maximum is not correct based on the number of people in the family group.
35	The annuitant's gross tier 2 amount is more than 50% of the deceased employee's tier 2 on the OBD.

Checkwriting reject:

Code	Explanation
01	The annuity was not found on the checkwriting master.
02	The annuity is terminated.
03	The annuity is suspended.
04	The annuitant is an interim widow.
05	The new rate equals the rate already being paid.
07	The pre-adjustment rate in PREH does not equal the rate being paid.
25	The RR annuity is in pay status but the LAF E SS benefit is terminated with a death code.

Review codes:

Code	Explanation
01	There are multiple widow's on the rolls; verify the family group and the computation of the WIMA tier 1.
02	The accrual was restricted to the date the family group changed. Compute and pay an WIMA accrual due from February up to the month the family group changed.

Appendix P - RRSIA RRA Maximum Mass Adjustment

In May 2002, a mass adjustment was performed to remove RRA maximum reductions from tier 2 and supplemental annuities in accordance with the Railroad Retirement and Survivors' Improvement Act of 2001. Reductions for the maximum were removed effective with annuities payable for January 2002 and later. The reject and review cause codes used in the operation are provided below.

Calculation Reject Codes:

Code	Explanation
01	Employee receives a 1974 Act formula annuity.
02	A prior COLA reject has not yet been handled.
03	A takeback should apply to the employee's tier 2 but there is no takeback amount in PREH.
04	The employee's rate is reduced for a percentage legal process deduction.
05	The annuity is paid under the OM formula.
06	The annuity is terminated; the termination effective date is after January 2002. OP should take the following actions: • RBD should compute and pay any accrued annuity due prior to the termination effective date • RBD should forward the case to SBD to determine any impact on survivor benefits • SBD should re-test the spouse minimum using the increased spouse tier 2 where appropriate
07	The annuity is suspended.
08	There is an error in the current employee tier 2.
09	The employee's tier 2 VDB reduction cannot be calculated because the gross VDB is not in PREH.
10	The employee's calculated tier 2 after the VDB reduction does not equal the tier 2 after VDB reduction in PREH.
12	The employee's adjusted tier 2 is less than the current tier 2.
13	The increase in the employee's adjusted tier 2 is too high.
14	The employee's adjusted annuity rate is less than zero.
15	The employee's adjusted annuity rate is less than the current rate.
16	The increase in the employee's adjusted annuity rate does not equal the increase in tier 2.

Code	Explanation
17	The employee's adjusted tier 2 work deduction amount is less than the current tier 2 work deduction amount.
18	The employee tier 2 was reduced for the RRA maximum but the supplemental annuity is not reduced.
19	The age reduction months calculated for the employee's tier 2 do not equal the age reduction months in PREH.
30	The supplemental annuity attainment code in PREH indicates the employee does not have a RR pension, but there is pension information in PREH.
31	There is no RR pension information in PREH but the employee worked for a RR that pays a pension for which the supplemental annuity needs to be reduced.
32	The supplemental annuity attainment code in PREH indicates the employee has a RR pension, but there is no pension information in PREH.
33	The adjusted supplemental annuity is less than the current supplemental annuity.
34	The increase in the adjusted supplemental annuity is too high.
35	The adjusted supplemental annuity work deduction amount is less than the current supplemental annuity work deduction amount.
50	A takeback should apply to the spouse's tier 2 but there is no takeback amount in PREH.
51	The spouse record contains a total takeback amount, but the 1983 and 1984 takeback reduction amounts are zero.
52	The spouse's ABD is before 1984 and there is an error in the current tier 2 amount.
53	The spouse's ABD is after 1983 and there is an error in the current tier 2 amount.
54	The spouse's gross tier 2 is more than 45% of the employee's tier 2 after VDB reduction.
56	The pre-1984 tier 2 COL calculated for the spouse is not equal to the COL amount in PREH.

Code	Explanation
57	The spouse tier 2 age reduction amount is missing in PREH.
58	The spouse tier 2 dual restoration effective date is not in PREH.
59	The spouse 1984 tier 2 COL increase cannot be calculated because the dual restoration effective date is after November 1986.
60	The spouse's adjusted tier 2 is less than the current tier 2.
61	The increase in the spouse's adjusted tier 2 is too high.
62	The spouse's adjusted annuity rate is less than zero.
63	The spouse's adjusted annuity rate is less than the current rate.
64	The increase in the spouse's adjusted annuity rate is too high.
65	The spouse's adjusted tier 2 work deduction amount is less than the current tier 2 work deduction amount.
66	The spouse's gross tier 2 amount is not in PREH.
67	The age reduction months calculated for the spouse tier 2 do not equal the age reduction months in PREH.

Checkwriting rejects:

	Explanation
01	There is no record on the checkwriting master for the annuitant.
02	The checkwriting master record is terminated.
03	The checkwriting master record is suspended.
04	The spouse is an interim widow.
05	The calculated new annuity rate equals the rate the annuitant is currently being paid.
07	The current annuity rate in PREH does not equal the current annuity rate on the checkwriting master.
13	The adjusted annuity rate is more than $3,500.00.

22	The current supplemental annuity in PREH does not equal the current supplemental annuity on the checkwriting master.

Accrual reject codes:

	Explanation
01	The regular annuity accrual effective date cannot be determined.
02	The supplemental annuity accrual effective date cannot be determined.

Review codes:

	Explanation
01	The spouse gross tier 2 is less than 45% of the employee's tier 2 after VDB reduction.
02	The regular annuity accrual date was restricted because of VDB entitlement, LPE work deductions or dual annuity entitlement; additional accrual is due for months prior to this date.
03	The supplemental annuity accrual date was restricted because of LPE work deductions; additional accrual is due for months prior to this date.

Appendix Q - RESCUE FAQs

Q. What causes RESCUE to adjust an annuity?

A. Any of three events will cause RESCUE to evaluate the need to adjust an annuity (RCM6.8.89):

- A change in railroad service, railroad earnings (including miscellaneous compensation and separation/severance payments), or social security wages, or
- Delayed retirement credits (DRCs) are earned in the ABD year but cannot be included in tier 1 until the following January or the month the employee attains age 70, or
- ABD year earnings increase the PIA 1 of a RRSIA 60/30 annuity effective with January of the year following the year the employee attains age 62.

Q. When does RESCUE process annuity adjustments?

A. RESCUE runs four times a year, about every 3 months though not necessarily at the end of standard calendar quarters. RESCUE sends annuity adjustments to ROC the last week of the month, and the awards are vouchered the first of the following month.

Q. What types of annuities does RESCUE adjust?

A. RESCUE will adjust all types of employee and spouse annuities. RESCUE does not adjust survivor annuities. If a change in service and/or earnings is detected for a survivor annuity, RESCUE refers the case to SBD to adjust.

Q. Does RESCUE decrease annuity rates?

A. RESCUE only pays annuity increases. If RESCUE's evaluation of a case reveals that the annuity needs to be decreased, the case is referred for RBD to determine the cause of the decrease and adjudicate any overpayment. If the decrease is the result of a record error in EDM or PREH, RBD will resolve the error and adjust the case.

Q. How does RESCUE handle terminated cases?

A. RESCUE computes accrued annuities due in terminated cases. The accrued annuity is posted to PREH. If the employee is deceased, SBD will determine payees for the accrual. If the employee is alive, RBD will issue the accrued annuity.(RCM6.8.92)

Q. How can I determine if RESCUE considered a case?

A. Three steps determine if a case was considered by RESCUE (RCM6.8.97):

- Go to PREH and look for a check record and/or an OPO record with a source of RESCUR or a voucher number of 575
- Go to STAR and look for a referral with unit code RUE. Field representatives should check FieldStar. A referral is generated if RESCUE rejects the case.
- Go to the RESCUE NAN folder on the SHARE server of the USRRB domain (\\Share\RESCUE NAN). A case will appear in this folder if the case was considered in the RESCUE operation, but there was no change in the annuity rate.

Q. How do I determine the problem in a case if I find a RESCUE referral in STAR?

A. Descriptions of the RESCUE referral codes can be found in RCM6.8.98. If further information is needed, an email can be sent to the general RBD mailbox.

Q. Where can I find information about a RESCUE annuity adjustment?

A. Information about RESCUE awards is provided in several places:

- The ROC award (RCM6.8.95) and the award letter (RCM6.8.96) can be viewed in Imaging.

- The results of the adjustment action can be viewed in PREH. Look for check and OPO records with the source code RESCUR and voucher number 575. There is no mass adjustment screen (MAD) for RESCUE adjustments.

Q. How is the RESCUE accrual computed?

A. ROC computes the accrual for months beginning with January 1, 1995 in the normal manner. ROC calculates all the necessary rate breaks and extracts previous payment history from PREH. For months before 1995, RESCUE computes the accrual using special formulas authorized by the Board to facilitate automated adjustments by RESCUE (RCM6.8.94). RESCUE adds the accrual computed using the special formulas to the accrual ROC computes in the normal manner. Information is displayed on ROC awards for both the normal accrual computation and the special formula amounts (RCM6.8.95).

Exhibits

Exhibit 2 - T-13 Employee AERO Notice

T-13(10-99)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092 Date:

Office of Programs

Operations RRB Claim Number

A

Visit Our Web Site at www.rrb.gov

An increase in your railroad retirement annuity is payable. Your earnings through ___ are now available to include in the tier 1 portion of your annuity. Your October 1, 20__ payment is $____. The rate shown includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $_____ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is effective _____. You will receive a payment for $____ within the next ten days. This is the total increase through August minus Federal income taxes of $____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations

The final paragraph may vary. If the entire accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is effective _____. The total increase through August is $____. We withheld $____ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before September at a later date.

Exhibit 3 - T-14 Spouse AERO Notice

T-14(10-99)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092 Date:

Office of Programs

Operations

RRB Claim Number

MA

Visit Our Web Site at www.rrb.gov

An increase in your railroad retirement annuity is payable. An adjustment in the tier 1 portion of the employee's annuity results in an increase in your tier 1 amount. Your October 1, 20__ payment is $____. The rate shown includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $____ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from you last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is effective _____. You will receive a payment for $____ within the next ten days. This is the total increase through August minus Federal income taxes of $____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations

The final paragraph may vary. If the entire accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is effective _____. The total increase through August is $____. We withheld $____ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before September at a later date.

Exhibit 4 - T-11 Employee RAIL Notice

[1] the lag year is shown; eg. for the 2005 RAIL, the lag year is 2004

T-11(7-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs

Operations

RRB Claim Number

A

Always Use these Letters and Numbers When Writing Us

Visit our Web site at www.rrb.gov

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1]service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date.

The wages you earned in non-railroad employment through __ are included in the calculation of your annuity.

Your July 1, __ payment is $___. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $____ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is payable for months before June ___. You will receive a payment for $___ within the next ten days. This is the total increase through May minus Federal income taxes of $___. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda

Director of Operations

The first paragraph will vary. If the employee is adjusted only to add delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. Additional credits are payable in the tier 1 portion of your annuity. You earned one credit for each month in [1] before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in [1] before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations (used prior to 2002), the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If the employee receives an age annuity based on 30 years of service (used beginning in 2002), the following paragraph is included:

We adjusted your tier 2 for your earnings in (*ABD year shown*). Your (*ABD year shown*) earnings cannot be included in your tier 1 until the year after you attain age 62. We will adjust your tier 1 automatically when you become eligible.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is $_____. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

The final paragraph may vary. If the accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is payable for months before June __. The total increase through May is $___. We withheld $___ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before June at a later date.

Exhibit 4a - T-11a Employee RAIL Notice

[1] the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-11a(7-99)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
A
Always Use These Letters And Numbers
When Writing Us
Visit our Web site at www.rrb.gov

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date.

The wages your earned in non-railroad employment through __ are included in the calculation of your annuity.

Your July 1, __ payment is $__. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $___ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and your spouse are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on your earnings in the ten years before your annuity began. Because of the benefit ceiling, the increase in your annuity causes a decrease in your spouse's annuity.

The adjustment in your annuity and your spouse's annuity is effective for months before June __. The total decrease in your spouse's benefits through May is $__. We recovered this amount from the increase payable to you for those months.

Robert J. Duda
Director of Operations

The first paragraph may vary. If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in [1] before your annuity began during which your were between ages 65 and 70.

If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is $_____. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

If the entire accrual was not needed to recover the spouse's overpayment, an additional paragraph will close the letter. If the net accrual is withheld for Federal income taxes, the closing paragraph reads:

The balance of your increase through May is $___. We withheld $__ in Federal income taxes from this payment.

If the net accrual is not withheld for Federal income taxes, the closing paragraph reads:

You will receive a payment for $___ within the next ten days. This is the balance of your increase through May minus Federal income taxes of $__. We will deposit this payment in your checking or savings account if your are in the direct deposit program.

Exhibit 4b - T-11b Employee RAIL Notice

[1] the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-11b(7-98)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092

Date:

Office of Programs

Operations

RRB Claim Number

A

Always Use These Letters and Numbers When Writing Us

Visit our Web site at www.rrb.gov

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. T he number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date.

The wages your earned in non-railroad employment through __ are included in the calculation of your annuity.

Your July 1, __ payment is $___. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $__ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and your spouse are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on your earnings in the ten years before your annuity began.

The adjustment in your annuity and your spouse's annuity is effective for months before June __. Through May your spouse received $__ which is no longer payable because of the maximum provision. We recovered this amount from the increase payable to you through May.

Robert J. Duda

Director of Operations

The first paragraph may vary. If the employee is adjusted to add lag RR service and delayed retirement credits, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. Additional credits are also payable in the tier 1 portion of your annuity. You earned one credit for each month in [1] before your annuity began during which you were between ages 65 and 70.

If the employee is adjusted to add lag RR service and to perform the lawyear 83 age 62 recalculations, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation you earned through [1] are now included in your annuity. The number of [1] service months used in your annuity is __; this is the number of creditable service months prior to your annuity beginning date. We also increased the tier 1 portion of your annuity from the first full month you were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is $_____. This rate includes any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

If the entire accrual was not needed to recover the spouse's overpayment, an additional paragraph will close the letter. If the net accrual is withheld for Federal income taxes, the closing paragraph reads:

The balance of your increase through May is $___. We withheld $__ in Federal income taxes from this payment.

If the net accrual is not withheld for Federal income taxes, the closing paragraph reads:

You will receive a payment for $__ within the next ten days. This is the balance of your increase through May minus Federal income taxes of $ ___. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Exhibit 5 - T-12 Spouse RAIL Notice

[1] the lag year is shown; eg., for the 2005 RAIL, 2004 was the lag year

T-12(7-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
MA
Always Use These Letters and
Numbers When Writing Us
Visit our Web site at www.rrb.gov

An increase in your railroad retirement annuity is payable. The railroad service and compensation earned by the employee through [1] are now included in your annuity.

Your July 1, ___ payment is $___. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $__ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The increase in your annuity is payable for months before June __. You will receive a payment for $__ within the next ten days. This is the total increase through May minus Federal income taxes of $__. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

Robert J. Duda
Director of Operations

The opening paragraph may vary. If the spouse is adjusted because additional wages are included in the employee's PIA, the first paragraph reads:

An increase is payable in your railroad retirement annuity. The wages earned by the employee through ____ are now included in your annuity.

If the lawyear 83 age 62 recalculation is also performed and the spouse tier 1 increases (used before 2002), the first paragraph reads:

An increase is payable in your railroad retirement annuity. The railroad service and compensation earned by the employee through [1] are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If the lawyear 83 age 62 recalculation results in a decrease in tier 1 but the lag RR service increases tier 2 (used before 2002), the first paragraph reads:

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through [1] are now included in the tier 2 portion of your annuity. We also adjusted the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable. Your tier 1 is now reduced for the number of months you are under age 65. The change in your tier 1 results in a decrease in your annuity rate.

If the lawyear 83 age 62 recalculation results in a decrease in tier 1 and there is no increase in tier 2 (used before 2002), the first paragraph reads:

An adjustment is due in your railroad retirement annuity. We adjusted the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable. Your tier 1 is now reduced for the number of months you are under age 65. The change in your tier 1 results in a decrease in your annuity rate.

If the spouse annuity is reduced for the RRA maximum and the maximum reduction increases (used before 2002), the following paragraph is included in the letter:

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began. The increase in your annuity is limited by this provision.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is $_____. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

The last paragraph may vary. If tier 2 increases but tier 1 decreases due to the lawyear 83 age 62 recalculations (used before 2002), the final paragraph reads:

The increase in your tier 2 is payable for months before June __. You will receive a payment for $__ within the next ten days. This is the total increase through May minus Federal income taxes of $_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

If the accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your annuity is payable for months before June __. The total increase through May is $_____. We withheld $__ in Federal income taxes from this payment.

If only tier 2 increases and the accrual is withheld for Federal income taxes, the final paragraph reads:

The increase in your tier 2 is payable for months before June __. The total increase through May is $_____. We withheld $__ in Federal income taxes from this payment.

If the accrual is rejected, the final paragraph reads:

We will send any back payments for months before June at a later date.

Exhibit 5a - T-12a Spouse RAIL Notice

[1] the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-12a(7-98)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
MA
Always Use These Letters and Numbers When Writing Us
Visit our Web site at www.rrb.gov

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through [1] are now included in your annuity.

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began.

Because of the maximum provision, the increase in the employee's annuity causes a decrease in your annuity. Your July 1, __ payment is $__. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $__ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The change in your annuity and the employee's annuity is effective for months before June __. The total decrease in your benefits through May is $__. We recovered this amount from the increase payable to the employee for the same months.

Robert J. Duda
Director of Operations

The opening paragraph may vary. If the lawyear 83 age 62 recalculation is also performed, the first paragraph reads:

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through [1] are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Because of the maximum provision, the increase in the employee’s annuity causes a decrease in your annuity. Your July 1, 1999 payment is $_____. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

Exhibit 5b - T-12b Spouse RAIL Notice

[1] the lag year is shown; eg., for the 1999 RAIL, 1998 was the lag year

T-12b(7-97)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
MA
Always Use These Letters and
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An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through [1] are now included in your annuity.

Your July 1, ___ payment is $___. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). We are withholding $__ in Federal income taxes from your monthly payment. If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

You have the right to request reconsideration of this rate change within 60 days. If you have any questions, contact the nearest office of the RRB.

The total benefits payable to you and the employee are limited by the maximum provision of the Railroad Retirement Act. This provision limits family benefits to a ceiling based on the employee's earnings during the ten years before the employee's annuity began.

The change in your annuity and the employee's annuity is effective for months before June __. Before _____, you received $__ which is no longer payable because of the maximum provision. We recovered this amount from the increase payable to the employee for the same months.

Robert J. Duda
Director of Operations

The opening paragraph may vary. If the lawyear 83 age 62 recalculation is also performed, the first paragraph reads:

An adjustment is due in your railroad retirement annuity. The railroad service and compensation earned by the employee through [1] are now included in your annuity. We also increased the tier 1 portion of your annuity from the first full month both you and the employee were age 62. You will receive future tier 1 cost-of-living increases as they become payable.

If Federal income taxes are not withheld from the monthly payment, the middle paragraph reads:

Your July 1, ____ payment is $_____. This rate includes any social security benefit paid by the Railroad Retirement Board (RRB). If a Medicare insurance premium was deducted from your last payment, the rate shown reflects that deduction.

Exhibit 6 - T-30 SALSA Notice

T-30(8-00)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs
Operations

RRB Claim Number
A
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Before this year, your former railroad employer paid to you a separation allowance or severance payment. Your employer legally deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits.

You are receiving a special payment based on these taxes. You will receive the payment of $___ thin the next ten days. We will deposit this payment in your checking or savings account if you are in the direct deposit program. This payment is not subject to Federal income tax.

You have the right to request reconsideration of this payment within 60 days. If you have any questions, contact the nearest office of the Railroad Retirement Board.

Robert J. Duda
Director of Operations

If a SALSA has previously been paid, the letter reads:

Before this year, your former railroad employer paid to you a separation allowance or severance payment. Your employer legally deducted railroad retirement tier 2 taxes from this payment. These taxes did not produce an increase in your monthly railroad retirement benefits. After you retired, we sent to you a special payment based on these taxes.

We have now received new information from your former employer. You are receiving another special payment based on the taxes you paid. You will receive the payment of $____ within the next ten days. We will deposit this payment in your checking or savings account if you are in the direct deposit program. This payment is not subject to Federal income tax.

Exhibit 7 - T-51 December 1st SSA Offset Correction Notice

T-51(11-15)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092

Date:

Office of Programs

Visit our Web site at www.rrb.gov

Operations

The Tier 1 portion of your railroad retirement annuity must be reduced by the amount of any social security benefit to which you are entitled. The Social Security Administration advises that your total social security benefit amount (before the cost-of-living increase that will be included in your January payment and before any deduction for a Medicare premium) is $ _____. Your Tier 1 is currently reduced by a lower amount of $ _____.

Your Tier 1 amount will be corrected as soon as possible but not before January 1, ___. Your Tier 1 will be reduced by your current social security benefit amount adjusted for the 0.3 percent cost-of-living increase payable on the benefit beginning January 1.

If the social security benefit amount provided by the Social Security Administration is not correct, contact the nearest office of the Railroad Retirement Board within thirty days of the date of this letter.

Director of Programs

Exhibit 8 - CPI T-60 Version 1

Railroad Retirement Board
Field Office Address Line 1
Field Office Address Line 2
Field Office Address Line 3
Field Office Address Line 4

POSTAL BAR CODE
COA7516061199999999989
Name and Address Line 1
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Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number
XXX 999-99-9999

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits. Benefits are only affected by this change if, before January 2000, the employee on whose record the benefits are based was age 62 or older, determined to be disabled, or deceased.

If you have questions about this notice, write to us at the address shown above or call us at

(999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (01)
07/01

Exhibit 9 - CPI T-60 Version 2

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

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Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent, a difference of 0.1 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits. The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security, a public service pension, or another railroad retirement annuity. Because of these benefit calculation rules, the small increase of 0.1 percent in the cost-of-living adjustment did not change the amount of your monthly benefits.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on “What’s New,” or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (02)

07/01

Exhibit 10 - CPI T-60 Version 3

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly railroad retirement annuity.

Your August 1, 2001 payment will be $ 9999.99. This new rate includes any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of $ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (03)

07/01

Exhibit 11 - CPI T-60 Version 4

Railroad Retirement Board

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Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

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Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. Most beneficiaries affected by this change will receive an increase in their August 1, 2001 payments.

We did not adjust your August 1 payment. We need to review the calculation of your monthly benefits. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (04)

07/01

Exhibit 12 - CPI T-60 Version 5

Railroad Retirement Board

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Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

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Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, a small increase in monthly Social Security benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits because of one of the following reasons.

Benefits are only affected by this change if, before January 2000, the person on whose record the benefits are based was age 62 or older, determined by the Social Security Administration to be disabled, or deceased.

Because of rounding rules, the small increase of 0.1 percent did not change your monthly Social Security rate.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (05)

07/01

Exhibit 13 - CPI T-60 Version 6

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

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Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly Social Security benefits.

Your August 1, 2001 payment will be $ 9999.99. If a Medicare premium was deducted from your last payment, this new rate is after that deduction.

You will receive a separate payment of $ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on “What’s New,” or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (06)

07/01

Exhibit 14 - TCI T-60 Version 7

Railroad Retirement Board

Field Office Address Line 1

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Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

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Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. As a result, you are due a small increase in your monthly benefits.

Your August 1, 2001 payment will be $ 9999.99. This new rate includes your Social Security benefits and any supplemental annuity paid to you by the Railroad Retirement Board. The new rate is after any Federal income tax withholding from your monthly payment. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of $ 99.99 within the next few days for the increase due you for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (07) 07/01

Exhibit 15 - CPI T-60 Version 8

Railroad Retirement Board

Field Office Address Line 1

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Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

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Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent.

We are adjusting your August 1, 2001 payment to include the increase due in your monthly tier 1 railroad retirement benefits. Your August 1 payment will be $ 9999.99. This new rate includes your Social Security benefits and any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of $ 99.99 within the next few days for the increase due in your tier 1 benefits for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

We did not adjust your Social Security benefits. We need to review the calculation of your monthly rate. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on “What’s New,” or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (08)

07/01

Exhibit16 - CPI T-60 Version 9

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA75160611999999999989

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Name and Address Line 2

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Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent.

We adjusted your August 1, 2001 payment to include the increase due in your monthly Social Security benefits. Your August 1 payment will be $ 9999.99. This new rate includes any supplemental annuity paid to you by the Railroad Retirement Board, and is after Federal income tax withholding, if any. If a Medicare premium was deducted from your last payment, the rate is also after that deduction.

You will receive a separate payment of $ 99.99 within the next few days for the increase due in your Social Security benefits for months before July 2001. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

We did not adjust your tier 1 railroad retirement benefits. We need to review the calculation of your monthly railroad retirement benefits. We will send you a letter explaining the results of our review within 90 days.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on “What’s New,” or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (09)

07/01

Exhibit 17 - CPI T-60 Version 10

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase, the increase should have been 2.5 percent, a difference of 0.1 percent. As a result, a small increase in monthly tier 1 railroad retirement benefits and Social Security benefits is payable to some individuals. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

We have determined that you are not due an increase in your benefits because of one or both of the following reasons.

Benefits are only affected by this change if, before January 2000, the employee on whose record the benefits are based was age 62 or older, determined to be disabled, or deceased.

The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security, a public service pension, or another railroad retirement annuity. Because of these benefit calculation rules, the small increase of 0.1 percent in the cost-of-living adjustment did not change the amount of your monthly benefits.

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on "What's New," or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (10)

07/01

Exhibit 18 - CPI T-60 Version 11

Railroad Retirement Board

Field Office Address Line 1

Field Office Address Line 2

Field Office Address Line 3

Field Office Address Line 4

POSTAL BAR CODE

COA7516061199999999989

Name and Address Line 1

Name and Address Line 2

Name and Address Line 3

Name and Address Line 4

Name and Address Line 5

Name and Address Line 6

Issued: July 20, 2001

RRB Claim Number

XXX 999-99-9999

Railroad retirement benefits and Social Security benefits are adjusted each year based on changes in the cost of living. The Department of Labor recently revised the cost of living adjustment for December 1999. Instead of a 2.4 percent increase in tier 1 railroad retirement benefits and Social Security benefits, the increase should have been 2.5 percent. We are adjusting benefits for individuals affected by this change effective with August 1, 2001 payments.

Your August 1, 2001 payment will not change. The law requires that benefits be rounded to the dollar and also reduced because of a required offset for other government benefits, such as Social Security. Because of these benefit calculation rules, the total amount of your current monthly payment does not change.

Even though your current monthly payment does not change, you are due a small increase in your Social Security benefits for months before July 2001. You will receive a separate payment of $99.99 within the next few days. If you have Direct Deposit for your monthly payments, we will deposit this payment into your checking or savings account. You should receive this payment a few days before your August 1 payment. **Please do not confuse this payment with your regular monthly payment.**

If you have questions about this notice, write to us at the address shown above or call us at (999) 999-9999. You can also get general information about this subject by visiting our website at www.rrb.gov and clicking on “What’s New,” or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6.

U. S. Railroad Retirement Board

T-60 (11)

07/01

Exhibit 19 CPI T-61

Notice About U. S. Federal Income Taxes

If your regular monthly payments are reduced because of United States Federal income tax withholding, we also deducted U. S. Federal income taxes from the separate payment you are due for months before July 2001. The amount of the payment that is shown in the accompanying letter is after we reduced the payment for income tax withholding.

Form T-61 (07/01)

Exhibit 20 T-78 WIMA Mass Adjustment Notice

T-78(04-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092 Date:

Office of Programs

Operations RRB Claim Number

A

Visit our Web site at

www.rrb.gov

Your May 1, 2002 payment (your annuity for April) will increase to $_____. The increase in your annuity is also payable for months before April. You will receive a payment for $_____ within the next ten days. This is the increase amount due through March minus Federal income taxes of $_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

The increase in your monthly payment is a result of the Railroad Retirement and Survivors' Improvement Act of 2001. The new law created a widow(er)'s initial minimum amount beginning with annuities payable for February 2002 (March 1, 2002 and later payments). Your initial minimum amount is higher than your current tier 1 and tier 2 benefits. Your monthly payment will be based on your initial minimum amount until annual cost-of-living increases raise your regular annuity to a higher amount.

If you have any questions, contact the nearest office of the Railroad Retirement Board. You have the right to request reconsideration of this rate change within 60 days of the date of this letter.

Robert J. Duda

Director of Operations.

If the accrual payment is reduced to zero by Federal income tax withholding, or no accrual is payable, the first paragraph is worded to describe those situations.

Exhibit 21 - T-79

T-79(04-02)

RAILROAD RETIREMENT NOTICE

_____

U.S. Railroad Retirement Board

844 N. Rush St.

Chicago, IL 60611-2092 Date:

Office of Programs

Operations RRB Claim Number

A

Visit our Web site at
www.rrb.gov

The Railroad Retirement and Survivors' Improvement Act of 2001 created a widow(er)'s initial minimum amount beginning with annuities payable for February 2002 (March 1, 2002 and later payments). We are not able to compute your initial minimum amount at this time. We will complete our review of your case within the next 90 days, and we will send you another letter to let you know if your initial minimum amount will increase your monthly payment.

Robert J. Duda

Director of Operations

Exhibit 22 RRA Max T-84

T-84 RRA Maximum Mass Adjustment Notice

T-84(05-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092 Date:

Office of Programs

Operations RRB Claim Number

A

Visit our Web site at
www.rrb.gov

Your June 1, 2002 payment (your annuity for May) will increase to $_____. We are withholding $_____ in Federal income taxes from your monthly payment. The increase in your annuity is also payable for months before May. You will receive a payment for $_____ within the next ten days. This is the increase amount due through April minus Federal income taxes of $_____. We will deposit this payment in your checking or savings account if you are in the direct deposit program.

The increase in your monthly payment is a result of the Railroad Retirement and Survivors' Improvement Act of 2001. The new law eliminates the maximum amount that reduces some monthly employee and spouse annuities. The maximum amount ends effective with annuities payable for January 2002 (February 1, 2002 and later payments).

If you have any questions, contact the nearest office of the RRB. You have the right to request reconsideration of this rate change within 60 days of the date of this letter.

Robert J. Duda

Director of Operations.

If the accrual payment is reduced to zero by Federal income tax withholding, or no accrual is payable, the first paragraph is worded to describe those situations.

If the RRA maximum reduction reduced tier 2 to zero and RRB records indicate the annuitant (or the employee if the annuitant is a spouse) is currently working in LPE, an additional paragraph is included to advise the annuitant that LPE work deductions were withheld now that tier 2 is greater than zero. The special paragraphs are as follows:

Annuitant is an employee:

"We are withholding a portion of your annuity because our records show that you are working for your last pre-retirement employer. If this is not correct, contact the nearest office of the Railroad Retirement Board."

Annuitant is a spouse:

"We are withholding a portion of your annuity because our records show that you or your spouse are working for a last pre-retirement employer. If this is not correct, contact the nearest office of the Railroad Retirement Board."

Exhibit 23 RRA Max T-85

T-85 RRA Maximum Mass Adjustment Notice

T-85(05-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092 Date:

Office of Programs
Operations RRB Claim Number

A

Visit our Web site at
www.rrb.gov

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminates the maximum amount that reduces some employee supplemental annuities. Your monthly payment will not change. Your supplemental annuity is also reduced by the pension you receive from your former railroad employer. Because of this pension reduction, your monthly supplemental annuity amount does not change.

Robert J. Duda

Director of Operations.

Exhibit 24 RRA Max T-86

T-86 RRA Maximum Mass Adjustment Notice

T-86(05-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
844 N. Rush St.
Chicago, IL 60611-2092 Date:

Office of Programs
Operations RRB Claim Number

A

Visit our Web site at

www.rrb.gov

The Railroad Retirement and Survivors' Improvement Act of 2001 eliminates the maximum amount that reduces some monthly employee and spouse annuities. We are not able to adjust your annuity at this time, but we will adjust it within the next 90 days. You will receive another letter that will provide your new monthly payment amount, and you will receive any back payments due.

Robert J. Duda

Director of Operations.

Exhibit 25 T-71 WIMA Increase Advance Notice

T-71(01-02)

RAILROAD RETIREMENT NOTICE

_____

U.S. Railroad Retirement Board
(Field Office address)

Issued: January 23, 2002

RRB Claim Number

A recent change in the law will affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases.

Your initial base amount is compared to the monthly tier 1 and tier 2 benefits to which you are entitled beginning in February 2002. We have reviewed our records, and determined that your initial base amount is higher than your tier 1 and tier 2 benefits effective February 2002. We are working on your case to determine the exact amount of the increase your are due. We will finish our determination by May 1, 2002. At that time your monthly payment will be adjusted and you will receive another letter explaining the increase. You will also receive a special payment for the additional amount you are due for months beginning with February 2002.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov, or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 26, T-72 No WIMA Increase

T-72(1-02)

RAILROAD RETIREMENT NOTICE

_____

U.S. Railroad Retirement Board
(Field Office address)

Issued: January 24, 2002

RRB Claim Number

A recent change in the law does not affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base amount is reduced for early retirement, and it does not receive cost-of-living increases.

Your initial base amount is compared to the monthly tier 1 and tier 2 benefits to which you are entitled beginning in February 2002. After careful review of your payment, we find that your tier 1 and tier 2 benefits computed under the regular formula as of February 2002 are higher than your initial base amount. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov, or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 27 T-73 No WIMA for Remarried Widow(er)s or Surviving Divorced Spouses

T-73(01)02

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
(Field Office address)

Issued: January 28, 2002

RRB Claim Number

This is to notify you of a recent change in the law and to explain why your monthly payment is not affected by the change.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Te law does not change the annuity computation for remarried widow(er)s or surviving divorced spouses. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov, or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 28 T-74 No WIMA for 1937/1974 act Widow(er)s annuities

T-74(01-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
(Field Office address)

Issued: January 31, 2002

RRB Claim Number

This is to notify you of a recent change in the law and to explain why your monthly payment is not affected.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s if the railroad employee began receiving a payment or died after September 1981, or the widow(er) began receiving a payment after September 1986. After a careful review of your records, we find that the new law does not apply to your monthly payment because it bagan before October 1, 1986, and the railroad employee died or began receiving a payment before October 1, 1981. Therefore, the new law does not change your monthly payment.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov, or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 29 T-75 Notice to Employees and Spouses with RRA Maximum Reduction

T-75(01-02)

RAILROAD RETIREMENT NOTICE

U.S. Railroad Retirement Board
(Field Office address)

Issued: January 25, 2002

RRB Claim Number

A recent change in the law affects the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 repealed the maximum retirement benefit provision of the Railroad Retirement Act effective with monthly benefits payable for January 2002. This provision had limited monthly family benefits to an amount based on an employee's average earnings in the 10-year period prior to retirement. Reductions were applied to employee and/or spouse payments so that benefits did not exceed the maximum amount.

Your monthly payment is currently reduced because of the maximum provision. We will remove the reduction in your monthly payments by June 1, 2002. At that time we will mail you another letter to explain the increase in your monthly payments. You will also receive a special payment for the additional benefits due you for months after December 2001.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov, or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 30 T-76 Notice to Employees of Impact on Potential Spouse Benefits Resulting From Elimination of the RRA Maximum

T-76(01-02)

RAILROAD RETIREMENT NOTICE

_____

U.S. Railroad Retirement Board
(Field Office address)

Issued: January 18, 2002

RRB Claim Number

A recent change in the law may affect the amount of railroad retirement benefits payable based on your earnings.

The Railroad Retirement and Survivors' Improvement Act of 2001 repealed the maximum benefit provision of the Railroad Retirement Act effective with monthly benefits payable for January 2002. This provision had limited montly family benefits to an amount based on an employee's average earnings in the 10-year period prior to retirement. Reductions were applied to employee and spouse annuities so that benefits did not exceed the maximum amount.

Under the maximum benefit provision, combined employee and spouse benefits could sometimes be less than the benefits paid to the employee alone. In this situation, we advised the spouse not to file for benefits. With the repeal of this provision, it is now advantageous for these spouses to file for benefits.

If you have a spouse who is not receiving monthly railroad retirement payments and may be eligible for benefits, write to us at the address shown above or call us a (999) 999-9999. due to the high volume of calls we are receiving, we ask for your patience.

You can also get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov, or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web sit and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 31 T-77 WIMA Eligibility Cannot be Determined

T-77(01-02)

RAILROAD RETIREMENT NOTICE

_____

U.S. Railroad Retirement Board
(Field Office address)

Issued: January 22, 2002

RRB Claim Number

A recent change in the law may affect the amount of railroad retirement benefits paid to you each month.

The Railroad Retirement and Survivors' Improvement Act of 2001 establishes an initial base amount for widow(er)s. Your initial base amount is the tier 1 benefit to which you were entitled in the month your payment began, plus an amount approximately equal to the tier 2 benefit that was payable to the deceased railroad employee. The initial base

amount is reduced for early retirement, and it does not receive cost-of-living increases. The initial base amount is compared to the tier 1 and tier 2 benefits to which you are entitled effective February 2002.

We are working on your case to determine if you initial base amount is higher than the monthly tier 1 and tier 2 benefits payable to you effective February 2002. We will finish our determination by May 1, 2002. At that time we will mail you another letter to let you know if you are due an increase in your monthly payment. If you are due an increase, we will also tell you the amount of the increase.

If you have any questions about this notice, write to us at the address shown above or call us at (999) 999-9999. Due to the high volume of calls we are receiving, we ask for your patience. You can get general information about the change in the law by going to "Latest News" on our Web site at www.rrb.gov, or by calling our toll-free RRB HelpLine at 1-800-808-0772 and selecting option 6. E-mail inquiries about the new law and how it affects you can be sent to the RRB by going to our Web site and clicking on "Send us a secure message" under "Latest News."

U.S. Railroad Retirement Board

Exhibit 32 RL-119R RESCUE adjustment letter

RAILROAD RETIREMENT AWARD NOTICE

U.S. Railroad Retirement Board

844 N. Rush Street Chicago, Illinois 60611-2092 Date:

RL-119R

Office of Programs

Operations

NAME A 999-99-9999

ADDRESS LINE 1

ADDRESS LINE 2

Your monthly annuity payments have been adjusted.

(RESCUE paragraphs)

[*the following paragraph is included in employee letters if only the regular annuity is adjusted*]

Your new regular monthly annuity amount is $_____. This is only your regular annuity rate; it does not include any supplemental annuity or social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include your new regular annuity rate plus any supplemental annuity or social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[*the following paragraph is included in employee letters if both the regular annuity and the supplemental annuity are adjusted]*

Your new regular monthly annuity amount is $_____. Your new monthly supplemental annuity amount is $_____. Your next monthly payment will include both your new regular annuity rate and your new supplemental annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[*the following paragraph is included in employee letters if only the supplemental annuity is adjusted]*

Your new supplemental annuity amount is $_____. This is only your supplemental annuity rate; it does not include your regular annuity or any social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include both your regular annuity rate and your new supplemental annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[*the following paragraph is included in spouse letters]*

Your new monthly annuity amount is $_____. This is only your railroad retirement annuity rate; it does not include any social security benefit paid by the Railroad Retirement Board (RRB). Your next monthly payment will include both your new regular annuity rate plus any social security benefit paid by the RRB. If a Medicare insurance premium was deducted from your last payment, the amount will continue to be deducted from your next payment.

[*the following paragraph is included if taxes are withheld from the monthly payment*]

We are withholding $_____ in Federal income taxes from your monthly payment. This may include taxes withheld from the social security equivalent benefit portion of tier 1 based on your IRS Form W-4V voluntary withholding request.

[*the following paragraph is included only if a regular annuity accrual is paid*]

The increase in your regular annuity is payable for earlier months. You will receive a payment for $_____. This payment is the difference between the amount of regular annuity benefits that were due and any benefits that have already been paid minus Federal income taxes of $_____.

[*the following paragraph is included only if a supplemental annuity accrual is paid]*

The increase in your supplemental annuity is payable for earlier months. You will receive a payment for $_____). This payment is the difference between the amount of supplemental annuity benefits that were due and any benefits that have already been paid minus Federal income taxes of $_____.
If you are enrolled in the Direct Deposit Program, your back payment(s) will be sent to your checking or savings account. If you have not already received your back payment(s), you should receive it within the following two weeks. If you do not receive this payment, please refer to this number when writing to us: Voucher number 575.

YOUR RIGHTS TO RECONSIDERATION AND APPEAL

If you believe that this rate change is not correct, you may request that the rate be reconsidered. Your right to reconsideration applies only to the Railroad Retirement Board's rate change in this case; it does not apply to the adjustment for federal income tax withholding. If you wish this reconsideration, you must request it in writing, and your request must be received by the Railroad Retirement Board WITHIN 60 DAYS from the date of this notice. You may send your request to any field office of the Railroad Retirement Board or you may send it directly to the following address: Railroad Retirement Board, Reconsideration Section, 844 North Rush Street, Chicago Illinois 60611-2092. If you have any additional evidence to be considered, please include it with your request.

If you disagree with the reconsideration, you may then appeal to the Bureau of Hearings and Appeals within 60 days from the date of the Reconsideration decision.

If you do not request a reconsideration within 60 days from the date of this notice, you may not be able to file an appeal at a later date.

IF YOU HAVE ANY QUESTIONS

If you have any questions about your railroad retirement payments or if you wish to change the amount of taxes withheld each month, you should contact a representative in our _____ field office. That office is located at:

The telephone number is XXX-XXX-XXXX.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have an appointment, but the Railroad Retirement Board's representatives can serve you better with an appointment. Most Railroad Retirement Board offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday.

Exhibit 33 RL-45R RESCUE One Payment Only Letter

RAILROAD RETIREMENT AWARD NOTICE

U.S. Railroad Retirement Board

844 N. Rush Street Chicago, Illinois 60611-2092 Date:

RL-45R

Office of Programs

Operations

NAME A 999-99-9999

ADDRESS LINE 1

ADDRESS LINE 2

You are entitled to an adjustment payment of $_____.

INFORMATION ABOUT THIS AWARD

(RESCUE paragraphs)

INFORMATION ABOUT YOUR PAYMENT

Since you are enrolled in the Direct Deposit Program, this payment will be sent to your checking or savings account,

OR

The payment will be delivered to you at the address shown on this letter.

If you have not already received this payment, you should receive it within the following two weeks.

If you do not receive this payment, please refer to this number when writing to us: Voucher number 575.

YOUR RIGHTS TO RECONSIDERATION AND APPEAL

If you believe that this rate change is not correct, you may request that the rate be reconsidered. Your request must be in writing and you should explain why you disagree. If you wish this reconsideration, your request must be received by the Board WITHIN 60 DAYS from the date of this notice. You may file your request at any field office of the Railroad Retirement Board or you may send it directly to the following address: Railroad Retirement Board, Reconsideration Section, 844 North Rush Street,

Chicago, Illinois, 60611-2092. If you have additional evidence to be considered, please include it with your request.

If you disagree with the reconsideration decision, you may then appeal to the Bureau of Hearings and Appeals within 60 days from the date of the reconsideration decision.

If you do not request a reconsideration within 60 days from the date of this notice, you may not file an appeal at a later date.

IF YOU HAVE ANY QUESTIONS

If you have any questions about this notice, you should contact a representative in our _____ field office. That office is located at:

The telephone number is XXX-XXX-XXXX.

If you write to the Railroad Retirement Board, include a copy of this notice with your letter. If you call in person, bring this notice and any other information you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have an appointment, but the Railroad Retirement Board's representatives can serve you better with an appointment. Most Railroad Retirement Board offices are open to the public from 9:00 a.m to 3:30 p.m. Monday through Friday

IF YOU HAVE ANY QUESTIONS

If you have any questions about your railroad retirement payments or if you

wish to change the amount of taxes withheld each month, you should contact a

representative in our _____ field office.

That office is located at _____

_____

The telephone number is XXX-XXX-XXXX.

If you have any questions about the amount of taxes you may owe, contact anoffice of the Internal Revenue Service.

If you write to the Railroad Retirement Board, include a copy of this noticewith your letter. If you call in person, bring this notice and any otherinformation you may have about your claim with you. You are urged to call for an appointment; you will not be refused service if you do not have anappointment, but the Railroad Retirement Board's representatives can serve youbetter with an appointment. Most Railroad Retirement Board offices are opento the public from 9:00 a.m. to 3:30 p.m., Monday through Friday.

7.1.1 Scope of Chapter

This chapter provides guidelines for determining which agency, Social Security Administration (SSA) or Railroad Retirement Board (RRB), has jurisdiction of payment of benefits.

7.1.2 Responsibility for Jurisdiction Determinations

RRB is responsible for determining whether RRB or SSA has jurisdiction of payment of retirement or survivor benefits. The Retirement Benefit Division (RBD) has jurisdiction in retirement or life cases and the Survivor Benefits Division (SBD) has jurisdiction in survivor, or death cases.

Refer to FOM1 225 for instructions on determining Insured Status and Current Connection.

7.1.3 Determining Jurisdiction

7.1.3.1 Ten-year Service Requirement

Prior to January 1, 2002- The RR Act, as amended on October 30, 1951, provided that an employee must have completed at least ten years (120 months) of creditable service under the RR Act in order to be eligible for a retirement annuity. (See RCM 5.4.20 for a discussion on when M/S is creditable as though it were RR Act service.)

If less than 120 service months prior to January 1, 2002 have been established, but the claimed RR service and/or M/S is 120 months or more, develop for prior, subsequent and lag service. If it appears that the development will not be completed within 25 days, send a RR-3 to notify SSA that there will be a delay in making a determination.

Note: For applications filed prior to 11-1-51, annuities could still be awarded based on less than 10 years of service if certain conditions were met. Any current case in which this could be a factor should be forwarded to P&S – RAC.

7.1.3.2 Five-year Service Requirement

Effective January 1, 2002- The Railroad Retirement and Survivors' Improvement Act of 2001 (RRSIA) lowered the minimum service requirement for an employee to be eligible for an annuity from 10 years (120 months) of creditable service to 5 years (60 months) of creditable service, provided the minimum of 60 months was performed after 1995.

7.1.3.3 Denial for Service Requirement

An application for RRA retirement benefits will be denied if the following requirements are met:

- the application is filed prior to January 1, 2002 by a person for whom 120 months of creditable service cannot be established; or
- the application is filed after December 31, 2001 by a person for whom 60 months of creditable service after 1995 cannot be established; and
- the applicant does not claim disability; and
- the applicant is under age 62; and
- the applicant will not attain age 62 within 3 months.

7.1.3.4 Spouse or Survivor Annuitant Has RR Service

In the event an applicant for a spouse or survivor annuity has a claim pending for an employee annuity, the examiner handling the spouse or survivor annuity is to develop both claims.

Likewise, in "attainment" cases of auxiliary beneficiaries, the examiner responsible for the auxiliary claim is to handle any involvement of RR service performed or claimed.

A. Prior to January 1, 2002

Auxiliary Has Less Than 120 Service Months.--If the service shown on the G-90, plus any additional service claimed by the beneficiary, totals less than 120 months prior to January 1, 2002, and the ten-year service requirement cannot be waived, jurisdiction of RR credits is with SSA. Follow the procedure established in RCM 7.2 for handling such service transfers.

Auxiliary Claims at Least 120 Service Months.--If the service shown on the G-90, plus additional service claimed but not verified, totals at least 120 months prior to January 1, 2002, attempt to verify the additional service claimed. If the additional service cannot be verified to establish 120 months take the action prescribed in RCM 7.2 for handling such service transfers. If 120 months are verified and the beneficiary can otherwise qualify for an employee annuity but has not applied, develop a claim. If the beneficiary is under full retirement age (FRA) and does not wish to apply, code the claim for call up when (s) he reaches FRA.

B. Effective January 1, 2002

Auxiliary Has Less Than 60 Service Months After 1995. If the service shown on the G-90, plus any additional service claimed by the beneficiary, totals less than 60 months after 1995, jurisdiction of RR credits is with SSA. Follow the procedure established in RCM 7.2 for handling such service transfers.

Auxiliary Claims 60 Service Months After 1995. If the service shown on the G-90, plus additional service claimed, but not verified, totals at least 60 months after 1995, attempt

to verify the additional service claimed. If the additional service cannot be verified to establish 60 months after 1995, take the action prescribed in RCM 7.2 for handling such service transfers.

7.1.4 Other Jurisdiction Criteria

7.1.4.1 RRB Jurisdiction

The conditions under which RRB assumes jurisdiction are described below.

Employee Died Before 1940 - RRB has jurisdiction if:

- The claim originated with the RRB; or
- The employee is insured under the RR Act.

Employee Died After 1939 But Before 9-6-58 - RRB has jurisdiction if:

- The employee is completely insured under the RR Act; or
- The employee is partially insured under the RR Act and death occurred on or after 1-1-47, provided there was no one entitled, or potentially entitled to a WCIA or CIA; or
- The employee had less than 120 months of creditable service but a survivor is still entitled to an insurance annuity that was awarded before 10-30-51. This includes cases in which an award was made before 10-30-51 and in effect on that date, but payment was withheld to recover an erroneous payment or because of work deductions. Cases involving awards made by SSA before 10-30-51 because erroneous assumption of jurisdiction are likewise under this condition; or
- The case originated with RRB and the employee does not have an insured status under the SS Act; or
- The employee was not insured under either RR Act or the SS Act, but a residual payment can be made under the RR Act.

Employee Died on or after 9-6-58 - RRB has jurisdiction if:

- The employee has an insured status under the RR Act; or
- The employee was not insured under either the RR Act or the SS Act, but a residual payment can be made under the RR Act.

7.1.4.2 SSA Jurisdiction

The conditions under which SSA assumes jurisdiction are described below:

Employee Died Before 1940 –

SSA has jurisdiction in this instance if the claim originated with that agency and there is no insured status under the RR Act.

Employee Died After 1939 and Before 9-6-58 –

SSA has jurisdiction if:

- The employee is not insured under the RR Act, but is insured under the SS Act; or
- The employee is partially insured under the RR Act and death occurred before 1-1-47, provided there was no one entitled, or potentially entitled to a WCIA or CIA; or
- The employee did not have at least 120 service months and any survivor annuity awarded before 10-31-51 has terminated.

NOTE: Transfer to SSA all cases in which there is no insured status under the RR Act before 9-6-58. Such cases are under that agency's jurisdiction for payment of the LSDP and monthly benefits payable before 9-19-58. If, however, there are no monthly benefits payable before 9-1958, SSA will retain the case until such time as it appears that RRB can pay monthly benefits effective 9-1958 or later.

Employee Died on or After 9-6-58 –

SSA has jurisdiction in the case of an employee who was not insured under the RR Act as a pensioner or annuitant if:

- The employee had less than 120 months of creditable service; or
- The employee did not have at least 60 months of creditable service after 1995; or
- The employee did not have a current connection.

NOTE: If employee had less than 120 service months or less than 60 service months after 1995 and no wage quarters and, if using RR compensation by SSA would give the necessary quarters of coverage, transfer RR credits to SSA even though he has no wage quarters. (Refer to RCM 5.6 Appendix B thru D for rules for insured status at SSA).7.1.5 Types of Claims Transferred

7.1.5 Types of Claims Transferred

7.1.5.1 Life Cases

Any application for annuity filed with the Board by a person claiming less than 120 months of service or 60 months of service after 1995, including M/S, or for whom 120 months of service or 60 months of service after 1995 creditable toward an annuity cannot be established, is to be transferred to SSA if:

- The applicant is age 62 or over, or
- will attain age 62 within three months after the month in which the application is filed; or
- the applicant claims disability.

7.1.5.2 Death Cases

Transfer claims material when SSA will have jurisdiction and one of the following conditions exists:

- A widow survives the employee; or
- An application is received; or
- An inquiry is received; or
- An RR earnings record request is received from SSA regardless of the time benefits may be payable.

Appendices

Appendix A – Jurisdiction Determinations

Effective Date	Provision
1-1-47	RRA and SSA credits combined for survivor benefits.
1-1-47	Division of jurisdiction over survivor insurance benefits established.
1-1-47	Current connection and quarters of coverage requirements for insured status established.
10-30-51	Ten-year-service requirement for life benefits and for insured status for survivor benefits established.

10-30-51	RRA credits transferred to SSA for employees and their survivors if less than ten-year-service.
10-30-51	Alternative method of determining QC's in life cases established.
9-6-58	Alternative method of determining complete and partial insured status established.

7.2.1 Introduction

This section describes the process for handling Transfers. Included are descriptions of the mechanical processes involved, preparing the Transfer material and releasing it.

7.2.2 Mechanical Processes

A. Mechanical Transmittal of Jurisdiction Determinations

In April 2000, RRB transmitted a file to SSA containing all the jurisdiction determinations that were in our records at that time. Since then, a file has been transmitted weekly that updates SSA's records with current RR earnings information (see FOM1 230.155.2) and current jurisdiction determinations.

RRB transmits three jurisdiction codes to SSA, which are based on the jurisdiction indicators in PREH. SSA stores the mechanically transmitted jurisdiction information in their Disability, Railroad, Alien, and Military System (DRAMS)

"R" (RRB Jurisdiction) - SSA sends RRB certified SSA earnings and any claims material, and notifies the claimant of RRB jurisdiction.

"S" (SSA Jurisdiction) - SSA verifies insured status using both SSA and RR earnings, then processes the claim.

"U" (Jurisdiction unknown or not determined) - A request is transmitted to the Office of Earnings Operations (OEO) in Baltimore to obtain jurisdiction information from RRB.

B. Initial APPLE First Notice of Death (FNOD) Processing

Once RRB receives notice of an employee's death, the information is entered on the Application Express (APPLE) system. This automatically triggers reclamation of outstanding last payments, the release of the G-60s (Tric Request for Wage and MBR Information – Survivor/Spouse), and RR-3 (RRB Report or events Affecting SSA Payments), when necessary. For a full description of the APPLE system refer to FOM1 1581.

C. RRB Jurisdiction

If a spouse is on the rolls, APPLE will continue its mechanical processing and pay the spouse to widow(er) conversion. If the payment cannot be processed mechanically, APPLE will refer the case to the Survivor Tracking and Reporting (STAR) system for examiner handling. If there is no spouse on the rolls, take necessary action to develop and pay any eligible survivors.

D. SSA jurisdiction

If a spouse is on the rolls and there is no current connection, APPLE refers the case to STAR for RRB credits to be transferred to SSA. If there is no spouse on the rolls, but there is a widow, claims material, a survivor inquiry, or an inquiry from SSA transfer the claim.

E. "D" Cases

Upon the entry of the FNOD, the case will be referred to headquarters for handling. If RRB has jurisdiction, the case will be referred to the Survivor Benefits Division (SBD) for further action. If SSA has jurisdiction and the case meets the criteria for transfer of credits, SBD will transfer the credits to SSA according to procedure.

F. Annuity Activity Pending – SSA Jurisdiction

Annuities Due but Unpaid - For cases in which claims material is to be transferred to SSA and a claim for unpaid employee annuities is ready for authorization, prepare both the transfer package and SURPASS award for authorization. If a claim for unpaid annuities is not ready for payment, or has not been filed, prepare the transfer package for authorization and request the RRB field office to develop, as necessary.

G. Payments

Employee Payments - If the employee's last payment(s) are outstanding, they will be reclaimed by the Automated Receivables, Reclamations, and Credits (ARRC). No examiner action is necessary. However, if the employee was receiving LAF E SSA benefits, notify SSA on the RR-3T which SSA benefits are outstanding and that RRB is taking recovery action.

Spouse Annuity Payments - When spouse type annuity payment(s) are outstanding and SSA has jurisdiction of survivor benefits, complete Forms G-205 and G-205a and forward them to the Debt Recovery Division (DRD). They will take appropriate action to recover the outstanding RR payments.

Auxiliary SSA Payments - If the spouse's or other auxiliary beneficiary's last payments included LAF E SSA benefits, advise SSA of the paid through date of those benefits on form RR-3T.

7.2.3 Preparing and Releasing the Transfer Package

Since a file is being transmitted weekly that updates SSA's records with current RR earnings information (see FOM1 230.155.2) and current jurisdiction determinations, material for the transfer package does not include an RR-90. The procedure below will describe what is included in transfer packages for life and death cases.

7.2.3.1 Life Cases

Attach copies of the application(s), proofs, and any other claims material to the RL-64 denial letter. Forward the material to the appropriate SSA location using the following guidelines:

- If the employee is on the SSA MBR, forward the package to the SSA PSC that has jurisdiction of his claim number.

- If the employee is not on the SSA MBR, forward the package to the SSA field office that services the area in which he lives. (SSA field office addresses can be obtained by accessing SSA's on-line Telecommunications Routing Indicator Directory (TRID). Follow your unit's procedure for requesting information from those with access to SSA's database.)

7.2.3.2 Death Cases

In most cases, the Transfer PC program will be used to generate the necessary material needed for the package. The program is linked to the G-60/G-60s program, and the necessary earmarkings will be automatically deleted. If the Transfer PC program is not used, each form must be completed individually on RRAILS (refer to individual forms instructions for item completion), and the G-60/60s program accessed separately to delete earmarkings.

The following forms are required to transfer claims:

- Fully completed RR-3T. One copy forwarded to SSA, one **copy released to the Medicare Section, if Medicare is involved**, one copy forwarded imaged.

- Forward a copy of RL-71 or denial letter to SSA, release original to annuitant, and forward one copy imaged.

- Fax sheet if information is being faxed to SSA.

NOTE: An RR-3T is needed for each auxiliary beneficiary; in the remarks section include the type of application filed, date filed and the types of proofs that are submitted. Applications and proofs are not submitted to SSA.

A. Routing SSA Transfer Material

Route all material to be transferred to SSA using the following guidelines (refer to RCM.11, RR-3T instructions, for more detailed guidelines on how the transfer package should be sent to SSA):

- If there is a survivor not receiving SSA benefits, or credits are being transferred based on an application or inquirer, forward the transfer package to the SSA field office servicing the area in which the survivor or applicant or inquirer lives. (SSA

field office addresses can be obtaining by accessing SSA's on-line Telecommunications Routing Indicator Directory (TRID). Follow your unit's procedure for obtaining information from those with access to SSA's database.)

- If both the survivor and employee were receiving SS benefits, forward the transfer package to the SSA processing center which corresponds to the survivor's SSA account number. If the survivor's SSA benefit was LAF Code E, FAX the transfer package.

- If the survivor was receiving SS benefits, but the employee was not, forward the transfer package to the SSA processing center which corresponds to the SSA claim number on which the survivor is receiving SS benefits. If the benefits were LAF Code E, FAX the transfer package.

- Forward all foreign applications and inquiries to SSA's Office of Disability and International Operations (DIO).

If SSA may have jurisdiction of the claim in the future and an application for a widow's, widower's, or parent's insurance annuity is filed with RRB more than 3 months before the month in which the survivor attains eligibility, do not transfer the application and/or other pertinent claims material unless an SS earnings record request is being processed. In such cases, inform the applicant that SSA will have jurisdiction of his claim, that an application filed more than 3 months before the first month of eligibility is not valid, and that a new application should be filed with the SSA office in his locality after the requirements for eligibility are met.

In most instances, the transfer of claims to SSA in survivor cases will occur without the claims folder. The initial survivor examiner completes the initial transfer package and releases all required documentation to SSA and imaging.

7.2.3.3 Cases with Foreign Address

When handling cases with foreign address, advise the annuitant to contact the American Embassy or Consulate, which is nearest to them in the Form Letter RL-71.

7.2.4 Record of Transfer

To verify that a Transfer has been completed, access STAR. Generally, the transfer categories on STAR will be SIS AT or SIS 73. View the closed work activity. If either STAR category shows that the action has been completed, there will be a DATE HANDLED. This will be confirmation that the transfer has been processed. Assume all appropriate action has been taken.

In addition, Transfer materials are imaged. The imaged documents should be accessible in approximately 15 minutes after being imaged.

7.2.5 Disposition of Material Received After the Transfer Has Been Completed

7.2.5.1 Application or New Evidence

If an application (other than an AA-1 or application for RLS) or new evidence is received pertaining to SSA's claim, and it does not affect the jurisdiction determination, forward the application or new evidence to the SSA office that received the previous transfer material. Inform the sender of the action taken.

7.2.5.2 Inquiries

Acknowledge any inquiry received in a case which has been transferred to SSA. Handle correspondence as follows:

- If a general inquiry is received answer the inquiry and advise that the case has been transferred to SSA and give the reason for the transfer.
- If the inquiry consists of a protest against the decision of transfer, handle it in the usual manner as described in RCM 6.1, Protest and Appeals.
- If the inquiry contains information pertinent to the claim being processed by SSA, forward the inquiry to that agency and inform the sender of the action taken.
- In survivor cases, treat a second general inquiry from the same individual as a specific RLS inquiry and handle the inquiry as described in RCM 2.9.

7.2.6 Reversal of Jurisdiction Determination

7.2.6.1 AA-1 Received After Certification to SSA for Less Than 120 Months of Service or Less Than 60 Months of Service After 1995

If an application has been filed and at least 120 service months or at least 60 service months after 1995 are claimed for the RR employee, the following action must be taken;

- Verify the service months
- If the service months cannot be verified, deny the application
- Notify SSA program service center through the SSA off-site representative using form RR-25.
- Use SSA's filing date to compute RR annuity if possible (See RCM 5.1.4 for additional procedure.)

- If criteria in RCM 5.1.4are not met, secure statement from employee explaining why the annuitant filed for benefits at SSA instead of RRB.

- If it is evident from EE's statement that he knew he was eligible for benefits at RRB but chose to file at SSA, pay the annuity based on the filing date of the RR application.

7.2.6.2 Jurisdiction of Case Transferred to SSA Reverts to RRB

A. Claims Material Transferred

When an application is received and jurisdiction of the case reverts back to RRB take the following action:

- Verify Service months

- Notify SSA program service center via RR-3 explaining the facts in the case and request the return of any claims material.

- G-37e to reverse jurisdiction from SSA to RRB.

- G-60S to re-earmark SSA records

- If the e-file or EDMA has no indication of transfer of RR compensation request and review a full MBR. If SS benefits were payable to the EE, the account line on the MBR will include "INV" or "RCU". This indicates that RR credits were transferred.

B. Processing an Award at RRB

An award can be completed at RRB before a reply is received from the OSR. However, the award letter should include a special paragraph advising the applicant that a potential overpayment may exist at SSA. Advise the annuitant that the RRB accrual may be helpful in repaying the possible overpayment.

7.2.7 Certification of SS Benefits when Remarried Widow (RW)/Surviving Divorced Spouse (KW) Loses Entitlement

Refer to RCM SSC 1100 for instructions.

7.3.1 Scope Of Chapter

This chapter explains the provisions for crediting SS wages under the RR Act and sets out the policies and procedures established by SSA and RRB for the coordination of earnings data.

7.3.2 RRB Request for SS E/R

SSA, upon request, will furnish RRB with reports of records of SS earnings. In computing under the O/M guaranty provision, RRB must know the amount of the annuitant's SS earnings and the rate of any SS benefit to which he is currently, or potentially entitled (benefit data requests are explained in Chapter 7.4). If RRB has jurisdiction of the survivor claim, RRB must know the deceased employee's SS earnings as survivor benefits are based on the combined earnings under both the RR Act and the SS Act.

7.3.3 Requesting SS E/R From The Claims Certification Section

Tape requests for wage records are initiated as follows:

A. Initial Employee Cases - Tape requests are automatically generated for all employee applications put on the computer. If, however, manual handling is required, release Form G-60 to initiate a tape request for SS earnings.

B. Initial Survivor Cases - A tape request for the SS earnings record of the deceased employee in an initial survivor claim is initiated by Form G-73a.

C. Post-Adjudicative Handling in Either an Employee or a Survivor Case - Initiate a tape request for SS earnings by means of Form G-60.

7.3.4 The Claims Certification Section Tape Request To SSA

Upon receipt of a request for an earnings certification in all initial cases, the Claims Certification Section will request SS E/R's if the employee has other than a railroad (700) series account number or if there is an "SS" indication on the records. Requests will not be initiated if there is no "SS" indication for a 700 series account number. However, all G-60 wage requests will be placed on the magnetic tape to SSA for a report of SS wages.

7.3.5 Processing At SSA

Upon receipt of an RRB request in Baltimore, SSA will verify the SS account number, and

- Earmark the SS-5, the master wage tape and the MBR (if any);

- Extract prior claims indications, earnings and benefit data; and,

- Consolidate all data for transmission to RRB by magnetic tape over the SSA telecommunication system for printing on Form G-90.

- If data cannot be transmitted by magnetic tape because the account number cannot be found on the wage tape, Form SSA-794 will be prepared and released to the Claims Certification Section if there is an SS-5. If there is no SS-5 and no wage tape record (such as new account numbers) an SSA-794 will not be furnished.

7.3.15 Releasing Notice Of Jurisdiction

If RRB has jurisdiction of the survivor claim and the Claims Certification Section records indicate the deceased employee was receiving SS benefits, the Claims Certification Section will release a G-203, "Notice of RRB Jurisdiction" teletype to the appropriate SSA payment center. If there is no indication of an SS claim, but the SS E/R indicates prior claim action (Block 4J of the G-90), the Claims Certification Section will, likewise, release a G-203 teletype to the appropriate PC.

A message that a Form SSA-1233RR has been requested will be shown in the blank space between items 2L and 2M of Form G-90. The date of request will be the date shown in item 3F of Form G-90.

In any case in which the employee was entitled to an RIB or DIB and there is no indication that the Claims Certification Section has released a G-203 teletype before certifying the G-90, release a TT informing SSA of RRB jurisdiction and requesting SSA-1233RR (see Exhibits). If, however, the folder contains a Form SS-5 or OA-702, a TT for jurisdictional notification is not required.

7.3.16 SSA Processing Notice Of RRB Jurisdiction

A. PC - Upon receipt of RRB's notice, the PC completes Form SSA-1233RR, attaches any survivor claims material and forwards original and material to RRB. A copy of the SSA-1233RR is sent to the servicing DO.

   If there is no claim folder, the PC will notify RRB by TT that it does not have any record of a claim folder. If the claim has been transferred to a different PC, the RRB notice will be forwarded to the appropriate PC with a TT notice of the referral to RRB.

B. DO - If the SSA-DO has a survivor claim pending or material of probative value, the DO will complete SSA-1233RR and attach it to the material for release to RRB. If there is no claim, the DO will notify RRB by TT of that fact.

   If an RIB or DIB claim is pending, the DO will complete development and forward it to the PC or DDO with RRB notice of jurisdiction for completion of the SSA-1233RR. If there is no survivor material to transfer, the DO will enter the date the

material was sent to the PC or DDO in "Remarks" of the SSA-1233RR and forward it to RRB as a status report.

7.3.17 G-90 Certified Without SSA-1233RR

In a case in which the G-90 has been certified without Form SSA-1233RR, examine the claim to determine if an award action (payment or denial) can be taken.

A. Take Immediate Award Action - Pay the claim, if in order, unless there is an indication that SSA will request RRB to recover an overpayment. (A claim may be denied, if appropriate, regardless of whether an SSA overpayment exists.) Do not hold a fully certified claim in dormant file awaiting the SSA-1233RR. (See sec. 7.3.18 for possible tracing action before taking award action.)

B. Withhold Award Action - Take no action to pay the case if the PC has notified us that they will request us to recover an O/P.

7.3.18 Tracing Form SSA-1233RR

Form SSA-1233RR is required in each case in which the employee was entitled to RSDI benefits during his life or in which SSA certified that prior claims action occurred during the employee's lifetime. In such a case, if the Claims Certification Section certified the employee's earnings on a G-90 without the SSA-1233RR, responsibility rests with Operations, Retirement Benefits Division or Survivor Benefits Division for tracing the SSA-1233RR and controlling the case until the form is received. Trace the SSA-1233RR as follows:

A. First Tracing - Release a tracer TT, Form G-337c, to the appropriate SSA PC if the request for SSA-1233RR and survivor claims material, sent by either the Claims Certification Section or Operations, Retirement Benefits Division or Survivor Benefits Division, has been outstanding more than 30 days. Release the tracer TT to the PC having jurisdiction over the employee's SS account number even if RRB's first request was sent to an SSA DO; do not trace the DO.

B. Second Tracing - If a reply is not received within 30 days to the tracer TT released under ‘A’ above, request the RRB D/O in the city where the PC is located to contact that office and secure Form SSA-1233RR.

Release the appropriate tracer before taking award action under sec. 7.3.17A. Do not hold claims certified under sec. 7.3.17A in dormant files for the SSA-1233RR; if such a claim later comes to your attention while the SSA-1233RR is still outstanding, take the appropriate tracing action as outline in A or B above. If sec. 7.3.17B is applicable, release the tracer and withhold award action until Form SSA-1233RR is received.

7.3.19 Processing SSA-1233RR

SSA transcribes claims data to the form as follows:

A. SSA Application Filing Date - The filing date of an application for an RIB or DIB under the SS Act is shown. The SSA filing dates should have been considered in the O/M computations of the employee's PIA on the G-90. If the filing date was before the filing date at RRB, refer the G-90 back to the Claims Certification Section for consideration.

B. Adjusted SS Earnings and QC - The total annual SS earnings and total QC for each year that SSA's DO or PC developed additional SS earnings or deleted SS earnings certified by SSA will be shown. This certification will not include lag earnings. The G-90 should include these adjustments.

C. DF Period - The SSA-1233RR will indicate whether a DF period has been established and, if it has, the beginning and ending dates of the period will be shown. The DF period should have been considered in the O/M computations.

D. SSA Overpayment to be Recovered - The amount of O/P, if any, which SSA desires RRB to recover will be shown. If the "undetermined" box is checked, do not withhold payment action pending receipt of further information from SSA about the O/P (see section 7.3.21).

7.3.20 COMBINING SS/RR Earnings Data

In survivor cases, the SS earnings received over the SSA telecommunications system are mechanically combined with RR compensation. Both RR Act and O/M computations are made in the Claims Certification Section and shown on Form G-90. The Claims Certification Section will complete G-90 and immediately forward that form with G-73a in any case in which a G-203 was not released. If the wage tape reply showed the employee filed a claim for SS Act benefits during his lifetime, the Claims Certification Section will hold the G-73a until a status report is received or until 30 days have elapsed after release of TT requesting the SSA-1233RR. If the form or status report is not received during the 30 days period, the G-90 is completed and forwarded to Operations, Retirement Benefits Division or Survivor Benefits Division without the SSA-1233RR.

A new certification of SS wages is required if there is an indication that all wages and/or SEI have not been included. If a new certification is required, release an amended G-73a in accordance with the form instructions in Part 11.

7.3.21 Payments Made Under The SS Act

A. LSDP Under Pre-1950 SS Act Amendments - If the employee died before 1-1-47 either partially or fully insured under the pre-1950 SS Act amendments based

solely on his SS earnings, determine whether SSA paid an LSDP deductible under the RR Act (see Chapter 5.7.160). In such cases, request the servicing payment center by TT to furnish information about any SSA death benefit payment. Deduct from any insurance annuity payable the amount of any such payment.

B. SSA-1233RR Notification of Erroneous Payment - Handle any requests for RRB recovery of an SS erroneous payment shown on SSA-1233RR in accordance with Chapter 6.6. If, however, SSA previously reported the amount of the overpayment as "Undetermined' and now requests recovery, handle as follows:

- Recover from LSDP if it has not been paid. If the LSDP has been paid, inform SSA that recovery cannot be made.

- Recover from initial survivor annuity accrual if it has not been awarded. If suspension of benefits is necessary to affect recovery, release Form G-234a to the appropriate RRB D/O. If recovery is not protested, suspend and recover. If recovery is protested, notify SSA by special letter and attach a photocopy of the annuitant's objection statement.

7.3.22 SSA Claims Material

A. Reviewing Transferred Material - Verify the Claims Certification Section's determination of jurisdiction before separating and filing down any claims material received from SSA with From SSA-1233RR. Return any case in which there is no possibility of entitlement under the RR Act but in which there may be entitlement, either immediately or in the future, under the SS Act. SSA material should be returned in the same form in which it was received.

There have been cases in which SSA applications filed by auxiliary beneficiaries during the employee's lifetime have been forwarded to RRB without action having been taken on the application. Review the SSA material to make sure there are no claims filed by survivors which would permit SSA to pay benefits accrued during the employee's lifetime. If you find such a claim, refer the case to your supervisor for instructions on handling with SSA.

B. Retaining SSA Claims File Material - If claims file material has been forwarded by SSA to RRB on a loan basis and it is determined that RRB has jurisdiction of the case, dictate a letter to the originating SSA-PC. Explain the reason RRB has jurisdiction and inform them that survivor claims material is being retained. Return RIB and DIB claims material to the PC.

7.3.23 Transmitting File Material To SSA On Loan Basis

Upon request by SSA, any claims file material previously transferred by that agency to RRB may be returned on a loan basis. Transmit the material requested with a

transmittal letter which includes a request that the survivor claims material be returned promptly after it has served its purpose.

Attach to the transmittal letter the SSA letter or TT message requesting this material. When SSA telephones a request, be sure that the transmittal letter shows the specific SSA unit, section, name, or designation to which the material should be delivered.

7.3.24 Form SSA-1233RR Received After Certification Of Payment

When the SSA-1233RR is received after payments have been certified, review the award, including the computation of the basic amount and the employee's PIA, to determine whether any adjustment of the award is necessary. If an adjustment involving the computation is required, request the Claims Certification Section to furnish an amended certification. Any adjustment must be made retroactive to the earliest beginning date of the insurance annuity.

7.3.30 Tape Requests And Replies

Each day SSA prepares a magnetic tape which includes all compensation requests received from SSA-DO's in which an RR notation appears on the SSA wage tape. RRB, the Claims Certification Section merges the SSA tape requests with other tape requests and processes them against the master compensation tape. A magnetic tape reply to SSA is produced for every SSA request. The reply contains one of the following indications:

A. RR Compensation Cannot Be Used for SS Purposes - No Compensation Record Furnished - In this category are all RIB requests concerning employees with 120 or more months of S/S. Also in this category are cases in which a compensation record is not furnished by tape because a multiple or incorrect account number was furnished by SSA or an adjustment to the 1937-1946 period was made and SSA requires the breakdown.

B. RR Compensation Can Be Used for SS Purposes - Compensation Record Furnished - Included in this group are all RIB, DIB and survivor requests concerning employees with less than 120 months of S/S, no claim number, no GF indication, and alleged P/S on the SSA request together with S/S does not equal 120 or more months of service. Also included in the group for which a compensation record is furnished, but only for DF purposes, are all DIB requests concerning employees with 120 or more months of S/S; the tape shows "Medical Evidence Available" for these DIB cases if there is an RRB claim number.

C. RR Compensation Record Furnished But Jurisdictional Determination Pending - An RR-90 is produced for every case in this category.

7.3.31 When RR E/R Not Requested In Death Cases

SSA will request RR E/R when their records or the DO's E/R request shows RR involvement unless SSA tape records indicate that RRB has jurisdiction. In the latter case, SSA forwards the OA-C790 (IDP) to the servicing DO with a route slip indicating "RRB Jurisdiction."

SSA will assume they have jurisdiction and not request the RR E/R if all of the following conditions are met:

- The WE is insured on SS earnings alone,
- The 1971 PIA is $145.60 or more based on SS earnings alone,
- The tape record does not contain an "RR annuitant" or "120 months of RR service" indication, and
- The tape record indicates all RR employment was before 1951.

7.3.32 RR-90 Handling In The Claims Certification Section

The following types of cases are processed to a conclusion by the Claims Certification Section.

- Adjustments, corrections, multiple account number coordination and lag development of the E/R;
- Less than 120 months of S/S and P/S in an RRB claim folder or general file;
- Less than 120 months of S/S and verified plus claimed P/S;
- No CC in a case in which notice of the employee's death is received and no claim folder has been established;
- Operations, Retirement Benefits Division or Survivor Benefits Division has determined the case is SSA jurisdiction and requested transfer of the records after their action has been completed.

In a case in which the S/S plus verified and/or claimed P/S equals 120 months or more of RR service, and in a death case, a current connection is determined, the Claims Certification Section forwards the RR-90 and general file to Operations, Retirement Benefits Division or Survivor Benefits Division. If the SSA applicant claims a total of at least 120 months of railroad service, and part is P/S, SSA secures and sends RRB a completed G-108. The Claims Certification Section attached this form to the OA-C790 and RR-90 they send to Operations, Retirement Benefits Division or Survivor Benefits Division. In each of these cases, handle as described in 7.3.33 below.

7.3.33 RR-90 Attached To General File Folder

The Claims Certification Section will send an RR-90 to Operations, Retirement Benefits Division or Survivor Benefits Division to be completed for any employee for whom SSA is requesting the compensation record, and for whom a general file has been established, at least 120 months of RR service is claims but not verified, and, in a death case, a current connection has been determined. Upon receipt of such a case in Operations, Retirement Benefits Division or Survivor Benefits Division, develop any claimed prior service or military service. If 120 S/M are established, enter the notation "RR Compensation Cannot Be Used For SS Purposes" in Remarks, complete block 16 and return to the Claims Certification Section. If 120 S/M cannot be established, complete block 16 and return to the Claims Certification Section.

If a life case, complete and place a G-79 in the general folder after describing the Retirement Benefits Division action taken. Return the folder to files.

In death case, prepare a G-35. If 120 S/M are developed, route the G-35 with the folder to SCR-DEV to establish a claim folder. (Examiners in P&A may submit the G-35 directly to the processing section, S&S, for establishment of a claim folder.) If 120 S/M cannot be established, complete and return the folder to files.

7.3.34 Commuted Value Annuity Before 10-30-51

The Claims Certification Section will prepare and send to Operations, Retirement Benefits Division or Survivor Benefits Division for completion, an RR-90 for RR earning requests initiated by SSA for cases in which a commuted value annuity based on less than 120 service months was awarded before 10-30-51. Complete the appropriate items on the RR-90 and return to the Claims Certification Section. Do not transfer any claims material to SSA. Claims material must be retained as justification for payment of the commuted value annuity.

7.3.35 RR-90 Checked "DIB"

RR compensation can be used by SSA to establish the QC requirements for a disability freeze, regardless of the employee's status under the RR Act. A disabled employee can also qualify for a DIB under the SS Act based in whole or in part on his RR compensation, provided he has performed less than 120 months of RR service.

In most cases, compensation credits will be certified to SSA via tape by the Claims Certification Section: If, however, a general file folder has been established and at least 120 months of RR service is claimed, the Claims Certification Section will prepare an RR-90 and refer it to Operations, Retirement Benefits Division or Survivor Benefits Division. Develop claimed prior service. Upon completing all development, complete RR-90 and return to the Claims Certification Section. If 120 service months were established enter the notation, "RR Compensation Cannot Be Used for SS Purposes," in the Remarks section.

7.3.36 RRB "A" Claim In "RIB" Cases

RI will receive claim folders when an RRB claim number has been established and the employee has been credited with 120 months of service. The RR-90 will have been released by the Claims Certification Section. Examine the folder and the G-79 and take any further action required in the case in the event the O/M is being paid or a spouse has been awarded reduced benefits because of her own RIB entitlement.

7.3.37 RR-90 Received In SSA Jurisdiction "A" Death Cases

If an RR-90 produced by the Claims Certification Section shows an "A" claim number, they will secure the folder and made a jurisdictional determination. If RRB jurisdiction is determined, they will notify SSA of their determination. If SSA jurisdiction is determined, or jurisdiction cannot be determined from the folder, the case will be routed to SI with the RR-90. The Claims Certification Section will maintain a control for the return of the RR-90. If the RR-90 is the first notice of death, the G-26 will be stamped "First Notice of Death."

Upon receipt in SI, determine agency jurisdiction as described in Chapter 7.1. Complete block 16 of the RR-90 and prepare a G-35 to show which agency holds jurisdiction. Route the RR-90 to the Claims Certification Section and take whatever action is required for the completion of the case handling.

7.3.38 Processing Form SSA-790RR

Form SSA-790RR serves as a supplement to the regular compensation certification, Form RR-90, and is used only when the SSA DO or PC needs specific information to make a finding.

Form SSA-791RR will be used by the DO or PC under the following circumstances:

- Determination of creditability of prior service is needed. (The D/O will attach a completed Form G-108.)
- Creditability of military service is in question. (The D/O will furnish pertinent information.)
- An 11/51 recalculation is required. (This is the only type initiated by the P/C.)
- Additional account numbers are developed by the D/O.
- The RR E/R is necessary to answer inquiry.
- RR service is alleged but SSA did not request RR E/R.

The Claims Certification Section will give the originating SSA office the information requested whenever possible. If a determination as to the creditability of prior service is

required, the form will be routed to Operations, Retirement Benefits Division or Survivor Benefits Division. In such a case, take the necessary action to determine jurisdiction and return the form to the originating SSA office.

Appendices

Appendix A - Combined Credit Cases

Forms SSA-794 - Earnings Record - PIA Determination

BLOCK 1 - ACCOUNT IDENTIFICATION

Title	Explanation
Account Number	The AN printed in this block is the AN shown on the E/R request. This is the "Active" AN.
Multiple AN's	All other AN's are listed in this block. Only 4 AN's can be shown electronically. If there are more, an asterisk is shown following the last AN listed, and the additional AN's are clerically entered. When multiple AN's are involved, BDP combines electronically the QC and earnings data of the separate AN's on a "master" SSA-794 and shows EDP benefit and trial computations based on the combined earnings. SSA-794's for the individual AN's are not furnished.
Name	REG - First six letters of the AN's surname are printed as listed on E/R request. BDPA - First six letters of surname shown on BDP records if different from those on E/R request.
Sex	REQ - The sex ("M" for males and "F" for females) is printed as shown on E/R request. BDPA - The sex recorded on BDP's records will be shown if it is different from that listed on the E/R request, or the item is left blank or shown as "Unknown" on the E/R request.
Date of Birth	REQ - The date entered here is the month, day and year of birth as shown on the E/R request. If there is a discrepancy between the DOB listed on BDP's records and the E/R request, a cautionary remark will be entered in item 8 of the E/R.

	BDPA - This block is completed only when the month and year of birth appearing on BDP's records are not in agreement with the month and year of birth as shown on the E/R request. When BDP records show that the DOB is established, an "X" is clerically entered in the column headed "P".
Established Disability Period	This section displays alerts concerning disability periods previously established and identified electronically by BDP. A description of the legends used can be found in the SSA Claims Manual, Section 4115.

LAG INFORMATION

Lag Info.	Information listed in these columns represents lag information shown by an SSA DO on an E/R request. BDP considers all earnings listed in this space in connection with computations in blocks 4 and 5. If any of the data on the E/R request for a lag entry period is obviously incorrect, "EDITED" will appear in the "Amount Used" column. If the period alleged is prior to or later than the electronically determined lag period, the item(s) will be displayed with "PRELAG" or "POSTLG" in the applicable amount field.
Type	The type of lag earnings involved is shown here and designated as follows: 1. AG - Agricultural Wages 2. DV - Annual Allegation (for closed year only) 3. ML - Military Wages 4. SE - Self-Employment 5. WG - Regular Wages
Period	The quarter and year are entered for quarterly amounts and fiscal SEI and two zeroes and the last 2 digits of the year is entered for yearly amounts.
Amount Used	Under this heading, the exact amount shown on the E/R request is printed, if the alleged lag is quarterly, SE or AG. If an entry of the same type of earnings for the period(s) in question has been posted to BDP's record, or maximum earnings are already posted, "None" is entered in this column.

	When the lag amount is a yearly "WG" amount, the amount used (excess of alleged over posted amounts) is entered in this column. When less than the full amount shown on the E/R request is used, an asterisk is shown to the left of the amount. When a "DV" amount is listed, the amount shown on the E/R request is listed. If this amount is used in the computation, a notation will be shown to the left of the amount and a notation will be shown in block 9.
Mil Serv.	The beginning and ending dates of each period of M/S shown on the E/R request is entered here. If the date is obviously incorrect, "EDITED" will appear in these columns. IF "PRF" or "PRC" codes are shown, BDP did not consider the dates preceding the codes.

PERTINENT DATES

Filing	The month, day and year the current application was received (as entered on the E/R request) are shown here. If the date indicated is an impossible date, such as months shown as "13," or a date in the future "(current month) PR (year)" will be entered. The "current month" and "year" are the month and year BDP processes the request.
Death	The date shown here is the month, day and year of death as shown on the E/R request and is used in the EDP process. If no date of death is shown or the year shown is impossible, BDP presumes death in the year of filing, or if there is no application date, the year the E/R request was initiated. When this occurs, "P" (presumed year of death) is entered.
Onset	In disability cases, the month, day and year of onset are the same as shown on the E/R request. If no onset date is shown on the E/R request, or the date is impossible or unusable, e.g., the date is before 10-1-41 or after the current date, the onset date shown on the SSA-794 is an assumed date of onset based on an analysis of the earnings activity. If only the month and year of onset are listed on the E/R request, BDP will assume onset on the second day of the month. In these cases, "PO2" is entered in the "Day" column. These columns are left blank in RIB cases unless there is a disability freeze on records in BDP.
Elected	The month and year of election are the same as shown on the E/R request. If lozenges are entered, instead of a month or

	year, this indicates the month or year shown on the E/R request is an impossible one based on date of filing. If no month of election was shown on the E/R request, these columns are left blank and BDP uses a date of entitlement based on the WE's DB, date application received and date insured status is acquired.

BLOCK 2 - EARNINGS RECORD DATA

QUARTERS OF COVERAGE TESTS

Required QC	Fully - The acquired QC's to be fully insured under the 1-for-4 provision is shown in the "RSI" column in RSI claims. An entry in the "DIB" column will appear only if the fully insured status requirement exceeds the 20/40 requirement. TR - If W/E is not fully insured but meets age requirement for transitional insured status, the required QC's are shown here. SPEC 72 - If W/E is not fully insured but meets age requirements for the special age 72 payment, the required QC's are shown here. HIB - If W/E is not fully insured but has attained age 72, the QC's needed to be insured for health benefits will appear. NOTE: A mechanical entry in one of the above items does not by itself indicate that the W/E is not fully insured as occasionally electronic tests cannot determine the existence of fully insured status.
Has QC	If the W/E is fully insured the number of QC's shown will be the actual QC's or simplified QC's plus actual post 1950 QC's (whichever is higher) to a maximum of 40. If uninsured the actual QC's will be shown here and the simplified count plus any actual post-1950 QC's will be shown in "Simp QC."
Simp QC	The total number of QC's under the simplified method plus any actual post-1950 QC's are shown when the W/E is not insured under the regular or simplified methods. The total QC's shown could differ from the number shown in "Has QC's." An asterisk shown here indicates the W/E is fully insured under this method.
Max QC	The maximum possible QC's the W/E could have will appear here if it is determined the W/E is not insured for any life,

	survivor or health benefits and an exact count of QC's cannot be made mechanically. (Currently Insured) A "Y" denoting yes is entered in life and death cases. An "N" denoting no is entered if the electronic analysis indicates W/E could not possibly be insured.
First Elig	This entry indicates the period beyond which no retroactive payments can be made, and the year of eligibility in pre-1960 method computations.
Disability Met	20/40 - A "yes" or "no" entry indicates whether 20/40 test is met. Age 31 - A "yes" or "no" entry indicates whether age 31 test is met, if the 20/40 test was not met at onset. Non Ex - A "yes" or "no" entry will appear on the corresponding test (20/40 or age 31) that was met. The entry indicates whether or not the test is met at the beginning of the waiting period.

QC AND EARNINGS TOTALS

Tot SE QC	Total SEI QC's are shown without consideration as to whether there are also AG or wage QC's for the same year.
Tot AG QC	Total agricultural QC's after 1954 are shown without consideration as to whether there are also SE or wage QC's for the same year.
Wage QC	After 46 - The total QC's shown here does not reflect gift QC's lag QC's or M/S shown in Block 1. This sum is the highest possible wage QC total after 1946 which can be used without manually checking all QC's credited. After 50 - The total QC's after 1950 are shown here.
Total Earnings After 1936	All earnings posted after 1936 and usable lag amounts listed in "Lag Amount Used" of Block 1 are shown without regard to the maximums for these years. The gratuitous M/S credits for years 1940 through 1956 and after 1967 will be included in the total. The totals are reduced to the yearly maximum allowable totals for computations only.

Total Earnings After 1950	All earnings posted after 1950 and usable lag amounts listed in "Lag Amount Used" of Block 1 are shown without regard to the annual maximums for these years. The gratuitous M/S credits for years 1950 through 1956 and after 1967 will be included in the total.
Yearly Earnings	Yearly earnings from 1937 to date from SSA and RRB records may be mechanically entered. SSA earnings from 1951 to date are always shown. Whenever a record of RRB earnings data is obtained, annual RR compensation (designated "RR" in year column), QC, and service month indication for years 1947 to date is entered. SSA earnings data for the years 1937-1950 period and RRB earnings data for the years 1937-1946 period are shown when pertinent. Solid lines separate yearly data and sufficient space is provided for the entry, when pertinent, of RRB's earnings data for each year. A heavier solid line separates the period when the maximum was $3,000, $3,600, $4,200, $4,800, $6,600, $7,800, $9,000, $10,800, or $12,000.
"U" Column	The alphabetical characters shown indicate which years were actually used in the computation. The letter "H" designates each year used. A "free money" year is indicated by an "F" and each of the two lowest years by an "X".
"QC/SM" Column	If an "RR" entry appears in the "YR" column, the number of compensation QC's and the number of service months, separated by a space, is shown. For SS earnings, a "C" represents a wage QC, an "A" represents an agricultural QC, an "M" for a military QC, a "G" for a gift QC, an "S" for a self-employment QC. An "L" is shown for a QC established in a lag period. The lack of a QC is shown by an "N." If an asterisk or lozenge appears for any year after 1956, it indicates that earnings posted for a particular quarter may be less than $50.
"SE" Column	The SEI QC's will be shown as an "0," "4," or "*." The asterisk indicates that the number of QC's is other than 0 or 4 and should be checked for that year.
"AG" Column	The number of agricultural QC's will be shown.
"DMW" Column	After 1956, deemed military wages may be included in the earnings column as part of the total earnings. The amount used in computing benefits for months prior to 1-1973 is

	based on the quarter entries shown. A "1" (for $100), "2" (for $200), "3" (for $300), or "N" (for none) will appear in each position to represent the amount of deemed military wages in each quarter. The dollar amount for each quarter of deemed M/S after 1956 for claims electronically processed 1-1973 or later are based on allocating $300 per quarter (shown as "3"). If there were no military wages this column will be left blank.

BLOCK 3 - RRB INFO.

Title	Explanation
Name	If the name on RRB 's records disagrees with the name on the E/R request, the first 10 letters of the surname of the WE as shown on RRB's record are printed.
DB	The month and year of birth on RRB's records will be shown if it disagrees with the month and year of birth on the E/R request.
YLW	The year the WE last worked in the RR industry appears here. In some cases the year 1946 appears if the WE last worked in one of the years prior to 1946.
1937 to Date	The total service months (SM) and compensation from 1937 through the last period for which compensation reports have been processed is entered.
1937 to 1946	The total SM and compensation for the 1937-1946 period is entered if an "X" has been entered in the "37TD OB" or "37-46 OB" columns.
Gross Residual	The figure entered is the gross residual based on the WE's compensation record.
INV	An "X" appears in this space if BDP's summary record indicates the WE had RR employment after 1936, and one of the indication in the following four columns is not applicable.
120	An "X" appears in this space when BDP's summary record shows the WE has 120 months of RR service after 1936 but does not indicate he is an RRB annuitant. An "X" will also appear in this space when current information received from RRB shows the WE has 120 months of RR service.

ANN	An "X" appears in this space when BDP's summary records indicate the WE is an RRB annuitant.
RNEL	An "X" appears in this space when BDP's summary record indicates that the residual has been paid by RRB but no election was made.
RELM	"X" appears in this space when BDP's summary record or current information received from RRB indicates the residual has been paid by RRB and an election made.
RR-90	In some cases, BDP will obtain and attach an RR-90 to the SSA-794. For example, an RR-90 will be attached if "prior service" has been established. An "X" will be entered in this space if an RR-90 is attached.
RR JUR	An "X" appears if RRB has jurisdiction of case.
37 TD OB	An "X" appears if BDP and RRB DP&A records are out of balance.
37-46 OB	An "X" appears if BDP and RRB-DP&A records are out of balance for the 1937 through 1946 period.
MED EV	An "X" appears if RRB has advised "medical evidence" is available.
ALL PRE-51	An "X" appears if all RR service was prior to 1951.
RR SUR	An "X" appears if RRB is paying a survivor benefit.
RR SPO	An "X" appears if RRB is paying a spouse of an RR annuitant.

BLOCK 4 - BENEFIT COMPUTATIONS

Title	Explanation
Type	The abbreviated descriptive letters of selected EDP and trial clerical computation can be found in SSA Claims Manual, sections 4150.1 and 4150.2.
First Base Yr or SD	The first calendar year in the computation base year (1960, 1965, or 1967) is shown. If a pre-1960 method is used, the starting date is usually 12/36 or 12/50. If W/E attained age 22

	after 1951 and the age 22 computation is selected, the starting date is the last month of the year of age 21.
Last Base Yr or CD	The last calendar year in the computation base year (1960, 1965 or 1967) is shown. If the pre-1960 method is used, the closing date is the first day of the year of the W/E's first eligibility, entitlement or death.
Dividend	The total (maximum) creditable earnings in the computation years selected for the applicable computations are shown here.
Disability Base Years Excl Elapsed Period or DO Yrs	This column shows the years in a period of disability that are not counted as base years. If a 1960, 1965 or 1967 method is used the elapsed years will be shown. If a pre-1960 method is used the drop-out years are shown.
DM	The applicable divisor months are shown here.
I/Y	The exact number of increment years is shown for an old-start computation.
M/S Mos Incl	The number of months of usable gratuitous M/S that are used in establishing the dividend is shown in this column.
PIA	Retro - If the PIA applicable prior to 2/68 differs from the PIA effective in 2/68 the amount is listed here. CURR - The currently effective PIA is shown. It is possible for more than one PIA to be shown. Code letters identify the period for which the PIA is applicable or the formula by which the PIA is computed: A - PIA's effective for monthly benefits payable prior to 1/70 and LSDP's only based on death prior to 1-70; B - 3/74 (1973 amend. rate); C - Special Min PIA 3/74 (1973 amend. rate); D - 6/74 (1973 amend. rate); E - 1/75 (1973 amend. rate); F - Special Min. PIA eff. 1/75 (1973 amend. rate); G - 1/70 (1967 amend. rate in effect before 1969 amend. conversion); H - 1/70 (1969 amend. rate); J - 1/71 (1969 amend. rate in effect before 1971 amend. conversion); K - 1/71 (1971 amend. rate); L - 1/72 (1971 amend. rate); M - 1/73 (1971 amend. rate in effect before 7/72 amend. conversion); N - 1/73 (7/72 amend. rate in effect before 10/72 amend. conversion); P - 1/73 (10/72 amend. rate); R - Special Min. PIA 1/73 (10/72 amend. rate); S - 1/74 (10/72 amend. rate); T - Special Min. PIA 1/74 (10/72 amend. rate); W - Special Min. 1/75 (10/72 amend. rate in effect before 1973 amend. conversion); X - 1/75 (10/72 amend. rate

	in effect before 1973 amend. conversion); Z - 9/72 (1972 amend. rate).
Lump Sum	The amount of LSDP payable is shown in death cases.
RED/DRC Months	If a reduction is applicable, the number of reduction months and the reduced benefit are shown. If a delayed retirement credit is applicable, the number of months used to compute the DRC will be shown.
Adjusted Benefits	If applicable, this area will display the increased RIB under the DRC provision or reduced benefit amounts.

BLOCK 5 - BDPA EXAMINER

General	This block shows the manual benefit computations made by SSA-BDP. In many instances manual computations are not required as the electronic calculations are the best possible computations.

BLOCK 6 - DO, PC, BDI

General	If the DO or reviewing office finds it necessary to make additional or corrected PIA computation, all basic computation data is listed here.

BLOCK 7 - BDP&A SIGNALS

CA	An "X" in this claims adjustment column indicates a previous claims adjustment action which may not have been offset by a regular posting.
ED	An "X" in this earnings discrepancy column indicates there may be a pending earnings discrepancy in BDP.
X	An "X" in this special symbol column indicates either (1) a credit item was processed for any year in the 1947-1954 period, or (2) that there are earnings in excess of the maximum posted for a year prior to 1951 or a delinquent debit posting for a year prior to 1951, or (3) a debit or credit item applied for a year prior to 1953 and was processed in or after the first posting cycle of 1959.

NIF/NYE	An "X" appears in this column if the AN or one of multiple AN's has not yet been found on the summary earnings tape (not in file). A "Y" appears if the AN or one of multiple AN's has not yet been established on the summary earnings tape (not yet established).
CR IND	An "X" appears in the "EN" column to indicate a credit in the total earnings account. An "X" appears in the "QC" column if any total of QC's is a credit total.
SE/AG/INV	An "X" is entered if both SE and AG activity are involved on the E/R. The letter "S" appears if there is SE activity but no AG activity. The letter "A" appears if there is AG but no SE activity.
1085	An "X" in this column indicates an adjustment has been made on the earnings or QC totals on this E/R.
FB IND	This space is used to indicate the extent to which detailed information from the SSA microfilm E/R is considered in the computations, QC pattern, etc. A "55" indicates that detailed information for the period 1937-1955 was considered and a "50" indicates detailed 1937-1950 information was considered.

BLOCK 8 - BDP CERTIFICATION

Type of Action	Certified E/R's are identified as to whether they are retirement (RET), survivor (SUR), disability (DIB), or chronic renal disease (CRD) in this space. Uncertified and informational E/R's are identified as to the type by a stamp in block 8. The date the E/R is certified and the signature of the claims examiner appear in this block.
Entit.	This block is divided into "MO" and "YR" columns to show the first month and year of entitlement in two-digit format. No entry will be made in this block unless an electronically produced computation is made.

BLOCK 9 - BDP, DO, PC OR BDI REMARKS

General	Block 9 is used by BDP to alert the DO, BDI, and/or PC to the possible need for development in certain electronically

	recognized situations and to call attention to certain facts. An explanation of the most frequently entered remarks appear in the SSA Claims Manual, Section 4175.

Block 10 is used by the DO or PC to enter pertinent information.

8.1.1 Introduction

This chapter provides information and guidelines for the adjudication of retirement, disability and survivor claims to award or deny benefits. Any subjects with additional material in other RCM chapters have been cross referenced.

The appendices at the end of this chapter contain instructions for showing names and addresses on award forms, descriptions of forms G-90a, G-90b and the tracing schedule.

8.1.5 Duplicate Files and Files with Incorrect Claim Numbers

Occasionally, two files will unintentionally be made with the same claim number. If both files are for the same applicant, consolidate the material into one file and give the second file to the supervisor. The initial folder preparation and identification unit (IFP&I) will destroy the second file.

Likewise, any file with an incorrect claim number should be given to the supervisor. However, verify the correct claim number first. The supervisor will walk the file to IFP&I and request a file with the correct claim number. Since these errors are usually confined to new files, initial examiners should be particularly alert when screening the dormant and active file cabinets.

8.1.6 Identifying Dual Annuitants

Certain retirement and survivor annuities must be offset for receipt of "other railroad retirement annuities". To alleviate any potential overpayment, always check the application carefully for additional annuities.

A. Retirement - Check the section of the employee and the spouse application titled "Information about other railroad retirement annuity."

B. Survivor - Check the section of the widow's and the child's application titled "Information about other railroad retirement annuity." Also check the aux. spouse and widow(er) G-90 for 120 railroad service months.

If receipt of another annuity is indicated, secure the other file. Both files should be clearly tagged as dual files. Refer to RCM 8.1 Appendix H for instructions on folder movement and jurisdiction.

8.1.7 Potential Beneficiaries (Including IPIs)

Depending upon the status and the type of award, initiate all development that may be required for other potential beneficiaries.

A. Retirement Initial Cases - Test for the overall minimum (O/M) after the regular annuity is paid final. The test will be based upon the information currently in file. If the test indicates the O/M could apply, forward the file to the retirement post section (RPS) for development action.

B. Retirement Post Cases - Do not delay a rate correction for possible increase under the O/M. However, it may be possible to initiate development while processing of the regular annuity adjustment continues.

NOTE: If the employee indicates that he has a disabled child, an application for the disabled child should be developed even if the annuity rate would not be increased under the O/M. After the material is received, forward the file to the bureau of disability and Medicare operations.

C. Survivor Recurring Award Cases - When not all of the potential claimants for survivor recurring benefits have filed, initiate development action for those individuals before submitting for payment, the claims of beneficiaries who have filed. However, it may be necessary to withhold the shares of potential beneficiaries to avoid possible overpayment to entitled beneficiaries.

D. Survivor One-Payment Award Cases - Annuities due but unpaid at death or Residual Lump Sum may be paid to multiple beneficiaries. If no discrepancies are found on the applications or proofs, pay the beneficiaries who have filed and withhold the shares of those who have not filed.

8.1.8 Application Not in File

If the application has not been matched to the file, check the unmatched correspondence or contact the person handling the applications (supervisor, development clerk). In the retirement and disability sections, a duplicate application can be printed from the Initial Claims system (IC) by the designated individual with RRAPL access. In addition, examiners have access to screen print individual RRIC screens. Soliciting a signature on these (duplicate) applications is not needed. Also print a set of the proofs if necessary. If you are unable to secure the original or a duplicate application, contact the field office for a second application. Never delay the processing of the claim pending an application. Do as much adjudication of the claim as possible.

8.1.9 Correspondence in File

Never leave loose or unanswered correspondence in the file. Inquiries should be answered promptly. Refer to RCM 10.2 (Processing Correspondence) for detailed instructions on handling correspondence.

8.1.10 Securing New Social Security Account Number

The Social Security Administration now requires proof of age and citizenship before new social security numbers (SSN's) can be assigned. In addition, applicants age 18 or older alleging no prior SSN must undergo an in person interview. Previously, the RRB field office would secure a completed Form SS-5 from beneficiaries who had never obtained an SSN. This form was then sent directly to the appropriate SSA district office for processing. Effective March, 1979, any RRB beneficiary, between the ages of 16 and 70, without an SSN will be referred to the nearest SSA district office to apply for his SSN.

When the field office advises that the applicant will obtain a new SSN from SSA, examiners should not control the case or enter a tracing call-up for receipt of the SSN. Field offices will pend their files for 6 months to trace for the SSN from the individual. Enter zeroes on any award form that is completed before the new SSN is received. If the case is already in pay status, complete Form G-59/59R for the BIS-DMG showing "000-00-0000" as the social security account number. When the field office supplies the new account number, release a second G-59/59R to notify DMG of this SSN. Also, release form G-60 to earmark SSA's master benefit record in all cases except those involving students or minor children. Finally, update the CHICO record with a G-607.

NOTE: If no SSN will be developed e.g., spouse lives in Mexico, does not have a SSN and will not obtain one, enter nines on the award form. If zeroes were originally entered on the award form, enter nines on the G-59/59R.

8.1.11 Securing Social Security Benefit Data

Generally, social security wage and benefit data must be requested for all applicants and O/M IPI's (ineligible person included) filing for a recurring annuity. Information is requested on the annuitant's own social security account number and any other account number the applicant indicates he/she is receiving SS benefits under. For specific conditions under which to request social security wage and benefit data, refer to RCM 7.4.4 and 7.4.5.

8.1.12 Railroad Retirement Earnings under Multiple Social Security Numbers

There are railroad employees who worked and earned compensation (SS wages may also have been earned) under two or more different social security account numbers (SSN). In these cases, the earnings must be consolidated under one SSN. The Compensation and Employer Services section in Assessment and Training has the responsibility for combining earnings. Forward any file with this problem to P&S-CESC on a G-26A through the section supervisor. Since these cases may take time to correct, initiate as much development action as possible before sending the file to P&S-CESC.

8.1.13 Jurisdiction in Retirement/Disability Cases

In order to ensure efficient claims processing, the Retirement Benefits Division (RBD) and the Office of Disability, Sickness & Unemployment Benefits Division (DSUBD)have defined the areas of responsibility for each bureau. Employees are expected to be flexible in following the guidelines outlined below and to always act in the best interest of service and efficiency.

A. Initial Award of Employee Disability Applications

DSUBD

Complete adjudication of employee disability applications.

B. Initial Award of Spouse Applications

DSUBD

Spouse applications where the employee has filed for or is receiving a disability annuity and the spouse's filing date is prior to the disabled employee's "paid final" date.

Spouse applications filed based on a disabled child.

RBD

All spouse applications where the employee is receiving an age and service annuity.

Spouse applications where the employee has filed for or is receiving a disability annuity and the spouse's filing date is later than the disabled employee's "paid final" date. Spouse applications filed while the case is under DSUBD control for disability freeze (DF) determination and coordination with SSA. The Retirement Initial Section (RIS) will prepare a listing requesting cases and deliver it to the DSUBD expediter. Tracers from the listing go to the support section supervisor in DSUBD. RIS should process the spouse application on RASI and return the case to BDMO when current action is completed. RIS can re-request the case if additional RASI input is required (i.e., RIS receives referrals or reject messages).

C. Initial Award of Supplemental Annuities

DSUBD

All disability applicants who meet the requirements for a supplemental annuity at the time the initial disability application is processed.

RBD

All others.

D. Electronic Data Processing (EDP) Review

RBD/ DSUBD

Each bureau is responsible for the review of mechanical awards which it has processed. This includes testing for the applicability of the overall minimum (O/M), but not O/M development which is done in the retirement post section (RPS). All adjustments found during this process are the responsibility of the bureau conducting the EDP review. If the annuity is overpaid, DSUBD and RIS are to correct the erroneous recurring rate and forward the case to the RPS of DRB for recovery of the overpayment. "O/P P - F" (partial to final) should be shown on the route slip to help identify such cases when they get to RPS.

NOTE: O/M testing after DF is granted is the responsibility of DRB.

E. Hearings and Appeals (H&A) and Board Appeal Reversals

DSUBD

All reversals of initial disability entitlement (employee and spouse with child).

RBD

All reversals involving age and service, spouse and supplemental annuity actions, and disability annuity decisions not involving the disability rating.

F. Tax Refunds

RBD/ DSUBD

Each bureau is responsible for the payment of excess tax refunds as part of the EDP review process, subject to the following restrictions:

If the DF is granted or denied at the time of the initial rating, DSUBD will pay the tax refund as part of the EDP review.

During DF only processing, if the freeze is denied and a tax refund is payable, the case should be routed to RIS to pay tax refund.

Tax refunds payable when the DF is granted will be handled when the DF G-90 review is done in RBD.

G. Quality Assurance (QA) Corrections

RBD/ DSUBD

Each bureau will be responsible for the correction of errors it produced when detected by QA.

H. Other Issues

SS Awards

DSUBD is to promptly release cases pending an initial or reinstate social security award action. The RPS-B1 will prepare a listing requesting cases and deliver it to the DSUBD expediter. Tracers from the listing go to the support section supervisor in DSUBD. RPS-B will process awards and return cases to DSUBD rather than hold in dormant while waiting for voucher clearance. CBS must provide immediate turn around time on such cases to avoid delay of medical decisions.

SSA award adjustments (recertification) and mechanical output referral (MORs) will be held in CBS for 90 days, pending availability of the case. After 90 days, if the folder does not become available, RPS-B1 will send a listing to the DSUBD clerical supervisor requesting the cases.

Disability Annuity Adjustments

RBD will process all adjustments on disability claims not specifically excluded by sections A-H above.

8.1.14 Legal Process Cases

Send all retirement, disability and survivor cases requesting reconsideration or legal processes i.e., garnishments, partitions, to the RPS-B2.

8.1.15 Verification of Address and Direct Deposit Data

Verification of an annuitant's address and/or direct deposit information is necessary if a payment has not been issued 6 months or more from the date the information was submitted. Two examples that illustrate this are initial disability applications, which may pend more than six months due to medical evidence development and the reinstatement of a case after being in suspense for a period greater than 5 months. Verification may be initiated sooner if there is evidence an address or direct deposit information may have changed.

To verify the address or direct deposit information, send an assignment to the F/O via electronic mail (HSL). Remember to allow time for this when setting a reinstatement call-up (tickler code sheet) on cases that will be in suspense for 6 or more months. For initial applications, information in file must be in accord with the provisions of mandatory EFT. Refer to FOM Field Instructional Memorandum 04-96 for more information.

8.1.16 Identity Theft

Refer to FOM1 136 .

8.1.20 Retirement Mechanical Award Processing

This section provides an overview of the Initial Claims/Advance Evidence Collection system and RASI processing of age and service and disability awards. Also included is a checklist that examiners can follow when doing EDP review. Detailed information on these systems is contained in RCM Part 9.

8.1.21 Initial Claims System (IC)/Advance Evidence Collection (AEC)

The IC system accepts retirement annuity applications, Medicare applications and applicable evidence via CRT terminal. AEC records proofs that a beneficiary files before or after an application.

Detailed information on IC and AEC is found in RCM Part 9.

8.1.22 Retirement Adjudication System Initial (RASI)

The Retirement Adjudication System Initial (RASI) handles most applications and certifies most initial payments. The retirement/disability initial (RI) examiner works closely with this mechanical system, continually monitoring the progress of each claim to insure timely and accurate certifications.

Employee and spouse applications are entered into the RASI system by the field offices (F/O) via the Initial Claims (IC) system. The RASI record is established from the information shown on the application (AA-1/AA-3), the proofs and the cover sheet used by the F/O to summarize the information in the application (G-230). The data from these forms allows RASI to begin processing the claim for benefits even before a folder is established at headquarters. RASI will mechanically request the railroad and social security earnings, the primary insurance amount used to calculate the final rate, and mechanically process clearance from the bureau of unemployment and sickness insurance. Upon completion of all required actions, RASI will pay the claim and release an award letter.

In certain rare instances, RASI may reject an application entered into it. If this occurs, the Program Evaluation Section (PES) oversees correction and reentry.

8.1.23 Monitoring RASI

RASI provides a picture of its processing in two ways:

- A bi-weekly status list of cases which have not yet been paid partial (available to supervisors only);

- RASI Examiner Query Electronic System Terminals (REQUEST), viewable on CRT's or PCs.

In addition, listings of RASI referral and reject messages are loaded to HSL on a daily basis.

The examiner should use REQUEST and HSL to monitor RASI and determine the input required for RASI to continue timely processing of awards. Detailed information and instructions on these sources is found in RCM Part 9. In RCM 9, you will also find information on when lag development is required, when the field offices may input a partial award (IMPACT, SPAR) payment and other material vital to the processing of mechanical awards.

8.1.24 RASI "Compute Only" Awards

RASI will produce a "compute only" award if it is unable to certify the final award. The examiner must first determine why RASI was unable to pay the final award and then take the necessary action to manually pay the final award. Check the remarks section of the RASI award form (G-354R, G-355R) for the "compute only" message. Refer to RCM 9.3 for explanations of the various messages.

8.1.25 RASI "Compute Only" Awards, Partial Exceeds Final

Pay particular attention to this situation. Since last pre-retirement non-railroad employer (LPE) deductions must be considered, there may be multiple reasons why the partial rate exceeds the final rate. Check the file carefully for work and earnings and determine if tier 1 and tier 2 and/or vested dual benefit work deductions must be assessed. Check for social security entitlement. Refer to RCM 9.3 for additional information on this subject.

8.1.26 RASI Award Review

The process of checking RASI final award activity is referred to as "EDP Review." EDP Review is necessary to:

Insure that the annuitant is paid correctly; and,

Promptly identify systems errors; and,

Insure that all necessary adjudicative action has been completed prior to the release of the folder to Claim Files or other appropriate unit.

All RASI final award activity is designated either "Review" or "No EDP Review Message."

The "Review" designation denotes that additional development and/or adjudicative action is required, or the existence of particular elements vulnerable to error. Review

messages are displayed in the Remarks section of the RASI award identifying the additional adjudication required to finalize the initial award activity, or the specific error-prone area to review. These review messages and the examiner action required are described in detail in RCM 9.3.13.

The "No EDP Review Message" designation is an indication that no additional development is required to finalize the initial award, and that no error-prone element is present. The award (G-354R or G-355R) should be matched to the file, along with the employee G-90. If no additional action is designated on the G-227 (see RCM 9.1.20) attached to the outside of the folder, the file should be released to Claim Files.

While awards designated "No EDP Review Message" do not require total review, some review may be required or requested, subject to the current instructions in P&S-RAC. For instance, review of all RASI awards in December and January may be required to verify routines from the annual cost-of-living job.

In addition to reacting to the specific review messages, examiners should check RASI final awards for the accuracy considering:

Name and Address

Direct Deposit Status

Claim Number

Individual's SSA Account Number

Status of SSA Entitlement - Possible Pending SOLAR Award

Correct ABD and Type of Annuity

Payment Summary

Code Paragraphs

Temporary Work Deductions

Regular and LPE, Rate Changes, PIA 2, DRC's, Earnings Estimate, Continuing LPE

NOTE: When checking work deductions (W/D) during EDP review, examiners are to follow certain guidelines.

Calculate the correct W/D amount and enter in remarks.

Compare the calculated amount to the amount RASI withheld.

If the calculated amount is higher by more than $1.00 than the amount RASI calculated OR more than $10.00 lower than the calculated RASI amount write

"recertify" on the award and give to the senior examiner. Otherwise, notate the award "NAN tolerance" and forward to imaging.

For cases in which the RASI temporary W/D is too low (over-payment), the examiner will recertify the annuity from the current month to correct the W/D. Cases in which the RASI temporary W/D is too high (underpayment), will be recertified from the ABD.

Examiner will receive a copy of the RASI award marked "copy". The original award will be sent to imaging. The award marked copy will be discarded after the annuity is adjusted.

Spouse Only

EE Data from PREH (Tier 1 and Tier 2, TWD's on EE)

RRA Maximum

EE Only, EE and Sp or Sp-Only

G-230

Protected Filing Date, Deterred from Filing, S/E

EE G-90

DOB, ABD, Annuity Type, Eligibility Year, Vesting, Duplicate Earnings, UI-87 Stop Notice Referral (see RCM 7.4)

M/S

Multiple Periods, Overlapping Months, Reserve Duty

Other Pending Award Actions

Spouse, Supplemental Annuity, Tax Refund, SALSA, SOLAR Award

Miscellaneous Earmarks and Rejects

COL, AERO, RAIL

G-227

Pending Development, Correspondence

When the EDP Review of a "Review" or a special-situation "No EDP Review Message" award is complete, date and initial the award form. Route the folder to claim files or to the next appropriate destination.

8.1.35 Survivor Mechanical Award Processing

This section provides an overview of the Survivor Calculation System (SURCAL) and most importantly, a checklist to follow when authorizing SURCAL input forms. Use this list during authorization to ensure the forms are complete and correct.

8.1.36 The Survivor Calculation System (SURCAL)

SURCAL processes most initial survivor awards, spouse-to-widow conversions and partial to final awards. SURCAL will compute the annuity rate and the accrual amount, if any, and prepare a G-360, G-360a award form for a folder record. The system will also prepare an award letter with appropriate code paragraphs. There are some types of cases which SURCAL cannot process that must be handled manually. For a full description of the conditions under which the program cannot handle a particular case and for instructions on preparing input, refer to RCM 9.1.

8.1.37 Authorizing SURCAL Input Forms

The SURCAL input forms must be reviewed for accuracy. During the authorization process, check the forms carefully to ensure that the items listed below are correct.

Does the RRB claim number on Forms G-359a and G-359b agree?

A. G-359a Completion

Is the type of payment correct?

Lump Sum Death Payment (LSDP)/Residual Lump-Sum (RLS) awards - Is Date of Birth (DOB) and Date of Death (DOD) correct?

Is marital status code correct?

Is military service (M/S) code correct?

Is widow(er)'s SSA number entered if paying widow(er)?

LSDP's - Is potential LSDP less than or equal to (reimbursable burial expense) on G-359b.

If RLS information required, is correct code entered?

If LSDP/RLS award and widow(er) survives, is the DOB entered?

Are all applicable items completed?

B. G-359b Completion

LSDP's - If two people are being paid, are two amounts shown?

Is the group mark shown in the address block?

Does the payee symbol number agree with item 2 of G-359a? Is address continuation code correct? If address continuation is yes, is payee symbol number code in column 80 correct?

Does RRB claim number on G-360 and G-360a agree?

Are all applicable items completed?

C. G-360 Completion

If six-digit claim number, are boxes zero filled?

Is original beginning date (OBD) correct?

If 6 digit claim number, is EE's SSA number entered?

Is DOB and DOD correct?

Is year of eligibility correct?

Is PIA code correct?

Is PIA on OBD entered?

If "Gotches" case, is date of 2nd deduction correct?

Are all applicable items completed?

D. G-360a

If representative payee, is the correct representative payee code entered?

Is beneficiary's correct SSA number entered?

Is beneficiary's correct DOB entered?

Does family code apply?

If two date breaks, are two Public Service Pension (PSP)/Social Security (SS)/EE offset amounts entered, if applicable?

If SS benefits, is SSA claim number suffix code correct?

If an EE offset applies, has this item been completed?

Are all applicable items completed?

8.1.45 Manual Award Processing

This section provides information on examiner processing of retirement and survivor awards. A checklist is provided for use in preparing and authorizing awards. For easy reference, this section is divided into a retirement and a survivor subsection. Any subjects with information in other RCM chapters have been cross-referenced.

8.1.46 Dual Railroad Retirement Annuities

There are individuals entitled to more than one railroad retirement annuity. Generally, dual annuity combinations consist of:

A. Employee Annuity and Spouse Annuity

1. Either annuity is based on some RR service before 1975:

The spouse annuity tier 1 is reduced by the employee annuity tier 1 as follows:

Tier 1 after WC/PDB, if the reduction for the spouse's own EE annuity was first applied on an award voucher before 10/1/1988.

Net tier 1, if the reduction was first applied on an award voucher or reopening on or after 10/1/1988.

The reduced amount is usually restored in the spouse annuity tier 2.

2. Neither annuity is based on any RR service before 1975:

The entire spouse annuity is reduced by the entire employee annuity (tier 1 and tier 2).

B. Employee Annuity and Survivor Annuity

1. Either annuity is based on some RR service before 1975:

The survivor annuity tier 1 is reduced by the net amount of the employee annuity tier 1. A portion of the reduced amount is restored in the widow(er)'s annuity tier 2 if:

Either the widow(er) or the deceased employee completed 10 years of railroad service before January 1, 1975, and

The widow(er) proves 1/2 support.

2. Neither annuity is based on any RR service before 1975:

The entire survivor annuity is reduced by the entire employee annuity (tier 1 and tier 2).

C. Survivor Annuity and Spouse Annuity

Only the higher annuity is payable.

D. Survivor/Survivor Annuity

Only the higher annuity is payable.

The restoration and reduction amounts can vary depending upon certain factors. Therefore, refer to the forms instructions in RCM 8.8 and 8.9, and eligibility and entitlement procedure in RCM 1.3 and 2.2, for additional information on dual annuities.

8.1.47 Social Security Benefit Entitlement Indicated

If the applicant indicates social security benefit entitlement, determine whether or not payments are in force. SS entitlement information is needed to pay the SS benefit and to reduce the railroad retirement annuity.

Use sources such as the PAM ON-LINE OPERATION (POLO), SOLAR, JADE, the Master Benefit Record (MBR), and the on-site representative (OSR), to secure social security benefit information.

Before awarding an initial survivor benefit, check DATAQ for a terminated social security benefit. Use FAST-S/T to delete the terminated record before making annuity payments.

8.1.48 Identifying Overpayments

Always examine the folder and check the Programs Accounts Receivable (PAR) system to determine if there are any outstanding erroneous payments made either by SSA or RRB that must be recovered from any accrued annuity or through the overpayment recovery process. This includes 4% death benefit awards paid under the RR Act of 1937 and 1935 Act death benefits.

Overpayments are usually reflected on forms G-205 (PAR Worksheet), G-205a, or G-363, or the PAR Upload Factsheet, or the Annuity Activity Summary. Any evidence of an open accounts receivable record should be confirmed by checking (viewing) the Program Accounts Receivable (PAR) system screens. Examiners must also check for RUIA debts on the Field Service Inquiry System (FSIS), MACRO (Master and Clearance Records On-Line), and UI-87 notices, as explained in RCM 5.9.

It is MOST IMPORTANT to take or consider taking recovery action on any active account with an open balance (outstanding item) AND on any inactive account where

an item was closed out as uncollectible before sending an award through for payment. Always post the recovery action to the PAR system.

Information on "Erroneous Payments" is contained in RCM 6.6. Information on the PAR system is found in RCM 9.10.

8.1.49 Preparing the File for Certification

Examine the claim folder carefully to determine whether the claim is ready to be certified. Important points to check for while adjudicating the claim are whether:

- The correct application has been filed.
- The application is properly completed.
- All proofs and related evidence necessary to adjudicate the claim have been received.
- Further development action is required.
- There is a "Certified Record of Compensation and Service (G-90)" in file.
- No unhandled mass adjustment rejects or referrals on PREH's 3250 (RHMADJ) screen.

If there is not sufficient information in the folder to process the claim to completion, take action to secure the required data.

8.1.50 Folder Organization

Refer to RCM 5.12.10 for folder organization.

8.1.51 Notice of Delayed Decisions

In any case in which a decision may be delayed, notify the applicant of the delay either through the Field Office or by letter directly to the applicant. Explain to the applicant that there will be a delay but he/she will be notified as soon as we have reached a decision.

When a decision on a survivor's claim (one-pay only case) may be delayed because of a possible erroneous payment to the employee, notify the applicant of the reason for the delay but do not indicate that an erroneous payment may have been made to the deceased employee.

A decision may be withheld on an application for a lump-sum payment because the applicant for an insurance annuity was denied for failure to prosecute his/her claim. Tell the applicant for the lump-sum payment that his/her claim cannot be processed for a period of one year. Explain that a person who filed a claim for an insurance annuity may

establish his/her right to that annuity. Inform him that at the end of the year we will consider his/her claim further. Be particularly careful to not commit the Railroad Retirement Board to payment at the end of that period; only to a CONSIDERATION OF PAYMENT at the end of one year. Code a tickler for these cases to call them up on the first of the month following the expiration of a one-year period from the date on which the insurance annuity applicant was formally denied.

8.1.52 Determining the Type of Certification

A. Certification Types - The type of certification, or activity code, falls into two categories:

Recurring - used to establish, change, or resume payment of the current monthly payment amount; or,

One payment only - used to issue a payment or correct data for a closed period, or to transfer funds.

Certification types are as follows:

CODE	TRANSLATION	WHEN TO USE	NOTES
0	Final	To make an initial recurring award to a payee with 1. full annuity calculations, or 2. an assignment or garnishment payable to a third party.	Some awards are considered “initial” but require other certification codes: • Use recert for: 1. conversions of a spouse-to-widow(er) or a young mother/father to widow(er), or 2. a partial-to-final award. • Use reinstate-recert for cases in which a constructive award was previously processed.
1	Recertification	To adjust an annuity in current pay status:	

		1. To change the recurring rate, or 2. To pay an initial supplemental annuity as a "sup only", or 3. To update PREH with a correction that does not change the rate on CHICO.	
2	Reinstatement	To resume suspended or terminated payments at the same rate.	
3	Reinstatement - Recertification	• To resume suspended or terminated payments:	
		1. At a different rate; or 2. After an erroneous report of death, if reinstating in the same month as the termination accounting date. • To put an annuity into current pay status after it was processed as a constructive award.	When the EE's regular annuity is a reinstate-recert, a SUP ANN may be included even if it represents an initial or reinstated award.
6	OPO General	• To pay an amount not based on taxable tier components (e.g., SALSA, RR tax refund, nontaxable amount, etc.)	• If a SALSA or RR Tax Refund is payable on an OPO general award, do not include other award actions.

		• To process a funds transfer (e.g., RR to Sup) • To adjust previous payments if: 1. The case is in current pay status, and the current monthly check rate is correct, or 2. payments are terminated or suspended, and the last rate paid before termination or suspension is correct. • To pay an accrued annuity to subsequent payees, when the first payee's certification is OPO initial or OPO general.	The award systems change code values in the file for rate history to identify a SALSA or RR tax refund. If you include other actions, such as tier calculations, PREH Will not update any data except the SALSA or tax refund. • An OPO general award does not change any entitlement Data in PREH's RHRRID (3200), RHEE (3300), or RHHSKP (3270) records. Use the on-line correction system or form G-59 to make required changes.
7	OPO Initial	To make an initial award to an annuitant who is suspended or terminated during the accrual period. (This certification may be used if a "compute only – one payment only" award has been made.)	Do not use OPO initial when preparing a one payment only award in partial to final cases: 1. Use OPO recert if the final rate changes from the partial rate.

			2. Use OPO general if the partial to final rate is unchanged.
8	Partial	To pay a temporary rate to an employee, spouse, or divorced spouse.	
9	OPO Recert	For a one-payment-only award when: 1. The case is terminated or suspended, and 2. The rate paid immediately prior to termination or suspension is changing.	• Examples: 1. A spouse's annuity terminated in April 1999 when her youngest child attained age 18. The spouse had rejected from the 12/98 COL and is due an OPO for 12/98 through 3/99. 2. An employee's annuity was suspended in 5-89 when he returned to railroad service. He was due a recomp effective 1-1-89. Use cert code 9 when paying the accrual • When preparing a one payment only award in partial to final cases, use OPO recert if the final rate changes from the partial rate.

B. <u>OPO's and Rate History Considerations</u> - PREH is a key source for RRA annuity and entitlement information. To provide accurate rate history, examiners have a

responsibility to provide complete information for the accrual period of an OPO award. If rate history is not properly maintained, subsequent users are likely to make mistakes in payments to annuitants or information provided to the public.

PREH was loaded with records from the Master Benefit File of May 1995, which included only the latest award activity on record. If an OPO award is to be updated to PREH, examiners should keep the following points in mind:

Avoid gaps: If the accrual period precedes the earliest effective date on PREH, the examiner must supply complete tier and annuity rate history up to the earliest effective date on PREH. Otherwise, a subsequent examiner might assume a tier component was unchanged for several years; a future award could have an erroneous accrual for the period for which PREH has a gap in rate history.

> EXAMPLE: PREH has data beginning in December 1994, and the OPO award begins with January 1992. To maintain rate history without gaps, the examiner should extend the accrual period through 11/94 or later.

Include adjustments to the monthly rate: If tiers are calculated for a period preceding the earliest effective date on PREH, the examiner must include all adjustments to the monthly rate up to that effective date. Adjustment amounts include work deductions, actuarial adjustments, garnishments, etc. Otherwise, a subsequent examiner might overlook the missing tier component in a payment summary; a future award could issue an erroneous accrual for the period for which PREH has no history.

> EXAMPLE: PREH has data beginning in May 1995; the OPO award begins with the ABD in August 1993. After reviewing the claim folder, the examiner finds work deductions previously applied from January 1994 through June 1994. To maintain an accurate rate history, the examiner should include work deduction components for 1/94 through 6/94, and should extend the accrual period from 8/93 through 4/95.

Select the correct OPO type of certification: Programs updating PREH use the type of certification to determine what information to change. An incorrect cert type may result in errors or omissions in PREH entitlement records, as well as tier and payment history.

> EXAMPLE: A spouse applicant dies before receiving payments. The examiner calculates the spouse annuity and considers using an OPO general to pay the EE. To ensure the award updates the DOB, ABD, initial award accounting date, etc., the examiner should certify the award as an OPO initial.

8.1.53 Determining Whether to Process an Award Through CHICO

Award systems include codes in their rate history files that indicate whether CHICO (the master checkwriting file) should process or bypass the activity. Examiners decide how

activity should be processed and submit their work as awards, corrections, or print-only requests.

A. Awards.- Process an activity as an award through CHICO when:

Establishing, changing, or reinstating a recurring rate, or

Paying an accrued amount, or

Transferring funds between accounts (e.g., RR to RUIA).

B. Corrections - Process an activity as a correction, PREH update, or constructive award when:

Creating or correcting rate history for a prior period, and

The current rate is correct, or no rate is currently payable, and

No accrued amount is due, or an accrual is due but the payee has not yet been determined.

Some examples of corrections include the following:

An employee's annuity is unpaid at death, and a spouse was not living at the same address.

Tier data must be updated for an employees or spouses who are paid at a higher rate under the overall minimum formula.

Net tier 1 is zero, but the annuitant is entitled to an increased social security benefit. (If the appropriate tier 1 effective date is already on PREH, examiners do not have to process an award. Instead, they should use PREH's on-line correction system to update the SS offset.)

The current rate is correct, but permanent work deductions result in an overpayment.

A beneficiary is entitled to an annuity rate of zero.

Taxation note: TAS does not update activity that bypasses CHICO. To ensure proper tax accounting, prepare form G-59 after updating PREH, or refer the case to BTRS.

COL note: The COLA mass adjustment rejects any annuity having a December voucher on ROC, SURPASS, or PC awards, unless the certification is OPO general or the type of payment is Supp-Only. Therefore, a recertification on a December voucher must be an award processed through CHICO, and the award must include the cost-of-living in the computation of all tier components. Also, please note that all types of award actions, including 'OPO General' and

'Supp-Only' awards will clear the mass adjustment earmark as long as the examiner enters the 'All COLA's and AERO's considered' clearance code on SURPASS and PC awards or the 'Earmarks Considered' clearance code on ROC awards.

C. Print-only Requests - Request an informational, compute-only printout when:

No award or correction is necessary, and

Some record of a calculation should be maintained (e.g., an alternative calculation such as military service accounting, which does not affect the annuity rate paid).

8.1.60 Partial Rate Equals Final Rate

When the partial rate equals the final rate, examiners must voucher the recertification with a zero accrual with fully completed award forms even though the final rate does not change. This is done to update the PREH and CHICO records.

8.1.61 Zero Annuity Rate

In some instances, a beneficiary can be eligible for an annuity. However, due to other reductions, the annuity rate computes to zero. In other instances, a beneficiary can be entitled to an annuity that is not payable. Situations where this can occur are:

- Employee and spouse cases with a zero tier II, no vested dual benefit entitlement, an SS benefit, and/or a public service pension that exceeds the tier 1 amount.
- Spouse cases in which the annuitant is entitled to an employee annuity that reduces the divorced spouse tier one to zero;
- Divorced spouse cases in which the annuitant is entitled to an employee annuity that reduces the divorced spouse tier one to zero;
- Divorced spouse cases where the annuitant receives SS benefits other than or in addition to a RIB/DIB, or a public service pension which exceeds the tier 1 amount.

Zero annuity rate awards cannot be vouchered through CHICO, but the rate computation information must be entered into PREH. The examiner must use a ROC or PC award to prepare the PREH update. An award letter explaining that the annuity rate is zero or not payable must also be prepared.

A. No Initial Payment Can Be Made - If the annuity rate is zero at the time of filing and there is nothing on PREH, the following actions need to be taken:

1. Complete the ROC or PC OPO-Initial PREH update. The termination/suspension date would be the ABD and the termination/suspension cause code would be 54. Explain the update in remarks.

2. Prepare a RL20/RL20e zero annuity award letter.

3. Prepare Form G-183 and send the file to authorization to have the application closed without award.

4. If applicable, close out the case on USTAR.

5. Send any claim material for imaging

If the annuitant is within 6 months of attaining age 65, or has a disability freeze, and is eligible for Medicare, check MOLI for Medicare enrollment. If the annuitant is not enrolled, notify PSD-MS via HSL.

B. Annuity is Reduced to Zero After Award - If the annuity rate is reduced to zero after the initial award because the annuitant becomes entitled to a social security benefit, public service pension or another annuity, take the following actions:

1. Suspend the annuity with a cause code of 54 on FAST. The suspension date is the date the rate is reduced to zero.

2. Prepare a ROC or PC OPO-Recert PREH update award. Explain the update in remarks.

3. Certify the SS benefit if the RRB has certification jurisdiction. Refer to sections 100 and 104 of Social Security Certification procedure for further information.

4. Coordinate recovery of the overpayment by preparing a zero annuity rate overpayment letter via ORCS. If the adjustment did not result in an overpayment, prepare an RL-483 letter via RRAILS to explain why the annuity has been reduced to zero. Prepare an ALTA letter for the SS benefit.

5. Send the case to authorization.

6. If applicable, close out the case on USTAR.

7. Send any claim material for imaging.

8. Send an e-mail to OPNS-BTRS advising them that the annuitant is receiving a zero annuity benefit or entitled to an annuity no longer payable.

If the annuitant had Medicare premiums deducted from the annuity, the premium will mechanically float to the SS benefit if the RRB has jurisdiction over SS benefits. If the RRB does not have jurisdiction over the SS benefits, or if the annuitant has a PSP which reduced the annuity to zero, notify PSD-MS to establish direct billing via HSL.

NOTE: If the annuitant needs to be adjusted and is already in suspense for another reason, you should still follow all steps outlined above. This includes processing a code 54 FAST suspension transaction to get the correct code on record.

OPNS-BTRS should be advised if a record that was previously suspended with a cause code 35, 36, 66, 69, 95, or 98 is now suspended with a cause code of 54. In these situations, provide BTRS with the correct affective date of the code 54 suspension (the date that the annuity rate was reduced to zero). Forward the folder to BTRS with this information. If there is no claim folder, send this information to BTRS on Outlook, advising that there is no claim folder. Provide the annuitant's beneficiary symbol, prefix, claim number and payee code.

8.1.62 Zero Accrual Recertifications

A zero accrual recertification award is used in place of a suspension and reinstatement action when adjusting the next monthly check rate. This type of recertification is most often used in overpayment situations where no retroactive payment is due. The zero accrual recertification corrects the next monthly check rate, creating a "static" overpayment. A zero accrual recertification is also used when a timely adjustment of the rate is possible. An example would be timely removal of a partial withholding amount. The following list furnishes situations where a zero accrual recertification can be used.

A. Use Zero Accrual Recertifications for the Following Situations

Adjustment of the railroad retirement annuity and social security benefit for situations where the System to Automate Zero Accruals (STAZA) cannot be used. For a full description of the situations where STAZA cannot be used, refer to RCM 11, G-304 instructions; or

Adjustment of the Railroad Retirement actuarial amount; or

Adjustment of the partial withholding amount; or

Adjustment of the RR annuity to add or to remove partial withholding; or

RR retirement annuities where the computation formula switches from the O/M to the RR formula; or

Adjustment of RR retirement annuities for temporary work deductions; or

Adjustment of RR annuities for cases where a notice of reduced annuity payment (CL1857) was released.

B. How to Process Zero Accrual Recertification - Use ROC or PC awards to process a zero accrual recertification. Depending upon the type of adjustment, the award may or may not have accompanying tier calculations. For instance, removal or changing of the partial withholding amount requires only net tier amounts. However, remember that all December vouchers must have updated cost-of-living information. Therefore, any zero accrual recertification to be vouchered in December must include tier calculations considering the latest cost-of-living increase. This ensures that PREH will be updated with the cost-of-living rate.

NOTE: If you are doing a zero accrual award to correct the rate and there is a net overpayment, i.e., a partial exceeds final "compute only" award, always take the following actions:

Include a G-363 showing the total annuity rate overpayment (O/P).

Set up the rate change/overpayment letter on ORCS.

On your G-26L show: 1)AUTH, 2)VOUCH, 3)EXAM

C. When a Zero Accrual Recertification Cannot Be Used - In some types of cases, such as representative payee (rep-payee) changes, a suspension action may be necessary to change the record. Since the field offices process the majority of rep-payee cases, action by the adjudication section is limited. However, if it is necessary to process a change involving a representative payee, refer to the following list of situations where a zero accrual recertification CANNOT be used:

Cases involving a check inscription change from annuitant to representative payee; or

Cases involving a check inscription change from representative payee to annuitant; or

Cases involving a change from one representative payee to another if the type of representative change is different, i.e., court appointed vs. Board appointed.

If recertification cutoff for a given month is past but Suspension/Termination cutoff is not, suspend and reinstate the case in the usual manner to effect the earliest possible rate change. DO NOT delay an award action simply to process a zero accrual recertification.

8.1.63 Separation Allowance Lump-Sum Amount (SALSA)

The 1988 Amendments to the Railroad Retirement Act (Public Law 100-647) provided for a lump-sum payment to retired employees with at least ten years of service who did

not receive additional service months from tier II taxes deducted from a separation allowance or severance payment received after 1984.

The SALSA may be paid by a mass adjustment or it may require manual payment. Check the file carefully to determine whether or not a SALSA is payable and if the required action has been taken. SALSA amounts are indicated on the G-90 or SALSA memo form from the compensation and certification unit (CCU). Use the SALSA Calculation Payment Form to manually compute the payable SALSA amount. The form is self-explanatory and is filed on the right side of the folder.

8.1.64 Divorced Spouse Applications

The only applications not entered directly into RASI by the field offices are divorced spouse applications. These claims must be paid manually by the initial examiners. Before adjudicating a divorced spouse claim, code the application into the section pending load using KOR forms.

Remember that there is no entitlement to a divorced spouse annuity if the divorced spouse is entitled to his/her own retirement or disability social security benefit based on a PIA which is equal to or greater than one-half of the employee's PIA 1.

8.1.65 Supplemental Annuity

When paying an initial award, during electronic data processing (EDP) review, or when taking corrective action on an award, check the file for possible entitlement to a supplemental annuity (SUP ANN).

Indicators of possible SUP ANN entitlement are:

- RASI referrals
- G-805's
- RAIL special handling code 26
- a claim of eligibility on employee application AA-1
- Changes in eligibility factors:

    1. Change from no current connection to current connection.
    2. Change in service months from less than 300 to 300 or more.
    3. Change in service months from less than 360 to 360 or more.

If entitlement exists, secure the G-88p and take the necessary action.

NOTE: Always trace outstanding G-88p's though the field office nearest the railroad.

Also, when changing the ABD of the regular annuity, remember to change the ABD of the supplemental annuity.

8.1.66 G-88p with a Future Railroad Pension Effective Date

Occasionally, a railroad will forward a G-88p containing a future railroad pension effective date. Use the following instructions for handling these cases.

A. Pension Effective Within 3 Months

If a G-88p is received with a pension effective date in the future and that date is within 3 months, hold the supplemental annuity (SUP ANN) for payment in the month in which the railroad pension is payable.

B. Pension Effective In More Than 3 Months

If a G-88p is received with a pension effective date more than 3 months in the future, pay the SUP ANN without a reduction for the private pension. Set a call up code for RIS on the PC tickler program, for the first date of the second month prior to the SUP ANN effective date. RIS should then process the SUP ANN adjustment timely.

When the railroad completes a G-88p with a railroad pension date in the future, they will usually provide an estimated pension amount. If the estimated pension amount will result in a zero SUP ANN rate, process the SUP ANN adjustment using plugged figures (07777). It will not be necessary to release another G-88p.

When a SUP ANN is adjusted, it may be necessary for the new rate data to be released to the railroad. Therefore, when the SUP ANN is adjusted, use ALTA to send a letter to the annuitant, and send an HSL message to P&S-RAC with the BA number of the railroad and the new SUP rate data. (This information was formerly supplied via Form RL-5a, obsoleted on June, 1997.)

8.1.67 RUIA Clearance

Any payments made under the Railroad Unemployment Insurance Act (RUIA), which were not payable, are recoverable from benefits payable under the Railroad Retirement Act. See Chapter 5.9 for instructions on clearing cases with the sickness and unemployment benefits division insurance (SUBD) before making payment.

8.1.75 Authorization of Awards - General

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Many types of adjudicative actions must be reviewed and authorized by a second claims examiner before being finalized. When preparing cases for authorization, screen prints of information that is verifiable and accessible to the authorizer on-line are not required. Until ALTA is revised, include a screen print of the ALTA screen so an authorizer can browse the letter.

RCM 8.1.76 through 8.1.79 contain general guidelines for preparing cases for authorization as well as steps to follow when authorizing awards.

8.1.76 Preparing Awards for Authorization

Use these guidelines as a checklist when preparing an award for authorization. The checklist will aid in producing quality work and make it easier for the authorizer to authorize the award.

- Adjudicate the case thoroughly based on the current action. Take all needed action at the same time, if possible. Having a case unnecessarily returned results in additional folder movement and increases the examiner workload.
- Use the remarks screen or sections to clearly explain what action you are taking.
- Check for Initial Direct Deposit Application (IDDA) data.
- Verify address on cases that have not been in pay status for 6 or more months.
- Review military service use. Has it been used correctly?
- Check for attainments in the accrual period or the next few months. Set appropriate TICKLER call ups if necessary.
- Check for mass adjustment reject and special handling review codes.
- Handle all APPLE referrals located in the Source Details on USTAR to completion.
- File all proofs, applications, etc., on the proper side of the folder according to RCM 8.1.50.
- If a case is returned to you with a G-383 for correction, keep the G-383 on the claims folder or folder-less jacket when you return it to the authorizer. Cases should be corrected and returned to the authorizer promptly.
- Include all necessary cost-of-living (COL) and automated earnings reappraisal operation (AERO) tapes for mass adjustments that are not available on PREH or MAIS. Keep them in the correct date break sequence and underscore the entire claim line for the case you are awarding. Be sure the date, heading and type of adjustment of the tape is clearly identifiable.

- Double check entries that were not prefilled by PREH to be sure that all required items have been completed. Check any prefilled PREH data that you have been alerted may be suspect.

- Before certifying a partial or final payment to a second spouse, check DATAQ for a record of the first spouse. To avoid payments to the wrong payee or financial institution, delete the old record with FAST S/T code 62.

- Look for continuity of railroad and social security rates between COL date breaks. A change in rate should tip you off to an intervening mass adjustment or manual award activity.

- Check the accuracy of the ABD/OBD PIA when calculating from the employee's ABD. Use the correction system to update the ABD/OBD PIA in PREH, if the PIA change requires only an OPO general award or correction.

- Check the accuracy of the ABD/OBD, look for protected filing dates, and make sure the correct PIA corresponds to the ABD/OBD.

- Be alert for inconsistencies with expected results. For example, an unusually large accrual could indicate an examiner input error, a system calculation error, or incorrect data previously posted to PREH.

- Clearly check the correct "type of award" box on your G-26L. Also, use the remarks section to provide additional information to the authorizer.

8.1.77 Awards with Large Accruals

All awards with accruals of $10,000 or more to employees, and $6,000 or more to spouses and survivors, must undergo a **second authorization** in the operational section. This applies to all beneficiaries, including foreign cases.

Award accruals over $10,000 paid by a paper check, must be preceded by advance notice. We do not send advance notice in direct deposit/EFT, mechanical award or residual lump sum payments situations even if the accrual is over $10,000. When sending the case to authorization, the EXAMINER should release an Outlook advance notice Form e-G-115 Large Accrual Notification (LAN). Advance notification allows the field office to assist the beneficiary in making arrangements to negotiate or deposit the check. If authorization results in a substantial change to the accrual amount, the award should be returned to the examiner and a modified Form e-G-115 LAN should be sent.

<u>For domestic residents (including residents of Canada and Mexico)</u> Secure the Outlook Form e-G-115 LAN from the Office of Programs Public Folder under the "Actions" tab. Most entries on the form are self-explanatory. The "To" and "Prepared By (Examiner/Unit)" entries are required. Other items should be completed as needed.

The Canadian provinces and Mexican states in areas serviced by an RRB field office can be found in RCM 10.3 Appendices B and C.

Exception for foreign residents (including all U.S. possessions) Prepare a letter to the annuitant. A sample letter for foreign release is shown below. Include the address of the American Embassy or RRB headquarters office in the letter, and instruct the annuitant to contact the consular section in the embassy if assistance is required.

The U.S. Embassy or Consulate office addresses can be found on the U.S. Department of State web site, www.usembassy.state.gov. Release a copy of the letter to the appropriate American Embassy AFTER the case has cleared vouchering. If the annuitant resides in a Commonwealth of the United States, e.g., Puerto Rico, furnish the RRB Headquarters address and the name of the office and section that originated the letter.

Example:

Mr./Mrs./Ms. (name of annuitant)

Address of annuitant

In reply refer to

R.R.B. No. --- -- ----

Dear _____:

A large accrual has been prepared in this case because your annuity (brief explanation for the accrual, i.e. reinstatement). Shortly, you should receive a payment for the amount of (accrual amount), which is before any applicable Federal tax withholding. You will also receive an award notice with additional important information. Please contact your financial organization to make arrangements for negotiating or depositing the payment. If you need assistance, please contact the Consular Section of the American Embassy (or the office of the Railroad Retirement Board) located at the address shown below. A copy of this letter has been released to that office.

Sincerely,

(Name of Director)

American Embassy (location e.g. Athens)

Address

8.1.78 Authorization of Awards

During the authorization of an award action, use the questions listed below as a checklist to help determine the correctness, accuracy, and completeness of the adjudicative actions taken.

- Authorize the case thoroughly and promptly.
- Has the examiner taken the correct adjudicative action?
- Is the adjudication complete? Is the case being controlled for future action, if needed?
- Is the data entered by the examiner correct?
- Are the addresses and claim numbers correct?
- Are the social security numbers correct?
- Are all date breaks considered? (Remember COLs, January recomputations, January changes in delayed retirement credits, VDB cutbacks, etc.)
- Are there any mass adjustment reject or special handling review codes, or relational edits indicated on PREH?
- Is partial withholding or actuarial adjustment in force? Is there a previous PAR overpayment that needs recovery action?
- Is RUIA clearance needed?

<u>Retirement</u>

- Has the case been dumped from RASI?
- Is the correct PIA 1 shown for each date break? Has the correct G-90 been used?
- Is the correct PIA 9 shown for each date break (if applicable)?
- Is the basic tier 2 correct?
- Is the use of military service (M/S) correct? Double-check M/S in the 6-1948 to 12-1950 period.

- Is the annuity beginning date correct?
- Is the age reduction factor correct? Double-check when the date of birth (DOB) is the first day of the month.
- Is a public service pension (PSP) or worker's compensation (WC) offset needed in tier 1? (Check for G-204, G-207, G-208, G-209 or G-214.)
- Has the ABD PIA changed? If the award is an OPO general, make sure the examiner uses the correction system to update the ABD PIA in PREH.
- Does a NCSP apply for the employee? (Check for G-207 or G-209.) If so, should PIA's be reduced for the NCSP? See RCM 1.1.15-19.
- Is the DOB correct? Does it agree with SSA's?
- Is a RR pension offset required in the supplemental annuity?
- Is the rate summary correct?
- Is the correct G-90 date entered or has PREH been corrected with the PIA data?
- Is continuing self-employment (S/E) or last pre-retirement non-railroad employer (LPE) and are temporary work deductions (TWDs) involved? Does S/E decision make sense?
- Has a disability freeze rating been made?
- Will there be automatic Medicare enrollment? If not release an Outlook message to MS.
- Does the ALTA award letter or ORCS letter provide a proper and complete explanation of the award action taken? Are all pertinent date breaks related to the case shown?

<u>Survivor</u>

- Is the application coded in correctly?
- Has the employee's annuity been terminated?
- Have all outstanding payments been accounted for?

    1. If payments are outstanding, have the amounts been entered to PAR system?
    2. If payments have been returned (per Payback), has the file been documented?

- Does the employee have a current connection?
- Is the wage record correct?
- Was military service included on the survivor G-90?
- Has a G-37e or RR-3 been released to SSA?
- Is a tax refund payable?
- Are all required proofs in file or on-line?
- Do delayed retirement credits (DRC), retirement insurance benefit (RIB) limitation, public service pension (PSP)/social security (SS)/employee annuity offset, work deductions or, the alternative PIA apply? Has all needed information been requested?
- Is the data entered correct?
- Has the IDDA data been entered?
- Are the names spelled correctly?
- Is the original beginning date (OBD) correct?
- Are all date breaks considered? (Check for COL's, VDB - cutbacks, changes in social security or PSP amount, etc.)
- Was the employee's disability freeze considered on recurring awards?
- Have all applicable G-90s been requested?
- Is the correct PIA used?
- If the survivor G-90 is dated prior to 12-20-88, do years of service rounding apply?
- Are the 1981 EE basic tier 2, takeback, and the tier 2 after the COL increase correct?
- Should the VDB reduction be applied to the survivor tier 2?
- Is the date of birth correct?
- Are the age reduction months correct?
- If paying a 1974 amendment LSDP, are the reimbursable burial expenses correct? Should they be reduced for VA benefits?

- Is the spouse minimum or restored amount payable?

- Does the ALTA Award letter or ORCS letter provide a proper and complete explanation of the award action taken? Are all pertinent date breaks related to the case shown?

If all of the questions are correct, proceed as outlined in 8.1.79.

8.1.79 Authorization Process, Disposition, and Routing

General instructions in this section for handling authorization apply to all Retirement and Survivor sections. (See RCM 3.2.200 for Medicare section authorization information.) All current procedural guidelines should be followed when preparing and authorizing case work.

A. Case Must Be Returned to the Examiner

If the case must be returned to the examiner, write-up all adjudicative issues and/or errors requiring an examiner's attention on RRAILS Form G-383, Authorization Return Form. See RCM 11 G383 for detailed instructions how to access and complete RRAILS Form G-383.

B. Retirement Section Authorization Process, Disposition, and Routing Instructions

1. Authorizer Action

- Document all issues and errors regarding corrective action in the "Authorizer Comments" section of the G-383;

- Print 3 copies of the form and attach them to the claims folder or folder-less jacket;

- Return the case to the examiner on the payment systems, PC programs, ORCS, USTAR, and AFCS, if applicable; and

- Walk the claims folder or folder-less jacket back to the examiner.

2. Examiner Action if He/She Agrees with the Authorizer

- Make all necessary changes stated on the G-383;

- Review the entire case to determine if the changes made affect any other data;

- Write "done" in the "Examiner Comments" section of the G-383 once all changes have been made;

- Change the status on all applicable payment systems, PC programs, ORCS, and USTAR to pending auth (**NOTE:** Update the AFCS charge accordingly, when required); and

- Walk the claims folder or folder-less jacket back to the authorizer.

3. Examiner Action if He/She Disagrees with the Authorizer

   - Provide a written explanation in the "Examiner Comments" section of the G-383; and

   - Walk the claims folder or folder-less jacket back to the authorizer.

   If the authorizer and examiner cannot resolve the discrepancy, the claims folder or folder-less jacket and all 3 copies of the G-383 should be referred to the examiner's senior/lead examiner for a final decision. The senior/lead examiner will complete the "Supervisor or Senior Examiner Comments" section on one of the G-383's to document the decision. The claims folder or folder-less jacket will then be returned to the examiner or authorizer to take the necessary action.

4. Disposition of Form G-383

   A copy of the G-383 should always be kept by the examiner/authorizer. Once the case has been completed, the authorizer will place the remaining two copies of the G-383 in the designated unit tray (based on what unit the examiner is in).

   The section supervisor will review the forms and add any additional information that would be helpful to the Operations - Training Section in determining training issues. The supervisor will keep a copy of the G-383 for their records and place the other copy in the Training Section tray located in each unit.

C. Survivor Section Authorization Process, Disposition, and Routing Instructions

1. Authorizer Action

   The authorizer will:

   - Document all issues and errors regarding corrective action in the "Authorizer Comments" section of the G-383;

   - Print 3 copies of the form and attach 2 copies to the claims folder or folderless jacket (NOTE: The authorizer will retain 1 copy for their records);

   - Return the case to the examiner on the payment systems, ORCS, USTAR, SURPASS, and AFCS, if applicable; and;

   - Walk the claims folder or folderless jacket back to the examiner.

2. Examiner Action if He/She Agrees with the Authorizer

   The examiner will:

   - Make all necessary changes stated on the G-383;
   - Review the entire case to determine if the changes made affect any other data;
   - Write "done" in the "Examiner Comments" section of the G-383 once all changes have been made;
   - Change the status on all applicable payment systems, ORCS, SURPASS, and USTAR to pending auth (**NOTE:** Update the AFCS charge accordingly, when required); and
   - Walk the claims folder or folder-less jacket back to the authorizer.

   NOTE: The 2 remaining G-383 forms should be retained in the claims folder or folder-less jacket with the other folder documentation while it is in the folder or folder-less clearance area.

3. Examiner Action if He/She Disagrees with the Authorizer

   The examiner will:

   - Provide a written explanation in the "Examiner Comments" section of the G-383 citing any RCM or procedural references in support of their actions and return the case to the authorizer; and
   - Walk the claims folder or folder-less jacket back to the authorizer.

   If the authorizer and examiner cannot resolve the discrepancy, the claim folder or folder-less jacket and both copies of the G-383 should be referred to the examiner's senior/lead examiner for a final decision. In this situation, the senior/lead examiner will:

   - Complete either the "Supervisor or Senior (Initial) Examiner Comments" section (if the G-383 was initiated in the Initial Section) or the "Supervisor or Senior (Post) Examiner Comments or Other Section Comments" section (if the G-383 was initiated in the Post Section) of the G-383 documenting their decision; and
   - Return the case to the examiner or authorizer (with the updated copy of the G-383) to take the necessary action.

4. Disposition of Form G-383

A copy of the G-383 with the supervisor or senior/lead examiner remarks should always be kept by the examiner/authorizer. Once the case has been completed, the authorizer will place the remaining copy of the G-383 in the designated unit tray (based on what unit the examiner is in).

The supervisor will review the forms and add any additional information that would be helpful into the "Supervisor or Senior (Initial) Examiner Comments" section (if the G-383 was initiated in an Initial Section) or the "Supervisor or Senior (Post) Examiner Comments or Other Section Comments" section (if the G-383 was initiated in a Post Section) to determine training issues. The supervisor will place the G-383 copy in Operations Analyst tray located outside the SBD Director's office.

D. Case Ready For Vouchering

If the case is ready for vouchering, take the following actions:

- Release the award per system instructions.
- Close out the case on USTAR.

The examiner or authorizer is responsible that the following is labeled correctly in the folderless (slash) jacket for imaging:

- Forms;
- Letters;
- Documents;
- Correspondence.

The authorizer will forward RRAILS forms or letters to imaging as appropriate. Authorizers shall ensure that forms or letters which are not sent to imaging and are no longer needed are deleted from the appropriate authorization folder.

Check that the routing on the folder-less (slash) jacket is correct.

8.1.85 Securing the Survivor G-90

In most cases, a request for a survivor G-90 is automatically generated when the field office completes a TRACK First Notice of Death (FNOD) for a deceased employee. However, if a request for a G-90 must be generated by a claims examiner or development clerk, use the Survivor G-90 Expeditor (SURGE) system. Refer to RCM 9.11 for instructions on using SURGE.

8.1.86 Securing the Auxiliary (AUX.) Widow G-90

Use the Form G-60s to request the Aux. Widow G-90. Refer to RCM 9.1, Appendix C, for instructions on completing the G-60s.

8.1.87 Recovering Not-Due Payments

When a notice of death is received, the development clerk or survivor claims examiner should take specific actions, as outlined in RCM 6.6 to reclaim any outstanding payments. Refer to RCM 6.6 for information on recovering not-due payments.

8.1.88 Conflicting Claimants

Occasionally, conflicting claims are received in a case. For example: Two or more women claim to be the widow of an employee; or a woman claims to be the common-law widow, but a child or parent files for the RLS asserting that the employee was not survived by a widow. Any such conflicts must be resolved before anyone's claim can be paid. A determination of the properly entitled person, in some cases, can be made from precedent legal opinions; in others, the case must be submitted to the Attorney Advisor for a determination. Always complete a "Conflicting Marriage Summary" worksheet for cases where two or more women claim to be the widow of an employee.

A. Precedent Legal Opinion - If an unquestionable determination of the proper payee can be made on the basis of precedent legal opinions, deny the non-entitled claimant's application at the time that the proper payee's claim is submitted for approval. In the denial letter, incorporate the applicable portion of the precedent opinion and tell the applicant the name, but not the address of the person found to be entitled to the benefit.

   If there is any possibility that the bureau of survivor benefits' decision could be reversed because of new material evidence, deny the adverse claimant and inform him/her that payment will not be made for 30 days from the date the notice is released. This 30 day period allows the adverse claimant time to submit new or additional evidence to support his/her claim. Code the case for dormant call-up 30 days after the date the denial letter is released. If the adverse claimant submits new evidence in support of his/her claim, submit the case to the attorney advisor. If no new evidence or information is received within the 30-day period, submit the case to the attorney advisor asking if payment can be made before the end of the appellate (appeals) period.

B. Submission to General Counsel (GC) - When there is no precedent legal opinion by which to determine the proper beneficiary, refer the case to the GC through the section supervisor. (See RCM 5.11.) On receipt of the GC's opinion, deny the unsuccessful claimant (sending him/her a copy of the legal opinion) and certify payment to the person found to be entitled. If the GC indicates in his/her opinion that a decision should be withheld for a period to give the unsuccessful

claimant further opportunity to submit more evidence, notify the claimant of this. Give him/her the name, but not the address of the person found entitled and inform him/her that payment will not be made for 30 days (unless a longer period is suggested by the GC) so that if he/she wishes, he/she may submit new or additional evidence to support his claim. Enclose a copy of the legal opinion with the letter. Code the case for dormant call-up at the end of the specified period.

If the adverse claimant submits additional evidence or cites a state law or other authorities in support of his/her claim, resubmit the case to the GC. However, if at the end of the call-up period the claimant has not submitted any new additional evidence, deny his/her claim and certify payment to the person found entitled.

8.1.89 Constructive Survivor Award

A constructive award is used to transmit information to the bureau of research and employment accounts (BREA) when a beneficiary is entitled to an annuity but, payment cannot be made. Generally, this situation occurs when payments are withheld due to work deductions or withholding to recover an overpayment. Follow the instructions below for single or multiple beneficiaries.

A. Single Beneficiary - If a single beneficiary is entitled to an annuity but, because of work deductions or withholding to recover an overpayment, no initial payment can be certified, fully complete the G-364 and G-364.1. Item 9, "Cert. Code," on the G-364 should be coded 8 for constructive award. Item 36, "SUSP/TERM CD" on the G-364 must also be completed in these cases. Show either suspension code 12 or 66, whichever is applicable, in the space labeled "SUSP/TERM CD". Also enter the effective date of the suspension, i.e., the beneficiary's OBD, in item 37 on the G-364. Enter your examining unit's acronym (SIS, SPS, etc.) after your signature on Form G-364.

   Address a G-26 to BREA and attach it to the top copy only of the G-364.1 and G-364. Send the G-364 and G-364.1 with the appropriate notice of decision through authorization channels. When the award is approved, the authorizer will separate the original forms from the file copies, send the pre-addressed G-364.1 and G-364 to BREA, and file the copies in the file folder.

B. Multiple Beneficiaries - In multiple beneficiary cases where one (or more) beneficiary cannot be certified because of work deductions, or withholding to recover an overpayment, fully complete G-364.1's for all entitled beneficiaries. Complete items 9 and 36 of the G-364 for the withheld beneficiary in the manner described above for single beneficiary cases. For the beneficiaries whose payments are not being withheld, send G-364 and G-364.1 through normal vouchering channels.

8.1.90 Clearance with RUIA

Any payments made under the Railroad Unemployment Insurance Act (RUIA) which were not payable, are recoverable from benefits payable under the Railroad Retirement Act. Therefore, RUIA clearance is required for insurance annuities, Lump Sum Death Payments or Residual Lump Sums that fall into the categories listed below.

CLEAR WITH RUIA WHEN:

- The folder contains a current Form G-90 with "X" in the UI-87 block and does NOT contain a notice from RUIA that the erroneous payment has been recovered; or,
- An inquiry requesting RUIA clearance has been made either by a RUIA folder notice, memorandum or a G-259; or,
- A survivor benefit is payable in a case in which the employee could have worked in the railroad industry within the last three years. This would be a "D" case, an "A" case because of Medicare or SSA entitlement or an "A" case in which the employee was retired less than three years; or,
- A widow(er)'s annuity is payable to a widow(er) who worked in the railroad industry within the last three years; or
- Other evidence in the folder indicates RUIA benefits may be recovered.

Release the Form G-259 for clearance to RUIA and complete form G-24. Form G-24 is to be filed on the right side of the folder indicating that the G-259 was released to RUIA. If a RUIA overpayment is to be recovered the G-259 will be matched with the folder.

8.1.105 Form Letters, Code Letters and Code Paragraphs

A listing of the form letters available for use when awarding or denying any type of annuity is in RCM 10.4. The texts of the ALTA code paragraphs and manual code letters are in RCM 10.5. Examiner and typist instructions for the preparation of typing are in RCM 10.7.

8.1.106 O/M Not Applicable

Whenever Forms G-319 and/or G-320 were developed and it is determined, based on all information, that the O/M does not apply, release Form Letter RL-300 to the employee. This letter is available on RRAILS. Follow regular RRAILS procedure to send the completed letter to IMAGING. It is the responsibility of the unit performing the O/M test to release this letter.

8.1.107 Special Actions in Survivor Benefit Decisions

A. Disallowing Application - Employee Not Insured - When an application for insurance annuity is filed by a widow, widower, or parent and it is determined that the employee did not have an insured status with the RRB, deny the application and transfer the claims material to SSA. Use RL-71 series denial letters. Refer to RCM 7.2 for instructions on transferring material to SSA.

B. Notify Applicant of Present Ineligibility When Temporary Deductions Imposed - When an applicant cannot be paid a monthly annuity because he/she is working and temporary deductions must be applied, notify him/her that the annuity is not currently payable. Refer to RCM 5.7 for more information on work deductions.

C. Notifying Payee of Share(s) Assigned to Him/Her by Eligible Person(s) - A person eligible to receive a share of unpaid annuities, LSDP or RLS, may assign his/her share to any other eligible person who has filed an application.

However, the share cannot exceed $500.00 and Form G-131 must be submitted. Include the following special paragraphs on the ALTA award letter.

1. Applicant's Share(s) and Assigned Share(s) Being Paid

"This payment represents your share and the shares assigned to you by (name(s) of assigner(s))."

2. Assigned Share(s) Being Paid (Applicant's Share Previously Paid)

"This covers (number of shares assigned) shares of the payment due in this case which were assigned by (Name(s) of assigner(s))."

D. Election of Another Person to Receive Award - There are a few cases in which a survivor may make any election in favor of another person. When this occurs, include the following paragraph in the award letter:

"The residual lump sum has been awarded to you because (name of person who signed election form) elected to give up his/her rights to future monthly payments so that you could be paid this amount."

8.1.115 Notifying SSA in Survivor (RLS) Awards

Notify SSA of a RLS award and return Form SS-5 or OA-702 to SSA, if the form is in the file, in any case in which:

- The surviving widow, widower, or parent ELECTED the RLS and either
- SSA has jurisdiction (G-80 cases), or

- RRB has jurisdiction but the employee has some wage credits.

To notify SSA, prepare Form RR-24, in duplicate, at the time the RLS award is prepared. - Address the form to the appropriate SSA payment center - . Refer to RCM 10.6 for the SSA office address. If the SS-5 or OA-702 is in file, staple it to the original RR-24 for release to SSA when the claim is authorized. File the RR-24 copy on the right side of the folder.

8.1.116 Person Authorizing Payment of LSDP Tt Funeral Director

Notify the person who authorized all or part of the LSDP to a funeral home when the award is made, as follows:

A. Entire LSDP Payable to Funeral Home - Neatly handwrite or have the typist prepare a RL-24a to the applicant who authorized the payment to the funeral home only if he is:

A government agency, e.g., Department of Public Welfare; or

The representative of the employee's estate; or

An applicant who specifically asks to be notified.

The RL-24a should be released by the authorizer when the case is approved for payment.

B. Part of LSDP Payable to Funeral Home

1. Equitably Entitled Person Authorized Payment to Funeral Home - When an equitably entitled person authorized payment to a funeral home and payment is also being made to that person; include Code Paragraph 537 in the notice of award to the equitably entitled person.

2. Person Not Equitably Entitled Authorized Payment to Funeral Home

When a person not equitably entitled authorized payment to a funeral home, neatly handwrite or have the typist prepare an RL-24a to the applicant who authorized the payment only if he/she is one of the persons listed in "A" above.

8.1.117 Notifying Legal Representative that Payment Made to Payer of Burial Expenses (B/E)

The following subsections explain how to handle cases in which either the payer of B/E expects to be reimbursed in the future or a legal representative has been appointed but payer of B/E does not expect to be reimbursed.

A. Person Expects Reimbursement From Funds of Estate - If the person who files as payer of B/E is not the legal representative of the employee's estate but expects to be reimbursed by the representative from estate funds, pay the applicant (if otherwise in order) and release Form Letter RL-59 to the legal representative of the estate.

B. Payer of B/E Does Not Expect Reimbursement From Estate Funds - If the applicant (payer of B/E) is NOT the legal representative of the estate and does NOT expect to be reimbursed by the legal representative, pay the applicant (if otherwise in order) and release Form Letter RL-59 to the legal representative of the estate.

C. Payer of B/E Expects Reimbursement From Other Sources - If reimbursement is expected from a source other than estate funds (e.g., from a relative of the deceased employee), pay the applicant and release Form Letter RL-59 to the person who is expected to reimburse the payer of B/E.

In all three situations, complete the RL-59 using RRRAILS. The letter is released by the authorizer upon approval for payment.

8.1.125 The Payment Process

This section provides an overview of the payment process, from vouchering to methods of payment.

8.1.126 Vouchering

All mechanical (RASI, SURCAL) and manual (initial, recertification, reinstatement, one-payment only) awards require vouchering in order for payment to be released. However, manual and mechanical awards are vouchered differently. "Vouchered" means that an award has been stamped with a particular number verifying that certification for payment was made on a given date. Manual awards are vouchered in the adjudication sections by voucher clerks. Once the clerks have completed vouchering awards, the vouchers are forwarded to the payment services group for keypunching. Eventually, a payment tape is produced and sent to the Treasury Department to create the annuity payments (checks and direct deposit payments).

Information on vouchering is in RCM 12.2.

8.1.127 Award Cutoff Calendar

Award cutoff means that effective with a given date, payments can no longer be vouchered through the previous month. After the cutoff date, the payments must be extended through the current month and vouchered beginning with the first work day of the following month. Each month a calendar furnishing the cutoff dates and numerous mechanical run dates, is produced by the division of adjudicative services. Usually, the

adjudication sections select earlier cutoff dates to help the voucher clerks meet the official cutoff dates.

The calendar month is divided into two periods; during each period only certain types of activity can be processed in the Daily Input System/Checkwriting Integrated Computer Operations (DAISY/CHICO) system. The beginning and ending dates of the two periods are based on the check issue run date which produces the monthly recurring annuity payment. The check issue run date is usually the eighth work day from the end of the calendar month. The two periods are the pre-period and the post-period. Following is an explanation of each period.

Pre-period - The pre-period processing usually begins in the previous calendar month, and continues until the ninth business day from the end of the current calendar month.

EXAMPLE: The November 1, 1991 pre-period began October 30, 1991 and ended on November 15, 1991.

Any DAISY/CHICO activity that is processed before the check issue run is defined as pre-period activity, and will affect the payment that is dated the first of the following month.

Post-period - The post-period processing begins two days after the check issue run and usually ends the third work day from the end of the month.

Any DAISY/CHICO activity that is processed after the check issue run is defined as post-period activity, and will not affect the payment for that month but will affect the following month's payment. The processing of a manual or mechanical initial, reinstatement, or reinstatement/recertification award during this period will release a one payment only payment instead of a regular payment for the first of the month payment.

The check issue run output is the payment tape that is sent to the Treasury Department to create annuity payments (checks and direct deposit payments).

A. Pre-Period Processing

During the pre-period, all types of activity can be processed, including: change of address, suspension/termination, manual and mechanical recertification, initial, reinstatement, reinstatement/recertification, one-payment only awards, and cancelled checks.

Even though the pre-period begins in the prior month, the awards will have a voucher date in the current month. The ending date of the pre-period can be affected by mass adjustments and other operations. Therefore, it is important to refer to the monthly operations calendar each month in order to be aware of the cutoff dates for award activities.

B. Post-Period Processing

During the post-period, manual and mechanical recertification awards, suspension/terminations, cancelled checks, and change of address activity cannot be processed; however, manual and mechanical initial, reinstatement, reinstatement/recertification and one payment only awards can usually be processed.

There are three types of post-periods. Following is a description of each type, and the types of award activity that can be processed within each period:

Regular post-period: All RR and SS manual and mechanical initial, reinstatement, and one-payment only (OPO) awards.

Restricted post-period: RR OPO (certification code 6 only - no attached forms), SS only initial, reinstatement, and OPO awards. This type of post-period generally occurs the month before a mass adjustment such as the annual cost-of-living (COL).

No post-period: No DAISY/CHICO activity is processed. This type of post-period generally occurs the month of December, and is due to the change in the tax year.

Generally, it is a good idea to highlight those cutoff dates which affect your work. For instance, you may want to highlight the section and actual cutoff dates, the COA and S/T cutoff dates.

Additional information on award cutoffs and types of monthly cutoffs is found in RCM 12.2.

8.1.128 DAISY/CHICO

The Daily Activity Input System (DAISY) and Checkwriting Integrated Computer Operation (CHICO) are usually the last steps in the vouchering process. Basically, DAISY is responsible for daily payments such as accruals or one-payment onlys and CHICO is responsible for recurring monthly payments. From these systems, payment tapes are created and forwarded to Treasury. Information from these systems is also used in other records such as DATA-Q and TAX.

8.1.129 Methods of Payment

Treasury issues payments in the form of paper checks mailed directly to annuitants or Electronic Funds Transfer (EFT) to financial institutions (FI). Enrollment in the Direct Deposit (DD) program will be processed based upon a written request, a verbal request (telephone or in-person), or submission of a SF-1199A. A separate request is necessary for each payee. A representative payee who chooses to enroll in DD is restricted to submitting a SF-1199A. Information on processing Direct Deposit (DD) forms is found in RCM 10.2.

Note: "Formless enrollment" is permitted in field offices only. Enrollment requests without the SF-1199A received at headquarters will be referred to the appropriate field office for processing.

8.1.130 Combined Retirement Annuity Checks

Regular employee annuity (RR), supplemental annuity (SUP ANN), spouse annuity and social security benefit (SS) accrual payments are issued as separate payments.

Recurring monthly annuity payments are combined in one check or EFT payment. For instance, an employee entitled to a RR annuity, SUP ANN and SS benefit (paid by the RRB) will receive one recurring payment representing all three annuities.

When initially awarding, recertifying or reinstating benefits, include the code paragraphs (CP) specified below in the award letter.

A. If paying a regular RR annuity without a SUP ANN, and a SS benefit is in pay status, include CP 1510.

B. If paying a regular RR annuity with SUP ANN, and a SS benefit is in pay status, include CP 1511.

C. If paying a SS benefit, and a regular RR annuity with or without a SUP ANN is in pay status, include CP 1512.

D. If paying a SUP ANN, and a regular RR annuity and SS benefit are in pay status, include CP 1513.

8.1.131 Combined Survivor Annuity Checks

A. Combined RR Annuity Only Checks to Survivor Family Groups - Prior to October 1983, annuities due to certain survivor beneficiaries could be combined and issued as a single payment. Effective with awards made October 1, 1983 and later, each survivor beneficiary is issued a separate payment.

B. Combined RR/SS Benefit Payments - RR survivor annuity and SS benefit (paid by the RRB) accrual payments are issued as separate payments.

Recurring monthly RR annuity and SS benefit payments are combined in one payment and issued to each beneficiary.

When initially awarding, recertifying or reinstating benefits, include the code paragraphs (CP) specified below in the award letter.

If paying a RR survivor award, and a SS benefit is in pay status, include CP 1510.

If paying a SS benefit, and a RR survivor annuity is in pay status, include CP 1512.

8.1.132 Correcting Voucher Rejects

Examiners should expedite the vouchering of rejected awards and keep the annuitant informed of any delays using (RL-121d). If there is field office, congressional or Board member interest, these parties should also be kept informed. When an award rejects and there seems to be no explanation, the examiner should refer the case to the supervisor. Multiple rejects for the same reason should not be reprocessed without investigation of the cause of the rejects.

Refer to RCM 9.12 for instructions on using the On-Line Correction System (ONCORR).

8.1.140 Correction of Payment Records

Claims examiners are responsible for correcting incorrect claim numbers and payee codes.

8.1.141 Correction of Claim Number or Prefix

When you find that payments are being made under an incorrect claim number or prefix (A, D, or H), terminate the payments with code "62". Notify the payee that there may be a delay in the next payment. If the award had never been processed under the correct claim number and prefix, prepare an initial award withholding all payments made under the incorrect claim number and prefix. If payments had previously been made under the correct claim number and prefix, process a "reinstate-recert" award under the correct claim number and prefix. Send the folder to TAX-IAS after all action in complete.

8.1.142 Correction of Payee Code

When a payee code must be changed, terminate payments using code "62". Notify the payee of your action and prepare an award form coded final under the correct payee code.

When payee code 2 has been assigned to an insurance annuity and a "JA" annuity is payable, refer the case to P&S-RAC. In either case, send the folder to TAX-IAS after all action is complete.

8.1.143 Change, Correction or Deletion of Representative Payee's Name or Policing Code

Information on the representative payee and representative payee policing program is in RCM 5.10 and RCM 6.5. Refer to those sections for instructions on maintaining representative payee information.

8.1.150 Denials and Closeouts

In removing cases from the active load, be certain that all development action has been taken for each potential and actual claimant involved in the case. ALWAYS deny claims for monthly annuities when removing the claim from active status because of the applicant's failure to prosecute his claim.

NOTE: When denying a disability annuity due to a rating of not disabled, check to make sure the employee did not request and is not eligible for an age and service annuity.

8.1.151 Failure to Furnish Evidence

When an applicant fails to furnish evidence necessary to process his/her claim, take action as follows:

A. Application for LSDP, RLS or Annuities Accrued but Unpaid at Death - Usually a claim for any of these benefits can be abandoned if the applicant fails to furnish essential evidence. However, when the applicant for the LSDP is a living with widow(er) who fails to submit proof of marriage (POM), and has failed to provide necessary evidence as payer of burial expenses, deny the claim. If there are multiple claimants in a case and one fails to submit the evidence requested from him/her, give the other claimants an opportunity to furnish the evidence before removing the case from the active load.

   To abandon a claim without formal notice, route the folder to the coding clerk with a route slip marked "CWOA" (close without award). No production credit is given for such a case. If formal notice is appropriate, such as for an RLS applicant in a G-80 case who cannot qualify until the eligibility of a survivor at SSA is established or denied, also prepare a G-183 and route the case to "Auth-Coding" by a route slip noted "CWOA." Production credit is given in such a case.

B. Application For Employee, Spouse, Divorced Spouse, Or Survivor Annuity - When an applicant does not furnish evidence or data within 45 days from the date of the last request, release a notice of denial unless there is a field office (F/O) interim status report in the folder. If there is a report or an indication that the F/O is still developing the case, do not deny the claim until the F/O has sent notice that the case has been abandoned.

   If during the prescribed 45-day period the applicant requests additional time to secure the information, grant the additional time. Have the F/O tell the applicant the period of extension. The length of extension period is governed by the facts in each case. Give every consideration to any reasonable period of time the applicant specifically requests. Continue to grant extensions as long as an applicant requests them if he shows that he is making a sincere effort to prosecute his claim. If an extended period ends without a further extension being granted, release a formal notice of denial.

Since production credit is given for closing out abandoned claims for annuities, prepare a G-183 and route the case to "Auth-Coding" by a G-26 noted "CWOA."

Exercise particular care in denying (for failure to establish eligibility) cases involving incompetents and minor children in the custody of someone other than a parent. When an insurance annuity applicant is denied for failure to prosecute his claim, withhold a decision on any LSDP or RLS claim in the case for one year from the date of the formal denial.

8.1.152 Failure to Qualify on Basis of Statements in Application

A. Employee, Spouse and Divorced Spouse Applicants - Deny the application when:

The applicant will not attain the required age within 3 months of the date the application is filed; or

The employee will not attain the required age within 3 months of the date the application is filed; or

The employee does not meet the service requirements; or

The spouse or divorced spouse does not meet the marriage requirements; or

The spouse does not meet the living with requirement; or

The divorced spouse was not finally divorced from the employee; or

The divorced spouse is entitled to a retirement or disability SS benefit based on a PIA which equals or exceeds 50% of the employee's PIA 1; or

The applicant does not meet any of the other eligibility requirements in RCM 1.1.1, 1.2.1, 1.3.2 or 1.3.81. For example, the divorced spouse files an application more than 3 months before the employee files; or

The applicant specifies a beginning date more than 3 months after the filing date of the application.

EXCEPTION: An application for a disability annuity may be filed more than three months in advance of the annuity beginning date.

In addition, the spouse of a disabled employee may file an application more than three months before the date on which the spouse's annuity can begin if the application is filed on the same day that the employee's disability application is filed. For further information, see RCM 5.1.41B.

B. Survivor Applicants - Deny the application when the applicant:

Indicates he/she did not pay any of the burial expenses (B/E); or

Did pay the B/E but has been reimbursed from funds in the estate; or

Will not attain age 60 within 3 months of the date the application is filed and does not claim disability; or

NOTE: If the widow(er) attains age 60 before the case is adjudicated, a new application is not required.

Is between the ages of 18 and 22, is not attending school full time and does not claim disability.

C. Applicant Still on Railroad Payroll but is Otherwise Entitled - A Railroad Retirement Act annuity cannot begin until the day after the last day of railroad employment. Deny the applicant when:

Age and Service Employee Applicant - The age and service employee applicant is still working for a railroad or is receiving "pay for time lost" that will continue more than 3 months after the application filing date.

Disability Employee Applicant - The disability employee applicant is still in compensated service to an employer under the Railroad Retirement Act on the date the application is filed.

Spouse/Divorce Spouse Applicant - The spouse or divorced spouse applicant is still working for a railroad or receiving "pay for time lost" from the railroad on his or her own earnings record that will continue more than 3 months after the application filing date.

Survivor Applicant - The survivor applicant is still working for a railroad or receiving "pay for time lost" from the railroad on his or her own earnings record that will continue more than 3 months after the application filing date.

8.1.153 Application Activated in Error

Occasionally as a result of an inquiry, an application will be activated for a person whose claim for the same benefit has already been awarded or denied. When this occurs, do not release a formal notice of denial. Write to the person and tell him that his benefits were previously awarded or denied and provide the date of the original notification letter, the application number and filing date. Route the folder to "Coding - Claim Files." Enter "Coded Active in Error - CWOA" under "Remarks" on the route slip. Production credit is not given.

8.1.154 Authorization of Denials

During the authorization of a denial, use the questions listed below as a checklist to help determine the correctness, completeness and accuracy of the adjudicative actions taken.

- Is the reason for the denial correct?
- Is a copy of the denial letter being sent to the field office?
- If a form letter is available, has the examiner used the correct letter?
- If no form letter exists, has the examiner prepared an appropriate explanation for the application?
- Does the letter - Refer to the application? Explain the requirement of the law which the applicant fails to satisfy? Give a date the applicant will be eligible? Advise that a new application must be filed when eligibility is met?
- Is the language of the letter clear, concise, non-technical, and free from the use of "ABD," "DLW" or other Railroad Retirement Board terms?
- Does the letter have an AB-25 appeals backing?
- Has the case been dumped from RASI?
- Is the G-183 in file and properly completed?
- Is the RL-27 in file, when appropriate, for disability annuity denial (see DCM 11, RL-27 instructions)?
- Is the case routed to coding?

If all of the above questions are correct, sign and date the G-183. Also, date all copies of the denial letter, release the original and field office copies and initial the folder copy. If corrections are required, refer to 8.1.79.

8.1.160 Information Exchange

Ensuring that the proper information is relayed to the Statistical Services Section (SSS) for entering into PREH will aid in maintaining up-to-date records and help prevent mass adjustment award rejects. This section provides information on furnishing SSS with data. In addition, for easy reference we have included a list, which furnishes situations when a G-59 or G-59R is required.

8.1.161 Form G-59/59R

The G-59/59R is used by claims examiners in Operations to notify SSS and the Benefit Tax Reconciliation Section (BTRS) of changes or new information affecting retirement and survivor annuities on PREH or tax accounting systems. The G-59/59R is to be used when automatic updating of the record will not occur through a vouchered award action or when a vouchered award action is not necessary. SSS and BTRS will enter the furnished data using a manual correction action.

For information on completing the G-59/59R, refer to RCM 9.4.

8.1.162 Use of Form G-59R

Because the G-59R is used to furnish large amounts of information to SSS and BTRS, a section discussing the use of the G-59R was developed. However, this list should not be interpreted as an exhaustive list. Since the G-59 is not used to the extent of the G-59R, a list was not included. Information on using the G-59 for special situations is furnished in RCM 9.4.

A. Information that can be corrected by either an award action or a G-59R

Change of employee (EE) or spouse (MA) annuity beginning date (ABD), day last worked (DLW) or EE ABD on the spouse record.

NOTE: An award will change the EE or MA ABD only if a G-357A is attached, even though the ABD is on the G-357.

Delayed retirement credits (DRCs)

Change from a number of DRCs to no DRCs

Change work deduction DRCs.

Date of birth (DOB). Form G-607 is required to correct CHICO if DOB changed by G-59R. Exception: The DOB on a spouse "data partially completed" reinstatement or reinst-recert award will be updated only if PREH has zeros.

SSA benefit offset amount in tier 1.

NOTE: The SS benefit offset amount will not be removed by an award action unless the cancellation/termination code is given.

B. Information Which Can Only Be Corrected by G-59R

SSA number developed after initial award

NOTE: Prepare a Form G-607 to update the DATA Q and taxation databases.

"Other" RR annuity information (RR claim number, prefix and amount of annuity), vouchered after employee annuity

Current connection determination

Delete erroneous supplemental annuity denial code

Delete actuarial adjustment or waiver amount

Change vested status from "vested" to "not vested" (if previous G-90 or award was coded vested)

Filing date

Manually computed PIAs (G-90a), service months, or average monthly compensation (AMC)

Delete RRA max. reduction

Marital status

Delete PL 94-547 indicator

Minor child attains 16 and rated as disabled child

To delete the spouse's own EE annuity claim number or tier 1 amount

Delete divorced wife code

Remove a tier 2 reduced to zero code

Remove a tier 1 terminated code

Delete spouse public service pension amount

Provide spouse age reduction months for 83 law year age 62 recomputation

Delete annuitant in last pre-retirement non-railroad employer (LPE)

> NOTE: If an employee has a zero tier 2, was in LPE at the time of the initial award, and a spouse is not on the rolls, a G-59R is needed when the EE has ceased LPE. This prevents LPE work deductions from being applied to the spouse by RASI (the spouse could have a tier 2 if a restored amount is payable.)

Provide M/S accounting fields for cases paid on RASI (or anytime an award is not needed)

Change in type of annuity from age and service to disability (or vice versa). See G-59r instructions for more information.

C. Information about the Supplemental Annuity which can be changed with a G-59R - See G-354 SUP ANN Instructions

- Correct SUP ANN effective date #7
- Delete a collective bargaining pension code #8
- Delete a BA number (private pension not involved) #9
- Delete employer pension #19
- Delete reduction in employer pension #20
- Delete employee contribution amount #21
- Delete reduction in SUP ANN for employer pension #22

D. Information about RASI processing situations which requires a G-59R

G-805 Input Reject

"AIME/TRANS PIA in Research contains zeros"

"EE Research amt. - serv. contains zeros"

"T1 - PIA 1 in Research record not correct"

RASI Award Messages

"G-90 more than 9 months old"

"Possible WD"

"Review Dual Spouse" - submit own EE annuity ABD, own EE annuity claim number, own EE annuity PL 94-547 indicator

Refer to RCM 9.3.14 for additional information on the above referrals and messages.

8.1.163 Notifying SSS of Data When Certification is not Required

A. Correcting or Adjusting Information on a Previously Certified Award

When data pertinent to the calculation of an annuity changes after a recurring award has been made, and it is not necessary to recertify the check rate, SSS and BTRS must be notified of the changes.

Handle corrections as follows:

1. If corrections can be shown on Form G-59 (survivor cases) or Form G-59R (retirement cases), prepare an original and 2 copies of the G-59/G-59R. Release the original copy of the G-59/G-59R to SSS. File one copy on the left hand side of the folder as a permanent record of the action taken. Release the second copy of the G-59/G-59R to BTRS using a G-26 route slip. This can be done for information that was either incorrect or missing on the previous award. For future reference make appropriate corrections or additions in red on the latest award form in file in every place on the form where the changes affects the item.

   For example, if a PIA is being changed, make appropriate changes in all items on the award form affected by the PIA change. However, for date of birth (DOB) change where administrative finality applies to previous payments, make the DOB change, but do not enter or alter any age reduction amount. In the "Remarks" section enter an appropriate explanation, such as: "PIA changed - additional earnings reported;" or "DOB changed - Administrative Finality applies to prior payments." Do not send the folder to SSS or BTRS.

   NOTE: In survivor cases, see RCM 9.4, G-59 Instructions for specific entries required on that form. In retirement cases, see RCM 9.4 G-59R Instructions for specific entries required on that form.

2. If corrections are too numerous to be shown on a G-59/G-59R, or if the last completed award form in the file does not include entries for the item to be corrected, complete an informational award form, or an appropriate computation sheet, and use a G-59/G-59R as a transmittal form. Enter your examining unit's acronym (ICS, RPS, etc.) after your signature on Form G-357 or G-364. Prepare an original and 2 copies of the G-59/G-59R. Release the original copy of the G-59/G-59R to SSS and file a copy on the left hand side of the folder as a permanent record of the action taken. Release the second copy of the G-59/G-59R to BTRS using a G-26 route slip. Do not send the folder to SSS or BTRS. In this case it is not necessary to show corrections in red on earlier award forms.

3. If corrections are of a nature that it is deemed necessary for SSS to have the folder to process all required corrections, take all required action and send the folder on a G-26 to 1) SSS 2) BTRS.

   If SSS requests the folder individually or as part of a group request, send the folder to SSS on a G-26.

Do not route the folder directly to SSS if:

The claim has open coding, in which case, route the folder to

(1) Code Clerk, (2) SSS; or

The claim is an initial partial which is being made final, in which case, route the folder to (1) Auth, (2) Vouchering, (3) SSS

B. Deleting Cancelled Awards From PREH

When an award has been made but the application has been cancelled, complete Form G-59 (survivor cases) or Form G-59R (retirement cases) and forward the form to SSS. (See RCM 9.4).

If the case will not be recertified, SSS must also be notified when a minor child, who is included as an IPI in an employee O/M case, will continue to be included after age 18 as an FTS or a disabled child. Similar notice is required for a survivor child if the case will not be recertified when the child attains age 18. Send these corrections to SSS on a G-59/G-59R. If recertification is required, SSS records will be corrected automatically as part of the award action.

8.1.164 Notifying SSS of G-90 Data for Retirement Cases

A. G-90 Data Needed By SSS

In retirement cases, the PIAs, AIMEs/AMWs, and YOC's used in the annuity computations, other than EE PIA 21, are not updated from award forms. Instead, SSS picks up this information from a G-90 tape furnished by the bureau of data processing (BDP). In employee cases, PIAs 1-11 are obtained from the G-90 tape. PIA 21 is picked up from the award form. In spouse cases, PIA 21 is obtained from the G-90 tape, and PIAs 1-7 are obtained from the employee's record. Therefore, the following procedure does not apply to PIAs 1-7 in connection with a spouse award or employee PIA 21.

B. Mechanical Entry of G-90 Data

Final data from three sources is stored on a tape furnished SSS by BDP. The sources are:

RASI generated G-90's, and

G-60 generated G-90's, and

Mechanical DF G-90's.

The tape data is stored for 9 full months (for 6 months, prior to July, 1978) from the month the G-90 is printed. After 9 full months, the tape data is dropped.

1. If an award is vouchered within 9 full months of the date the latest final RASI, G-60, or mechanically generated DF G-90 was printed, and if the date of that latest G-90 is entered on the G-357, SSS updates its records by matching against the data stored on the G-90 tape.

   NOTE: It is important that full months are considered. If the G-90 is printed on the first day of the month, the print month is counted in the 9 month period; if it is printed on other than the first day of the month, the print month is not counted in the 9 month period.

   Complete the "G-90" date entry on the G-357 if:

   a. The G-90 is a final RASI, G-60, or mechanically generated DF G-90; and

   b. There is a change in one or more of the items e.g., PIAs, AMCs, AMWs, service months or SALSA amount payable, since the last adjustment; and

   c. The G-90 will be no more than 9 full months old as of the voucher month; and

   d. The G-90 is the latest G-90 in file.

   NOTE: In certain circumstances, and as long as items a., b., and c. above are met, SSS may be able to match data on the G-90 tape when the G-90 date on the G-357 is not the date of the latest G-90 in file. Therefore, as long as items a., b., and c. above are met, it is acceptable for an examiner to enter the date of other than the latest G-90; however, the data would also have to be sent to SSS per B.2., or C., below, to insure proper updating.

   If the G-90 has incorrect information and the G-90 date is entered on the G-357, all of the data (including any incorrect information) will be updated to PREH, even if the erroneous information was not used for payment.

   Example: A G-90 with correct PIAs 4, 7, and 8 but incorrect PIA 1 is used for payment. Entering the G-90 date will cause PIA 1, the eligibility year, etc. to also be entered into PREH. Proper action in this situation is to follow-up with a G-59R providing corrected PIA 1 data or provide PIAs 4, 7, and 8 via G-59R instead of the G-90 date.

2. If an award is vouchered more than 9 months after a final RASI, G-60, or mechanically generated DF G-90 is printed, or if a temporary G-90 or special mass adjustment G-90 is used (regardless of the date), a "G-90 date" entry should not be made on the G-357. PREH can be mechanically updated if another G-90 is requested on Form G-60, and the new G-90 date is sent to SSS on Form G-59R. If a temporary G-90 was the basis of

an award, forward the date of the final G-90 to SSS on Form G-59R. SSS can activate its system to force a match against data that is then available based on the new G-90 tape.

NOTE: If RASI vouchers a case more than 9 full months after the date the G-90 is printed, the referral message "G-90 more than 9 months old" will be printed as a review message on the award form to alert the examiner to the fact that SSS has no G-90 data.

See C., below, for how to manually update the SSS record in the above situations.

C. Manual Entry of G-90 & G-90a Data

PIA, AMC, AMW, and service data that SSS cannot obtain mechanically must be manually entered into the record.

1. If one or two changes are involved, the examiner may either send the information on Form G-59R, or send the folder to SSS. If the folder is sent, notate in the "Remarks" section of Form G-26: "See G-90 (or G-90a) dated _____. Code necessary data into record."

   A copy of the G-90a may be attached to the G-59R. Note that SSS only records PIAs at the current level (unless it is the EE ABD PIA). Therefore, if a new PIA is effective Jan, '89' and a G-59R is sent in Jan '92', the PIA given must be updated for the Dec. '91' COL.

2. If extensive changes are involved, the examiner must send the folder to SSS. Notate in the "Remarks" section of Form G-26: "See G-90 (or G-90a) dated _____. Code necessary data into record."

3. Manual updating of PREH is required if:

   a. New or changed data was computed manually on Form G-90a; or

   b. New or changed data was obtained but voucher action will not be taken at this time; or

   c. The G-90 used to adjust an annuity is a temporary G-90 (also see B.2.); or

   d. The G-90 used to adjust an annuity is more than 9 full months old as of the month the award is vouchered (also see B.2.); or

   e. The G-90 used to adjust an annuity is not the latest G-90 in file (also see B.2.); or

f. The G-90 used to adjust an annuity is the result of a special mass adjustment run (e.g., COL, AERO, RAIL, etc.; also see B.2.).

SSS only updates data that is specifically pertinent to a mechanically processed COL, AERO, RAIL, or amendment increase. Any data not used in the mechanical update is not stored on the G-90 tape. Since SSS does not have mechanical access to data from this type of G-90, the date of one of these G-90's should never be entered in the "G-90 date" item of the G-357.

EXAMPLE 1: A case rejects from a mechanical AERO run, and an examiner manually adjusts the annuity for a PIA 1 increase reflected on the AERO G-90. No entry is made in the "G-90 date" item of the G-357. The examiner notifies SSS of the updated PIA 1, the new AIME/AMW etc., by sending the information on Form G-59R, by sending the folder to SSS, or by requesting a new G-90 and sending the new G-90 date to SSS on Form G-59R.

EXAMPLE 2: A PIA 1 increase is processed on a mechanical AERO run. An examiner makes a subsequent annual adjustment of the windfall based on an updated PIA 4 reflected on the AERO G-90. No entry is made in the "G-90 date" item of the G-357. The examiner notifies SSS of the updated PIA 4 by sending the information on Form G-59R, by sending the folder to SSS, or by requesting a new G-90 and sending the new G-90 date to SSS on Form G-59R.

EXAMPLE 3: A case rejects from a mechanical RAIL run, and an examiner manually adjusts the annuity for a PIA 1 increase and a tier 2 increase reflected on the RAIL G-90. No entry is to be made in the "G-90 date" item of the G-357. The examiner must notify SSS of the updated PIA 1, the new AIME/AMW etc., by sending the information on Form G-59R, by sending the folder to SSS, or by requesting a new G-90 and sending the new G-90 date to SSS on Form G-59R. Tier 2 data need not be sent to SSS, as this information will be pulled from the fully complete tier 2 input sheet. Any updated FAMC amount, however, must be referred to SSS in the same manner as updated PIA 1 data as mentioned above.

8.1.165 Notifying Taxation Programs of Records Changes

Refer the following types of cases to BTRS:

- Cases where a partition and a non-partition payment both apply to the annuity.
- Partition cases that have not been paid on award forms with a revision date of (10-89) or later.
- Cases involving the refund of a partition deduction amount.

- Cases where tier 1 was not payable to a railroad beneficiary due to a deportation, alien, or felony suspension and tier 1 is now being reinstated.
- Cases where an annuitant waives two or more components of his annuity.
- Erroneous reports of death.
- Retirement cases where the annuity formula changes from RR to O/M or O/M to RR during the award accrual period.
- Cases where the net tier rates are changing but no award action is necessary because the net annuity rate remains the same.
- Cases where partial withholding is in effect to recover an overpayment that is partially taxable and non-taxable. This would occur if an overpayment is a combination of the two categories listed below:

  Nontaxable Overpayments

- Tier 2 or vested dual benefit overpaid for the period before 12-83; or
- Tier 1 is overpaid because of a workers' compensation offset (retirement cases only); or
- SMI Arrearage; or
- Lump Sum Death Payment (survivor cases only).

  Taxable Overpayments

- Tier 1 overpayment not due to workers' compensation (retirement cases only); or
- Tier 2 and/or the VDB overpaid for the period after 11-1983; and/or
- Supplemental annuity.
- Code 98 suspension cases from which taxes were being withheld should be referred to TAX-TASA.
- Change in annuity type from reduced age to disability. See G-59 instructions for more information.

Also, refer to RCM 10.2.40 for types of correspondence that should be referred to BTRS.

8.1.185 Application for Disability Freeze Filed After Employee's Death

The October 1972 SS Act Amendments provide that a period of disability will be established and disability insurance benefits under the SS Act will be paid on the basis of an application filed within three months after the month of death of the disabled individual. Any application filed within this three month period will protect the filing date.

This provision is effective for deaths occurring after December 31, 1969. If death occurred after December 31, 1969 but before October 1972, an application filed within three months after October 1972 will be deemed to have been filed in the month of death.

Benefit payments are limited to the usual 12 months prior to the month the application is filed or deemed to have been filed.

Since the RR Act provides that no annuity is payable unless the individual files an application before death, no employee disability annuity can be paid based on an application filed after the death of an employee.

A survivor can, however, file an application after the death of a disabled employee, as provided in this amendment, solely for the purpose of establishing a disability freeze. If established, the disability freeze can provide a higher survivor annuity.

NOTE: A disability freeze should not be established after the employee's death if the claimed onset date is in the year of death or in the year the employee attained age 62.

Prior to this amendment, a DF could not be established after an employee's death unless the employee was alive when the application was filed.

The field will initiate development of an application for a period of disability, under certain conditions, from survivors currently filing for a survivor annuity or LSDP. When an AA-1 is received for establishment of a DF after death (accompanying a regular survivor application) and RRB has survivor jurisdiction, award the survivor annuity and send the case to the disability programs section (DPS) on a G-26a after the award has been made. An application may also be filed in a case where a survivor was previously, or is currently, being paid an annuity. If the DF is denied, DPS will release the denial letter and return the file. If the DF is allowed, DPS will return the case with its rating. If a period of disability is established but the applicant is entitled to an annuity only in the future, release code letter 565 to that person.

If the DF is allowed, request a recalculation of the PIA through SURGE. If the DF increases the PIA, and the rules of tolerance do not apply, adjust the annuity rates and pay any accrual due from the OBD or 12 months prior to the month the DF application is filed. Include code paragraph 529 in the award letter advising the annuitant(s) of the reason for the adjustment. If the DF does not increase the PIA release code letter 567 to the applicant. Effective January 1, 1979, the employee's year of eligibility determines the type of PIA that will be used. The employee's year of eligibility is the earlier of:

The year he attained age 62, or

The year of his DF onset date; or

The year of death

The inclusion of a DF could change the year of eligibility and the PIA computation. Generally, examiners should only use the DF if a higher PIA results. However, the DF may always be considered for the purpose of establishing entitlement to Medicare before age 65, even if it is not used in the PIA computation. In SSA jurisdiction cases, transfer the AA-1 with any other material being transferred.

NOTE: A DF cannot be used in the computation of a TRANS PIA. Therefore, if the survivor is receiving an annuity based on the TRANS PIA, BREA-DCC will only recompute the AIME PIA, considering the DF. Send the G-90 to BREA-DCC (division of compensation and certification) for such a recomputation. In "Remarks" of the route slip show "DF Established After Death, consider DF in AIME PIA." If the TRANS PIA without the DF is still the highest PIA when the G-90 is returned, release code letter 567. If the AIME PIA plus the DF is higher than the TRANS PIA being paid, include code paragraph 529 in the award letter advising the annuitant(s) of the reason for the adjustment.

8.1.186 Disability Freeze Established Before Employee's Death

A disability freeze (DF) established before the employee's death must be used in survivor calculations. If the DF lowers the death PIA, it should not be used to pay tier 1. However, the DF must be included in the computations of PIAs 4, 7, and 8 for the tier 2 vested dual benefit (VDB) offset amount.

8.1.187 Foreign Applications

A. INQUIRIES

Inquiries received from individuals residing in foreign countries regarding necessary forms to be completed for an annuity should be forwarded to the Chicago Field Office. Foreign countries are defined as other than Canada and Mexico. Applicants residing in Canada and Mexico will be serviced by the various field offices. Refer to RCM 10.3 Appendix B for a list of field offices respective to Canadian provinces and territories. Refer to RCM 10.3 Appendix C for a list of field offices respective to Mexican states and territories. All other foreign inquiries will be handled through the Chicago Field Office; this includes U.S. possessions such as Puerto Rico, Virgin Islands, etc. The contact representative is responsible for providing a letter of response with corresponding forms, if necessary. The following can be used to notify the applicant of action to be taken.

This is in response to your letter dated _____ in which you inquired about filing for an annuity under the Railroad Retirement Act. We have enclosed the required forms and

general information about your annuity. Please read through all the material and then complete and return forms _____. The remaining material should be kept for your records.

Please be sure all forms are fully completed. Incomplete forms may delay processing of your claim. If you need assistance, you may contact the Consular Section of the American Embassy located at the address shown below. Be sure to bring proof of your identity, a copy of this letter and all enclosed material with you. A copy of this letter has been forwarded to that office.

Sincerely,

(Name of Director)

(American Embassy)

Enclosures:

Even if the person is not eligible, furnish the appropriate application. Also, release an appropriate form or letter to the person explaining why they are not eligible, but stating that they may complete and submit the application if a formal decision is desired.

In a survivor case when the employee died in the U.S., give foreign resident information on where to write for POD (see chapter 4.2, Appendix A).

B. ATTACHMENTS

Application for Employee's Annuity (Enclose AA-1, G-177, RB-1, RB-3, RB-9, RRB-1001 and TB-26)

Application for Determination of Employee Disability (Enclose AA-1, AA-1d, G-177, G-250, G-250a, G-251, (also include G-478 if mental incompetence involved) RB-1d, RB-1D.1, RB-3, RB-9, and RRB-1001)

Application for Spouse/Divorced Spouse Annuity (Enclose AA-3, G-177a, RB-3, RB-9, RB-30, RB-3, RB-30, G-45 except Canadians, and RRB-1001)

Application for Widow(er)'s Annuity (Enclose AA-17, RB-9s, RB-3, RB-17, G-45 except Canadians, and RRB-1001)

Application for Mother's/Father's & Child's Annuity (Enclose AA-18, RB-3, RB-9s, RB-17, G-45 except Canadians, and RRB-1001)

Application for Child's Annuity (Enclose AA-19, RB-3, RB-9s, RB-17, G-45 except Canadians, and RRB-1001)

Application for Full Time Student (Enclose AA-19, G-315, RB-3, RB-9s, RB-17, G-45 except Canadians, and RRB-1001)

Application for Parent's Annuity (Enclose AA-20, RB-3, RB-9s, RB-17, G-45 except Canadians, and RRB-1001)

Application for Lump-Sum Death Payment and Annuities Unpaid at Death (Enclose AA-21, RB-3, RB-21, G-45 except Canadians, and RRB-1001)

Application for Disabled Child (Enclose AA-19a, RB-3, RB-9s, RB-17, G-45 except Canadians, and RRB-1001)

Application for Disabled Widow (Enclose AA-17a, RB-9s, RB-3, RB-17, G-45 except Canadians, and RRB-1001)

Application for Employee Medicare only (Enclose AA-6, and RL-9)

Application for Spouse/Divorced Spouse Medicare only (Enclose AA-7, and RL-9)

Application for Widow(er), Surviving Divorced Spouse, or Remarried Widow(er) Medicare only (Enclose AA-8, and RL-9)

To expedite the return of the completed correspondence to the proper section, the examiner will include a pre-addressed return envelope corresponding to the unit releasing the information. Also include the applicant's claim number.

C. RESTRICTED COUNTRIES

Correspondence is restricted, either by mail or through the U.S. Consular Office, with a person living in Democratic Kampuchea, formerly Cambodia.

The United States Treasury Foreign Assets Control Regulations and Cuban Assets Control Regulations (Treasury Circular 655) prohibit the delivery of all U.S. Governmental checks, including Railroad Retirement and Social Security benefit checks, to (or on behalf of) beneficiaries residing in restricted countries. The Railroad Retirement Board, as prescribed by the Treasury Department, restricts the issuance of payments to the following countries:

1) The Republic of Cuba (7/5/63)

2) Democratic Kampuchea, formerly Cambodia (4/17/75)

3) The Democratic People's Republic of Korea (12/17/50)

Benefit accrual, effective July 1, 1968, has also been restricted to any individual who is not a citizen or national of the United States for any month in which he/she resides in a country to which payment is withheld because of Treasury regulations.

Residence (not presence) in a restricted country is the cause for nonpayment. An individual is a resident if he/she is present in a restricted country for a significant length of time and makes, or intends to make, his/her home there.

If U.S. citizenship is the basis for claiming accrued benefits, no payment may be made before verifying U.S. citizenship.

No Lump Sum Death Payment (LSDP) is payable if a monthly benefit was not payable to the insured individual for the month preceding the month of death due to residence in a restricted country.

D. PREPARING AND RELEASING CORRESPONDENCE

Correspondence may be released directly to the applicant and/or to the American diplomatic and consular posts. Categories of mailing facilities to overseas posts include the Army Post Office/ Fleet Post Office (APO/FPO), diplomatic pouch facilities, regular mail facilities, or a combination of, such as APO and diplomatic pouch. Dispatch mail to foreign service posts (FSPs), embassies or consulates by airmail.

Consular sections and federal benefits units in FSPs represent RRB and other Federal agencies and should be furnished information and the status of claims on the same basis as our field offices.

Before October 16, 1990, the Railroad Retirement Board received cablegrams from FSPs over teletype lines of the Department of Veterans' Affairs. When that service was discontinued, RRB agreed with the Department of State that messages could be sent by telefax to either of two machines at (312) 751-4912 or (312) 751-7192. In emergencies, the foreign service posts may telephone the congressional inquiry section. Normally, a reply to either a telefax message or to a telephone inquiry will be made by airmail letter.

In order to insure safe and prompt delivery of correspondence and benefit checks, the U.S. Department of State has designated special addresses for many of its posts (see Appendix G in section 8.1).

When it is necessary for a Foreign Service post to deliver mail to a person in a foreign country or request assistance from the Department of State in contacting foreign residents, address correspondence to the person in the usual manner. Send all mail, including policing questionnaires, directly to the foreign service post as described in Appendix G. However, attach a G-26 to the material being sent to the correspondent. Address the G-26 to the Foreign Service post in the manner indicated below. In remarks show "For transmission to the addressee shown." Under "From" enter "U.S. Railroad Retirement Board, Chicago, IL". Prepare an envelope addressed to the Foreign Service post.

Due to special requirements on claims handling, mail for China, Hong Kong, Macao and Nicaragua must be sent through U.S. foreign posts.

Mail for mainland China (The People's Republic of China) requires an address in Chinese characters. If such an address is available, attach it to the envelope for the material being sent to the person and attach a G-26 with the comment, "For transmission to the addressee shown"; if a Chinese character is not available, add to

the comment, "Chinese character address not available" and close with from "U.S. Railroad Retirement Board, Chicago, IL."

There are no special mail requirements for Taiwan (the Republic of China).

When a special address has been designated, it is to be used for mail by our agency. However, when giving directions to a resident of the country who is to write or report to the FSP, the street or building address should be furnished.

Examples of accepted forms for addressing mail are in Section 8.1, Appendix G.1, titled 'Format for Addressing Correspondence'.

E. PROCESSING APPLICATION

Note, once the necessary applications, forms and proofs have been submitted, including the RRB-1001, the examiner must code in the application. Then consider the applicants claim of a treaty exemption for tax purposes. If the annuitant claims exemption, you must hand-carry the form to a supervisor in OPNS-BTRS and ask that a record be set up. **This must be done prior to releasing the case for authorization and vouchering.** If the annuitant does not claim exemption, forward the form to the Taxation unit for processing via interoffice mail.

The examiners second consideration is the applicant's citizenship status and/or date of eligibility as described in section 4.9.20.

If the applicant is determined to be eligible, process the case as described in section 8.1.60, Retirement Manual Award Processing, for retirement and disability claims or as described in section 8.1.85, Survivor Award Manual Processing, for survivor claims.

If the applicant is determined not to be eligible, the claim should be denied according to current procedures. A copy of the denial letter should also be sent to any Consular section if they have been involved.

F. BENEFIT ISSUANCE BY TREASURY

The Philadelphia Financial Center of the U.S. Department of Treasury issues all benefit payments. Checks issued to recipients in foreign countries are forwarded to designated Foreign Service posts if available, usually the American Embassy or a Consulate General, for further distribution, with the exception of Canada and Mexico. The foreign service post decides whether to release the checks into the postal service of the host country or hold them for pickup if the postal service is disrupted, such as by a postal workers' strike, war, or civil disturbances. If a Foreign Service post does not exist, the checks are released through international mail. Canadian and Mexican beneficiaries, as well as all domestic beneficiaries, receive payments through an "open mail" system.

G. REIMBURSEMENT REQUESTS FROM EMBASSIES

Although the State Department does not ordinarily charge for their intervention, policy does permit billing the requesting agency for costs. If the embassy requests reimbursement for costs incurred, they should go through the State Department to secure payments from the RRB. The Bureau of Fiscal Operations (BFO) handles these cases. The Embassy should be instructed to charge the prevailing rate in that area for reimbursement. If a request is submitted, send it to BFO, Accounting Department.

H. TRACING WITH STATE DEPARTMENT

If after 60 days from the release date the embassy has not responded, to the correspondence released by RRB representative, the appropriate field office will trace via e-mail with the State Department until a response is received. The e-mail address is ASKPRI@state.gov. Include as much information as possible concerning the original request in the e-mail.

8.1.195 Tracing

Claims examiners are responsible for taking any necessary tracing action for cases within their control. The tracing schedule in Appendix D is intended as a general guide for normal handling. In each case, flexibility should be used in deciding when to trace.

In RASI cases, applicable HSL referral messages are produced for examiners when tracing action is required for certain types of data. The G-227, G-230, and G-659a in the folders can also be used as a basis for determining what is outstanding and should be traced.

Material to be obtained from a railroad employer is traced through the field office in the railroad contact official's area as shown in the Contact Official List. Information requested from someone other than a railroad employee is traced to the field office which is developing the material or the field office in the area in which the person or organization from which the information was requested is located. In some cases, the tracing action must be made directly to the person or organization involved.

8.1.196 Development

Outstanding data is generally traced by using the following sources:

Electronic mail (HSL)-Original and one for the file

Memorandum - two for the field office, one for the file

Tracing form - two for the field office, one for the file

Teletype - original and one for the file.

If the outstanding material is not received after the action shown in the tracing schedule is taken, call the field office or send a letter to the person or organization from which the material is expected. If necessary, ask the field office to make a personal contact with the person or organization from which the material was requested.

8.1.197 Tracing for Data Controlled by the Computer

A. Retirement Cases - When a retirement application is keypunched into the RASI system, tracing call-up dates will be mechanically established for some of the outstanding data needed to pay the case. Depending on the item to be traced, RASI will usually establish a call-up date of either 10, 30, 60, or 90 days. Most items, however, will be traced on a 30-day basis.

The date for next tracing action will be shown on the G-425, "Weekly Status Report." Although RASI may have established different call-up dates for the various items in a case, only one (the most current tracing date) will be shown on the G-425. When that call-up date expires, the G-425 will show the next most current tracing date.

Some call-up dates are established for mechanical replies and will not require examiner handling. Generally, the 90 day call-up will be established for the SSA TRIC replies from BDP. No examiner action will be required when the SSA TRIC reply call-up expires. If the SSA TRIC reply has not been received when the call-up date expires, RASI will mechanically generate another SSA TRIC request.

When a tracing date that requires examiner handling expires and the outstanding data has not been received, an HSL referral will be produced. The referral message will indicate all call-up items that expired on the date the referral was generated. When the referral is read, the examiner must take the necessary tracing action to secure the required information.

However, examiners should not wait for HSL referrals before taking needed tracing action. When working a case, review the folder to see what data is still outstanding and take all necessary tracing action.

B. Survivor Cases - If a spouse has not been converted to a widow(er), an 805 referral is released. For information on responding to an 805, refer to RCM 9.3.21.c.

8.1.198 Tracing for Data not Controlled by the Computer

When a case is not under the control of the computer, the examiner must establish any controls necessary to see that tracing action is initiated if the required data is not received in a certain period of time.

To control a case for tracing action, examiners must enter a call-up date for tracing on the folder and place the folder in the dormant file. Also, the G-662 can be used to

establish a call-up date for tracing. The tracing schedule outlined in Appendix D can be used to determine what call-up dates to use. The tracing schedule, however, is only a general guide. Examiners are not restricted to the guidelines in the tracing schedule. Again, always review the folder to see what data is outstanding and take the necessary tracing action.

Appendices

Appendix A - Instructions For Showing Names And Addresses On Award Forms

A1. Basic Rules For Completing Name And Address Section Of Award Forms

- Use block letters for names (e.g., DORIS M JONES).
- Use no more than 20 characters (including spaces) to a line.
- Use no more than 5 lines for the entire name and address.
- Omit all punctuation (i.e., periods, commas, hyphens, apostrophes, etc.).
- Omit all titles, prefixes, and suffixes, as Mrs., Dr., Rev., Capt., etc. Jr. or Sr. may be shown after the payee's last name only if the field office has requested that designation or if the payee insists upon it.
- When "FOR" is used, make it the first entry on the applicable line.
- Leave one space between initials and names except segmented or prefixed last names like OBrien, McDonald, VanCamp, and LeGrand. The exception applies only to names of persons:

  SEE EXHIBIT 2

- Leave one space between a rural route or box designation and its corresponding number(s): SEE EXHIBIT 3
- Show only the name of the payee (person who is to cash check) on line 1 of the award forms. Where payment is being made directly to a beneficiary, show the address on lines 2 and 3. Two lines must be used for the address even though there is no street address.

EXAMPLE:

SEE EXHIBIT 4

A2. Names

Enter the first name, middle initial, and last name except when they exceed 20 characters; then change the first name to an initial. If the name is still too long, enter the first name and the middle initial on the first line and carry the last name to the second line. In other words, if the last name exceeds 16 characters, enter the last name on the second line. The name will appear on the check exactly as it is on the award form.

Enter the letters, beginning with the first block of the first line reserved from "NAME AND ADDRESS OF PAYEE." If the name requires less spaces than the number of blocks on any one line, leave the un-needed blocks blank, e.g.,

SEE EXHIBIT 5

When a person has more than one given name and one initial - e.g., JAMES ALLEN JONES - use only the first given name, the initial of the second given name and the surname, or only the first two initials and the surname if the use of the first given name results in the use of more than 20 characters.

EXAMPLE: Payee's name Marjorie Louise Buckingham (total blocks required, 26).

SEE EXHIBIT 6

Do not use abbreviated names, such as "Jno." for "John;" instead, use initials when necessary for saving space. Names which are usually known to be nicknames, as "Dick" or "Jim" may be used if they are shown as given names.

A. Servicemen as Payee - Include the service number of a payee in Armed Forces, if it is available in the file. Although it is considered part of the name, enter the serial number on the second line.

B. Married Women as Payee - When the payee is a married woman, use her own given name and middle initial, if any, even if she has signed her application incorrectly as "Mrs. John Jones." A woman's middle initial may represent a given name or her maiden name, whichever she prefers.

C. Widower or Widow - The widow's name, as payee on the award form, should agree with her signature on her application insofar as her signature does not conflict with the rules given above. However, if payment is to a widow who has remarried, show her married surname regardless of whether that name is on the application or is reported later.

D. Child - When making payment to a representative payee (including the child's parent) for the child/disabled child show the payee name on the first line, "FOR (name of child)" on the second.

When making payment directly to a child (including a disabled child or student), take the name of the child from the signature line of the application and enter it in

the award form according to the rules above. Do not show a descriptive legend after the child's name.

When benefits are being paid to a widow for her child, show the widow's name on line 1 and the word "for," at the beginning of the next line, followed by the beneficiary's name.

EXAMPLE:

SEE EXHIBIT 7

E. Representative Payee (Whether or Not Legally Appointed - Show the representative payee's name on line 1 and, if necessary, line 2. On the next line show "FOR (name of beneficiary)."

EXAMPLE:

SEE EXHIBIT 8

F. Guardian or Ward Has An Alias - If the letters of appointment give aliases for the guardian or ward, show the name as it first appears on the letters of appointment unless that name differs greatly from the name on the application.

For example, if the beneficiary's name appears as "Theodore Brown," also known as "Ted Brown" on the evidence of appointment, and as "Ted Brown" on the application, show his name as "Theodore Brown" on the award form. But, if the evidence of appointment had given the name as "Theodore Brown," also known as "James Brown" and the application shows "James Brown," enter the name as "James Brown" on the award form.

G. Multiple Guardians - When two or more persons are named as guardians of the estate of a minor or an incompetent adult beneficiary, follow these instructions:

1. Guardians Other Than Joint Appointments - If a minor or incompetent adult has more than one legal guardian, e.g., a guardian has been appointed by more than one court, make the payment to the guardian who has assumed chief responsibility for the welfare of the ward.

2. Joint Guardianship - When two or more persons are named in the same court order, make the payment to them jointly unless both of them request in writing that payment be made to one. Show the name of the second guardian on the second line.

   In cases of guardians appointed by the courts of the State of New York, include in the designation any official or individual who is named in the appointment as a joint guardian, e.g., "John L Smith AND" on the first line and "Clk of Surrogate Crt" on the second line.

EXAMPLE:

SEE EXHIBIT 9

H. Statutory Guardian - Where the legal guardian of the estate has acquired this status by statute rather than by court appointment, show the official name of the guardian. Show the name of the ward as it appears on the evidence of authority submitted by the statutory guardian. For example, a State statute provides that the New Jersey State Board of Child Welfare shall be statutory guardian of the person and estate of all children committed to its custody, care and control. The payee designation will be: NJ Child Wel Bd For John F Smith.

EXAMPLE:

SEE EXHIBIT 10

I. Indians - If an award is being made to the superintendent of an Indian Agency on behalf of an Indian ward, designate the payee as "Supt Indian Agcy For John J Jones," without showing the name of the superintendent.

EXAMPLE:

SEE EXHIBIT 11

J. Institution or Social Agency as Payee for Minor or Incompetent - Where payment is being made to an officer of an institution or agency on behalf of a minor or incompetent adult, show his title and the name of the agency or institution, followed by "For (name of beneficiary)".

Do not use more than 3 lines for the names of the institution and beneficiary. The word "For" must be at the beginning of the line.

NOTE: Descriptive legends such as "as unremarried widow," "as gdn, of," "as lgl. gdn. of," "as comm. of," "as cons. of," " as lgl. cust. of," etc., are not used.

EXAMPLE:

SEE EXHIBIT 12

K. Administrator, Executor, or Other Legal Representative of Estate

Where benefits are being awarded to an administrator (including a public administrator), executor, or other representative of an estate, show the name of the legal representative exactly as given in the court order. Omit the official capacity of such representative. If an alias is given for the representative, show the name as it first appears on the court order unless it varies materially from the name on the application. After the payee's name, enter the words "For estate of," e.g., "John Doaks for estate of Henry Doe."

Where the appointment papers give the names of two or more fiduciaries as co-administrators, co-executors, etc., show both names.

L. Payee for Estate not Legal Representative - When the payee for an estate is not the legal representative, show only his name; do not show that he represents the estate. (Persons under court order or a small estate statute are legal representatives.)

M. Multiple Beneficiaries - When there are several beneficiaries, show payment to each beneficiary separately.

N. Funeral Home - When the LSDP is being paid to the FH, show the name of the FH not the funeral director) on line 1. On line 2 enter "For Acct. of" and on line 3, the name of the deceased employee.

EXAMPLE:

SEE EXHIBIT 13

A3. Address Of Payee

Always indicate the beginning of the address by a group mark, SEE EXHIBIT 14. The first line of the address is limited to the group mark and 19 other characters. Do not leave a space after the group mark. The total number of characters (letters and spaces) for each other line cannot exceed 20 except that the fifth line cannot exceed 19 characters.

The address portion of the award form must never be less than 2 lines. As many as 4 lines may be used for the address, provided only 1 line is used for the name. When no descriptive legend (For estate of John Doe) or restrictive legend (For name) is present, the address will usually start on line 2. The number of lines of name and address can never be less than 3 (e.g., when the address consists only of the city and State, enter the city on one line and the State and ZIP code on the next).

Show the correct mailing address of the payee after his name, or where payment is made to a person on behalf of a beneficiary, after the name of the beneficiary. Where payment is being made jointly to two or more fiduciaries (co-guardians, etc.) show only the fiduciary's address; if such address is not given, use the address of the next fiduciary.

Use no punctuation. Omit periods, commas, apostrophes, etc.; however, hyphens may be used in the address. Do not close spaces between prefixed or segmented names or words in the address that refer to places; or between rural route or box designations and their corresponding number(s). Do close spaces between names of persons, e.g.

SEE EXHIBIT 15

The space after the % sign may be closed if line limitations require it. At least three spaces must be used to enter a fraction; in addition, a space must be left on each side of the fraction.

A. Address Criteria

Apply the following rules to the street address:

Omit unnecessary words, such as "corner of," "on the," etc.

Incorrect	Correct
John J. Smith	John J Smith
Ashland and Elm Street	Ashland & Elm Sts

Omit building (or apartment or hotel) name when street address is given.

Use standard street address abbreviation when necessary to keep it to one line, but never abbreviate street name to one letter. Include branch of service and organization in military addresses.

Incorrect	Correct
Cecilia F Sullivan	Cecilia F Sullivan
1423 New York Av NW	1423 N Y Av NW

Omit vowels when necessary to keep one line, along with standard abbreviations:

Incorrect	Correct
1018 North Springfield Drive	1018 N Springfld Dr

Use numbers for numbered street.

Incorrect	Correct
128 Fifty-Eight Street	128 58 St (omit "th" after 58)

Use ampersand "&" for "and" if necessary to meet limitations.

EXCEPTION: When "&" is the last character on the first line of a recurring award, it must be spelled out.

Change "apt" to "#" if necessary to meet limitations.

Use the % for "care of" and "in care of," or "at the residence of" and "at the office of." The % symbol goes on the address line and is preceded by the group mark. Follow the % symbol with the name of the person or facility where the material will be delivered. It is not necessary to close the space after "%" unless the line limitation requires it.

Abbreviate street designations, such as lane - LA; drive - DR; highway - HWY; avenue - AV; and use RR for RFD, or Rural Delivery.

B. City, State and ZIP Code - Apply the following rules to the city, state and ZIP code:

Do not abbreviate names of cities, except Saint is to be abbreviated St; Fort as Ft; etc. Show the city name in full with the exception of lengthy cities which make the line too long, and for which only acceptable abbreviations are to be used. These acceptable abbreviations are shown in the RRB ZIP Code Master Books.

Philadelphia Pennsylvania	Phila Pa
Cincinnati Ohio	Cinci Oh

The state must be abbreviated in accordance with the two letter abbreviation in Appendix B of RCM 10.2.

Include the ZIP code. Enter the code on the same line with but after the state unless it makes the line too long, in which case enter it on the next line.

If the ZIP code is not available from material in the claim folder, secure the ZIP code number from the National ZIP Code Directory.

Always show the "APO," "FPO," or "AFB" before the city and state for military addresses. The 5-digit APO number must follow the state name in the same manner as a ZIP code. The city may be abbreviated N Y for New York and S F for San Francisco (only for military addresses) See list of abbreviations in RCM 10.2.

C. Foreign Country Designation

Keep the names as they appear in the basic document if 20 characters or less.

Abbreviate street addresses only when you know positively that such abbreviations are acceptable.

Abbreviate town, city, country, or county only when you know positively that the abbreviations are acceptable.

A4. Name And Address Entries For One Payment Only And Recurring Award

The usual name and address entries are not required on an award form if the award action is one of the following:

- ONE-PAYMENT-ONLY, AND REINSTATEMENT, OR REINSTATEMENT-RECERT — The award is being made on a G-357 or a G-364, and the payee is in current pay status or in suspense; if the payee was terminated or does not appear on the MOMS tape or DATA-Q, enter the payee's name and address on the award form;

  NOTE: When reinstating an "erroneous report of death," always show the name and address on the payment input sheet; and

  The payee code has not been used for a different payee; and

  The payee's name and address is the same as shown on the most recently updated MOMS tape or DATA-Q.

- RECERTIFICATION AND — There is no change of address in file dated in the current month or last month, not reflected on the most recently updated MOMS tape or DATA-Q.

When the above conditions are met, draw a single diagonal line across the name and address item, as in this example of the G-357 for a recurring payment;

SEE EXHIBIT 16

It is important for purposes of consistent file documentation that the diagonal line code not be used for any other purpose, such as on an information award, constructive award or on an award processed to transfer funds from one account to another. It is also important to keep change-of-address notices filed on the left side of the claim folder as prescribed in RCM 8.1.50.

When the conditions for non-entry of the name and address are not met, or if there is any doubt about whether or not they are met, complete the name and address in the usual manner.

Appendix B - Form G-90a

MANUAL CERTIFICATION OF SERVICE AND COMPENSATION - BASIC AMOUNT AND PIA DETERMINATIONS

Form G-90a is manually prepared by the BIS-DMB in response to a G-563 request. The G-90a furnishes 1937, 1974 and 1981 Act computations such as PIAs, indexed tier 2 and basic amount.

When requesting a manual PIA computation solely for an annuity estimate, show on the G-26 requesting the PIA computations "ANNUITY ESTIMATE - NO PAYMENT INVOLVED." If it develops later that the annuity is to be awarded manually, a G-60 is required to get the PIAs into the DMG record and to get the proper PIAs to be used in the manual award. No additional action is required if the annuity is awarded by RASI.

Block	Title and Explanation
1 A.B.C.,	SELF-EXPLANATORY. Completed by the retirement or survivor examiner.
2 - 11	For each requested PIA, the BIS-DMG claims examiner will provide: • TYPE OF PIA (AMW, AIME, TRANS) • CLOSING DATES • WAGES AND/OR COMPENSATION • DIVISOR MONTHS (DIV.) • EFFECTIVE DATE • Point at which the PIA is payable by circling ABD, COL or RECOMP • Amount of PIA

	• Years of Coverage (YOC) • The special minimum PIA (SP.MIN)
11	MISCELLANEOUS CALCULATIONS - PIA # - This item will reflect data for miscellaneous PIAs such as PIA #2, PIA #21
13	RAILROAD RETIREMENT ACT - COMPUTATIONS - This item will reflect the basic amount data.
14	CERTIFICATION - The DCC examiner will sign and date the G-90a.

Appendix C - Form G-90b

DETAIL OF SERVICE MONTHS AND COMPENSATION

Form G-90b is used for manual certification of military service credits and recertification of months of employer service.

Block	**Title and Explanation**
1 - 2	Self-explanatory.
3A	Year - Years 1937-1950 are preprinted on the form.
3B	Mos. Serv - Months of service credited entered in this column.
3C	Inc. Years - The increment years 1937-1950.
3D	Compensation - The total compensation credited for each year 1937-1950. M/S credits are identified by an "M/S."
3E	Wages - Form SSA-794 all creditable wages.
3F	Wages and Compensation - The total wages and compensation.
4	Military Service - Months of M/S are entered and either the "Creditable" or "Not Creditable" box is checked.
5	Months Employed (R.R.B.) - Individual service months identified here when requested.
6	Remarks - Self-explanatory.

Appendix D - OPERATIONS TRACING SCHEDULE FOR OUTSTANDING ITEMS

A. Compensation and Wage Data from Claims Certification Unit (CCU)

1. Retirement G-90 (from G-60 or RASI)

1st Tracer - After 30 days, check the status list of pending retirement Search requests.

- If the type reply column shows "DPA MANUAL REENTRY" or "MANUAL PIA RELD," send Form G-60a to CCU.
- If the type reply column shows "SSA REPLY," verify that the SS claim number is correct. In manual cases, release another G-60. In RASI cases, RASI will submit a new request.
- If the case is not on the status list and no G-90 has been received, release another G-60 in manual cases. In RASI cases, if RASI did not receive the G-90 data, RASI will submit a new request.

2. Survivor G-90

An on-line SURGE FNOD request for spouse-to-widow cases will generate a SEARCH G-90 wage record request. A G-90 requiring re-entry for lag, military service or SSA reply, appears on the HSL SBD Survivor "A" Search Pending List. If a G-90 requires group "B" manual review or calculation by the CCU, it will appear on the B G-90 Database (PC) Program.

3. Tracing An Outstanding Re-Entry "A" G-90

a. 1st Tracer - Check the E-mail SBD Survivor A Pending List. If the case is on the pending list, pend for 2 weeks from the date into system. If not received within 2 weeks, determine the "Type Code" reason the G-90 is delayed and follow the procedure below.

If the G-90 is delayed due to SSA reply, the wage record cannot be traced. If there is no SSA reply furnishing the outstanding wages, the G-90 will drop off the pending list after 30 days with no calculation.

If the G-90 is delayed due to lag, refer the case to the Senior Claims Specialist or Section manager.

If the G-90 is delayed due to military service, trace directly to the CCU E-mail mailbox entitled "RE ENTRY A" using the "Survivor Wage Record Tracer" pattern.

CCU responses will be sent to the SURV INQUIRIES/ TRACERS mailbox. The messages will be distributed daily.

b. 2nd Tracer - If no response to the E-mail is received within one week, trace with the CCU through the Senior Claims Specialist or Section Manager.

If the case is not on the HSL Pending List, see procedure for tracing an outstanding manual "B" G-90 below.

4. Tracing an Outstanding Manual "B" G-90

To determine if a G-90 has been referred to CCU for manual review or calculation, access the B G-90 Database Program option #1, "Check On Survivor B G-90". Enter the terminal digit number without dashes or, if a six digit number, the prefix followed by the six digits. If no record is found using a six digit number, also check under the terminal digit number.

If the G-90 has been referred to CCU for category B manual handling, the claim number will be displayed as an existing case with the date received in CCU. If CCU has completed their action and forwarded the paper G-90 to the Survivor Benefits Division, the date of that action will be indicated in the "Date Completed" box.

- 1st Tracer - Trace a category B G-90 not completed by CCU using the Database program. Select "S - Send Message To CCU For Special Handling". Type in the tracer message in the remarks section and enter "Y" to send the message. CCU can acknowledge the special handling request and respond using the Database program, if applicable.

- 2nd Tracer - If no response to the Database program message is received within one week and no G-90 is received, trace with CCU through the Senior Claims Specialist or Section Manager.

5. Tracing G-563

Release 1st Tracer 30 days after request was made. Release a 2nd Tracer G-563 marked "Second Request" 30 days after first tracer was released.

B. Compensation and Pension Data

1. Tracing G-88A.2, Notice of Retirement and Request for Verification of Service Needed for Eligibility.

This tracing procedure is in FOM-I-1720 G-88A.2.

2. Tracing Form G-88p, Employer's Supplemental Pension Report

This tracing procedure is in RCM Part 11 Form G-88p Instructions.

C. Proofs Needed to Pay Case

1. Tracing Proof from Field Offices

a. 1st Tracer - After 30 days or when referral message is produced - E-mail message to field.

b. 2nd Tracer - 30 days after 1st tracer - E-mail message to field.

c. 3rd Tracer - 30 days after tracer - Phone call to field. Note - The field office will be abandoning the case if they have been unable to obtain the proof by this time.

2. Tracing Proof from Resources Management Center (RMC)

After 30 days from the date foreign language document was sent to RMC - Send a photocopy of the G-91a in file to RMC. Show "Foreign Language Document Outstanding 30 days," on the G-26 route slip.

D. Medical Evidence

The DSUBD will take all tracing action necessary for outstanding medical evidence.

E. Social Security Date

1. RLS - (Form G-80 is obsolete).

Refer to RCM 2.9.70.-73. for current G-80 RLS handling.

2. Tracing RR1a/RR1e

First Tracer - If the beneficiary or the field office reports that an application for SS benefits has been filed and no RR1a/RR1e is in file, check POLO. If not on POLO, send an RR-25 to the OSR

F. Military Service Data

1. Tracing G-431 or SF-180

1st Tracer - 30 days after form was released. Release another form.

2. Tracing for Reply to Code Letter 353

1st Tracer - 30 days from date form letter was released - Release a letter marked "Second Request".

2nd Tracer - 30 days after 1st tracer, release a second tracer letter.

3rd Tracer - 30 days after 2nd tracer, refer case to RAS.

G. All Data from Government Agencies not Mentioned Above

1st Tracer - 30 days from date form or letter was released - Release a letter marked "SECOND REQUEST".

2nd Tracer - 30 days after 1st tracer - Release a 2nd tracer letter.

3rd Tracer - 30 days after 2nd tracer - Refer case to PAS.

H. All Data Requested from Field not Previously Covered

1st Tracer - 30 days from date request was made - Send E-mail message to the field office manager.

2nd Tracer - 10 days from 1st tracer - Send E-mail message to appropriate regional office.

Appendix E – Railroad Retirement Voucher Number Assignments

001	FIRST PAYMENT (OPO) IN POST PERIOD
002	MECH. SMIB RECERT SINGLE MONTH DEDUCTION
003	MECH. SMIB RECERT SBI ACCRETION, DEDUCTIONS STOPPED, REFUND
004	MECH. SMIB REINST/RECERT MULTIPLE MONTH
005	OPEN
006	MECH SMIB RECERT SMIB WITHDRAWAL, DEDUCTIONS STOPPED, SMIB REFUSAL
007	MECH. SMIB REINST/RECERT SBI DELETION - MULTIPLE MONTH DEDUCTION
008	CODE 98 REINST OR OPO
009-010	MECH. - OPEN
011-067	RECON, BCS, BSU MANUAL AWARDS
068	RECON, CIS, BCS, SURPASS AWARDS
069	RECON, CIS, BCS, ROC AWARDS

070	RECON, CIS, BCS ONCORR AWDS	
071-090	PSU (SF-1166'S)	
091-093	OPEN	
094-177	FIELD OFFICE SURPASS AWARDS	
094	ATLANTA GA	
095	SAVANNAH GA	Obsolete
096	BIRMINGHAM AL	
097	JACKSON MS	Obsolete
098	MOBILE AL	Obsolete
099	CHARLOTTE NC	
100	JACKSONVILLE FL	
101	FORT LAUDERDALE FL	Obsolete
102	TAMPA FL	
103	NASHVILLE TN	
104	KNOXVILLE TN	Obsolete
105	MEMPHIS TN	Obsolete
106	RICHMOND VA	
107	NORFOLK VA	Obsolete
108	ROANOKE VA	
109	HUNTINGTON WV	
110	LOUISVILLE KY	
111	LITTLE ROCK AR	
112	SHREVEPORT LA	Obsolete
113	NEW ORLEANS LA	

114	NEW YORK NY	
115	OPEN	
116	ALBANY NY	
117	SYRACUSE NY	Obsolete
118	BUFFALO NY	
119	BALTIMORE MD	
120	BOSTON MA	
121	PORTLAND ME	Obsolete
122	SPRINGFIELD MA	Obsolete
123	NEW HAVEN CT	Obsolete
124	HARRISBURG PA	
125	ALTOONA PA	
126	NEWARK NJ	
127	PHILADELPHIA PA	
128	SCRANTON PA	
129	WASHINGTON DC	Obsolete
130	CLEVELAND OH	
131	TOLEDO OH	Obsolete
132	CHICAGO IL	
133	JOLIET IL	
134	DECATUR IL	
135	MOLINE IL	Obsolete
136	GRAND RAPIDS MI	Obsolete
137	DETROIT MI	

138	CINCINNATI OH	
139	COLUMBUS OH	Obsolete
140	INDIANAPOLIS IN	
141	FORT WAYNE IN	Obsolete
142	PITTSBURGH PA	
143	YOUNGSTOWN OH	Obsolete
144	KANSAS CITY MO	
145	TOPEKA KS	Obsolete
146	DES MOINES IA	
147	WICHITA KS	
148	DULUTH MN	
149	ST. PAUL MN	
150	ST. LOUIS MO	
151	SPRINGFIELD MO	Obsolete
152	OMAHA NE	
153	FARGO ND	
154	OKLAHOMA CITY OK	Obsolete
155	MILWAUKEE WI	
156	TULSA OK	Obsolete
157	EAU CLAIRE WI	Obsolete
158	FORT WORTH TX	
159	HOUSTON TX	
160	SAN ANTONIO TX	Obsolete
161	DENVER CO	

162	OAKLAND CA	
163	WEST COVINA CA	
164	SAN BERNARDINO CA	Obsolete
165	EL PASO TX	Obsolete
166	PHOENIX AZ	
167	TUCSON AZ	Obsolete
168	SACRAMENTO CA	
169	FRESNO CA	Obsolete
170	KLAMATH FALLS OR	Obsolete
171	BILLINGS MT	
172	ALBUQUERQUE NM	
173	PORTLAND OR	
174	SALT LAKE CITY UT	
175	SPOKANE WA	
176	BOISE ID	Obsolete
177	BELLEVUE WA	
178-182	OPEN	
183	BIG SURPASS AWARDS	
184	SIS SURPASS AWARDS	
185	SIS ONCORR AWARDS	Obsolete
186-214 216-220	SURVIVOR INITIAL SECTION (SIS)-MANUAL AWARDS	Obsolete
215	RESCUE SURPASS award	
221-254	SURVIVOR POST SECTION (SPS) MANUAL AWARDS	Obsolete

255	SPS SURPASS AWARDS	
256-279	NANCY JOHNSON	
280	SPS ONCORR AWARDS	Obsolete
281	MARS SURPASS AWARDS	
282-289	OPEN	
290-309	RASI PRE-RUNS	
310-318	RASI POST AWARDS	
319-320	RASI COMPUTE ONLY AWARDS	
321-335	DPS MANUAL AWARDS	
336	DPS/MPS SURPASS AWARDS	
337	DPS/MPS ROC AWARDS	
338	DPS ONCORR AWARDS	
339-349	MPS MANUAL AWARDS	
350	MPS ONCORR AWARDS	
351-360	PC-AWARDS	
361-370	RESERVED FOR PC-DOS	
371-378	RETIREMENT BACKLOG TASK FORCE (RBT) MANUAL AWARDS	
379	BRB CSG AWARDS	
380	RBT ONCORR AWARDS	
381-382	ASTRO	
383	MARS ROC AWARDS	
384	OPEN	
385	APPLE SURPASS AWARDS	
386-399	OPEN	

400-429	RCA (POST WORK)	
430-449	SURCAL PRE-RUN	Obsolete
450-459	SURCAL POST RUNS	Obsolete
460	OPEN	
461	SURCAL RECERTS	Obsolete
462-469	OPEN	
470	TAS RECERT	
471-474	MASS MECHANICAL ADJUSTMENT	
475	MECHANICAL SMIB RECERT SBI DELETION - NO ARREARAGE	
476	MECHANICAL SMIB RECERT SBI ACCRETION - NO REFUND	
477-479	OPEN	
480-484	PAM (G-96'S ONLY, NO AWARDS)	
485-495	OPEN	
496	GOTCHES AWARDS	
497	OPEN	
498	DIB MECHANICAL SMIB RECERT	
499	MECHANICAL SMIB REINST/RECERT MULTIPLE MONTH DIB DEDUCTION	
500-573	INITIAL CLAIMS SECTION (ICS) MANUAL AWARDS	
574	ICS ROC AWARDS	
575	RESCUE ROC awards	
576-596	RETIREMENT POST D (RPD) MANUAL AWARDS	
597	RPD ROC AWARDS	
598	RPD ONCORR AWARDS	
599	ICS ONCORR AWARDS	

600-696	RETIREMENT POST SECTION (RPS) MANUAL AWARDS
697	RPA ROC AWARDS
698	RPB ROC AWARDS
699	RPS ONCORR AWARDS
700-775	COMBINED BENEFIT SECTION (CBS) MANUAL AWARDS
776-797	NANCY JOHNSON
798	RPC ROC AWARDS
799	CBS ONCORR AWARDS
800-899	OPEN

Appendix F - Social Security Voucher Number Assignments

900	SSA - ICS MANUAL AWARDS
901	ICS SOLAR AWARDS
902	SSA - RCS MANUAL AWARDS
904	SSA - ICS ONCORR AWARDS
905	RPD SOLAR AWARDS
906	907 - SSA - RPS MANUAL AWARDS
908	RPS SOLAR AWARDS
909	SSA - RPS SOLAR AWARDS
910	929 - SSA - CBS MANUAL AWARDS
930	CBS SOLAR AWARDS
931	SSA - CBS ONCORR AWARDS
932	939 - SSA - SIS MANUAL AWARDS
940	SIS SOLAR AWARDS

941	SSA - SIS - ONCORR AWARDS
942	959 - SSA - SPS MANUAL AWARDS
960	SPS SOLAR AWARDS
961	SSA - SPS ONCORR AWARDS
962	971 - SSA - RECON, BCS, MANUAL AWARDS
972	DPS/MPS SOLAR AWARDS
973	RECON, CIS, BCS, SOLAR AWARDS
974	SSA - RECON, CIS, BCS, ONCORR AWARDS
975	MARS RETIREMENT SOLAR AWARDS
976	MARS SURVIVOR SOLAR AWARDS
977	OPEN
978	BRB - CSG AWARDS
979	SSA - RBT - ONCORR AWARDS
980	984 - PAM
985	SSA MECHANICAL COST-OF-LIVING
986	SSA CODE 98 REINST OR OPO
987	SSA MECHANICAL COST-OF-LIVING
988	SSA MECHANICAL COST-OF-LIVING
989	SMIB REINST/RECERT MULTIPLE MONTH DIB DEDUCTION
990	MECHANICAL SMIB RECERT SINGLE MONTH DEDUCTION
991	MECHANICAL SMIB RECERT SBI ACCRETION, DEDUCTIONS STOPPED SMIB
992	MECHANICAL SMIB REINST/RECERT MULTIPLE MONTH DEDUCTION
993	MECHANICAL SMIB RECERT SMIB WITHDRAWAL, DEDUCTIONS STOPPED

994	MECHANICAL SMIB REINST/RECERT SBI DELETION, MULTIPLE MONTH DEDUCTION
995	MECHANICAL SMIB RECERT SBI DELETION - NO ARREARAGE
996	MECHANICAL SMIB RECERT SBI ACCRETION - NO REFUND
997	MECHANICAL SMIB RECERT SINGLE MONTH DIB DEDUCTION
998	FIRST PAYMENT (OPO) IN THE POST PERIOD
999	RESERVED

Appendix G - Key Officers of Foreign Service Posts (March 1996)

G.1 Format For Addressing Correspondence (Foreign)

The RRB uses the Key Officers Guide to contact an embassy for assistance or to provide an annuitant the address of an embassy servicing their area. Information regarding embassies, consulates general, and consulates can be found in the following appendices. Addresses of Foreign Service posts are listed on the U.S. Department of State website.

Consular Officers extend to U.S. citizens and their property abroad the protection of the U.S. Government. They maintain lists of local attorneys, act as liaison with police and other officials, and have the authority to notarize documents.

Correspondence to a Foreign Service post must be addressed to a section or position rather than to an officer by name, e.g., Consular Section, John Doe. This will eliminate delays resulting from the forwarding of official mail to officers who have transferred. Use the APO/FPO address as provided. If one is not available, use the diplomatic pouch address. If neither is listed, use the local address. This address should also be provided to the applicant in case he/she may need to contact the embassy for assistance.

FORMAT OF ACCEPTED FORMS FOR ADDRESSING MAIL

Posts with APO/FPO Numbers:

APO/FPO Address*
Name of Section/Person
Organization
PSC or Unit number, Box number
APO AE/APO AA/APO AP number

International Address**:

Name of Section/Person
American Embassy
P.O. Box number***

Zip Code (if applicable), City
Country

Posts without APO/FPO Numbers:
Diplomatic Pouch Address*
Name of Section/Person
Name of Post
Department of State
Washington, D.C. 20521

International Address**
Name of Section/Person
American Embassy
Name of Street***
Zip Code (if applicable), City
Country

NOTE: Do not combine any of the above formats (e.g., international plus APO/FPO addresses). This will only result in confusion and possible delays in delivery. Mail sent to the Department of State for delivery through its pouch system for posts with APO/FPO addresses cannot be accepted and will be returned to the sender.

* Use domestic postage.

** Use international postage.

*** Use street address only when P.O. Box is not supplied.

G.2 Telephoning A Foreign Service Post

Correspondence with a post should be in writing. In rare instances when contact by phone is deemed necessary, either by the Customer Quality Service Group (CQSG) or the Congressional Inquiry Section (CIS), dial the RRB operator for assistance. Phone numbers are located on the U.S. Department of State website following the address of the post. Provide the operator with the name of the country you wish to reach. This should be followed by the country code, identified within brackets [ ], the city code, in parentheses ( ), then by the local number.

American Embassy Canberra (Australia) is used as an example.

Dial 0 + country code + city code + local number

Example: 0 + [61] + (2) + 6214-5600

G.3 Abbreviations And Symbols

Refer to the U.S. Department of State website for a list of abbreviations and symbols of various titles and commonly used words. You can also find an alphabetical list of the Geographical Index on the U.S. Department of State website.

G.4 Key Officers Of Foreign Service Posts

To locate a current list of addresses and telephone numbers of the key officers of Foreign Service posts go to the U.S. Department of State website. Refer to Appendix G.1 for instructions on the appropriate format to use when addressing foreign correspondence and Appendix G.2 when telephoning a Foreign Service post. Country codes in parentheses ( ) and city codes in parentheses ( ) must be dialed with all telephone and fax numbers when calling from the United States.

Appendix H – Handling Dual Entitlement Cases

General

A dual entitlement (dual) case is any case in which a person applies for or may be entitled to an annuity on each of 2 different RRB account numbers. The applicant may simultaneously file for an annuity on 2 different claim numbers or may already be in pay status on one claim number and file for a different type of annuity on another. The annuities may be 2 retirement annuities, a retirement and a survivor annuity, or 2 survivor annuities.

Because the payment of one annuity in dual cases often requires the adjustment or denial of the other, it is important to coordinate their processing. This appendix provides general guidelines for Retirement and Survivor units for coordinating and handling these cases.

Retirement Dual Cases

In retirement dual cases, one examiner should handle the necessary processing on both claim numbers. The lead/supervisor uses his or her discretion in determining which examiner both claim numbers should be assigned to. The following may be used as guidelines.

- If both an employee and spouse simultaneously file initial applications for both employee and spouse benefits, the examiner that normally handles the male employee's claim number should handle the processing on both claim numbers.

- If an annuitant is in pay status on one claim number and files for an annuity on another, the examiner that normally handles the claim number of the annuity in pay status should handle the processing on both claim numbers.

Applicant Simultaneously Files For Both Employee and Spouse/Divorced Spouse Annuity

If ***a spouse and employee application are filed*** and

- **There is railroad service before 1975** – If either earnings record has railroad service before 1975, the RRB field office is instructed to enter an IMPACT rate and a SPAR rate (adjusted for the employee annuity).

- **There is no railroad service before 1975** – If neither earnings record has railroad service before 1975, the RRB field office is instructed to enter an IMPACT rate, but to not enter a SPAR rate.

If ***a divorced spouse and employee annuity application are filed***, the RRB field office is instructed to enter an IMPACT rate.

In either case, the retirement unit takes the following action.

1. Clears the RASI manual OP code "034" for the employee annuity and the 953 call-up #407 for the spouse annuity, as explained in RCM 9.3.13.

2. Computes the final employee annuity rate and the final spouse/divorced spouse annuity rate, adjusted for the own employee annuity, as explained in RCM 1.3.11 and RCM 1.3.91.

Spouse/Divorced Spouse Annuity In Pay Status

If the spouse/divorced spouse annuity on a different RRB claim number is in pay status when the applicant files for an employee annuity on his or her own earnings record, the RRB field office is instructed to not enter an IMPACT rate.

RBD takes the following action.

1. Computes the final employee annuity rate and the final spouse/divorced spouse annuity rate, adjusted for the employee annuity, as explained in RCM 1.3.11 and RCM 1.3.91.

2. Recovers any overpayment in the spouse/divorced spouse annuity from the accrual for the employee annuity according to current overpayment procedure in RCM 6.6 and RCM 9.10.

   If there is no spouse/divorced spouse annuity overpayment, clears the RASI manual OP code "034" for the employee annuity, as explained in RCM 9.3.13.

Retirement/Survivor Dual Cases

In retirement/survivor dual cases, RBD handles the necessary retirement action and SBD the survivor action. The leads/supervisors that handle the respective retirement

and survivor claim numbers are responsible for coordinating the retirement and survivor actions.

Applicant Simultaneously Files for an Employee and Survivor Annuity

Do not pay the survivor award without an offset for the final employee annuity rate. When the retirement application is received, the retirement supervisor should immediately notify the survivor supervisor with an e-mail that an employee award is pending in a dual entitlement case, even if the field office has already entered that information on the APPLE survivor application. This is to make sure the survivor unit is fully aware of the retirement award before the survivor award is handled.

The employee annuity IMPACT rate should have been entered by the RRB field office and paid on RASI.

RBD takes the following action.

1. Clears the manual OP code “034” for the employee annuity, as explained in RCM 9.3.13.

2. Controls for RASI payment or processes a final award.

3. When the annuity is paid final, the retirement supervisor sends an e-mail to the survivor supervisor advising that retirement action is complete.

Once the SBD supervisor receives the e-mail from the RBD supervisor advising that the employee annuity has paid, SBD processes the survivor application and pays the survivor annuity. The employee annuity offset pre-fills from PREH.

Applicant’s Own Employee Annuity in Pay Status When (S)he Files for a Survivor Annuity

Entitlement continues on both claim numbers.

The survivor annuity processes mechanically from the APPLE application. The employee annuity offset amount pre-fills from PREH.

Applicant’s Survivor Annuity in Pay Status When (S)he Files for Own Employee Annuity

Entitlement continues on both numbers. However, the survivor annuity rate must be must be adjusted for the employee annuity.

The field office should not have entered an IMPACT rate for the employee annuity in these cases. RASI sets a manual OP “034”.

RBD takes the following action.

1. Drops the employee application from RASI.

2. Prepares the employee annuity final award on the Retirement On-line Calculation (ROC) system, but **does not pay the case**.

3. The RBD supervisor sends an e-mail to the SBD supervisor advising of the employee annuity and provides the rate information for the offset.

When the SBD supervisor receives notice from the RBD supervisor, SBD takes the following action.

1. Adjusts the survivor annuity rate.

2. Establishes any survivor annuity overpayment record on the survivor annuity claim number per RCM 6.6 and 9.10.

   NOTE: The RRB field office is instructed to advise the applicant that the survivor annuity will be adjusted for the entitlement to the employee annuity. This should meet the "due process" requirement.

3. Immediately after the survivor annuity rate correction, the SBD supervisor sends an e-mail to the RBD supervisor advising that the survivor annuity has been adjusted. The e-mail should also include the amount of the survivor overpayment, if any.

Once the RBD supervisor receives the e-mail from the SBD supervisor, RBD completes processing of the employee annuity. Any survivor annuity overpayment is recovered from the accrual.

Applicant's Spouse Annuity In Pay Status When (S)he Files for a Surviving Divorced Spouse o Remarried Widow(er)'s Annuity

Entitlement continues on both the survivor and spouse annuity claim numbers, but only the higher of the 2 annuities is payable.

SBD takes the following action.

1. Computes the survivor annuity monthly rate.

2. Compares the survivor annuity monthly rate to the spouse annuity monthly rate in force.

3. If the survivor rate is higher than the spouse rate,

   - Suspends the spouse annuity with code 56.

   - Establishes and posts any spouse annuity overpayment ***under the spouse annuity claim number*** per RCM 6.6 and RCM 9.10.

   - Pays the survivor annuity, recovering any spouse annuity overpayment from the accrual.

NOTE: The RRB field office is instructed to advise the applicant that the spouse annuity will be adjusted for the entitlement to the survivor annuity. This should meet the "due process" requirement.

4. If the spouse annuity rate is higher than the survivor rate, deny the application.

If the survivor annuity is payable and it later terminates, a new application is not required to reinstate the spouse annuity.

Divorced Spouse Annuity in Pay Status and Survivor Files for Surviving Divorced Spouse or Remarried Widow(er)'s Annuity

There is entitlement only on the claim number with the higher annuity.

SBD takes the following action.

1. Computes the survivor annuity monthly rate.

2. Compares the survivor annuity monthly rate to the spouse annuity monthly rate in force.

3. If the survivor rate is higher than the spouse rate, entitlement to the divorced spouse annuity ends. In these cases SBD

   - Terminates the spouse annuity with code 55.

   - Establishes and posts any spouse annuity overpayment ***under the spouse annuity claim number*** per RCM 6.6 and RCM 9.10.

   - Pays the survivor, recovering any spouse annuity overpayment from the accrual.

   NOTE: The RRB field office is instructed to advise the applicant the spouse annuity will be adjusted for the entitlement to the survivor annuity. This should meet the "due process" requirement.

4. If the divorced spouse annuity rate is higher than the survivor annuity rate, deny the survivor application.

If the survivor annuity is payable and it later terminates, a new application is required to again pay the divorced spouse annuity.

Applicant's Surviving Divorced Spouse or Remarried Widow(er)'s Annuity in Pay Status When (S)he Files for a Spouse Annuity

The RRB field office should not enter a SPAR payment. RASI will set a 953 call-up #407.

RBD takes the following action.

1. Drops the spouse annuity from RASI.

2. Computes the spouse annuity rate.

3. If the spouse annuity is higher than the surviving divorced spouse or remarried widow(er)'s annuity, entitlement to either of the 2 survivor annuities ends. In these cases, RBD

   - Terminates the survivor annuity with code 46.

   - Establishes and posts any overpayment ***under the survivor annuity claim number*** per RCM 6.6 and 9.10.

   - Pays the spouse annuity, recovering any survivor annuity overpayment from the accrual.

   NOTE: The RRB field office is instructed to advise the applicant that the survivor annuity may be terminated by the entitlement to the spouse annuity. This should meet the "due process" requirement.

4. If the survivor rate is higher than the spouse rate, the spouse annuity entitlement is established by the application, but it should be closed without award.

If the spouse annuity rate is the higher rate and it later terminates, a new application is required to pay the survivor annuity.

If the survivor annuity is the higher rate and it later terminates, a new application is not required to again pay the spouse annuity.

Applicant's Surviving Divorced Spouse or Remarried Widow(er)'s Annuity in Pay Status When She Files for a Divorced Spouse Annuity

RBD takes the following action.

1. Computes the spouse annuity rate.

2. If the divorced spouse annuity is higher than the surviving divorced spouse or remarried widow(er)'s annuity, entitlement to either of the 2 survivor annuities ends. In these cases RBD

   - Terminates the survivor annuity with code 46.

   - Establishes and posts any overpayment ***under the survivor annuity claim number*** per RCM 6.6 and RCM 9.10.

   - Pays the divorced spouse annuity, recovering any survivor overpayment from the accrual.

NOTE: The RRB field office is instructed to advise the applicant that the survivor annuity may be terminated by the entitlement to the divorced spouse annuity. This should meet the "due process" requirement.

3. If the divorced spouse annuity is lower than the surviving divorced spouse or remarried widow(er)'s annuity, the divorced spouse annuity is denied.

If the divorced spouse annuity is payable and it later terminates, a new application is required to again pay the survivor annuity.

If the divorced spouse annuity is not payable and the survivor annuity later terminates, a new application is required to pay a surviving spouse annuity.

Death Termination in Dual Entitlement Cases

If the dual annuitant dies, the survivor/lead coordinates the handling of all necessary dual adjustments.

Survivor/Survivor Dual Cases

Occasionally, an applicant is entitled to survivor benefits on 2 survivor claim numbers. Only the higher survivor annuity net monthly rate is payable.

Applicant's Survivor Annuity in Pay Status And (S)he Files for Another Survivor Annuity

If the survivor annuity in pay status is higher, the application for the other survivor annuity is denied. If lower, the annuity in pay status is terminated and any overpayment is recovered from the accrual of the new annuity.

If at a later date the annuity that was terminated or denied has a higher annuity rate, a new application is required to reestablish entitlement to that annuity.

Applicant Simultaneously Files for Two Survivor Annuities

In rare instances, a survivor applicant may simultaneously file for survivor benefits on 2 RRB claim numbers (i.e., a widow files for both a widow's and a parent's annuity). Only the higher of the two is payable and the application for the lower annuity must be denied.

The SIS examiner that would normally handle the claim number under which the annuity appears more than likely to be payable handles both claims. This is determined by the lead/supervisor.

Appendix I - Survivor Request for Retirement Handling

Before processing a survivor annuity award examiners should check to see if action is needed on any terminated retirement annuity. Survivor examiners must first verify what retirement action is needed. Check USTAR to see if an APPLE referral was generated

for an open employee or spouse COLA or there is an open RBD RESCUE referral. If a COLA or RESCUE referral indicates a potential overpayment in the retirement annuity, send the case to RBD per the following instructions before processing the survivor award(s). If the COLA or RESCUE referral indicates an underpayment exists in the retirement annuity, the survivor awards can be processed without delay; it is not necessary to send the case to RBD unless a spouse annuity calculation is required to determine if the spouse minimum guaranty will apply to the widow's annuity.

If the survivor application is pending, expedited retirement action should be requested. A survivor supervisor or senior lead examiner should send an email to the RBD Operations Analyst requesting expedited development of the retirement overpayment. If there is no survivor application pending, the SBD examiner should send the folder jacket to the appropriate unit in RBD requesting adjudication of the retirement overpayment.

Use the following guidelines to determine which retirement unit has jurisdiction of a particular case.

- COLA referrals: if the payee is subject to a legal process deduction, send the case to RPS-B. Send all other cases to RPS-A.

- RESCUE referrals: send the case to RPS-A.

If it is determined that the retirement annuity has been overpaid, the retirement examiner will process a PREH update award and establish the overpayment on PARS. The overpayment computations can be viewed by browsing the award on ROC, the PC awards program or the Imaging system. If the retirement examiner determines that no adjustment in the retirement annuity is required, he/she will prepare a FILE NOTE using RRAILS and upload the note to Imaging for immediate viewing.

Appendix J - Tier 2 - 3(g) and 4(d) COL Increases Effective 12/1/84

EMPLOYEE ABD	COL INCREASE PERCENTAGE	EFF. DATE	CUMULATIVE INCREASE FACTOR
12-1-86 or	0.4	12/86	.00400
earlier	0.4+1.4	12/87	.01806
	0.4+1.4+1.3	12/88	.03129
	0.4+1.4+1.3+1.5	12/89	.04676
	0.4+1.4+1.3+1.5+1.8	12/90	.06560

	0.4+1.4+1.3+1.5+1.8+1.2	12/91	.07839
	0.4+1.4+1.3+1.5+1.8+1.2+1	12/92	.08917
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8	12/93	.09788
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8+0.9	12/94	.10776
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8	12/95	.11662
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9	12/96	.12667
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7	12/97	.13456
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4	12/98	.13910
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8	12/99	.14821
	0.4+1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8+1.1	12/00	.16084

12-2-86			
thru	1.4	12/87	.01400
12-1-87	1.4+1.3	12/88	.02718
	1.4+1.3+1.5	12/89	.04259
	1.4+1.3+1.5+1.8	12/90	.06136
	1.4+1.3+1.5+1.8+1.2	12/91	.07410
	1.4+1.3+1.5+1.8+1.2+1	12/92	.08484
	1.4+1.3+1.5+1.8+1.2+1+0.8	12/93	.09352
	1.4+1.3+1.5+1.8+1.2+1+0.8+0.9	12/94	.10336
	1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8	12/95	.11219
	1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9	12/96	.12220
	1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7	12/97	.13006

	1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4	12/98	.13458
	1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8	12/99	.14366
	1.4+1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8+1.1	12/00	.15624

12-2-87			
thru	1.3	12/88	.01300
12-1-88	1.3+1.5	12/89	.02820
	1.3+1.5+1.8	12/90	.04671
	1.3+1.5+1.8+1.2	12/91	.05927
	1.3+1.5+1.8+1.2+1	12/92	.06986
	1.3+1.5+1.8+1.2+1+0.8	12/93	.07842
	1.3+1.5+1.8+1.2+1+0.8+0.9	12/94	.08813
	1.3+1.5+1.8+1.2+1+0.8+0.9+0.8	12/95	.09684
	1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9	12/96	.10671
	1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7	12/97	.11446
	1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4	12/98	.11892
	1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8	12/99	.12787
	1.3+1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8+1.1	12/00	.14028

EMPLOYEE ABD	COL INCREASE PERCENTAGE	EFF. DATE	CUMULATIVE INCREASE FACTOR
12-2-88			
thru	1.5	12/89	.01500

12-1-89	1.5+1.8	12/90	.03327
	1.5+1.8+1.2	12/91	.04567
	1.5+1.8+1.2+1	12/92	.15613
	1.5+1.8+1.2+1+0.8	12/93	.06458
	1.5+1.8+1.2+1+0.8+0.9	12/94	.07416
	1.5+1.8+1.2+1+0.8+0.9+0.8	12/95	.08275
	1.5+1.8+1.2+1+0.8+0.9+0.8+0.9	12/96	.09249
	1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7	12/97	.10014
	1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4	12/98	.10454
	1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8	12/99	.11338
	1.5+1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8+1.1	12/00	.12563

12-2-89			
thru	1.8	12/90	.01800
12-1-90	1.8+1.2	12/91	.03022
	1.8+1.2+1	12/92	.04052
	1.8+1.2+1+0.8	12/93	.04884
	1.8+1.2+1+0.8+0.9	12/94	.05828
	1.8+1.2+1+0.8+0.9+0.8	12/95	.06675
	1.8+1.2+1+0.8+0.9+0.8+0.9	12/96	.07635
	1.8+1.2+1+0.8+0.9+0.8+0.9+0.7	12/97	.08388
	1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4	12/98	.08822
	1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8	12/99	.09692
	1.8+1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8+1.1	12/00	.10899

12-2-90			
thru	1.2	12/91	.01200
12-1-91	1.2+1	12/92	.02212
	1.2+1+0.8	12/93	.03030
	1.2+1+0.8+0.9	12/94	.03957
	1.2+1+0.8+0.9+0.8	12/95	.04789
	1.2+1+0.8+0.9+0.8+0.9	12/96	.05732
	1.2+1+0.8+0.9+0.8+0.9+0.7	12/97	.06472
	1.2+1+0.8+0.9+0.8+0.9+0.7+0.4	12/98	.06898
	1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8	12/99	.07753
	1.2+1+0.8+0.9+0.8+0.9+0.7+0.4+0.8+1.1	12/00	.08938

12-2-91			
thru	1	12/92	.01000
12-1-92	1+0.8	12/93	.01808
	1+0.8+0.9	12/94	.02724
	1+0.8+0.9+0.8	12/95	.03546
	1+0.8+0.9+0.8+0.9	12/96	.04478
	1+0.8+0.9+0.8+0.9+0.7	12/97	.05209
	1+0.8+0.9+0.8+0.9+0.7+0.4	12/98	.05630
	1+0.8+0.9+0.8+0.9+0.7+0.4+.08	12/99	.06475
	1+0.8+0.9+0.8+0.9+0.7+0.4+.08+1.1	12/00	.07646

EMPLOYEE ABD	COL INCREASE PERCENTAGE	EFF. DATE	CUMULATIVE INCREASE FACTOR
12-2-92			
thru	0.8	12/93	.00800
12-1-93	0.8+0.9	12/94	.01707
	0.8+0.9+0.8	12/95	.02521
	0.8+0.9+0.8+0.9	12/96	.03444
	0.8+0.9+0.8+0.9+0.7	12/97	.04168
	0.8+0.9+0.8+0.9+0.7+0.4	12/98	.04585
	0.8+0.9+0.8+0.9+0.7+0.4+0.8	12/99	.05422
	0.8+0.9+0.8+0.9+0.7+0.4+0.8+1.1	12/00	.06581

12-2-93			
thru	0.9	12/94	.00900
12-1-94	0.9+0.8	12/95	.01707
	0.9+0.8+0.9	12/96	.02622
	0.9+0.8+0.9+0.7	12/97	.03340
	0.9+0.8+0.9+0.7+0.4	12/98	.03753
	0.9+0.8+0.9+0.7+0.4+0/8	12/99	.04583
	0.9+0.8+0.9+0.7+0.4+0/8+1.1	12/00	.05733

12-2-94			
thru	0.8	12/95	.00800

12-1-95	0.8+0.9	12/96	.01707
	0.8+0.9+0.7	12/97	.02419
	0.8+0.9+0.7+0.4	12/98	.02829
	0.8+0.9+0.7+0.4+0.8	12/98	.03652
	0.8+0.9+0.7+0.4+0.8+1.1	12/00	.04792

12-2-95			
thru	0.9	12/96	.00900
12-1-96	0.9+0.7	12/97	.01606
	0.9+0.7+0.4	12/98	.02012
	0.9+0.7+0.4+0.8	12/99	.02828
	0.9+0.7+0.4+0.8+1.1	12/00	.03959

12-2-96			
thru	0.7	12/97	.00700
12-1-97	0.7+0.4	12/98	.01103
	0.7+0.4+0.8	12/99	.01912
	0.7+0.4+0.8+1.1	12/00	.03033

12-2-97			
thru	0.4	12/98	.00400
12-1-98	0.4+0.8	12/99	.01203
	0.4+0.8+1.1	12/00	.02316

12-2-98			
thru	0.8	12/99	.00800
12-1-99	0.8+1.1	12/00	.01909

12-2-99			
Thru	1.1	12/00	.011
12-1-00			

12-2-00			
or Later	None	---	---

Appendix K - Tier 2 3(g)/4(d) Cumulative COLs Prior to 12/1/84

EE ABD EFF DATE	6/1/77 or Before	6/2/77 to 6/1/78	6/2/78 to 6/1/79	6/2/79 to 6/1/80	6/2/80 to 6/1/81	6/2/81 to 6/1/82	6/2/82 to 6/1/83
6/1/77	1.019						
6/1/78	1.0404	1.021					
6/1/79	1.07369	1.05367	1.032				
6/1/80	1.12308	1.10214	1.07947	1.046			
6/1/81	1.16351	1.14182	1.11833	1.08366	1.036		
6/1/82	1.19143	1.16922	1.14517	1.10967	1.06086	1.024	
6/1/83	1.20454	1.18208	1.15777	1.12188	1.07253	1.03526	1.011

Tier 2 - 3(g) and 4(d) COL effective 12/1/84

EE ABD EFF DATE	12/1/84 or Before
12/1/84	1.011

8.3.1 Scope of Chapter

This chapter contains the basic provisions of the 1937 Railroad Retirement Act (RRA), the 1974 Railroad Retirement Act and the 1981 Amendments to the 1974 Act for the payment of retirement annuities under the age and service or disability O/M. It covers such topics as who is eligible to be included in the O/M computation; the effective date of the O/M; adjustments for social security benefit entitlement, dual railroad retirement annuities, worker's compensation or Megacap benefits; and adjustments for earnings after the annuity beginning date.

The basic computation of the overall minimum is also covered in RCM 8.6, Form G-354.3 Instructions.

8.3.2 Definition of "O/M Is Applicable"

The term "O/M is applicable" means that in a particular month there is O/M entitlement and the O/M family total for the persons included in the O/M is higher than the RR formula family total.

Since deductions on account of work do not affect the O/M eligibility requirements, the O/M would be considered "applicable" in a month in which a retirement annuity is paid under the RR formula solely because of excess earnings.

8.3.3 Definition of "O/M Is Inapplicable"

The term "O/M is Inapplicable" means that in a particular month there is O/M entitlement but the RR formula family total is greater than the O/M family total for the persons then eligible for inclusion in the O/M.

8.3.5 Over-All Minimum Provisions of 1937 Railroad Retirement Act

The over-all SSA minimum provision of section 3(e) of the 1937 RRA guarantees that the total annuities payable under the 1937 RRA effective 11-1-51 or later for a full month to an employee and his family will not be less than 100% of the monthly amount which would be payable under the Social Security Act if railroad service after 1936 were credited as "employment" under the Social Security Act. The O/M guarantee was increased to 110% of the monthly amount that would be payable under the SS Act effective 6-1-59 or later.

To be entitled to this O/M computation, the employee must have filed his annuity application and have an annuity beginning date before January 1, 1975. These benefits are converted to 1974 Act rates effective 1-1-75.

8.3.6 Over-All Minimum Provisions of 1974 Railroad Retirement Act

A. 110% Grandfather Over-all minimum - The 110% over-all minimum provision of section 3(f)(2) of the 1974 Railroad Retirement Act guarantees that, in cases where an employee's annuity under the 1974 Railroad Retirement Act began to accrue after December 31, 1974 but before January 1, 1983, the total monthly annuities (including any supplemental annuity payable before full retirement age but excluding any VDB) payable to an employee and his family will not be less than the total amount that would have been payable under the O/M provisions of the Railroad Retirement Act of 1937 as in effect on December 31, 1974.

The employee's service and earnings after 1974 can be included in the computation of the O/M PIA based on combined wages and compensation that would have been payable under the rules in effect on December 31, 1974 (PIA #11). However, the maximum creditable yearly earnings for years after 1974 are frozen at the 1974 maximum. PIA #11 is not subject to recomputation for earnings after the employee's annuity beginning date or for cost-of-living increases after December 31, 1974.

To be entitled to this O/M computation, the employee must have filed his annuity application or have an annuity beginning date after December 31, 1974.

B. 100% Over-all Minimum - The 100% over-all SSA minimum provision of section 3(f)(3) of the 1974 Railroad Retirement Act guarantees that the total monthly benefits payable (including vested dual benefit but excluding supplemental annuity) to an employee and his (her) family will not be less than the monthly amount which would be payable under the Social Security Act if railroad service after 1936 were credited as "employment" under the Social Security Act.

The current PIA based on combined wages and compensation (PIA #9) is used in this computation. PIA #9 is subject to recomputation for earnings after the employee's annuity beginning date and for cost-of-living increases.

8.3.7 Basic Types of Retirement Over-All Minimum

There are three basic types of O/M payments possible under the 110% or 100% O/M Guaranty depending on the status of the employee:

A. Full O/M - The employee may be entitled to the full O/M computation if (s)he has attained full retirement age before the O/M effective date.

A male or female spouse (without a "child in care") or a divorced spouse annuitant (effective 10-1-81 or later), might still be subject to an age reduction if (s)he is under full retirement age on the date (s)he is included in the O/M computation.

B. Reduced O/M - The employee may be entitled to a reduced age and service O/M computation if (s)he has attained age 62. The employee's benefit is reduced for the months the employee is under full retirement age on the O/M effective date.

A male or female spouse (without a "child in care") or a divorced spouse annuitant (effective 10-1-81 or later), might be subject to an age reduction if (s)he is under full retirement age on the date (s)he is included in the O/M computation.

C. DIB O/M - The DIB O/M can be paid to the employee with a DIB insured status at any age up to full retirement age without an age reduction. (Initial entitlement to the employee O/M benefit computation after full retirement age is covered under the full age and service O/M.)

A male or female spouse must have attained age 62, or have an eligible child of the employee in care to be included in the DIB O/M computation. (Benefits for a male spouse with child in care are effective Dec. 1978 or later). If the spouse is under full retirement age and does not have an eligible child of the employee "in care" on the date (s)he is included in the DIB O/M computation, the spouse benefit is reduced for age.

NOTE: A divorced spouse cannot be included in the DIB O/M based on a "child in care". The employee must be age 62 before a divorced spouse annuitant age 62 or over can be included in the DIB O/M.

In all cases described in A through C above, a divorced spouse cannot be included in the O/M as in IPI (see section 8.3.21).

8.3.8 Requirements for Increasing the Employee Annuity under the O/M

A. O/M COMPUTATION BASED ON AGE AND SERVICE - In order to have an annuity increased under the O/M based on age and service, the employee must:

- Have filed an annuity application; and
- Have 120 or more months of railroad service, or at least 60 months of railroad service after 1995; and
- Relinquish all rights (s)he may have to return to the service of employers under the RR Act. (Prior to 12-01-1988, this also applied to “Last Person Service” employment); and
- Have attained age 62. Effective September 1, 1982, an employee must have attained age 62 for a full month before first eligibility is established; and
- Be fully or transitionally insured* under the Social Security Act. The employee's railroad service after 1936 is treated as employment covered

under the Social Security Act when determining the employee's insured status for the O/M computation. (Refer to RCM Chapter 5.6)

The O/M fully insured status determination is separate from the determination of fully insured status based on wages only that may entitle the employee to a Social Security benefit payment (see RCM Chapter 5.6).

The insured status of the wage earner also entitles his (her) spouse, divorced spouse annuitant, or child(ren) to be included in the O/M computation as long as they meet the other requirements for entitlement under the 1974 RRA (or the 1981 amendments to that Act).

*NOTE: Entitlement to a "Prouty" benefit, as explained in RCM Chapter 5.6 Appendix B will not give an employee the insured status necessary to increase the annuity under the O/M. In order to have a transitional insured status as explained in RCM Chapter 5.6 Appendix A, an employee must have attained age 72 before 1969. Therefore, the payment of O/M annuities under the 1974 RRA will seldom be based on transitional insured status.

B. O/M Computation Based on Disability - In order to have an annuity increased to the O/M based on disability, the employee must:

- Have filed a disability application; and,
- Have 120 or more months of railroad service, or at least 60 months of railroad service after 1995; and,
- Be permanently disabled within the meaning of the SS Act as explained in RCM Chapter 1.2. (An allowance under section 216(i) of the SS Act is sufficient for DIB O/M purposes unless visual impairment is involved. If the diagnostic code in item 21 of the G-325 or item 18 of the SSA-831 is 37406, 37506, 37806 or 37906, the employee must also be rated disabled for cash benefit purposes under section 223(c) of the SS Act in item 27 of form G-325 before the DIB O/M can be paid); and,
- Have a DIB insured status as explained in RCM 5.6.11. (The employee's railroad service after 1936 is treated as employment covered under the Social Security Act when determining the employee's DIB insured status for the O/M computation.

The disability freeze determination for the O/M is separate from the determination of insured status based on wages only that may entitle the employee to a DIB at SSA or RR disability windfall.

The employee's DIB Insured Status also entitled his (her) spouse, or divorced spouse (when EE attains age 62), or child(ren) to be included in the O/M

computation as long as they meet the other requirements for entitlement under the 1974 RRA (or the 1981 amendments to that Act); and

- Serve a waiting period, if required, as explained in RCM 5.6.11.

8.3.9 RASI O/M Test

If the employee is age 62 or older or has been rated disabled*, the RASI program makes a general test to determine if the 100% O/M rate could be higher than the RR annuity rates and prints the appropriate message on the mechanical award form. Where the message indicates the O/M may apply, the award form is marked for review. Note: The O/M does not apply in employee only cases.

A. Indication of Child(ren) - If there is an indication of child(ren), RASI will print the message "O/M may apply-children."

B Indication of Spouse (No Children)

- If there is an indication of a spouse, no spouse annuity application, and the age of the spouse is unknown, the message "O/M not tested" will be printed.
- If there is an indication of a spouse age 62 or over but no spouse application, the message "O/M may apply-spouse over 62" will be printed.
- If there is an indication of a spouse under age 62, no spouse application and no child(ren), it is treated as an "employee only" case.
- If the spouse has filed for a spouse annuity, the message "O/M does not apply" will be printed.

RASI does not consider a divorced spouse in any O/M test, even if the employee application indicates that the employee is divorced.

*If the disabled employee is under age 62 and no disability freeze has been established, O/M will NOT apply.

8.3.10 Manual O/M Test

Where the employee is age 62 or older at the time the claim is processed or attains age 62 while on the annuity rolls, or meets the requirements for a DIB-O/M, test the case for the applicability of the O/M computation as follows:

A. 110% Grandfather O/M - For annuity rates payable before 6-1978, test for the 110% Grandfather O/M by comparing the employee's Gross Tier I, net Tier II and any supplemental annuity payable before age 65, to PIA #11 plus 10% or, if an eligible spouse or child is involved, compare the total employee and spouse

gross Tiers I, net Tiers II and any supplemental annuity payable before age 65 to the family maximum for PIA #11 plus 10%.

B. 100% O/M - Test for the 100% O/M depending on the O/M effective date as follows:

1. Employee Only

   (a) O/M Effective Date Before Proration of RR Annuity - Compare the total of the employee's gross tier I, net tier II and windfall benefit (before any windfall cutback) to PIA #9.

   (b) O/M Effective Date at Proration or Later - Compare the total of the employee's gross tier I before any reductions, net tier II before reduction for age and/or M/S, and windfall after any COL but before reduction for age and/or M/S or WF cutback, to PIA #9.

2. Employee Plus Spouse and/or Child

   (a) O/M Effective Date before Proration of RR Annuity - Compare the total employee and spouse gross tiers I, net tiers II, and windfall benefits (before windfall cutback) to the family maximum for PIA #9.

   (b) O/M Effective Date at Proration or Later - Compare the total of the employee's and the spouse's gross tiers I before any reductions, net tiers II before reduction for age and/or M/S, and windfall after any COL but before reduction for age and/or M/S or WF cutback, to the family maximum for PIA #9.

3. Employee Plus Divorced Spouse Annuitant Only - Compare the total of the employee's and the divorced spouse's gross tier I's before any reduction, the employee's net tier II before reduction for age and/or M/S and the employee's windfall after any COL but before reduction for age and/or M/S or WF cutback, to 150% of PIA #9.

4. Employee Plus Divorced Spouse Annuitant and Other Auxiliaries - Compare the total employee, divorced spouse and spouse gross tier I's before any reductions, the employee and spouse net tier II's before reduction for age and/or M/S, and the employee and spouse windfalls after any COL but before reduction for age and/or M/S or WF cutback, to the family maximum for PIA #9 plus 50% of PIA #9.

A divorced spouse's annuity rate may never be increased under the O/M to an amount that exceeds his/her RR formula tier 1 rate. Any O/M increase payable over that RR rate would be paid to the employee and spouse annuitants. Refer these cases to Policy and Systems-RAC. In 60/30 cases, the AIME PIA #9 on the G-90 for the initial annuity award may be an estimated PIA (see RCM 7.4 Appendix A, Form G-90 Instructions). An asterisk (*) will identify such

calculations. If the O/M could apply in cases where an IPI spouse or child is involved, request a current G-90 with the actual PIA #9 amount. Since there are no deeming provisions for PIA #9, this PIA will be computed with an eligibility year based on the employee's actual attainment of age 62. The resulting AIME PIA bend points for employee's who attain age 62 in 1979 or later will differ from the formula used to compute PIA #1.

If Forms G-319 and/or G-320 were developed and it is determined, based on all information, that the O/M is not applicable, release Form Letter RL-300 to the employee as explained in RCM Part 11.

8.3.11 Effective Date of Retirement Over-All Minimum Computation

A. O/M Computation Based on Age and Service - The effective date of the 100% O/M or 110% Grandfather O/M based on age and service is the later of:

1. Prior to September 1981, the first day of the month in which the employee attains age 62. After August 1981, the first day of the month after the month in which the wage earner's 62nd birthday falls unless his birthday is the 1st or 2nd day of the month (in such case, the effective date is the first day of that month); or,

2. The employee's annuity beginning date or Tier I date of entitlement, if later; or,

3. The first day of the calendar quarter in which the annuitant became insured under the Social Security Act, treating RR service after 1936 as social security employment.

B. O/M Computation Based on Disability - The effective date of the 100% O/M or 110% Grandfather O/M based on disability is the later of:

1. The annuity beginning date; or,

2. The first day of the month following the month in which the disability waiting period ends, in a case requiring a waiting period; or,

3. The first day of the first month in which the employee is disabled and meets the DIB insured status requirements under the Social Security Act, if no waiting period is required.

NOTE: A disability waiting period of five full months after the month an employee's disability began must be served before payment of the O/M based on disability unless the employee previously had a period of disability (disability freeze) which ended within five years (60 months) before the month his current disability began (see RCM Chapter 1.2).

A six month waiting period applied to benefits payable under the 1937 RRA before January 1973.

If a disability period established at SSA conflicts with a disability period established at the RRB in O/M cases, refer to RCM 8.3.41.

8.3.12 Switch from RR Formula Award to O/M Rate Permitted

A. Initial Change to O/M Formula on ABD or Month Immediately after Disability Waiting Period - Practically all retirement annuities are initially awarded under the RR formula. The 100% O/M or 110% Grandfather O/M computation increase, if applicable, is awarded later by means of a recertification award.

Child(ren) may be included in the family group at this time if they meet the eligibility requirements explained in RCM 8.3.24 and the O/M effective date is either the ABD or the first day of the month following the month in which a disability waiting period ends.

The spouse may be included in the family group at this time if (s)he meets the eligibility requirements in RCM 8.3.20 and the O/M effective date is either the ABD or the first day of the month following the month in which a disability waiting period ends.

A divorced spouse annuitant may be included at this time if (s)he meets the requirements in RCM 8.3.21. (Refer these cases to Policy and Systems-RAC).

B. Change To 100% O/M or 110% Grandfather O/M Effective After ABD or Month Not Immediately After Disability Waiting Period - If it was initially determined that neither the 100% O/M or 110% Grandfather O/M was applicable on the ABD or on the first day after the month in which a disability waiting period ends or if the employee was under age 62 and not entitled to a disability freeze and therefore was not eligible for the O/M at that time, the annuity can be increased under the 100% O/M or 110% Grandfather O/M effective the month in which:

1. The employee meets the O/M eligibility requirements (RCM 8.3.8). Request the RRB district office to develop the information needed to determine the current family composition and include an eligible spouse and/or child(ren) as explained in RCM 1.1.21.

2. The spouse, who was married to the employee when the employee's annuity began, meets the eligibility requirements (RCM 8.3.20) and the employee is eligible for the O/M. Include the spouse and any eligible child(ren). Request the RRB district office to develop the current information to pay the O/M with this family composition as explained in RCM 1.1.21. Do not develop for additional entitled child(ren).

3. The spouse who was married to the employee after the employee's annuity began becomes entitled to an RR spouse annuity and the employee is eligible for the O/M.

   Include only the employee and spouse in the family group. Do not include child(ren) even if a spouse is entitled based on child(ren) in care.

4. PIA #9 is increased by a general benefit or cost-of-living increase and the O/M formula rates exceed the RR formula rates. Include only the employee, divorced spouse annuitant and spouse annuitant. Do not include child(ren) even if a spouse is entitled to an annuity based on child(ren) in care. Do not include an IPI spouse.

5. Under a limited set of circumstances, a child adopted after the O/M test date may be included in the O/M. The following conditions must be met:

   --the adoption must occur in the United States; --for the twelve months prior to the O/M test date, the child must have lived with the employee and been dependent on the employee for at least one half support.

   If these conditions are met, then in the FIRST FULL MONTH AFTER THE ADOPTION, the child could trigger a switch from the railroad computation to the O/M computation.

EXAMPLE: The child is born in 1990. The employee's disability annuity began February 1993. The final adoption order is issued on February 17, 2001. Normally, we would not include a child adopted after the test date in the O/M. However, using normal living with and support procedures, the field office finds that the child has been living with the employee since February 1992. The child has also been dependent for at least one half support on the employee since February 1992 (one year prior to the ABD, the date we would test for the O/M). Therefore, if the O/M computation is higher, the child could be used to pay the O/M effective March 2001 (the first full month of the adoption).

Refer cases involving a divorced spouse annuitant to Policy and Systems-RAC.

C. Entitlement to 100% O/M or 110% Grandfather O/M Computation After O/M Previously Paid - If the annuity had been paid under the O/M formula and then switched to the RR formula, breaking the continuity of the O/M computation, the annuity rate may again be changed from the RR formula to the 100% O/M or 110% Grandfather O/M computation effective in the month in which:

1. The spouse who was married to the employee when the employee's annuity application was filed meets the eligibility requirements to be included in the O/M (RCM 8.3.20). Children or divorced spouse annuitants may be included in the family group at this time.

2. The spouse who married the employee after the employee's annuity application was filed becomes entitled to a spouse annuity. A divorced spouse annuitant may be included in the family group. Children may not be included in the family group at this time, even though a spouse is entitled based on child(ren) in care.

3. An eligible phase-out full time student who was excluded for the months of May through August can again be included in September provided the switch to the RR formula was caused by the student suspension in May.

Refer cases involving a divorced spouse annuitant to Policy and Systems-RAC.

8.3.13 Switch from RR Formula to O/M Rate Prohibited

The annuity rate cannot be changed from the RR formula to the 100% O/M or 110% Grandfather O/M computation if it was initially determined that the O/M did not apply or the O/M did apply but later was removed, breaking the continuity of the O/M computation, when the following situations occur (even though the O/M rate may be higher than the RR formula):

(1) The employee marries after the ABD and the spouse is not receiving a spouse annuity; or,

(2) The employee adopts a child after the ABD and does not meet the conditions described in 8.3.12 B 5; or,

(3) A child who was previously removed from the O/M computation becomes re-entitled in a month after a month in which the RR formula applies (e.g., a child returns to FTA after ceasing full time school attendance.)

(4) A child who qualified a spouse for a spouse annuity which was paid under the RR formula attains age 18 and is an FTS.

(5) A child who qualified a spouse for a spouse annuity which was paid under the RR formula attains age 16.

(6) PIA #9 increases and the spouse is not entitled to an annuity. In these cases, only the employee is entitled to the OM computation. Therefore, the OM will not apply.8.3.14 Changes From 100% O/M Or 110% Grandfather O/M To RR Formula Rate Permitted

The annuity rate can be changed from the 100% O/M or 110% Grandfather O/M to the RR formula rate whenever the RR formula yields a higher monthly benefit.

EXAMPLE #1 - The employee and spouse become entitled to social security benefits based on the employee's wages only. The RR formula rate after adjustment for the SS benefit is higher than the 100% O/M rate after adjustment for the SS benefits. The RR formula rates would apply.

EXAMPLE #2 - A phase-out full time student is not included in the O/M for the months May through August. The RR formula rate is higher than the 100% O/M rate after excluding the FTS. The RR formula rate applies for those months.

8.3.15 Evidence Requirements for Retirement O/M

Refer to RCM 1.1.21 for the evidence requirements for the Retirement O/M.

8.3.18 Auxiliary Beneficiary Defined

An auxiliary beneficiary under the Social Security Act is a person in a life case, other than the wage earner, who would be entitled to benefits on the wage earner's account if SSA had jurisdiction of payments.

The 1972 Technical Amendments to the 1937 Railroad Retirement Act and sections 3(f)(3)(i) of the 1974 RRA exclude a divorced wife and a non-living with spouse from the retirement O/M computations as an IPI prior to 9-1-65 and after 10-4-72. The Railroad Retirement Solvency Act of 1983 eliminated the living with requirement for spouse eligibility in the O/M effective 8-12-83.

If a divorced spouse meets the eligibility requirements for a divorced spouse annuity under the 1981 RR Act Amendments in October 1981 or later, (s)he may be included in the retirement O/M computation. The divorced spouse's annuity rate may never be increased under the O/M to an amount that exceeds his/her RR formula tier 1 rate, however. Any O/M increase payable over that RR rate would be paid to the employee and spouse annuitants. (Refer retirement O/M cases with a divorced spouse annuitant to P&S-RAC after completing Form G-354.3.)

8.3.19 IPI (Ineligible Person Included) Defined

A spouse who is not receiving a railroad retirement spouse annuity, or a child can be included in the retirement O/M computation as an "ineligible person included" (IPI), if (s)he would be entitled to an auxiliary social security benefit if the employee's railroad service were covered under the Social Security Act and (s)he is not excluded under the Railroad Retirement Act as indicated in RCM 8.3.18 (e.g. spouse election cases).

A divorced spouse who is not receiving a divorced spouse annuity cannot be included in the O/M computation as an IPI.

8.3.20 Eligibility of Spouse Under 100% Computation or 110% Grandfather O/M Computation

If the employee has attained age 62 for at least one full month and is insured under Social Security Act rules, or is entitled to a disability freeze and has served any necessary waiting period, the spouse may be included in the family group for purposes

of computing the 100% O/M or 110% Grandfather O/M if (s)he meets the following requirements:

A. Marriage Requirements - To be included in the family O/M computation, the spouse must be:

1. The legal of defacto spouse; and,

2. Either the natural parent of the employee's natural child; or,

3. Married to the employee for at least one year; or,

4. Eligible for a widow(er)'s, parent's, or disabled child's insurance annuity under the RRA in the month before the month of marriage to the employee. The term eligible means that the spouse was entitled to an annuity if an application had been filed and (s)he had attained the required age. It is not necessary for the spouse to have filed a survivor application or to have attained age 60 before the month of marriage to be included in the O/M from the first day of the month of marriage; or

5. Entitled or potentially entitled to widow(er)'s, parent's, or childhood disability benefits under the SS Act in the month the spouse married the employee. A spouse is considered potentially entitled under the SS Act if the spouse meets all requirements for entitlement under that Act, other than the filing of an application, and, in the case of widow(er)'s or parent's benefits, attainment of age 62.

B. Living with Requirements - Prior to 8-12-83, and as of the O/M effective date, the spouse must:

1. Be a member of the employee's household; or,

2. Receive regular contributions from the employee toward support; or,

3. Have a court order requiring the employee to contribute toward her (his) support.

The Railroad Retirement Solvency Act of 1983 eliminated the living with requirement for spouse eligibility in the O/M effective 8-12-83.

C. Child-in Care Requirements - A female spouse (or male spouse effective December 1978 or later) is entitled at any age if (s)he has the employee's minor child under age 16 in care or disabled child in care.

Note: If the spouse was entitled under the Retirement O/M based on having a child in care in August 1981, the spouse was included in the O/M based on child in care through the earlier of the month before the month in which the youngest child attained age 18, or August, 1983.

Effective July 1, 1996 or later, a step-child can only qualify the spouse as an IPI if the step-child is dependent on the employee for 1/2 support.

D. Spouse Age Requirements - Prior to September 1981, a male or female spouse was eligible for a reduced age spouse benefit under SSA rules on the first day of the month after the month in which the spouse attained age 62. After August 1981, the spouse is eligible for a reduced age spouse benefit effective the first day of the month after the month in which her(his) 62nd birthday falls unless the birthday is the 1st or 2nd day of the month. In such case, the eligibility for the spouse benefit is the first day of that month.

If a spouse is eligible for a reduced for age spouse benefit under SSA rules and is not receiving a RR spouse annuity, refer to RCM 8.3, Appendix A, "Spouse Election Cases".

E. Dependency Requirements - A husband must have been dependent on the railroad employee for 1/2 of his support in order to be included in the 110% Grandfather O/M or to be included in the 100% O/M prior to 3-1-77.

8.3.21 Eligibility of Divorced Spouse Under 100% O/M Computation

If the employee has attained age 62 for at least one full month in an age and service O/M case or, in a DIB O/M case, has attained age 62 at any time during the month and is insured under the Social Security Act rules, the divorced spouse annuity may be subject to the 100% O/M computation if (s)he meets the eligibility requirements for a divorced spouse annuity as explained in RCM 1.3.81.

A divorced spouse's annuity rate may never be increased under the O/M to an amount that exceeds his/her RR formula tier 1 rate. Any O/M increase payable over the divorced spouse's RR rate would be paid to the employee and spouse annuitants.

Refer retirement O/M cases involving a divorced spouse annuitant to P&S-RAC after the completing Form G-354.3.

There are no provisions in the RR Act for paying a divorced spouse as an IPI on the basis of her (his) age or having a minor or disabled child of the employee in her(his) care.

8.3.22 Effective Date of Spouse 100% or 110% Grandfather O/M Benefit

A. Married When Employee Filed for Annuity - A spouse who was married to the employee at the time (s)he filed for the employee annuity can be included in the family group for purposes of the O/M computation on the later of:

1. The employee's ABD; or,

2. The first day of the month after the month in which a disability waiting period ends; or,

3. Prior to September 1981, the first day of the month in which the employee attains age 62. After August 1981, in reduced age O/M cases, the first day of the month after the month in which the employee's 62nd birthday falls unless his (her) birthday is the 1st or 2nd day of the month (in such cases, the effective date is the first day of that month;) or,

4. The first day of the month in which the spouse meets the eligibility requirements in RCM 8.3.20; or,

5. The date a PIA increase or adjustment causes the total O/M rate to exceed the total RR formula rate if the spouse is an annuitant.

B. Married After Employee Filed for Annuity

1. O/M Computation Rate In Force When Spouse Become Eligible - If the total O/M computation rates exceed the total RR formula rates for the month before the month in which the spouse meets the eligibility requirements in RCM 8.3.20, the spouse can be included in the family group as soon as (s)he meets the eligibility requirements.

   EXAMPLE: The family group on the employee's ABD of 5-1-77 consists of the employee and an FTS. The 100% O/M is in force. On 8-1-78 the spouse meets the eligibility requirements and can be included in the family group.

2. RR Formula Rate In Force When Spouse Becomes Eligible - A spouse annuitant who was married to the employee after (s)he filed for the employee annuity and meets the eligibility requirements in RCM 8.3.20 can be include in the family group for purposes of the O/M computation on the later of:

   a. The first day of the month after the month in which a disability waiting period ends; or,

   b. The spouse annuity beginning date; or,

   c. The date a PIA increase or adjustment causes the total O/M rate to exceed the total RR formula rate.

8.3.23 Effective Date of Divorced Spouse O/M Benefit

The divorced spouse annuitant can be included in the family group for purposes of the O/M Test on the later of:

1. The employee's ABD; or

2. The first day of the month after the month in which the employee's 62nd birthday falls unless his (her) birthday is the 1st or 2nd day of the month (in such cases, the effective date is the first day of the month); or,

3. October 1, 1981; or,

4. The divorced spouse's annuity beginning date; or

5. The date a PIA increase or adjustment caused the total O/M rate to exceed the total RR formula rate.

If the O/M computation exceeds the RR formula rate, refer the case to P&S-RAC.

8.3.24 Eligibility and Date of Entitlement of Child Under 100% O/M Computation or 110% Grandfather O/M Computation

The 1937 and 1974 Railroad Retirement Acts did not provide a child's annuity in retirement cases. However, if the employee has attained age 62 or is entitled to a disability freeze and is insured under the Social Security Act, a child can be included in the O/M computation as an Ineligible Person Included (IPI), subject to the restrictions in section B, if (s)he meets the eligibility requirements under the Social Security Act and the total O/M family monthly rate is higher than the total monthly employee, spouse and/or divorced spouse annuities payable under the railroad formula.

A. Social Security Act Rules - To be included in the family group under the Social Security Act, the child(ren) must be:

   1. The child, step-child, grandchild, or step-grandchild of the wage earner as explained in RCM Chapter 4.4; and,

   2. Unmarried (a widowed or divorced child, or a child whose marriage is void or has been annulled is considered unmarried); and,

   3. Dependent on the wage earner (as explained in RCM Chapter 4.7); and,

   4. Under age 18; or

   5. Over age 18 and either:

      a. A post-secondary school student under the student phase-out provision; or

      b. A full time elementary or secondary school student age 18-19 under the non-phase-out student provision; or,

      c. Disabled before age 22.

Effective September 1, 1981, a child who was not included in the O/M as an IPI on any earnings record prior to September 1, 1981 must be eligible as an IPI for the entire month before first eligibility is established.

B. 1974 Railroad Retirement Act Restrictions

1. Child Eligible on ABD or After Disability Waiting Period - If the child meets the requirements in Section (A) above on the employee's annuity beginning date or on the first day of the month following the month in which the disability waiting period ends, the child can be included in the family group for the purposes of computing the O/M computation rates.

   EXAMPLE: The family group on the employee's ABD consists of the employee and two eligible full time students. The students can be included in the O/M computation.

2. O/M in Force When Child Becomes Eligible - If the total O/M computation rates exceed the total RR formula rates for the month before the month in which the child meets the requirements in (A) above, the child can be included in the family group for the purposes of recomputing the O/M computation rates.

   EXAMPLE: The family group on the employee's ABD of 5-1-77 consists of the employee, spouse and minor child. The 100% O/M computation is in force. On 9-1-77 a second child becomes an FTS. This child may be included in the family group for the O/M computation.

3. RR Formula In Force When Child Becomes Eligible - If the total RR formula rates exceed the total O/M computation rates for the month before the month in which the child meets the requirements in (A) above, the child cannot be included in the family group for the purposes of computing the O/M computation rates (except as explained for phase-out students in section 8.3.12C.

   EXAMPLE 1: The family group on the employee's ABD consists of the employee and RR spouse annuitant with a minor child in her care. The RR formula employee and spouse rates exceed the total O/M formula rates. The child attains age 18 in 9-78 and the spouse annuity terminates. Although the child is an FTS, he cannot be included in the family group for the O/M computation.

   EXAMPLE 2: The family group on the ABD 1-1-77 consisted of the employee and FTS. The O/M formula applied. The child ceased FTA on 5-13-77. This caused the employee annuity to revert to the RR formula. When the child returned to FTA on 1-1-78, the child's benefit cannot be considered in the O/M computation to cause an increase from the RR

formula to the O/M, because of the break in the continuity of the O/M formula.

8.3.25 Termination or Suspension of Employee Annuity under the O/M Computation

When the employee's annuity is not payable, life benefits are not payable for the spouse, divorced spouse, or child based on the employee's wage record.

NOTE: If the employee benefit is suspended to recover an overpayment, the benefit is still considered to be "payable."

A. Termination Events - The employee benefit under the 100% O/M or 110% Grandfather O/M computation terminates with the last day of:

1. The month before the month in which the employee dies; or,

2. The second month after the month the employee disability annuitant recovers from the disability. If the SSA determination of recovery conflicts with the RRB determination of disability in O/M cases, refer to RCM 8.3.41.

B. Suspension Events - The employee benefit under the 100% O/M or 110% Grandfather O/M computation is not payable for months in which the following events occur:

1. Railroad Retirement Act - The employee annuity is not payable for months in which the employee works in "employer" or "last person" service. It is also subject to the earnings restrictions as explained in RCM 8.3.135 - 8.3.137 and RCM 8.3.143.

2. Social Security Act - The employee annuity may not be increased under the 100% or 110% Grandfather O/M when any of the following events occur. These non-payment provisions would apply under the Social Security Act, and therefore may affect the payment of the O/M.

a. Vocational Rehabilitation Deductions - A VR deduction is imposed against the DIB O/M for any month in which the employee refuses, without good cause, to accept VR service available to him under an approved VR program. For any month in which a DIB is subject to VR deduction, the same VR deductions are imposed against any auxiliary benefits which are being paid (see SSCM 6608).

b. SGA Suspension for Blind Workers Over Age 55 - An employee who is entitled to DIB O/M on the basis of the definition of disability in RCM 1.2 will continue to be entitled for months in which he is engaging in "non-comparable" SGA. However, no O/M payment

will be made to the employee or his auxiliaries on a recurring basis for any such months. Payment under the O/M may be initiated or reinstated for any month in which it is determined that the employee is not engaging in "comparable" SGA.

c. Deductions for Work Outside the U.S. - For months before May, 1983, a 7-day work test is applied to the age and service O/M if the employee works outside the U.S. Effective 5-1-83, work deductions may apply to the age and service O/M if the employee works outside the U.S. for more than 45 hours in a month (see SSCM 3800-3815 and RCM Chapter 5.7).

d. Deportation - Payment of age and service or DIB O/M benefits may be withheld if the employee is deported from the U.S. after 9-1-54 (see SSCM sec 3840ff).

e. Conviction for Subversive Activities - Payment of age and service or DIB O/M may be affected when the employee has been deprived of certain benefit rights by sentence of a court after conviction on a charge involving espionage, sabotage, treason, sedition, or subversive activities (see SSCM 5400ff).

f. Confined to a Penal or Correctional Facility - Payment of the employee's share of the DIB O/M or, effective 5-1-83, the age and service O/M is suspended while the employee is confined to a penal or correctional facility for conviction of an offense which constitutes a felony. Benefits to the remaining members of the family group are payable as if the employee were receiving benefits (refer to RCM 6.3.7.).

8.3.26 Termination or Suspension of Spouse Benefit under the O/M Computation

The spouse benefits are taken into account in figuring the family 100% O/M or 110% grandfather O/M computations only for those months in which the spouse would have been eligible for benefits under the Social Security Act.

A. Termination Events - The spouse benefits end with the last day of the month before the month in which:

1. The spouse dies; or

2. The marriage between the spouse and the employee is ended by absolute divorce or, in some cases of putative marriage, by knowledge that the marriage was invalid. When California law is applicable, and the parties undertake in good faith to legalize their marriage within a reasonable time after learning of the defect, benefits do not end. Entitlement is not ended

by a limited decree until such decree becomes final. (See RCM 1.3.81 for divorced spouse benefits); or,

3. The employee's annuity terminates due to death or actual recovery from disability; or,

4. Prior to 9-1-83, the spouse under age 62 who does not have in care a child of the employee who is either under age 16 if the spouse was not included in the O/M in 8-1981; or age 18, if the spouse was included in the O/M in 8-1981; or disabled before attaining age 22.

Effective 9-1-83, the spouse under age 62 who does not have in care a child of the employee who is either under age 16 or disabled before attaining age 22.

NOTE #1: If the youngest child is age 16-17 in September 1981, a spouse who was entitled based on a child in care prior to 9-1-81 can continue to be entitled based on that child until the earlier of the month the youngest child attains age 18 or September 1, 1983.

NOTE #2: Under the regular retirement formula, the spouse under age 62 with a minor child in care is entitled to tier I until the youngest child attains age 16 and is entitled to tier II until the youngest child attains age 18.

The Monthly Attainment Processing (MAP) program will release a diary card in cases on the rolls where the spouse IPI is included in the O/M based on a child in care to alert the examiner to terminate the spouse benefit when:

- The spouse IPI was not included in the O/M based on a minor child prior to 9-1981; and
- The spouse IPI is under age 60 in a 60/30 case or under age 65 in other cases; and
- The youngest child in care attains age 16.

If Note #1 applies, the MAP program will release a diary card to spouse IPI's on the rolls prior to 9-1981 who are under age 60 in 60/30 cases or under age 65 in other cases when the youngest child attains age 18 or September 1983, whichever is earlier. Effective 9-1-83, all spouse IPI diary cards based on child in care will be released when the youngest child attains 16 regardless of when the spouse IPI came on the rolls.

See RCM 6.3.16 for examiner action in these cases.

B. Suspension Events

1. Railroad Retirement Act - The spouse annuity is not payable for months in which the employee or spouse works in "employer" or "last person"

service. (However, if the spouse annuity is in suspense due to work in LPS or RR service, the spouse's share under the O/M may be redistributed among the other auxiliaries as explained in RCM 8.3.139.)

2. Social Security Act - The spouse O/M benefit is not payable for any month in which the employee O/M benefit is not payable due to events described in RCM 8.3.25B.

   In addition, the spouse O/M benefit is not payable for any month in which the following events occur:

   a. Deductions for Work Outside the U.S - For months prior to May 1983, the 7-day work test is applied if the spouse works outside the U.S. as explained in SSCM 3800-3815 and RCM Chapter 5.7. Effective 5-1-83, work deductions may apply if the spouse works outside the U.S. for more than 45 hours in a month.

   b. Conviction for Subversive Activities - The spouse O/M benefit is not payable when the spouse has been deprived of certain benefit rights by sentence of a court after conviction on a charge involving espionage, sabotage, treason, sedition, or subversive activities (see SSCM 5400ff).

   c. Confined to a Penal or Correctional Facility - Effective 5-1-83, payment of the spouse's share of the O/M is suspended while the spouse is confined to a penal or correctional facility for conviction of an offense which constitutes a felony. Refer to RCM 6.3.7.

   If the spouse is receiving an annuity based on child-in-care which is being paid under the O/M, the child attains age 16, and the O/M is still payable (e.g., O/M rate exceeds RR rate), the spouse cannot be included in the O/M, but can still receive a tier II benefit. The amount of the spouse tier II benefit is to be deducted from the total O/M rate payable to the employee for himself and child. Show this computation in the "Remarks" section of the G-354.3. Do not show the spouse on the G-354.3 worksheet. A G-355 showing the spouse tier I terminated in item 8 and a spouse tier II worksheet must be attached to the G-357 when it is vouchered. Use code paragraphs 410.4 and 410.5 in the adjustment letters.

8.3.27 Termination or Suspension of Child's Benefit under the O/M Computation

The child's benefits are taken into account in figuring the family O/M or DIB O/M computations only for those months in which the child would have been eligible for benefits under the Social Security Act rules, subject to the restrictions in RCM 8.3.24.

A. Termination Events - A child's O/M benefit terminates:

1. The last day of the month before the month in which the child dies; or,

2. The last day of the month before the month in which the child attains age 18, unless the child is determined to be disabled before attaining age 22, or is a full-time elementary or secondary school student under age 19 (see RCM Chapter 1.5); or,

3. The last day of the month in which the child ceases to be an FTS; or,

4. Two months after the month in which the disabled child recovers from the disability. For months before 9-1960, the child's eligibility ended with the month before the month in which (s)he was no longer considered disabled; or

5. The last day of the month before the month in which the child marries.

   EXCEPTION: Under the Social Security Act, a disabled child age 18 or over can marry any SS beneficiary, other than a child beneficiary under age 18 or a child beneficiary entitled because (s)he is a full-time student, without loss of benefits. However, in the case of a female disabled child whose marriage is to a man entitled to a childhood disability benefit or to a DIB, prior to June 1983, such female's entitlement ends the same month her husband's benefits are ended (e.g., recovery from disability), unless the husband's entitlement (either childhood disability benefits or DIB) ends because of death or (in the case of DIB only) entitlement to an RIB.

   Effective 6-1-83, the female disabled child's entitlement on her husband's E/R does not end, even if he recovers from his disability; or,

6. In the case of a stepchild of the employee, the month after the month in which the divorce between the employee and the natural parent becomes final.

The Monthly Attainment Processing (MAP) program will release a diary card in cases on the rolls where the child is included in the O/M as an IPI, to alert the examiner to terminate the child's benefit when:

- The minor child is attaining age 18; or
- The non-phase-out student is attaining age 19; or
- The phase-out student is attaining age 22.

See RCM sections 6.3.16 and 1.5.60, for examiner action in these cases.

NOTE: If a child being included in the O/M is within 4 months of age 18, special action is required at the time of vouchering because the case will not be called up timely by MAP at age 18.

1. In the O/M award letter, after ALTA paragraph 442 (age and service O/M) or 449 (DIB O/M), include code paragraph 1756, Child Attains Age 18 – O/M Adjustment Possible, which says,

   A child in this case will attain age 18 in (1) , and no longer be included in the computation of your annuity under the special guaranty formula **UNLESS** one of the following conditions is met:

   1. The child is totally and permanently disabled, or

   2. The child is a full-time student at an elementary or secondary school.

   If the child meets either of these conditions, call or write the field office shown below as soon as possible to avoid any disruption or adjustment in your annuity. If you have already contacted the field office concerning this issue, you may disregard this issue.

   (1) Enter MM/YEAR of attainment.

2. Put the folder in the DORMANT file with a call up for the first day of the month before the child attains age 18. Then take the appropriate action based on the employee's response. If no response, remove the child from the O/M computation.

B. Suspension Events

1. Railroad Retirement Act - The child may not be included in the O/M for months in which the employee works in last person service or months in which the employee or child works in employer service. (However, if the child is in employer service, the child's share may be redistributed among the other auxiliaries as explained in RCM 8.3.139).

   The child's O/M share is also subject to earnings restrictions as explained in RCM 8.3.138-8.3.139 and 8.3.143.

2. Social Security Act - The child's O/M share is not payable for any month in which the employee O/M benefit is not payable due to events described in RCM 8.3.25B.

   In addition, the child's O/M share is not payable for any month in which child's benefits would not be payable under the Social Security Act, due to the following events:

   a. Vocational Rehabilitation Deductions - A VR deduction is imposed against the disabled child's O/M share for any month in which the disabled child refuses, without good cause, to accept VR service available to him under an approved VR program (see SSCM 6608).

b. SGA Suspension for Blind Workers Over Age 55 - If the child is a disabled adult child based on the special blindness provisions described in RCM Chapter 1.2, the disabled child's O/M share may be affected when the child engages in substantial gainful activity.

c. Deductions for Work Outside the U.S - Prior to 5-1-83, the 7-day work test is applied if the child works outside the U.S. as explained in SSCM 3800-3815 and RCM Chapter 5.7. Effective 5-1-83, work deductions may apply if the child works outside the U.S. for more than 45 hours in a month.

d. Conviction for Subversive Activities - Payment of the child's share may be affected when the child has been deprived of certain benefit rights by sentence of a court after conviction on a charge involving espionage, sabotage, treason, sedition, or subversive activities (see SSCM 5400ff).

e. Confined to a Penal or Correctional Facility - Prior to 5-1-83, payment of a disabled child's share of the age and service or DIB O/M is suspended while the disabled child is confined to a penal or correctional facility for conviction of an offense which constitutes a felony. Effective 5-1-83, any child's share of the O/M is not payable if the child is confined to a penal or correctional facility as explained above (refer to RCM 6.3.7.).

f. Phase-out Students - A phase-out student cannot be included in the O/M for the months of May, June, July or August for each year 1982 through 1985.

8.3.28 Termination or Suspension of Divorced Spouse Benefit under the 100% O/M Computation

Divorced spouse benefits are included in the 100% O/M only for those months in which the divorced spouse is eligible for an RR annuity.

A. Termination Events - The divorced spouse benefit ends with the last day of the month before the month in which:

1. The divorced spouse dies; or,

2. The employee's annuity terminates due to death or the employee age 62-64 recovers from his (her) disability; or

3. A divorced wife initially included in the 1937 RR Act O/M between September 1964 and October 4, 1972 or the divorced spouse annuitant payable under the 1981 RR Act Amendments remarries; or,

4. A divorced spouse becomes entitled to a RIB or DIB SS benefit that is based on a PIA which equals or exceeds one half of the employee's PIA #1 or #9.

B. Suspension Events

1. Railroad Retirement Act - The divorced spouse annuity is not payable for months in which the employee or divorced spouse work in "employer" or "last person" service. (The divorced spouse share has no effect on the other auxiliaries.)

   The divorced spouse annuity is also subject to earnings restrictions as explained in RCM Chapter 8.3.140.

2. Social Security Act - The divorced spouse O/M benefit is not payable for any month in which the employee O/M benefit is not payable due to events described in RCM Chapter 8.3.25B.

   In addition, the divorced spouse O/M benefit is not payable for any month in which the following events occur:

   a. Deductions for Work Outside the U.S - Prior to 5-1-83, the 7-day work test is applied if the divorced spouse works outside the U.S. as explained in SSCM 3800-3815 and RCM Chapter 5.7. Effective 5-1-83, work deductions may apply if the divorced spouse works outside the U.S. for more than 45 hours in a month.

   b. Conviction for Subversive Activities - The divorced spouse O/M benefit is not payable when the divorced spouse has been deprived of certain benefit rights by sentence of a court after conviction on a charge involving espionage, sabotage, treason, sedition, or subversive activities (see SSCM 5400ff).

   c. Confined to a Penal or Correctional Facility - Effective 5-1-83, payment of the divorced spouse's share of the O/M is suspended while the divorced spouse is confined to a penal or correctional facility for conviction of an offense which constitutes a felony (refer to RCM 6.3.7.).

8.3.30 Employee Only Case

The basic employee original benefit in the O/M computation, before adjustment for age, delayed retirement credits or "other benefits" is the amount of PIA #9 (100% O/M computation) or PIA #11 (110% Grandfather O/M before 10% increase guaranty).

If the employee is the only person that would be entitled under the social security formula, the adjusted employee O/M computation benefit must exceed the employee's railroad formula rate if the O/M is to apply.

8.3.31 Spouse and/or Minor Child, Disabled Child or FTS Included in Family Group

An additional amount may be included in the O/M computation of the employee annuity if the spouse and/or a minor child, disabled child or full time student are included in the family group for purposes of computing the O/M rates.

The amount of the spouse and child(ren)'s benefit before the adjustment for the family maximum, for age (if the spouse age reduction is applicable), or "other benefits" are each 50% of the employee's PIA #11 (110% Grandfather O/M before 10% increase guaranty) of 50% of the employee's PIA #9 (100% computation).

The total family O/M computation rate payable to the employee, spouse and/or child(ren) must exceed the employee and/or spouse total railroad formula annuity rate is the O/M is to apply.

See section 8.3.32 for information concerning inclusion of a divorced spouse in the family group.

8.3.32 Divorced Spouse Included In O/M

An additional amount may be included in the 100% O/M computation for benefits payable October 1, 1981 or later if a divorced spouse annuitant is included in the O/M for the purposes of computing the O/M rates.

The amount of the original divorced spouse benefit before adjustment for age or other benefits is 50% of the employee's PIA #9 (100% O/M computation). The divorced spouse benefit is not reduced for the family maximum.

The total O/M rate payable to the employee, spouse, child(ren) and/or divorced spouse must exceed the employee, spouse and/or divorced spouse total railroad formula annuity rates if the O/M is to apply.

A divorced spouse's annuity rate may never be increased under the O/M to an amount that exceeds his/her RR formula tier 1 rate. Any O/M increase payable over the divorced spouse's RR rate would be paid to the employee and spouse annuitants.

Do not pay the O/M if a divorced spouse is included. Refer the case to M&P-A after completing Form G-354.3.

8.3.33 Proportionate Shares when Spouse or Divorced Spouse Entitled to RR Spouse or Divorced Spouse Annuity

If the spouse is receiving a railroad spouse annuity under either spouse conversion of spouse 1974 Act computation and the total family 100% O/M or 110% Grandfather O/M computation rates after adjustment for family maximum, age reduction, delayed retirement and "other benefits" exceeds the combined employee, spouse, and divorced spouse railroad formula rates, the total O/M rate is prorated between the employee and spouse. A divorced spouse's annuity rate may never be increased under the O/M increase payable over the divorced spouse's RR rate would be paid to the employee and spouse annuitants. Refer these cases to M&P-A after completing Form G-354.3.

A. 100% O/M Computation

1. Employee 1974 Act Case - The employee's proportionate share is always 2/3 of the family total. The spouse's proportionate share is always 1/3 of the family total.

2. Employee Conversion Case

Step 1 - Divide the employee's total tier rate by the sum of the employee and spouse total tier rates. (Carry the division out of our decimal places.)

Step 2 - Multiply the Step 1 result times the amount of the 100% O/M increase (O/M rate minus the total tier rate including WF) rounded to the nearest cent.

Step 3 - Add the Step 2 result to the employee's total tier rate. The result will be the employee's proportionate share.

Step 4 - The spouse's proportionate share is the difference between the total 100% O/M rate and the employee's proportionate share (Step 3 result).

EXCEPTION: Refer to the case to M&P-A if:

- The spouse is receiving a windfall on her own wage record but no SS benefit; or,
- The employee is a conversion annuity and the spouse is entitled under the 1974 RR Act with a windfall on other than the employee's wage record.

B. 110% Grandfather O/M Computation

1. Employee 1974 Act Case - If neither the employee nor the spouse is entitled to an SS benefit, the employee's proportionate share is always 2/3

of the family total. The spouse's proportionate share is always 1/3 of the family total.

If either the employee or the spouse is entitled to an SS benefit, calculate the employee's proportionate share as follows:

Step 1 - Add together the employee's current net tiers I and II under the RR formula.

Step 2 - Add together the spouse's current net tiers I and II under the RR formula.

Step 3 - Divide the step 1 result by the sum of the step 1 result and the step 2 result. (Carry the division out to 4 decimal places.)

Step 4 - Multiply the step 3 result times the total family O/M rate. The result (rounded to the nearest cent) is the employee's proportionate share.

Step 5 - Subtract the employee's share in step 4 from the total family O/M rate. The result (rounded to the nearest cent) is the spouse's proportionate share.

2. Employee Conversion Case - The 100% O/M must be computed in a conversion case if the 110% O/M applied prior to 1-1-75 and there is a change in family composition or another event which affects the O/M computation. The O/M increase is prorated between the employee and spouse in the proportion that their RR formula annuities bear to the total amount payable under the RR formula.

8.3.34 When Employee Annuity is not Payable for Entire Month

When the employee annuity begins after the first of the month, the amount payable under the 110% Grandfather O/M or 100% O/M computations for the partial month is one thirtieth of the monthly rate multiplied by the number of days in such part of a month (total days in month limited to 30). The resulting rate for the partial month is rounded to the nearest cent.

8.3.35 When Spouse Annuity or Divorced Spouse Annuity is not Payable for Entire Month

A. Spouse Annuity - When a spouse's annuity begins after the first day of the month, determine the monthly rate payable under the 110% Grandfather or 100% O/M as follows:

1. Spouse Not Included in O/M COMPUTATION PRIOR TO Beginning Date of Spouse Annuity - The amount payable to the employee for the month in which the spouse's annuity begins to equal to:

- 1/30 of the monthly amount payable under the higher of the RR formula or the O/M excluding the spouse, multiplied by the number of days in the month before the spouse ABD; plus

- 1/30 of the employee's proportionate share of the O/M computation, with the spouse included in the family group, multiplied by the number of days remaining in that month (total for month not to exceed 30 days) beginning with the spouse's ABD.

The amount payable to the spouse under the O/M computation for the partial month is equal to 1/30 of the spouse's proportionate share of the O/M computation, with the spouse included in the family group, multiplied by the number of days remaining in the month (total for month not to exceed 30 days) beginning with the spouse's ABD.

2. Spouse Included in O/M Computation as IPI Prior to Beginning Date of Her Annuity

(a) O/M Still Applies with RR Spouse Annuity - If the O/M rate is still higher than the railroad formula rate after the spouse becomes entitled to a railroad annuity, the amount payable to the employee for the month in which the spouse's annuity begins is equal to:

- 1/30 of the O/M rate, including the spouse, multiplied by the number of days before the spouse ABD; plus,

- 1/30 of the employee's proportionate share multiplied by the number of days remaining in the month (total for month not to exceed 30 days) beginning with the spouse's ABD.

The amount payable to the spouse for the partial month is equal to 1/30 of the spouse's proportionate share multiplied by the number of days remaining in the month (total for month not to exceed 30 days) beginning with the spouse's ABD.

(b) RR Formula Higher With Spouse Annuity - Where the sum of the employee and spouse annuities determined under the railroad retirement formula is greater than the total O/M computation rate, the amount payable to the employee for the month in which the spouse's annuity begins is equal to:

- 1/30 of the monthly amount payable under the O/M including the spouse in the family group, multiplied by the number of days in the month before the spouse's ABD; plus

- 1/30 of the employee's railroad formula rate multiplied by the number of days left in the month (total days in month not to exceed 30) beginning with the spouse's ABD.

The amount payable to the spouse for the partial month is equal to 1/30 of the spouse's railroad formula rate multiplied by the number days left in the month (total days in month not to exceed 30) beginning with the spouse's ABD.

B. Divorced Spouse - Refer these cases to P&S-RAC.

8.3.40 Definition of Primary Insurance Amount (PIA)

The Primary Insurance Amount (PIA) is the basis of all Social Security Act benefits and, therefore, all retirement annuity rates payable under the O/M. Refer to RCM Chapter 8.11, "PIA Determinations," for an explanation of the computation of PIA. PIA #9 and PIA #11 are used in the Retirement O/M computation.

Under the 1977 Amendments to the Social Security Act, the type of computation used to compute the PIA depends upon the "eligibility year". In Retirement 100% O/M cases, this is either the year in which the employee attains age 62 or the year of disability onset (even if (s)he does not acquire the required O/M insured status until a later year).

A. Eligibility Year Before 1979 - The PIA #9 or PIA #11 computed for retirement O/M benefits is the higher of:

1. "New Start" Method - The PIA is obtained directly from the average Monthly Wage (AMW) under the "New Start" method. After 1-1979 this PIA is identified as the AMW PIA.

   The PIA's and Family Maximums for the AMW PIA are found in RCM 8.11 Appendix B.

2. "Old Start" Method - The PIA is obtained from the Primary Insurance Benefit (including the 1977 Old Start Computation for eligibility in 1978). After 1-1979 this PIA is identified as the AMW PIA.

   The PIA's and Family Maximums for the Old Start AMW PIA are found in RCM 8.11 Appendices A + B.

3. Special Minimum PIA - The PIA is obtained by multiplying an amount specified in the law by the number of "Years of Coverage" under the Special Minimum PIA.

   The Special Minimum PIA's and Family Maximums are found in RCM 8.11 Appendix C.

B. Eligibility 1-1979 or Later - The PIA #9 computed for Retirement 100% O/M benefits is the higher of:

1. AIME PIA - The PIA is obtained by a formula based on the "eligibility year" applied to the average indexed monthly earnings (AIME).

   The AIME PIA Family Maximum is determined by a formula explained in RCM 8.11.86.

2. Frozen Minimum PIA (FRZN MIN PIA) - The minimum starting AIME PIA cannot be less than $122.00. The AIME family maximum formula explained in RCM 8.11.86 is used to determine the maximum for the Frozen Minimum PIA.

3. Transitional Guarantee PIA - (TRANS PIA) - This PIA is a "New Start" AMW based PIA limited to age and service cases for employees who attain age 62 in 1979 through 1983, even though the O/M effective date is after the year the employee attains age 62. This PIA does not include earnings in the eligibility year or later years.

   The conversion chart for the TRANS PIA and Family Maximum Benefit is found in the RCM 8.11 Appendices D and E under the "Benchmark Year."

4. 1977 Old Start Computation (1977 O.S. PIA) - The Primary Insurance Amount is determined by computing the PIB and then converting it to 6-1978 PIA and family maximum using a conversion chart. However, the AMW cannot include earnings in the eligibility year or later years.

   The conversion chart for the 1977 Old Start PIA and Family Maximum Benefit is found in RCM 8.11 Appendices A, D and E under the "Benchmark Year."

5. Special Minimum PIA (SPC MIN PIA) - This PIA is obtained by multiplying an amount specified in law by the number of "years of coverage" under the Special Minimum Guarantee.

   The Special Minimum PIA's and Family Maximums are found in RCM 8.11 Appendix C.

6. DIB Guarantee PIA (PRIOR DIB O/M) - When an employee has been entitled to DIB/OM benefits that terminated more than 12 months before the current disability or age and service entitlement, the "eligibility" year of the current entitlement determines the computation to be used. However, the starting PIA #9 may not be less than the PIA #9 which was in effect in the month of termination of the previous DIB O/M.

NOTE: When an individual has been entitled to a DIB O/M that terminated within 12 months of the current DIB O/M or age and service O/M, the previous PIA #9 computation applies.

The AIME family maximum formula explained in RCM 8.11.86 is used to determine the maximum for a DIB guarantee PIA, regardless of the method used to compute the PIA being used as the DIB guarantee PIA. A prior savings clause could increase the family maximum in some cases. However, where first entitlement to the DIB O/M is after 1978, the DIB O/M family maximum is limited under the 1980 SS Act Disability Amendments as explained in RCM 8.11.88.

8.3.41 Disability Freeze Requirement for DIB O/M

A. Determination of Disability Freeze Period - A disability freeze according to Social Security Act rules is required for all DIB O/M cases.

The period of disability is determined by the Disability Rating Section at RRB or SSA. If a disability period established at SSA conflicts with a disability period established at RRB in an O/M case, handle the case as follows:

1. SSA's DF onset date is earlier than RRB's DF onset date - If RRB previously determined that the EE was not disabled or insured as of SSA's DF onset date and denied an RRB disability annuity application, RRB's DF onset date must be used to determine O/M entitlement to compute PIA #9 and PIA #11. Otherwise, use SSA's DF onset date (if based on a DIB insured status) to compute PIA #9 or PIA #11.

2. SSA's DF onset date is later than RRB's DF onset date - Use RRB's DF onset date to determine O/M entitlement and to compute PIA #9 and PIA #11.

3. SSA denial of the DF but RRB granted a DF - Use RRB's DF onset date to determine O/M entitlement and to compute PIA #9 and PIA #11.

4. SSA Benefit Paid Without D/F but Joint RRB-SSA Freeze Established - Use RRB's DF onset date to determine O/M entitlement and to compute PIA #9 and PIA #11. In these cases, SSA is paying benefits based on wages, military service used as wages, or SEI only. RRB is paying benefits based on combined SS earnings and compensation with an offset for SS benefit entitlement.

B. Examiner Action When Disability Annuitant is Working - The disabled employee's regular employment may indicate an ability to engage in SGA and result in the termination of the disability freeze, and therefore, the DIB O/M. Refer to RCM 1.2 for procedure for handling these cases.

C. Effect of Disability Freeze on PIA Computation - The first month of the waiting period or the month of entitlement to the DIB O/M, if there is no waiting period, is used to determine the deemed retirement age under SS Act rules. Retirement age for women is 62. For a male wage earner born 1-2-13 or later, retirement age is 62. The AMW or AIME is computed as if the employee had attained age 62 in the first month of his waiting period, or if there is no waiting period, in the first month (s)he is entitled to the DIB O/M. (The male wage earner born before 1-2-13 is deemed to be age 65 in the first month of his waiting period or if there is no waiting period, in the first month he is entitled to the DIB O/M).

The period of disability under SS Act rule ends with the earlier of the actual attainment of age 65 or deemed attainment of age 65 (three years after deemed age 62). Any earnings after the first month of the waiting period or DIB O/M entitlement, if there is no waiting period, up to the earlier of the year of actual or deemed age 65 would be considered earnings within a period of disability.

Earnings that are compatible with the disability determination (see RCM 1.2) for the partial year in which the W/E attains or is deemed to attain age 65 or later years may be considered for a PIA recomputation. (See RCM 8.11.22 or RCM 8.11.33 for detailed explanations).

NOTE: SSA does not convert a DIB to an RIB until the employee actually attains age 65. Similarly, a DIB O/M annuitant under the RR Act for the month preceding the month in which (s)he actually attained age 65 is deemed to have filed an application for an age and service annuity under paragraph (i) of the section 2(a)(1) on the date on which (s)he attains age 65. The DIB O/M converts to an age and service O/M in that month.

8.3.42 Comparison of Initial Computations of PIA #9 and PIA #11

A. 100% O/M Computation - PIA #9 for the 100% O/M is computed under current SS Act rules based on the employee's actual attainment of age 62 or entitlement to an actual disability freeze. Either the AMW PIA, AIME PIA, 1977 O.S. PIA, or SPC MIN PIA computation may apply. (The TRANS PIA may apply in age and service cases only.) The base years and benefit computation years for the AMW or AIME are determined as explained in RCM 8.11.12 and 8.11.13.

The earnings used in the AMW computation or indexed for the AIME computation are subject to the yearly earnings maximums indicated in RCM 8.11.14.

The initial PIA #9 for the DIB/OM may consider creditable SS earnings and compensation through the earlier of December 31 of the year of disability onset, or December 31 of the year preceding the effective date of the PIA. This PIA may be recomputed as explained in RCM 8.11.22 or RCM 8.11.33.

The initial PIA #9 for the age and service O/M may consider creditable SS earnings and compensation through December 31 of the year preceding the

effective date of the PIA. This PIA may be recomputed as explained in RCM 8.11.22 or 8.11.33.

Exception: The computation for the TRANS PIA or for 1977 Old Start PIA for eligibilities in 1979 or later cannot include earnings in the "eligibility year" or later years.

PIA #9 is included in the PIA computations on Form G-90.

B. 110% Grandfather O/M Computation - The initial PIA #11 for the 110% Grandfather O/M is computed under SS Act rules in effect in 12-1974 based on the employee's actual attainment of age 62 or entitlement to a disability freeze. Either the 6-1974 "New Start" PIA, 6-1974 "Old Start" PIA, or SPC MIN PIA computation may apply.

The earnings used in the AMW computation are subject to the following yearly earnings maximums:

Year	**Maximum Total Earnings Per Year**
1951-1954	$ 3,600
1955-1958	$ 4,200
1959-1965	$ 4,800
1966-1967	$ 6,600
1968-1971	$ 7,800
1972	$ 9,000
1973	$10,000
1974	$13,200

After 1974, the yearly earnings maximum for PIA #11 is frozen at $13,200 total per year.

The 1937 Railroad Retirement Act rules established by the 1972 Technical Amendments are used to determine the earnings used in the computation of PIA #11 for the 110% Grandfather O/M guaranty of the 1974 Railroad Retirement Act:

- The initial PIA #11 for the DIB O/M may consider creditable SS earnings and compensation through the earlier of December 31, of the year of disability

onset; or December 31 of the year preceding the annuity beginning date. If the compensation only earned in the ABD Year prior to disability onset is higher than some other benefit computation year, the compensation in the ABD year is substituted for the earnings in the other benefit computation year in the initial PIA #11 Computation.

- The initial PIA #11 for the age and service O/M may consider creditable SS earnings and compensation through December 31, of the year preceding the ABD year. If the compensation only earned in the ABD year is higher than some other benefit computation year, the compensation in the ABD year is substituted for the earnings in the other benefit computation year in the initial PIA #11 computation.

Wages or self-employment income earned in or after the ABD year are not used to compute PIA #11. Therefore, a recomputation of PIA #11 is possible only if the employee returns to railroad service.

Prior to 1-1979, PIA #11 was included with the PIA computations on Form G-90. If PIA #11 is required 1-1979 or later, request a manual DP&A computation of this PIA on Form G-90a.

C. Comparison of 100% O/M and 110% Grandfather O/M - The benefit computation years under the 100% O/M and 110% O/M for the same wage record are illustrated in the example and chart in Appendix F.

8.3.43 When Earnings after the 100% O/M Effective Date may Increase PIA #9

PIA #9 is subject to recomputation under current Social Security Act rules. Earnings in the year of the O/M effective date or later years may be sufficient to increase the AMW or AIME for PIA #9 if they are higher than the lowest earnings year (after indexing if AIME computation) in the benefit computation years. Refer to RCM 8.11.22 or RCM 8.11.33 for a detailed explanation.

8.3.75 Definition of Family Monthly Maximum

The Social Security formula limits the amount of monthly benefits which may be paid for any month on any one wage record. This limited amount is called the family monthly maximum. If three or more individuals are included in the retirement O/M computation, their benefits will be reduced for the family monthly maximum.

EXCEPTION: A divorced spouse annuitant's O/M benefits are not subject to reduction for the family monthly maximum.

The 1980 Social Security Disability Amendments established separate family maximum rules for DIB O/M cases when the disability onset is after 1978 and the DIB O/M

effective date is 7-1-80 or later as explained in RCM 8.11.88 and 8.3.82. Prior to this, age and service and DIB O/M family maximum computations were the same.

The types of family monthly maximums are explained in this section.

8.3.76 Table Maximum Established for AMW PIA by SSA

The Table Maximum is written into the Social Security Act for wage earners who attained age 62 or have a disability onset date before 1-1-79. Since 1971 these table amounts have been increased with each amendment increase (see Appendix B for O/M entitlements before 1-1-71.) The automatic cost-of-living provisions in effect in December 1978 continue to apply in these cases. Refer to RCM 8.11 Appendices A and B for a summary of Table maximums.

8.3.77 Special Minimum PIA Family Monthly Maximum

The computation of the Special Minimum PIA Family Monthly Maximum is explained in RCM section 8.11.82. A summary of the SPC MIN PIA family monthly maximum amounts is found in RCM Chapter 8.11, Appendix C.

8.3.78 Benefit Conversion Savings Clause Family Monthly Maximum

Prior to the 1971 Social Security Act Amendments, the family monthly maximums were not always increased by the same percentage as the PIA's. In order to insure the full percentage increase to the total family group on the rolls in the month before the amendment increase, the Benefit Conversion or Family Payment Savings Clause was applied. If the date of entitlement to the 1937 Act O/M computation is before 1-1-71, a savings clause could apply. (See Appendix B, Conversion Cases).

8.3.79 Basic Computation of the Family Maximum Benefit for the AIME, TRANS or 1977 Old Start PIA - 100% O/M Only

The 1977 SS Act Amendments established a four step formula to compute the Family Maximum Benefit (FMB) for wage earners who attain age 62 or have a disability onset date of 1-1-79 or later. The percentages in the Family Maximum Benefit formula are constant but the amounts, "bend points," in each step will be adjusted for each benchmark year. These bend points are explained in RCM 8.11.86.

Tables summarizing the family maximum benefits for the Transitional and 1977 O.S. PIA's are included as appendices to RCM Chapter 8.11.

The Social Security Disability Amendments of 1980 exclude disability cases with a DIB O/M effective date of 7-1-80 or later based on disability onset after 1978 from this family maximum provision as explained in RCM 8.11.88 and RCM 8.3.82. The formula continues to apply for age and service and survivor cases and for disability cases payable prior to 7-1-80 based on disability onset after 1978.

8.3.80 Computation of Auxiliary Shares Subject to the Family Maximum

A. Basic Computation of Auxiliary Shares - The auxiliary shares subject to the family maximum are the benefits payable for the spouse, minor child(ren), disabled child(ren) or full time students. The computation of the phase-out full time student benefit is explained in RCM 8.3.84.

The divorced spouse annuitant's benefit is not subject to the family maximum. The benefits for the other auxiliaries are reduced for the maximum not taking into account the existence of the divorced spouse annuitant in the family group.

The basic auxiliary benefits in retirement cases are computed by deducting the employee benefit before DRC's or age reduction from the corresponding monthly maximum amount. The balance is the total net amount payable to all the auxiliaries (excluding a divorced spouse). Divide this amount by the number of auxiliary beneficiaries (excluding a divorced spouse). The result is each auxiliary share (except for the divorced spouse benefit).

NOTE: A single auxiliary's share (before rounding) cannot exceed 50% of PIA #9.

When computing the 110% O/M rate, the auxiliary shares should be rounded to the nearest cent only.

When computing the auxiliary shares under the 100% O/M rate prior to 9-1981, if the result is not a multiple of $0.10, round to the next higher multiple of $0.10. Effective with a rate change or a change in the family group on 9-1-81 or later, when computing each auxiliary share under the 100% O/M if the result is not a multiple of $0.10, round to the lowest multiple of $0.10.

Effective with a rate, change or change in the family group on 9-1-81 or later, after determining the amount of the adjusted auxiliary share, if the result is not a multiple of $1.00, round the amount of the auxiliary share down to the next lower multiple of $1.00 (see Section 8.3.126).

EXCEPTION: Cases paid a June cost-of-living increase on a mechanical mass adjustment were not rounded down to the dollar since each auxiliary's share is not in the Research record. In these cases, the total family rate before proportionate shares are determined is rounded down to the dollar. (Examiners should not attempt to correct the mechanical rate merely to make it equal to the manual rate in these cases.)

Cost-of living increases are added to the family maximum amounts as explained in RCM 8.11.90 - 8.11.91.

EXAMPLE 1: The family group consists of the employee (DOB 3-5-17), spouse and two dependent grandchildren. The AIME PIA on the O/M effective date of 3-1-79 is $456.90. The AIME Family Maximum Benefit equals $799.70 ($757.78 + 175% of $23.90). Subtracting the employee benefit from this amount ($799.70 - $456.90) leaves a balance of $342.80 which when divided between the three auxiliaries results in auxiliary benefits of $114.30 each.

A 9.9% cost-of-living increase is payable 6-1-79. The AIME PIA is increased to $502.20 and the Family Benefit is increased to $878.90. Subtracting the employee benefit from this amount ($878.90 - $502.20) leaves a balance of $376.70 which when divided between the three auxiliaries results in auxiliary benefits of $125.60 each effective 6-1-79. Subsequent cost-of-living increases are added as applicable.

EXAMPLE 2: If the O/M effective date for the same family group had been 9-1-79, the AIME PIA would have been initially computed with a 9.9% COL increase resulting in an AIME PIA of $502.20 effective 9-1-79. The initial AIME PIA Family Maximum Benefit is $878.90 ($757.78 + 175% of $69.20 x 1.099). Subtracting the employee benefit from this amount ($878.90 - $502.20) leaves a balance of $376.70 which when divided between the three auxiliaries results in auxiliary benefits of $125.60 each effective 9-1-79. Subsequent cost-of-living increases are added as applicable.

EXAMPLE 3: The benchmark year is 1979. The family group consists of the female employee (DOB 5-6-17) and two full-time students. The employee files for benefits at age 62. The 1977 O.S. PIA on the O/M effective date of 5-1-79 is $246.30 with a Family Maximum Benefit of $389.40 ($345.00 + 272% of $16.30). Subtracting the employee benefit from this amount ($389.40 - $246.30) leaves a balance of $143.10 when divided between the two auxiliaries results in auxiliary benefits of $71.60 each.

A 9.9% COL increase is effective 6-1-79. The 1977 O.S. PIA would be $270.70 effective 6-1-79 with a Family Maximum Benefit of $429.00 (345.00 + 272% of $16.30 rounded x 1.099). Subtracting the employee benefit from this amount ($428.00 - $270.70) leaves a balance of $157.30 which when divided between the two auxiliaries results in auxiliary benefits of $78.70 each. Subsequent cost-of-living increases are added as applicable.

EXAMPLE 4: The benchmark year is 1980. The family group consists of the employee (DOB 7-5-18), spouse (DOB 9-28-18), and two dependent grandchildren. The employee files for benefits on 7-1-81 at age 63. The TRANS PIA on the O/M effective date of 7-1-81 is $692.60 and the Family Maximum Benefit is $1212.00.

Subtracting the employee benefit (before age reduction) from this amount $1212.00 - $692.60) leaves a balance of $519.40 which when divided between

the three auxiliaries results in auxiliary benefits of $173.20 each (rounded) effective 7-1-81. Subsequent cost-of-living increases are added as applicable.

EXAMPLE 5: The family group consists of the employee (DOB 5-7-18), spouse and two full-time students under age 22. The AIME PIA on the O/M effective date of 5-1-80 is $573.90. The AIME family maximum benefit equals $1004.40 ($817.26 + 175% of $106.90). Subtracting the employee benefit before age reduction from this amount ($1004.40 - $573.90) leaves a balance of $430.50 which when divided between the three auxiliaries results in auxiliary benefits of $143.50 each.

A 14.3% cost-of-living increase is effective 6-1-80. The AIME PIA increases to $656.00 effective 6-1-80 with a family maximum benefit of $1148.10. Subtracting the employee benefit before age reduction from this amount ($1148.10 - $656.00) leaves a balance of $492.10 which when divided between the three auxiliaries results in auxiliary benefits of $164.10 each. Subsequent cost-of-living increases are added as applicable.

EXAMPLE 6: If the O/M effective date for the same family group had been 9-1-80, the AIME PIA would have been initially computed with the 14.3% increase resulting in an AIME PIA of $656.00 effective 9-1-80. The initial AIME PIA Family Maximum Benefit is $1148.10. Subtracting the employee benefit before age reduction from this amount ($1148.10 - $656.00) leaves a balance of $492.10 which when divided, between the three auxiliaries results in auxiliary benefits of $164.10 each. Subsequent cost-of-living increases are added as applicable.

EXAMPLE 7: In the above family group, a divorced wife (DOB 12-11-18) becomes entitled 10-1981. The AIME PIA after the 6-1981 COL is $729.50 with a family maximum benefit of $1276.70.

The auxiliary benefits in force are $182.40 (each). The divorced wife is paid a share of $364.70 before age reduction. The total O/M rate is $1641.40 before employee, spouse or divorced spouse age reductions. The family rate payable after rounding each share down to the dollar is $1639.00.

EXAMPLE 8: The family group consists of the age and service employee, spouse, minor child and phase-out FTS. The TRANS PIA effective 7-1981 is $752.00 and the family maximum benefit is $1316.50. The auxiliary benefits effective 7-1981 are $188.20 each.

Effective 11-1981, the minor child attains age 18 and is a non-phase-out FTS. The spouse share terminates. The 1981 SS Act rounding rules apply to the beneficiary shares. The auxiliary benefits effective 11-1981 are $282.20 each. The shares payable are rounded to $282.00 each.

Effective 9-1-82 the FTS phase-out computation applies to the family group (see Section 8.3.84).

B. Increase in Family Group - If the O/M computation is applicable and an additional auxiliary becomes entitled to benefits under the O/M formula, (excluding a divorced spouse or new entitlement due to amendments) the benefits payable to each previous auxiliary are reduced to provide a share to the new beneficiary. The auxiliary benefits are computed as explained in Section (A).

Benefits payable to a divorced spouse are never reduced for the family maximum. The benefits for the other auxiliaries are reduced for the maximum, not taking into account the existence of the divorced spouse in the family group.

NOTE: When amendments create a new category of entitled auxiliaries, a savings clause will usually be applied to the rates payable to the other auxiliaries.

EXAMPLE 1: The employee and FTS are receiving benefits under the DIB 100% O/M computation effective 6-1980. The 6-80 AIME PIA is $582.10 which has a family maximum of $1018.70. The employee's benefit of $582.10 and a student's benefit of $291.10 do not equal the maximum. When the spouse (DOB 8-10-11) files an application for a spouse annuity effective 8-1-81, the auxiliary shares in the O/M computation (in this case the O/M still applies) must be adjusted for the family maximum.

The 8-1-81 AIME PIA is $647.30 with a family maximum of $1132.80. After subtracting the employee's share ($1132.80 - $647.30) the remaining $485.50 is divided between the two auxiliaries. The spouse benefit adjusted for the family maximum to $242.80 is also subject to a 36 month age reduction resulting in a reduced spouse benefit of $182.10. The FTS benefit is adjusted to $242.80.

EXAMPLE 2: The employee, spouse and minor child are receiving benefits under the DIB O/M. The AIME PIA is $328.60 effective 10-1-81 and the family maximum benefit of $492.80 results in auxiliary shares of $82.10 each, rounded to $282.00 each. The employee attains age 62 and the divorced wife becomes entitled as of 12-1-81 with an auxiliary share of $164.30, rounded to $164.00. The total O/M rate effective 12-1-81 is $656.00 after dollar rounding.

C. Decrease in Family Group Under Monthly Maximum - If the number of persons included in the O/M computation decreases, the shares payable to two or more remaining auxiliaries (excluding a divorced spouse) are increased to provide equal shares (before any age reduction) subject to the family monthly maximum. The auxiliary benefits are computed as explained in section A.

A single auxiliary's share cannot exceed 50% of PIA #9. If the total benefits payable to the employee plus one auxiliary share of 50% of PIA #9 is less than the family maximum, the family maximum no longer applies.

NOTE: Benefits payable to a divorced spouse are never reduced for the family maximum and are not affected by a decrease in the number of other auxiliaries in the family group.

EXAMPLE 1: The employee (disability onset 2-17-79), spouse (DOB 7-19-21), minor child and FTS are entitled to DIB O/M benefits effective 8-1-79. The AIME PIA #9 effective 8-1-79 is $485.30 with a family maximum benefit of $828.10. The employee's benefit is $485.30. The spouse, minor child, and FTS are entitled to $114.30 each ($342.80 ÷ 3). The FTS ceases FTA on 1-19-80. The recomputed 100% O/M benefits for the spouse and minor child effective 2-1-80 are $171.40 each ($342.80 ÷ 2).

The minor child attains 18 on 4-10-80 and is an FTS. The spouse benefit terminates. The FTS benefits under the O/M computation is $242.70 (50% x $485.30) effective 4-1-80.

This amount is increased for succeeding cost-of-living increases.

EXAMPLE 2: The employee's disability onset is 9-5-80 and is subject to the 1980 Disability Amendments.

The DIB O/M effective 3-1-81 has a PIA #9 of $291.90 with an FMB of $433.40. After subtracting the employee's share of $291.90 the remaining $141.50 is equally divided between the spouse and minor child providing benefits of $70.80 each.

The child attains 18 in 5-1-81 and is an FTS. The spouse benefit terminated. The FTS share effective 5-1-81 is $141.50 since it is subject to reduction for the family maximum.

The benefits are increased for succeeding cost-of-living increases.

8.3.81 Combined Family Maximum

If a child included in the 100% O/M computation or 110% Grandfather O/M computation is also entitled to a benefit on another wage record, the combined family maximum may apply. Refer to RCM 8.3.115.

8.3.82 FAMILY MAXIMUM BENEFIT FOR 1980 SS AMENDMENT DISABILITY CASES (DIB O/M MAX)

Prior to the 1980 Social Security Disability Amendments, the computation of the O/M family maximum and auxiliary benefits was the same for both age and service and disability cases (see RCM 8.3.75 - 8.3.81).

Under the 1980 Social Security Disability Amendments, the total family benefits (excluding a divorced spouse) of disability claimants whose first month of entitlement to the DIB O/M payment is July 1980 or later based on disability onset 1-1-78 or later are limited as explained in RCM 8.11.88.

Tables of DIB O/M maximums can be found in the appendices of RCM Chapter 8.11.

After the DIB O/M MAX is determined subsequent cost-of-living increases are applied to this family maximum amount.

The DIB O/M MAX may be combined with other maximums as explained in RCM 8.3.115.

The 1980 Social Security Disability Amendments did not change the method of distributing the maximum family benefit among the auxiliaries. However, in cases where the PIA is low enough, the DIB O/M MAX will equal the PIA. No auxiliary benefits will be payable in those cases.

The spouse auxiliary benefit is subject to age reduction as explained in RCM 8.3.86.

The DIB O/M MAX is applicable for eligible family groups until the employee dies or becomes entitled to an age and service O/M. At that time, the regular family maximum described in RCM 8.11.80 - 8.11.86 applies.

In the case of an employee who is entitled to either a reduced age and service O/M or the DIB O/M which begins July 1, 1980 or later, based on first eligibility after 1978, the possibility of electing the reduced age and service O/M must be explored to determine if the RIB family monthly maximum would provide a higher monthly rate. If the RIB is elected, entitlement to the disability freeze is still applicable for Medicare purposes.

EXAMPLE 1: The DIB O/M MAX effective 9-1-80 is $836.30. The AIME PIA is $557.50. After subtracting the employee's share of $557.50, the amount of $278.80 is equally divided among the auxiliaries.

EXAMPLE 2: The DIB O/M MAX effective 7-1-80 equals the PIA of $161.50. Since the DIB O/M MAX equals the employee's share, no auxiliary benefits are payable.

EXAMPLE 3: Payments are based on the SPC MIN PIA of $245.70. The DIB O/M 8-1-80 is $302.30. After deducting the employee's share of $245.70, the remaining $56.60 is equally divided among the auxiliaries.

8.3.83 Benefits Payable to a Non-Phase-Out Student

The non-phase-out student is entitled to the basic auxiliary share computed as explained in RCM 8.3.80(A). This benefit is based on the PIA #9 for each applicable effective date.

EXAMPLE: The PIA #9 is $771.70 eff. 9-1-82. The family group consists of the employee and a non-phase-out student. The employee's rate is $771.70 and the student's benefit is $385.80.

8.3.84 Benefits Payable to a Phase-Out Student

The computation of the benefit payable to a phase-out student is based on 50% of the 6-1981 PIA #9. Benefits are not payable to phase-out students for the months of May, June, July or August of each year 1982 through 1985. Effective September 1, 1982 or later, the student is entitled to a percentage of this benefit as follows:

9-82-thru 4-83	75% (.75)
9-83 thru 4-84	50% (.50)
9-84 thru 4-85	25% (.25)

Effective 9-1-85, phase-out students can no longer be included in the O/M computation.

If the family maximum applies, additional computations are required as explained in RCM Chapter 8.6, Form G-354.3 Instructions.

8.3.85 Age Reduction Applied to Employee or Spouse Benefit When Benefit First Payable Before 1-1-78

A. General - When the earliest possible effective date of the age and service O/M in a month in which the employee is under age 65, the employee's full PIA #9 or PIA #11 is subject to an age reduction. The reduction 1/180 for each month the employee is under age 65 is applied as the earliest date that the employee meets the requirements for an O/M computation. If the O/M computation does not apply until later (e.g., RR rate exceeds O/M rate until spouse attains age 62) the original 1/180 reduction must be applied to the employee's O/M rate. The O/M cannot be considered to become effective at a later date for the purpose of applying a lesser 1/180 reduction.

If the spouse (without a child in her care, if spouse is female) is included in either the age and service or DIB O/M in a month in which (s)he is under age 65, the spouse benefit is subject to an age reduction. However, if a wife receives a reduced O/M benefit and she later begins caring for a minor or disabled child of the employee, she is entitled to unreduced benefits for the months the child is in her care.

The age reduction factor may be adjusted when the beneficiary attains or is deemed to be age 65 (see RCM 8.3.87).

B. 100% O/M Computation

1. Employee Benefit Age Reduction - PIA #9 (plus DRC's effective 1-1979 or later is reduced by 1/180th per month for each calendar month the

employee is under age 65 on the earliest possible effective date of the O/M computation. Use Table RI of the "Rainbow Book" to obtain the initial employee benefit after the age reduction.

Prior to 1-1978, increases to PIA #9 paid after the date of entitlement but before the beneficiary attained age 65 were also subject to an age reduction for the months the beneficiary was under age 65 as of the date of the increase. Use Table RI of the "Rainbow Book" to obtain the amount of the employee benefit increase after the age reduction.

When PIA #9 is increased 1-1-78 or later, regardless of the employee age, the age reduction established before 1-1-78 is increased by the same percentage the PIA is increased. To compute the age reduction increase when an amendment or cost-of-living increase is involved, multiply the current age reduction amount by the percentage the PIA #9 is increased. Prior to 9-1981, if the result is not a multiple of $.10, round to next lower multiple of $.10. Effective with rate changes 9-1981 or later, if the result is not a multiple of $.10, round it to the next higher multiple of $.10.

To compute the age reduction increase for cases involving a recomputed PIA, divide the new PIA (NPIA) times the money amount of the reduction (MAR) by the old PIA (OPIA). The quotient is the increased money amount of reduction (IMAR). Prior to 9-1981, if the result is not a multiple of $.10, round to next lower multiple of $.10. Effective with rate changes 9-1981 or later, if the result is not a multiple of $.10, round it to the next multiple of $.10.

$$\frac{\text{NPIA} \times \text{MAR}}{\text{OPIA}} = \text{IMAR}$$

EXAMPLE: The employee's date of birth is 3-10-14. His O/M date of entitlement is 4-1-77. PIA #9 equals $300.40 as of 4-1-77. A 23 month age reduction of $38.30 applied to this PIA reduces the employee's benefit to $262.10. PIA #9 is increased to $318.20 effective 6-1-77. A 21 month age reduction is applied to the $17.80 PIA increase reducing it by $2.00 to $15.80. The employee's benefit effective 6-1-77 is $277.90 ($262.10 + $15.80) and the total age reduction effective 6-1-77 is $40.30.

Effective January 1978, due to a recomputation, PIA #9 increase to $320.20. His benefit payable effective January 1978 is computed as follows:

Step 1 - Determine the money amount of reduction in effect in the month before the increase and apply the formula to determine the increased money amount of reduction.

$320.20 x $40.30 = $40.50 (Rounded down to the dime)

$318.20

Step 2 - Subtract the increased money amount of reduction from the new PIA.

$320.20 - $40.50 = $279.70 (employee benefit 1-1-78)

Effective June 1, 1978, PIA #9 is increased to $341.10 due to 6.5% cost-of-living increase.

Step 1 - Determine the money amount of the reduction in effect in the month before the increase and multiply it by the percentage increase.

$40.50 x 1.065 = $43.10 (Rounded down to the dime)

Step 2 - Subtract the increased money amount of reduction from the new PIA.

$341.10 - $43.10 = $298.00 (employee benefit 6-1-78)

The age reduction is increased for all subsequent cost-of-living increases. Effective 6-1982, the new rounding rules apply (round up to the dime).

2. Spouse Benefit Age Reduction - The spouse benefit (50% times PIA #9 adjusted for the family maximum if necessary) is reduced by 25/36 of 1% (1/144th) per month for each calendar month the spouse is under age 65 on the date (s)he is included in the O/M.

   Prior to 1-1-78, increases in the spouse benefit caused by an increase to PIA #9 paid after the date the spouse was included in the O/M but before the spouse attained age 65 were also subject to an age reduction for the months the spouse was under age 65 as of the date of the increase.

   An increase or decrease, prior to 1-1-78, in a spouse benefit due to a change in family composition is subject to age reduction from the original month of entitlement as if the current family composition has always been in effect.

When PIA #9 is increased 1-1978, or later, regardless of the spouse's age, the age reduction established before 1-1978 is increased by the same percentage the PIA is increased.

(a) Increase Due to Amendment or COL Increase - To compute the age reduction increase when an amendment or COL increase is involved, multiply the current age reduction amount by the percentage the PIA #9 is increased.

(b) Increase Due to Recomputed PIA or Change In Family Group - To compute the age reduction increase 1-1-78 or later for cases involving a recomputed PIA or change in family composition (fewer members entitled) divide the new unreduced spouse benefit (NUSB) times the money amount of the reduction (MAR) by the old unreduced spouse benefit (OUSB). The quotient is the adjusted money amount of reduction (AMAR).

(c) Decrease Due to Change in Family Group - To compute the age reduction decrease 1-1-78 or later for cases involving a change in family composition (more members entitled), divide the new unreduced spouse benefit (NUSB) times the money amount of the reduction (MAR) by the old unreduced spouse benefit (OUSB). The quotient is the adjusted amount of reduction (AMAR).

The following formula summarizes the computations in (b) and (c), above:

$$\frac{(NUSB \times (MAR)}{(OUSB)} = (AMAR)$$

The result in (a) through (c), above is the adjusted amount of age reduction (AMAR). Prior to 9-1981, if the result is not a multiple of $.10, round to the next lower multiple of $.10. Effective with rate changes 9-1981 or later, if the result is not a multiple of $.10, round it to the next higher multiple of $.10.

EXAMPLE 1: The spouse's date of birth is 4-7-14. The O/M date of entitlement is 2-1-77. PIA #9 is $297.80 and the spouse benefit before reduction equals $148.90. The 26 month age reduction reduces the spouse benefit to $122.10. The PIA is increased to $315.40 effective 6-1-77 and the spouse benefit before reduction is $157.70. The increase in the spouse benefit is $8.80. The 22 month age reduction applied to the increase reduces it to $7.50. The spouse benefit effective 6-1-77 is $129.60 (122.10 + $7.50). The total age reduction effective 6-1-77 is $28.10 ($26.80 + $1.30).

Effective January 1978, due to a recomputation, PIA #9 increases to $320.20. The spouse benefit effective January 1978 is computed as follows:

Step 1 - Determine the money amount of reduction in effect in the month before the increase and apply the formula to determine the increased money amount of reduction.

$160.10 x $28.10 = $28.50 (rounded down to dime)

$157.70

Step 2 - Subtract the increased money amount of reduction from the new unreduced spouse benefit.

$160.10

-28.50

$131.60 = spouse benefit effective 1-1-78.

Effective June 1, 1978, PIA #9 is increased by 6.5% to $341.10. The new unreduced spouse benefit is $170.60.

Step 1 - Determine the money amount of reduction in effect in the month before the increase and multiply it by the percentage increase.

$28.50 x 1.065 = $30.30 = (Rounded down to dime)

Step 2 - Subtract the increased money amount of reduction from the new unreduced spouse benefit.

$170.60 - $30.30 = $140.30 (spouse benefit 6-1-78)

The age reduction is increased for all subsequent cost-of-living increases. Effective 6-1982, the new rounding rules apply (round up to dime).

EXAMPLE 2: The spouse's date of birth is 3-9-13. The family group as of the O/M effective date of 9-1-76 consists of the employee, spouse and two full time students. PIA #9 effective 9-1-76 is $302.30 and the family maximum is $555.20. The spouse benefit before age reduction adjusted for the family maximum is $84.30.

The PIA is increased to $320.20 effective 6-1-77 with a family maximum of $588.00. The spouse benefit before age reduction is $89.30, but a nine month age reduction applied to the increase of $5.00 reduces it to $4.70. The spouse benefit effective 6-1-77 is $78.50 ($73.80 + $4.70).

One student ceases FTA on 8-25-77. The unreduced spouse benefit before age reduction is $133.90. The age reduction is recomputed from the O/M effective date. An 18 month age reduction applied to the spouse benefit of $126.50 reduces it to $110.70 and a nine month age reduction applied to the increase of $7.40 reduces it to $7.00. The spouse benefit effective 9-1-77 is $117.70 ($110.70 + $7.00). The spouse age reduction effective 9-1-77 is $16.20 ($15.80 + $.40).

Effective January 1978, due to a recomputation, PIA #9 increases to $324.80. The unreduced spouse benefit is $138.00. The spouse benefit effective January 1978 is computed as follows:

Step 1 - Determine the money amount of reduction in effect the month before the increase and apply the formula to determine the increased money amount of reduction.

$138.00 x $16.20 = $16.60 (rounded down to dime)

$133.90

Step 2 - Subtract the increased money amount of reduction from the new unreduced spouse benefit.

$138.00

-16.60

$121.40 = Spouse benefit effective 1-1-78.

Effective June 1, 1978, PIA #9 is increased by 6.5% to $346.00 with a family maximum of $639.90. The new unreduced spouse benefit is $147.00.

Step 1 - Determine the money amount of reduction in effect in the month before the increase and multiply it by the percentage increase.

$16.60 x 1.065 = $17.60 (Rounded down to dime)

Step 2 - Subtract the increased money amount of reduction from the new unreduced spouse benefit.

$147.00 - $17.60 = $129.40 (spouse benefit 6-1-78)

The age reduction is increased for all subsequent cost-of-living increases. Effective 6-1982, the new rounding rules apply (round up to the dime).

C. 110% Grandfather O/M Computation

1. Employee Benefit Age Reduction - PIA #11 is reduced by 1/180th per month for each calendar month the employee is under age 65 on the earliest possible effective date of the O/M computation. Round the reduction amount only to nearest cent. PIA #11 is not subject to recomputation (except for return to employer service) or a cost-of-living increase.

   EXAMPLE: The employee's date of birth is 3-10-14. His O/M date of entitlement is 3-1-77. PIA #11 equals $252.90 as of 3-1-77. The 24 month age reduction of $33.72 applied to this PIA reduces the employee's benefit to $219.18 (before 10% family O/M guaranty).

2. Spouse Benefit Age Reduction - The spouse benefit (50% times PIA #11 adjusted for the family maximum) is reduced by 1/144th (25/36 of 1%) for each calendar month the spouse is under age 65 on the date (s)he is included in the 110% Grandfather O/M computation. Increases to the spouse benefit caused by a change in family composition are reduced for the number of months the spouse (without a child in her care, if spouse is female) is under age 65 on the date (s)he is included in the 110% Grandfather O/M computation. Round the reduction amount only to the nearest cent.

   PIA #11 is not subject to recomputation (except when the employee returns to employer service) or a cost-of-living increase.

   EXAMPLE: The spouse's date of birth is 3-9-13. The family group effective 9-1-76 consists of the employee, spouse and a full-time student. PIA #11 effective 9-1-76 is $276.30 and the family maximum is $516.50. The spouse benefit before age reduction adjusted for the family maximum is $120.10. The 18 month age reduction applied to the spouse benefit reduces it to $105.09. The student ceases full-time school attendance on 6-15-77. The spouse benefit is increased to $138.15 effective 7-1-77 because the family maximum no longer applies. However, an 18 month age reduction is applied to this amount, reducing it to $120.88 (before 10% family O/M guaranty).

8.3.86 Age Reduction Applied to Employee or Spouse Benefit When Benefit First Payable after 12-31-77 or Divorced Spouse Benefit Payable after 9-3-81

A. General - When the earliest possible effective date of the age and service O/M is in a month in which the employee is under age 65, the employee's full PIA #9 or PIA #11 is subject to an age reduction. The reduction of 1/180 for each month the employee is under age 65 is applied as of the earliest date that the employee meets the requirements for an O/M computation. If the O/M computation does not apply until later (e.g., RR rate exceeds O/M rate until spouse attains 62), the original 1/180 reduction must be applied to the employee's O/M rate. The O/M cannot be considered to become effective at a later date for the purposes of applying a lesser 1/180 reduction.

If the female or male spouse (without a child in care) is included in the age and service or DIB O/M in the month in which (s)he is under age 65, the spouse benefit (50% of PIA #9 or PIA #11, adjusted for the family maximum) is subject to an age reduction of 1/144 for each month the spouse is under age 65 when first included in the O/M computation.

If a divorced spouse is included in the O/M in the month in which (s)he is under age 65, the divorced spouse benefit (50% of PIA #9) is subject to an age reduction of 1/144 for each month the divorced spouse is under age 65 when the divorced spouse is first included in the O/M computation.

Prior to September 1981, the beneficiary was eligible for a reduced benefit on the first day of the month in which (s)he attained age 62. The largest possible age reduction in these cases is 36/180 (employee) or 36/144 (spouse).

After August 1981, the spouse or divorced spouse is eligible for a reduced benefit effective the first day of the month after the month in which her (his) 62nd birthday falls unless the birthday is the 1st or 2nd day of the month. In such case, the eligibility for the spouse or divorced spouse benefit is the first day of that month. If the beneficiary's DOB is later than the 1st or 2nd of the month, the largest possible age reduction is 35/180 (employee) or 35/144 (spouse or divorced spouse.)

The age reduction factor may be adjusted when the beneficiary attains or is deemed to be age 65 (see RCM 8.3.87).

B. 100% O/M Computation

1. Employee Benefit Age Reduction - PIA #9 (plus DRC's effective 1-1979 or later) is reduced by 1/180th (5/9 of 1%) per month for each calendar month the employee is under age 65 on the earliest possible effective date of the 100% O/M computation. The 1977 amendments to the Social Security Act provide that the original reduction factor (subject to

adjustment at age 65 as explained in RCM 8.3.87) will be applied to all subsequent increases.

Prior to 9-1981, if the result is not a multiple of $.10, round to the next lower multiple of $.10. Effective with rate changes 9-1981 or later, if the result is not a multiple of $.10, round to the next higher multiple of $.10.

EXAMPLE 1 - The employee's date of birth is 2-7-16. His 100% O/M date of entitlement is 2-1-78. PIA #9 equals $327.40 as of 2-1-78. The 36 month age reduction applied to this PIA reduces the employee's benefit by $65.40 to $262.00. PIA #9 is increased to $348.70 effective 6-1-78. The 36 month age reduction applied to this PIA reduces the employee's benefit by $69.70 to $279.00.

All subsequently increased PIA #9's are reduced by 36/180.

EXAMPLE 2 - The employee's date of birth is 11-7-19. His 100% O/M date of entitlement is 12-1-81. PIA #9 equals $729.60 as of 12-1-81. The 35 month age reduction applied to this PIA reduces the employee's benefit by $141.90 to $587.70. PIA #9 is recomputed effective January 1, 1982 to $732.10. The 35 month age reduction applied to this PIA reduces the employee's benefit by $142.40 to $589.70.

2. Spouse or Divorced Spouse Benefit Age Reduction - The spouse benefit (50% PIA #9 adjusted for the family maximum, if necessary,) is reduced by 1/144th (25/36 of 1%) per month for each calendar month the spouse is under age 65 on the date (s)he is first included in the O/M and does not have a minor child of the employee in care.

   A divorced spouse benefit (50% time PIA #9) is reduced by 1/144th (25/36 of 1%) per month for each calendar month the divorced spouse is under age 65 on the date (s)he is first included in the O/M.

   All subsequent increases to these benefits are also reduced by the same age reduction factor.

   Prior to 9-1981, if the result is not a multiple of $.10, round to next lower multiple of $.10. Effective with rate changes 9-1981 or later, if the result is not a multiple of $.10, round to next higher multiple of $.10.

   EXAMPLE 1: The spouse's date of birth is 11-10-81. The family group effective 12-1-81 consists of the employee, spouse and a full time student. PIA #9 effective 12-1-81 is $711.20 and the family maximum is $1245.20. The 35 month age reduction applied to the spouse benefit of $267.00 reduces it by $64.90 to $202.10. The student ceases full time school attendance on 3-10-82. The adjusted spouse benefit of $355.60 is subject

to the 35 month age reduction which reduces it by $86.50 to $269.10 effective 4-1-82.

EXAMPLE 2: PIA #9 is $849.70 effective 12-1-81. The divorced wife (DOB 7-19-18) is entitled to O/M benefits effective 12-1-81 of $424.80 before age reduction. The 19/144 age reduction of $56.10 reduces this benefit to $368.70.

The PIA is recomputed 1-1982 to $855.00. The increased divorced wife benefit of $427.50 is reduced by a 19/144 age reduction of $56.50 to $371.00.

C. 110% Grandfather O/M Computation

1. Employee Benefit Age Reduction - PIA #11 is reduced by 5/9 of 1% (1/180th) per month for each calendar month the employee is under age 65 on the earliest possible effective date of the O/M computation (subject to adjustment at age 65 as explained in RCM 8.3.87). Round the reduction amount only to the nearest cent. PIA #11 is not subject to recomputation (except for return to employer service) or a cost-of-living increase.

   EXAMPLE: The employee's date of birth is 4-10-16. His O/M date of entitlement is 4-1-78. PIA #11 equals $252.90. The 36 month age reduction applied to this PIA reduces the employee's benefit by $50.58 to $202.32 (before the 10% O/M guaranty.

2. Spouse Benefit Age reduction - The spouse benefit (50% times PIA #11 adjusted for the family maximum) is reduced by 25/36 of 1% (1/144th) for each calendar month the spouse is under age 65 on the date (s)he is included in the 110% Grandfather O/M computation. If the spouse share is increased due to a change in composition of the family group, the increased spouse benefit is reduced by the original reduction factor (subject to adjustment at age 65 as explained in RCM 8.3.87). Round the reduction amount only to the nearest cent.

   PIA #11 is not subject to recomputation (except when the employee returns to employer service) or a cost-of-living increase.

   EXAMPLE: The spouse's date of birth is 4-3-15. The family group effective 2-1-78 consists of the employee, spouse and a full-time student. PIA #11 effective 2-1-78 is $276.30 and the family maximum is $516.50. The unreduced spouse benefit adjusted for the family maximum is $120.10. The 26 month age reduction applied to the spouse benefit reduces it by $21.68 to $98.42. The student ceases full-time school attendance 7-5-78. The unreduced spouse benefit is adjusted to $138.15 because the family maximum no longer applies. The 26 month age

reduction applied to the increased spouse benefit reduces it by $24.94 to $113.21 effective 8-1-78 (before the 10% family O/M guaranty).

8.3.87 Adjustment of Age Reduction Factor in the Retirement Age and Service O/M Computation

A. Employee Benefit - If an age reduction was applied to the employee 100% or 110% Grandfather O/M benefit and subsequently reduced employee O/M benefits are not payable for some months before the employee attains age 65 or becomes entitled to a DIB O/M, the age reduction must be adjusted to drop these months from the age reduction factor effective in the month in which the employee attains age 65 or becomes entitled to a DIB O/M. (If the disabled employee later recovers from the disability, refer the case to M&P.)

Months occurring before age 65 which are eliminated from the age reduction factor of the employee benefit at the earlier of attainment of age 65, the DIB O/M effective date or at the employee's death are:

- Months in which the retirement employee O/M benefit was completely or partially withheld due to excess earnings under the O/M formula. (In "last person" service or employer service cases, the amount of earnings must result in a complete or partial work deduction under the Social Security formula to be eliminated from the age reduction factor); or,

- Months of DIB entitlement; or,

- Months after the employee's death.

Months in which the employee was not paid the reduced age O/M benefit solely because the RR formula rate was higher (e.g., RR rates paid until spouse attained age 62) cannot be considered non-payment months. They are not dropped from the age factor when the employee attains age 65.

B. Spouse or Divorced Spouse Benefit - If an age reduction was applied to the spouse or divorced spouse 100% O/M or spouse 110% Grandfather O/M benefit and subsequently reduced spouse or divorced spouse benefits were not payable for some months before the spouse or divorced spouse attains age 65, the age reduction must be adjusted to drop these months from the age reduction factor effective in the month in which the spouse or divorced spouse attains age 65.

Months occurring before age 65, which are eliminated from the age reduction factor at age 65 are:

- Months in which the spouse or divorced spouse O/M benefit was completely or partially withheld due to the employee's spouse's or divorced spouse's excess earnings under the O/M formula. (In "last person" service or employer service cases, the amount of earnings must result in a complete or partial

work deduction under the social security formula to be eliminated from the age reduction factor.); or,

- Months in which the spouse or divorced spouse O/M benefit was not payable because the employee's total disability ceased, or the disabled employee refused rehabilitation. (A divorced spouse is not entitled until the employee attains age 62.; or,

- Months in which a spouse had in care a minor or disabled child of the employee. (A divorced spouse is not entitled based on child in care.); or

- For monthly benefits payable after December 1977, months in a period of termination of the spouse benefit prior to attainment of age 65. (Refer divorced spouse cases with period of termination prior to attainment of age 65 to M&P-A.)

Months in which the spouse or divorced spouse was not paid the reduced age O/M benefit solely because the RR formula rate was higher (e.g. RR Act benefit increase creates rate temporarily higher than O/M rate) cannot be considered non-payment months. They are not dropped from the age reduction factor when the spouse or divorced spouse attains age 65.

C. Beneficiary Attains Age 65 Before 1-1-78 - The original employee or spouse benefit is reduced for each month the beneficiary is under age 65 on the date (s)he is included in the O/M computation. Any subsequent increase prior to 1-1-78 in the individual 100% O/M benefit computation caused by an increase to PIA #9 is reduced for the number of months the beneficiary is under age 65 on the effective date of the benefit increase.

The non-payment months under the social security formula must be dropped from the individual's age reduction factor for each date break that includes these months.

EXAMPLE: The employee's date of birth is 2-10-12. His 100% O/M effective date is 9-1-75. The PIA of $296.70 is adjusted for the 17 month age reduction reducing the employee's benefit by $28.00 to $268.70. From 1-1-76 thru 12-31-76, the employee earns $12,000.00 for the year with excess earnings in each month. This results in twelve permanent work deductions to the family O/M amount.

The employee stops working on 12-31-76. The annuity rate is recomputed to include the 6-76 cost-of-living adjustment. The PIA is adjusted to the 6-76 rate of $315.70. The eight month age reduction applied to the $19.00 increase reduces it by $.80 to $18.20. The employee's benefit effective 1-1-77 is $286.90. The total age reduction is $28.80.

Effective 2-1-77, the month in which the employee attained age 65, the age reduction factor for the O/M can be adjusted to exclude the 12 permanent work deduction months.

The PIA of $296.70 effective 1-1-76 is adjusted for 5 age reduction months reducing the employee's benefit by $8.20 to $288.50. The 6-76 increase is reduced by one age reduction month to $18.90. The employee's benefit effective 2-1-77 is $307.40. The total age reduction is adjusted to $8.30 eff. 2-1-77.

D. Beneficiary Attains Age 65 After December 1977 - The total non-payment months under the social security formula must be dropped from the total age reduction factor effective the month in which the beneficiary attains age 65.

1. Original Age Reduction Applied Before 1-1978 - If the original age reduction was applied before 1-1-78, compute the adjusted age reduction factor by multiplying the number of months for which a reduced age benefit was paid with non-payment months dropped (ARF) by the money amount of the current age reduction (MAR). Divide the result by the number of months in the original reduction factor (ORF). The quotient is the ARF'd money amount of reduction.

$$\frac{\text{(ARF X (MAR)}}{\text{ORF}} = \text{ARF'd money amount of reduction.}$$

In these cases, since the ARF is effective prior to 9-1981, if the result is not a multiple of $.10, round down to the next lower multiple of $.10. For any adjustment to the age reduction effective 9-1981 or later, if not a multiple of $.10 round up to the next higher multiple of $.10.

EXAMPLE 1: The employee's date of birth is 6-10-13. His O/M date of entitlement is 9-1-77. PIA #9 equals $318.20. A nine month age reduction of $15.90 reduces the original employee benefit to $302.30 effective 9-1-77. PIA #9 is increased by 6.5% to $338.90 effective 6-1-78. The age reduction amount before adjustment for the ARF is increased to $16.90 due to the PIA increase.

$15.90 x 1.065 = $16.90 (Rounded down to the dime)

The employee's earnings of $12,000 in 1977 with earnings over the exempt amount in all months caused work deductions under the O/M formula for September - December 1977. The employee does not work after 1-1-78.

The age reduction factor is adjusted effective 6-1-78 as follows:

$\frac{5 \times \$16.90}{9} = \$9.30$ (Rounded down to the dime)

EXAMPLE 2: The spouse's date of birth is 3-9-13. The O/M effective date is 9-1-76. PIA #9 effective 9-1-76 is $302.30 and effective 6-1-77 is $320.20. The unreduced spouse benefit effective 9-1-76 is $151.20 and effective 6-1-77 is $160.10.

The spouse has three permanent work deductions in 1976 and four permanent work deductions in 1977. She stopped working 1-1-78.

The age reduction in effect in 2-78 is $19.30. This amount is adjusted effective 3-1-78 as follows:

$\frac{11 \times \$19.30 = \$11.70}{18}$ (ARF'd Money Amount of Reduction Rounded down to the dime)

2. Original Age Reduction Applied 1-1978 or Later - If the original age reduction was applied 1-1978 or later, simply deduct the non-payment months from the months used in the original age reduction factor.

   For employee's, the PIA #9 is reduced by 1/180th (5/9 of 1%) for each month in the ARF'd age reduction factor.

   For a spouse or divorced spouse, the O/M share is reduced by 1/144th (25/36 of 1%) for each month in the ARF'd age reduction factor.

   Prior to 9-1981, if the spouse age reduction is not a multiple of $.10, round down to the next lower multiple of $.10. Effective 9-1981 or later for spouses or 10-1981 or later for divorced spouses, if the age reduction is not a multiple of $.10, round up to the next higher multiple of $.10.

E. Manual Control For Adjustment - When a reduced employee O/M benefit is withheld due to excess earnings for any month before the employee attains age 65, set a (10-01) call-up for the first day of the year after the year in which the employee attains age 65.

   When a reduced spouse or divorced spouse O/M benefit is not paid for any month before the spouse or divorced spouse attains age 65, set a (10-01) call-up for the first day of the year after the year in which the spouse or divorced spouse attains age 65.

8.3.88 Change in Age Reduced Benefit Amount after Adjustment of Age Reduction Factor

A. General - Prior to 1-1-78, the age reduction was not increased after the beneficiary attained age 65. Effective with benefits payable 1-1-78 or later, the ARF'd money amount of the age reduction is increased by the same percentage the PIA is increased.

B. Age Reduction in 100% O/M Effective Before 1-1-78

1. Employee Benefit - Determine the percentage increase as follows:

- To compute the age reduction increase when an amendment or cost-of-living increase is involved, multiply the ARF'd money amounts of the age reduction by the percentage PIA #9 is increased.

  (AMAR) x (1 + COL%) = (IMAR)

- To compute the age reduction increase for cases involving a recomputed PIA #9, divide the new PIA (NPIA) times the adjusted money amount of reduction (AMAR) by the old PIA (OPIA).

$$\frac{(NPIA) \times (AMAR) = (IMAR)}{(OPIA)}$$

The result is the increase money amount of the age reduction (IMAR). Prior to 9-1981, if this is not a multiple of $.10, round to next lower multiple of $.10. Effective with rate changes 9-1981 or later, if the result is not a multiple of $.10, round it to the next higher multiple of $.10.

EXAMPLE: The employee's date of birth is 5-4-13. The 100% O/M effective date is 10-1-77 and PIA #9 equals $368.90. The original seven month age reduction amount of $14.30 is adjusted effective 5-1-78 to drop three permanent work deduction months. The ARF'd amount of the age reduction is $8.10.

PIA 9 is increased by 6.5% to $392.90 effective 6-1-78. The age reduction effective 6-1-78 is $8.10 x 1.065 = $8.60 (rounded down.) The employee benefit effective 6-1-78 is $384.30 ($392.90 - $8.60).

Subsequent COL increases are computed through 6-1981 (rounded down). The results are $9.40 effective 6-1979, $10.70 effective 6-1980,

and $11.80 effective 6-1981. The 6-1982 age reduction amount is rounded up to the dime.

2. Spouse Benefit

Determine the percentage increase as follows:

- To compute the age reduction increase when an amendment or cost-of-living increase is involved, multiply the ARF'd money amount of the age reduction by the percentage the PIA #9 is increased.

  (AMAR) x (1 + COL%) = (new AMAR)

- To compute the age reduction increase 1-1-78 or later for cases involving a recomputed PIA or change in family composition (fewer members entitled), divide the new unreduced spouse benefit (NUSB) times the ARF'd money amount of the reduction (AMAR) by the old unreduced spouse benefit (OUSB).

$$\frac{\text{(NUSB) x (AMAR)}}{\text{(OUSB)}} = \text{(new increased AMAR)}$$

- To compute the age reduction decrease 1-1-78 or later for cases involving a change in family composition (more members entitled), divide the new unreduced spouse benefit (NUSB) times the ARF'd money amount of the reduction (AMAR) by the old unreduced spouse benefit (OUSB).

$$\frac{\text{(NUSB) x (AMAR)}}{\text{(OUSB)}} = \text{(new decreased AMAR)}$$

The result is the new adjusted money amount of the age reduction (AMAR). Prior to 9-1981, if the result is not a multiple of $.10, round to next lower multiple of $.10. Effective with rate changes 9-1981 or later, if the result is not a multiple of $.10, round to next higher multiple of $.10.

EXAMPLE: The spouse's date of birth is 3-9-13. The O/M effective date is 9-1-76. The ARF'd money amount of reduction effective 3-1-78 is $11.70.

The 6-1977 PIA of $320.20 is increased by 6.5% to $341.10 effective 6-1-78. The new unreduced spouse benefit is $170.60.

The age reduction is increased by the same percentage as the PIA:

$11.70 x 1.065 = $12.40

Assume the PIA is recomputed to $346.00 effective 1-1-79. The new unreduced spouse benefit is $173.00 and the age reduction is increased as follows:

$$\frac{\$173.00 \times \$12.40}{\$170.60} = \$12.50$$

The spouse benefit effective 1-1-79 is $160.50 ($173.00 - $12.50).

Subsequent COL increases are computed through 6-1981 (rounded down). The results are $13.70 eff. 6-1979, $15.60 eff. 6-1980 and $17.30 eff. 6-1981. The 6-1982 age reduction amount is rounded up to the dime.

C. Age Reduction in 100% Effective 1-1-78 or Later

1. Employee Benefit - The increased PIA #9 is reduced by 1/180th (5/9 of 1%) for each month in the ARF'd age reduction factor.

   Prior to 9-1981, Table RI of SSA's Rainbow Book listed the rounded reduced PIA's based on the number of reduction months. Effective with rate changes 9-1981, the 1981 SS Act Amendment rounding rules apply. The age reduction amount, if not a multiple of $.10, is rounded up to the next higher multiple of $.10.

   EXAMPLE - The employee's DOB is 4-5-16. The age and service O/M effective date is 7-1-80. The PIA of $691.50 is reduce by $57.60 to $633.90 for the 15 months the employee is under age 65. The employee has 4 permanent work deductions in 1980. These months are dropped from the age reduction factor effective 4-1-81, resulting in an employee benefit reduced for 11 months by $42.20 to $649.30.

   The PIA is increased to $769.00 effective 6-1-81 due to a cost-of-living increase. This PIA is reduced for the 11 months in the adjusted age reduction factor by $46.90. The reduced employee benefit effective 6-1-81 is $722.10.

The COL increased age reductions effective 6-1982 or later are rounded up to the dime under the 1981 SS Act amendments.

2. Spouse or Divorced Spouse Benefit - The spouse benefit (50% of PIA #9 adjusted for the family maximum, if necessary) or divorced spouse benefit (50% of PIA #9) is reduced by 1/144th (25/36 of 1%) for each month in the ARF'd age reduction factor.

   Prior to 9-1981, for spouse's, Table RII of SSA's Rainbow Book listed the rounded reduced PIA's based on the number of reduction months. Effective with rate changes 9-1981 for spouse's and for divorced spouse's included in O/M 10-1-81 or later, the 1981 SS Act Amendment rounding rules apply. The age reduction amount, if not a multiple of $.10, is rounded up to the next higher multiple of $.10.

   EXAMPLE - The spouse (DOB 5-26-16) is included in the DIB O/M computation effective 7-1-80. The PIA effective 7-1-80 is $515.40 and the unreduced spouse benefit of $257.70 is reduced for the 10 months the spouse is under age 65 by $17.80 to $239.90. The spouse has one permanent work deduction in 1980. This month is dropped from the age reduction factor effective 5-1-81 resulting in a spouse benefit reduced for 9 months by $16.10 to $241.60.

   The PIA is increased to $573.20 effective 6-1-81 due to a cost-of-living increase. The unreduced spouse benefit of $286.60 is reduced for the 9 months in the adjusted age reduction factor. The reduced spouse benefit effective 6-1-81 is reduced by $17.90.

   The COL increased age reductions effective 6-1-82 or later are rounded up to the dime under the 1981 SS Act Amendments.

8.3.89 Adjustment in 110% Grandfather O/M for Reduced Railroad Formula Annuity before O/M Effective Date

When the 110% Grandfather O/M first becomes applicable for a month after a month in which a reduced railroad formula annuity was paid, reduce the O/M rate as follows:

1. Apply the regular 110% Grandfather O/M age reduction to the employee or spouse benefit.

2. Reduce the 110% Grandfather family O/M rates for the "other benefits" being paid to the beneficiaries.

3. Multiply the amount of the railroad formula annuity before age reduction by a fraction, the numerator of which is equal to the number of months for which the railroad formula annuity was paid prior to the O/M effective date and the denominator is 180. If the railroad formula annuity had been paid at two different

rates before the 110% Grandfather O/M effective date, the amount of the reduction would be determined by multiplying each railroad formula rate before age reduction by a fraction consisting of the number of months for which it was paid over 180.

When both the employee and spouse received reduced railroad formula annuities before the 110% Grandfather O/M effective date, the reduction for each is computed separately and added together.

4. The result from step three is subtracted from the total family 110% Grandfather O/M benefit. The result is rounded to the nearest cent.

5. If the 100% family O/M rate later exceeds the 110% grandfather O/M the red. RR before O/M reduction is carried forward and subtracted from the 100% family O/M rate. The result is not rounded.

   NOTE: If a reduced RR formula rate is paid before the 100% O/M in a case where the 110% Grandfather did not apply, refer the case to M&P.

6. If the spouse is receiving a railroad spouse annuity, the total family O/M benefits reduced by the reduced RR adjustment amount are apportioned between the employee and spouse annuities. The individual rates should not again be rounded.

   EXAMPLE 1: An employee age 62 with 25 years service receives an RR formula annuity which is reduced for age, for five months pending entitlement to a DIB O/M. The PIA #11 is $270.70. An FTS is also included in the family group. The railroad formula rate before age reduction would have been $352.91.

   5/180 X $352.91 = $9.80

   This amount subtracted from the 110% Grandfather O/M amount of $446.71, results in an O/M guaranty amount of $436.91.

   Effective 6-1-76, the 100% family O/M rate of $466.80 exceeds the 110% Grandfather O/M. The amount of $9.80 is deducted from the 6-1-76 100% O/M rate.

   When the student ceases FTA on 12-31-76, the case reverts back to the RR formula.

   EXAMPLE 2: A spouse age 62 of an employee age 62 with 25 years of service receives an RR formula annuity effective 4-1-75, which is reduced for age for five months pending the employee's entitlement to a DIB O/M. PIA #11 is $270.70. The unreduced railroad formula rate would have been $126.52. The spouse will receive an age reduction under the O/M computation from the DIB O/M effective date plus the adjustment for the reduced railroad formula spouse annuity. An FTS is also included in the family group.

5/180 x $352.91 = $9.80 (ee red. amt).

5/180 x $126.52 = 3.51 (sp red. amt).

9.80 + 3.51 = 13.31 (total red. amt).

This amount subtracted from the 110% Grandfather amount of $527.01, results in an O/M guaranty (before proportioning) of $513.70.

When the FTS ceases FTA on 8-30-75, the case reverts back to the RR formula.

8.3.90 Adjustment for Reduced Age and Service Benefit under the Social Security Formula before DIB O/M Effective Date

A. Adjustment of Age Reduction Factor

If the employee received either a reduced social security retirement insurance benefit or a reduced retirement age and service O/M computation before the DIB O/M effective date, the DIB O/M employee benefit must be reduced by the amount the employee's PIA would be reduced if the employee attained 65 on the DIB O/M effective date. The following steps apply in determining the recalculated PIA and the reduced DIB:

1. Recalculate the PIA #9 or PIA #11 to take into account the period of disability.

2. Determine the age reduction for the employee's age and service O/M based on the recalculated PIA #9 or PIA #11 and actual attainment of age 65. The recalculated reduced O/M benefit is payable from the age and service O/M effective date.

3. Adjust the age reduction factor (ARF) for the employee's DIB O/M benefit based on the recalculated PIA and deemed attainment of age 65 on the DIB O/M effective date. Months after the DIB O/M effective date and months for which total or partial work deductions under the O/M formula, if any, were imposed are dropped from the age reduction factor.

   EXAMPLE: The employee born 1-7-16 with 12 years service filed for an annuity in 1-78. The reduced retirement O/M employee benefit of $262.00 based on a PIA #9 of $327.40 is paid effective 1-1-78. Later, he is determined to have been disabled 10-31-77 with DIB to begin 4-1-78. The recalculated PIA due to the D/F is $338.70. The recalculated employee benefit before the DIB O/M is $271.00 and the employee DIB O/M benefit is $333.10. The PIA #9 is increased to $360.80 effective 6-1-78.

	Initial Reduced O/M Ben	**Recalculated Reduced O/M**	**Reduced DIB O/M**
PIA #9	327.40	338.70	338.70
RF	36	36	3
MOE	1-78	1-78	4-78
Employee Benefit	262.00	271.00	333.10
Age Reduction	65.40	67.70	5.60

B. Change in DIB Benefit Amount After Adjustment of Age Reduction Factor

Prior to 1-1-78, the age reduction was not increased after the beneficiary was deemed to attain age 65. Effective with benefits payable 1-1-78 or later, the ARF'd money amount of the age reduction is increased by the same percentage the PIA is increased. The initial date of entitlement to the DIB O/M determines the method used in subsequent increases to the age reduction.

1. DIB O/M Effective Before 1-1-78

To compute the age reduction increase when an amendment or cost-of-living increase is involved, multiply the ARF'd money amount of age reduction by the percentage PIA #9 is increased. If the result is not a multiple of $.10, round it down to the next lowest multiple of $.10.

EXAMPLE - The DIB O/M date of entitlement is 9-1-77. PIA #9 is $327.40 effective 9-1-77 and increased by 6.5% to $348.70 effective 6-1-78.

A three month reduction applied to the 9-1-77 DIB O/M benefit resulted in ARF'd money amount of reduction of $5.40. This amount is increased 6-1-78 as follows:

$5.40 x 1.065 - $5.70

To compute the age reduction increase for cases involving a recomputed PIA #9 after the disability period, divide the new PIA (NPIA) times the ARF'd money amount of reduction (MAR) by the old PIA (OPIA). The quotient is the increased money amount of reduction (IMAR). If the result is not a multiple of $.10, round to the next lower multiple of $.10.

$$\frac{(\text{NPIA}) \times (\text{MAR})}{} = \text{IMAR}$$

(OPIA)

2. DIB O/M Effective 1-1-78 or Later

PIA #9 is reduced by 1/180th (5/9 of 1%) for each month in the ARF'd age reduction factor.

EXAMPLE - The employee born 9-12-15 is paid a reduced age and service O/M effective 9-1-77 pending approval of a DIB O/M. The disability freeze is effective 10-27-77 and the DIB O/M effective date is 4-1-78. The PIA of $361.90 is reduced to $347.90, by the seven months of prior RIB entitlement effective 4-1-78. Effective 6-1-78 the PIA was increased to $385.50 due to a cost-of-living increase. This PIA is reduced by same reduction factor of seven months.

8.3.91 Adjustment for Reduced Widow(er)'s Benefit before O/M Effective Date

If the employee received a reduced widow(er)'s benefit under the Social Security Act before the 100% O/M or 110% Grandfather O/M effective date, refer the case to the Methods and Procedures Section.

8.3.92 Age Reduction Effective 01-2000

A. General - Beginning in January 2000 full retirement age (FRA) gradually increases from age 65 to age 67. This change applies to annuitants born after 1937.

The increase in FRA affects regular annuity eligibility requirements; age reduction calculations; RIB limit calculations; worker's compensation or public disability benefit termination; and attainment processing based on age 65.

The increase in FRA does not affect Medicare eligibility; supplemental annuity eligibility or calculation; or attainment processing based on age 16, 18 or 62.

B. Early and Full Retirement Age Defined - Section 216 (l) (2) of the Social Security Act defines early retirement as age 62 for old age, wife's, or husband's benefits. The new provisions do not affect the age for early retirement.

Full retirement age (FRA) will depend on the annuitant's year of birth. For those born before 01-02-1938, FRA will remain age 65. For those born after 01-01-1938, FRA will gradually rise from age 65 to age 67.

C. Age Reduction - For employees born after 1937, the maximum percentage reduction will rise from 20% to 30%. The maximum number of age reduction

months will rise from 36 to 60. For months 1 through 36, the reduction remains 1/180 for each month. For months 37 through 60, the reductions is 1/240.

AGE REDUCTION TABLES

TABLES TO DETERMINE AMOUNTS OF AGE REDUCTION FOR EMPLOYEE ANNUITANTS HAVING LESS THAN 30 YEARS OF SERVICE WHO ATTAIN AGE 62 ON 1/02/2000 OR LATER

Employee annuitants who attain age 62 on 1/02/2000 or later are subject to an increase in the age at which certain unreduced annuities can be paid. This is referred to as their Full Retirement Age (FRA).

The increased age reduction will apply to the tier 1 benefit and vested dual benefit for employees with less than 30 years of service. It will also apply to the tier 2 benefit of employees with less than 30 years of service who had no creditable railroad service prior to August 12, 1983.

The total age reduction factor equals 1/180 for each month of age reduction from 1 month through 36 months, added to 1/240 for each month of age reduction from 37 months through 60 months, when applicable. NOTE: A person attains a given age the day before his or her birthday. Consequently, someone born on January 1 is considered to have been born on December 31 of the previous year.

EE YOB	**Yr Att. age 62**	**Ret age for unred. ann. (FRA)**	**Maximum No. Mos A/R for this YOB**	**Maximum A/R for this YOB**
1937 & earlier	1999 & earlier	65 yr 0 mo.	36	20.000%
1938	2000	65 yr 2 mo.	38	20.833%
1939	2001	65 yr 4 mo.	40	21.667%
1940	2002	65 yr 6 mo.	42	22.500%
1941	2003	65 yr 8 mo.	44	23.333%
1942	2004	65 yr 10 mo.	46	24.167%
1943-54	2005-2016	66 yr 0 mo.	48	25.000%
1955	2017	66 yr 2 mo.	50	25.833%
1956	2018	66 yr 4 mo.	52	26.667%

1957	2019	66 yr 6 mo.	54	27.500%
1958	2020	66 yr 8 mo.	56	28.333%
1959	2021	66 yr 10 mo.	58	29.167%
1960 & later	2022 & later	67 yr 0 mo.	60	30.000%

Count the number of months the employee is under full retirement age (FRA) based on the employee's year of birth using the table above. Using the table below, determine the age reduction factor corresponding to the total number of months the EE is under his FRA.

No. mos. A/R	**Total A/R factor**	**No. mos. A/R**	**Total A/R factor**
60	30.000%	30	16.667%
59	29.583%	29	16.111%
58	29.167%	28	15.556%
57	28.750%	27	15.000%
56	28.333%	26	14.444%
55	27.917%	25	13.889%
54	27.500%	24	13.333%
53	27.083%	23	12.778%
52	26.667%	22	12.222%
51	26.250%	21	11.667%
50	25.833%	20	11.111%
49	25.417%	19	10.556%
48	25.000%	18	10.000%
47	24.583%	17	9.444%
46	24.167%	16	8.889%

45	23.750%	15	8.333%
44	23.333%	14	7.778%
43	22.917%	13	7.222%
42	22.500%	12	6.667%
41	22.083%	11	6.111%
40	21.667%	10	5.556%
39	21.250%	9	5.000%
38	20.833%	8	4.444%
37	20.417%	7	3.889%
36	20.000%	6	3.333%
35	19.444%	5	2.778%
34	18.889%	4	2.222%
33	18.333%	3	1.667%
32	17.778%	2	1.111%
31	17.222%	1	0.556%

Example 1: An employee born 6/3/1942, has an ABD of 7/1/2004. The employee files for a reduced age 62 annuity. The employee will attain age 62 in 2004 and be entitled to a full unreduced annuity at age 65, 10 months. The age reduction is calculated:

6/2007 - Age 65

4/2008 - Add 10 months

7/2004 - ABD

Number of months under FRA = 45 months.

The age reduction factor is 23.750%.

Example 2: An employee born 10/2/1940, files for a reduced age 62 annuity with an ABD of 12/1/2002. The employee will attain age 62 in 2002. A full retirement

annuity (FRA) will be payable at age 65 years, 6 months. The age reduction is calculated:

10/2005 - Age 65

4/2006 - Add 6 months

12/2002 - ABD

Number of months under FRA = 40 months.

The age reduction factor is 21.667%.

Example 3: An employee born on 2/1/1939, files for a reduced age annuity. The ABD is 1/1/2004. The FRA is payable at 65 years, 4 months. The age reduction is calculated:

1/2004 - Age 65

5/2004 - Add 4 months

1/2004 - ABD

Number of months under FRA = 4 months.

The age reduction factor is 2.222%.

AGE REDUCTION TABLES

TABLES TO DETERMINE AMOUNTS OF AGE REDUCTION FOR EMPLOYEE AND SPOUSE ANNUITANTS RETIRING BEFORE AGE 62 WITH 30 YEARS OF SERVICE WHO ATTAIN AGE 62 ON 1/1/2000 OR LATER

A) Employee annuitants who attain age 62 on 1/1/2000 or later are subject to an increase in the age at which certain unreduced annuities can be paid. This is referred to as their Full Retirement Age (FRA).

Early retirement reductions for those retiring with 30 or more years of service apply to tier 1 benefits only.

Employees retiring at age 62 with 30 years of service ARE NOT subject to any age reduction.

The total age reduction factors are based on 1/180 for each month under retirement age up to 36 months, added to 1/240 for each month of age reduction from 37 months through 60 months, if applicable.

EE YOB	Tier 1 portion of annuity is reduced by this A/R %	Tier 1 portion of annuity is reduced by recalculated A/R % at age 62
Before 1938	20.000%	19.444%
1938	20.833%*	20.417%
1939	21.667%*	21.250%
1940	22.500%	22.083%
1941	23.333%	22.917%
1942	24.167%	23.750%
1943-1954	25.000%	24.583%
1955	25.833%	25.417%
1956	26.667%	26.250%
1957	27.500%	27.083%
1958	28.333%	27.917%
1959	29.167%	28.750%
1960 or later	30.000%	29.583%

- If retirement is before the year 2000, only a 20% reduction is effective on the ABD, which will result in a slightly higher age reduction factor when the factor is recalculated at age 62.

Note: The recalculated age reduction factor at age 62 assumes the employee is NOT born on the second day of the month. If the employee is born on the second day of the month, the recalculated age reduction factor in the right-hand column will be the same as the pre-age 62 age reduction factor.

EXAMPLE: An employee born 7/5/41, has an ABD of 8/1/2001. The employee is filing for a reduced age 30/60 annuity. The tier 1 age reduction is 23.333%. When the employee turns age 62 (8/1/2003), the new age reduction will be 22.917%.

B) Spouse annuitants retiring before age 62 and the employee retires before age 62 with 30 years of service:

- The spouse's tier 1 amount will be one-half of the employee's annuity beginning date tier 1 amount.

- The spouse annuity tier 1 amount will be recomputed at age 62 (but not before the employee attains age 62) as shown below:

Spouse DOB	Year Spouse Tier 1 Amount Will Be Recomputed Is	Age 62 Recomputed Tier 1 Amount Will Be Reduced By
1937 or earlier	1999	25.000%
1938	2000	25.833%
1939	2001	26.667%
1940	2002	27.500%
1941	2003	28.333%
1942	2004	29.167%
1943-1954	2005-2016	30.000%
1955	2017	30.833%
1956	2018	31.667%
1957	2019	32.500%
1958	2020	33.333%
1959	2021	34.167%
1960 or later	2022 or later	35.000%

The above table assumes the full 36/180 month age reduction before actual age 65, as if the spouse was born on the second day of the month.

Retirement reductions for spouses or employees with 30 or more years of service only apply to tier 1 benefits and only if the employee retires before age 62.

EXAMPLE 1: An employee born on 3/4/42 files for a reduced 30/60 annuity. The ABD is 2/1/2003. The age reduction will be 24.167% on the employee's ABD. The spouse also files for a reduced 30/60 annuity with the same ABD. The spouse's DOB is 4/3/40. The spouse will receive 1/2 of the employee's age

reduced tier 1. The employee's tier 1 is recalculated beginning 4/2004. The new age reduction factor for the employee will be 23.750%. The spouse's recalculated age reduction will be:

4/2005 - Age 65

10/2005 - Add 6 months

4/2004 - Recalc ABD

Number of months under FRA = 18 months.

The spouse's recalculated age reduction factor is 12.500%.

EXAMPLE 2: An employee born on 10/3/39 files for a reduced 30/60 annuity. The ABD is 11/1/99. The ABD age reduction is 20.000%. The spouse later files for a reduced age 30/60, with a DOB of 8/8/41. The ABD will be 9/1/2001. The spouse will receive 1/2 of the employee's age reduced tier 1 on the spouse's ABD. The employee's tier 1 will be recalculated on 11/1/2001. The new age reduction for the employee will be 21.250%. The spouse's tier 1 will be recalculated on 9/1/2003. The spouse's recalculated age reduction will be:

8/2006 - Spouse age 65

4/2007 - Add 8 months

9/2003 - Recalc ABD

Number of months under FRA = 43 months.

The spouse recalculation age reduction factor is 27.917%.

AGE REDUCTION TABLES

TABLES TO DETERMINE AMOUNTS OF AGE REDUCTION FOR SPOUSES & DIVORCED SPOUSES ATTAINING AGE 62 ON 1/1/2000 OR LATER

Spouse/divorced spouse annuitants who attain age 62 on 1/1/2000 or later are subject to an increase in the age at which certain unreduced annuities can be paid. This is referred to as their Full Retirement Age (FRA).

The increased age reduction will apply to the tier 1 benefit with the maximum reduction gradually rising from 25% to 35% by the year 2022. The tier 2 reduction remains at 25% for a spouse if the employee had any railroad service before August 12, 1983.

The total age reduction factor equals 1/144 for each of the first 36 months under retirement age, added to 1/240 for each month of age reduction from 37 months through 60 months, if applicable.

SP YOB	YR age 62	Age for unreduced annuity (FRA)	Max No. Mos. A/R for this YOB	Max A/R for this YOB
1937 or earlier	1999 & earlier	65 yrs 0 mo.	36 mo.	25.000%
1938	2000	65 yrs 2 mo.	38 mo.	25.833%
1939	2001	65 yrs 4 mo.	40 mo.	26.667%
1940	2002	65 yrs 6 mo.	42 mo.	27.500%
1941	2003	65 yrs 8 mo.	44 mo.	28.333%
1942	2004	65 yrs 10 mo.	46 mo.	29.167%
1943-54	2005-2016	66 yrs 0 mo.	48 mo.	30.000%
1955	2017	66 yrs 2 mo.	50 mo.	30.833%
1956	2018	66 yrs 4 mo.	52 mo.	31.667%
1957	2019	66 yrs 6 mo.	54 mo.	32.500%
1958	2020	66 yrs 8 mo.	56 mo.	33.333%
1959	2021	66 yrs 10 mo.	58 mo.	34.167%
1960 & later	2022 & later	67 yrs 0 mo.	60 mo.	35.000%

Count the number of months the spouse/divorced spouse is under full retirement age (FRA) based on the spouse/divorced spouse's year of birth using the table above. Using the table below, determine the age reduction factor corresponding to the number of months the MA/XA is under his/her FRA.

TABLE OF AGE REDUCTION FACTORS FOR SPOUSES OF EMPLOYEES WITH LESS THAN 30 YEARS OF SERVICE AND DIVORCED SPOUSES ATTAINING AGE 62 ON 1/1/2000 OR LATER

NO. MOS. A/R	TOTAL A/R FACTOR	NO. MOS. A/R	TOTAL A/R FACTOR
60	35.000%	30	20.833%
59	34.583%	29	20.139%
58	34.167%	28	19.444%
57	33.750%	27	18.750%
56	33.333%	26	18.056%
55	32.917%	25	17.361%
54	32.500%	24	16.667%
53	32.083%	23	15.972%
52	31.667%	22	15.278%
51	31.250%	21	14.583%
50	30.833%	20	13.889%
49	30.417%	19	13.194%
48	30.000%	18	12.500%
47	29.583%	17	11.806%
46	29.167%	16	11.111%
45	28.750%	15	10.417%
44	28.333%	14	9.722%
43	27.917%	13	9.028%
42	27.500%	12	8.333%
41	27.083%	11	7.639%
40	26.667%	10	6.944%
39	26.250%	9	6.250%
38	25.833%	8	5.556%

37	25.417%	7	4.861%
36	25.000%	6	4.167%
35	24.306%	5	3.472%
34	23.611%	4	2.778%
33	22.917%	3	2.083%
32	22.222%	2	1.389%
31	21.528%	1	0.694%

EXAMPLE 1: A spouse born on 8/3/40 files for a reduced age 62 annuity. The ABD is 1/1/2004. An FRA is payable at age 65 years, 6 months. The age reduction will be calculated:

8/2005 - Age 65

2/2006 - Add 6 months

1/2004 - Recalc age 62 ABD

Number of months under FRA = 25 months.

The age reduction at age 62 is 17.361%.

EXAMPLE 2: A spouse files for a reduced age 62 annuity with an ABD of 6/1/2022. Her DOB is 3/8/60. An FRA is payable at 67 years, 0 months. The age reduction will be calculated:

3/2025 - Age 65

3/2027 - Add 24 months

6/2022 - ABD

Number of months under FRA = 57 months.

The age reduction factor is 33.750%.

8.3.95 Delayed Retirement Credits

The delayed retirement credit provision of the 1972 Social Security Act Amendments provides a bonus which is added to the eligible employee's PIA based on creditable increment months.

The delayed retirement benefit or bonus provides an increase for the wage earner only. The PIA itself does not change. Therefore, the family maximum or auxiliary life benefits are not affected.

If the employee is dually entitled to an annuity under the retirement O/M formula and either an RR spouse O/M annuity or RR survivor benefit, the employee O/M benefit increased by the delayed retirement benefit (or bonus) is deducted from the spouse or survivor annuity. The employee's delayed retirement credits cannot be added to the spouse or survivor annuity being paid based on another wage record.

The delayed retirement benefit or bonus can be added to the employee benefit based on an AMW, Trans, Old Start or AIME PIA only. It cannot be added to a benefit based on the Special Minimum PIA. If the amount of the AMW, Trans, Old Start or AIME PIA is less than the Special Minimum PIA before the addition of the delayed retirement benefit or bonus, the higher amount based on either the regular PIA plus the delayed retirement benefit or the SPC MIN PIA is payable to the employee. However, benefits for any auxiliaries will be determined under the maximum for the Special Minimum PIA.

8.3.96 Increment Months under the Social Security Act Prior to 1-1-79

For benefits payable prior to 1-1-79, an increment month is credited under the Social Security Act for each month for which a fully insured wage earner who has attained age 65 (but has not attained age 72) is not paid an RIB because:

- His(her) first month of entitlement to the RIB is after the month in which (s)he attained age 65; or

- A full work deduction applies after the wage earner attains age 65.

An increment month can be credited only if the wage earner was not paid a reduced for age RIB. If the date of entitlement to the RIB is before the wage earner attained age 65 and benefits were withheld due to excess earnings, resulting in an adjusted age reduction factor at age 65 or zero, the wage earner was not paid a reduced RIB.

SSA converts an unreduced DIB to an unreduced RIB when the wage earner attains age 65. Such a person would be eligible for an increment month if the RIB is later withheld on account of work.

In dual entitlement cases, work deductions for a given month are applied against the total dual benefit in determining increment months and not just against the RIB portion of the monthly benefit amount. For example, if a total monthly benefit amount is $250, consisting of a $200 RIB and a $50 WIB, and in a given month a $220 work deduction applies, this month may not be counted as an increment even though the work deduction exceeded the total monthly RIB amount.

8.3.97 Increment Months under the Railroad Retirement Act Prior to 1-1-79

A. Delayed Retirement Benefit Under 100% O/M - The delayed retirement benefit under the 1974 Railroad Retirement Act 100% O/M is computed under Social Security Act rules. For benefits payable prior to 1-1-79, an increment month is credited for each month for which an employee insured for the O/M who has attained age 65 (but has not attained age 72) is not paid an employee O/M benefit because:

- His(her) O/M effective date is after the month in which (s)he attained age 65; or

- A full work deduction under the social security formula* applies after the employee attains age 65 even if the RR formula annuity is not subject to work deductions. However, if the O/M is not paid in a month solely because the RR formula is higher, a DRC is not creditable.

  *NOTE: If the employee returns to last person or railroad service after the ABD, his (her) earnings from such employment must be sufficient to cause one or more full work deduction month(s) under the social security work deduction formula to qualify for a delayed retirement benefit under the 100% O/M.

An increment month can be credited only if the employee was not paid a reduced for age employee O/M benefit under the 100% O/M or 110% Grandfather O/M formula. If the 100% O/M effective date is before the wage earner attained age 65 and reduced age and service O/M benefits were withheld due to excess earnings, resulting in an adjusted O/M age reduction factor at age 65 of zero, the employee was not paid a reduced for age employee O/M benefit.

An employee who has been paid an unreduced DIB - O/M annuity is eligible for a delayed retirement credit if (s)he incurs full work deductions under the social security formula after (s)he attains age 65.

In dual entitlement cases, work deductions under the social security formula for a given month are applied against the total months benefits payable to the employee under the Social Security Act and not just the employee O/M benefit. For example, the employee is entitled to a retirement employee O/M benefit of $200 and a retirement spouse O/M benefit on another wage record of $50 (after reduction for the employee benefit). In a given month, a work deduction of $220 would not be sufficient to include that month as an increment month.

B. Delayed Retirement Bonus Under the 110% Grandfather O/M - The 1973 Amendments to the 1937 Railroad Retirement Act limited the increment months to be used in computing the delayed retirement bonus in 110% Grandfather O/M cases to months in which the employee:

- Has actually attained age 65 (but has not attained age 72); and
- Is insured for the O/M; and
- Has not filed for an RR employee annuity.

Months after the ABD for which work deductions would have been applied under the social security formula were not counted.

8.3.98 Increment Months under the Social Security Act 1-1-79 or Later

For benefits payable 1-1-79 or later, regardless of the date of entitlement, an increment month is credited under the Social Security Act for each month for which a fully insured wage earner who has attained FRA but has not attained age 70 (age 72 prior to 1/1/1984) is not paid an RIB because:

- His(her) first month of entitlement to the RIB is after the month in which he attained FRA; or
- A full work deduction applies after the employee attains FRA, regardless of the first month of entitlement.

Increment months can be credited in reduced age cases. However, the increase due to these increment months cannot be paid before 1-1-79. The provisions for converting a DIB to an RIB and for crediting increment months in dual entitlement cases are the same as those stated in RCM 8.3.96.

8.3.99 Increment Months under the Railroad Retirement Act 1-1-79 or Later

A. Delayed Retirement Benefit Under 100% O/M - The delayed retirement benefit under the 1974 Railroad Retirement Act 100% O/M is computed under Social Security Act Rules. An increment month is credited for each month for which an employee insured for the O/M who has attained FRA, (but has not attained age 70 (age 72 prior to 1/1/1984)) is not paid an employee O/M benefit because:

- his(her) O/M effective date is after the month in which (s)he attained FRA; or,
- a full work deduction under the social security formula applies after employee attains FRA, even if the RR formula annuity is not subject to work deductions, regardless of the O/M effective date. (However, if the O/M is not paid in a month solely because the RR formula is higher, a DRC is not creditable.)

An increment month can be credited in reduced age cases. However, the increase due to these increment months cannot be paid before 1-1-79.

The provisions for last person service, DIB - O/M cases and dual entitlement cases are the same as those stated in RCM 8.3.97.

B. Delayed Retirement Bonus Under the 110% Grandfather O/M - The provisions stated in RCM 8.3.97 are still applicable.

8.3.100 Effective Date of Increase

Generally, if the employee has attained FRA, an increment month earned in a specific year prior to the year of attainment of age 70, (age 72 prior to 1/1/1984) will be used to increase the benefit beginning with January 1 of the following year. Delayed retirement credits in the year in which age 70 (age 72 prior to 1/1/1984) is attained will be used to increase the benefit effective with the month in which age 70 (age 72 prior to 1/1/1984) is attained. The wage earner may not be credited with an increment month for the month (s)he attains age 70 (age 72 prior to 1/1/1984) or any later month.

However, the first DRC's payable in retirement O/M cases could not include months before 1-1971. If the employee benefit is not reduced for age, the DRC increase is effective no earlier than 1-1-73. If the employee benefit is reduced for age, the DRC increase is effective no earlier than 1-1-79.

EXAMPLE: The employee, born 9-1906, is awarded an unreduced 100% O/M annuity effective 10-1-75. Since he attained age 65 in 9-71 and was insured under the Social Security Act, he is credited with forty increment months before 1-1-75 and nine increment months for 1975. However, at the time his O/M annuity is initially awarded in 10-1975, only the increments before 1-1-75 can be included in the O/M computation. His case must be coded for a call-up 1-1-76 to include the nine increments in 1975 to produce a total of 49 increments effective 1-1-76.

The employee incurs four full work deductions in 1976 which result in four additional delayed retirement credits effective 1-1-77 resulting in a total of 53 DRC's.

The employee does not have excess earnings in 1977 but returns to work and incurs three full work deductions in 1978. The three DRC's are added effective 9-1-78, the month in which the employee attains age 72, to produce a total of 56 DRC's.

Additional DRC's cannot be credited after the employee attains age 72.

EXAMPLE 2: The employee born 7-10-12 is awarded a 100% O/M reduced age annuity effective 7-1-74. He attained age 65 in 1977 and had 3 increment months in that year. He has 4 increment months in 1978. Since his benefit was reduced for age, the 7 increment months are credited effective 1-1-79.

8.3.101 Amount of Delayed Retirement Benefit (or Bonus)

A. Employee Attains Age 65 Before 1982 - The amount of the delayed retirement benefit under the 100% O/M is 1/12 of 1% of the current PIA #9 for each

increment month acquired by the employee after (s)he attains age 65 # increase months/12 x .01 x PIA #9).

The delayed retirement bonus under the 110% Grandfather O/M is 1/12 of 1% of PIA #11 for each increment month acquired by the employee after (s)he attains age 65 # of increase months/12 x. 01 x PIA #11).

The number of increments months effective January 1 of any calendar year are added to increment months for prior years. The total of (the number of months/12 x .01) is multiplied by the current PIA #9 in 100% O/M cases or to PIA #11 in 110% Grandfather O/M cases to determine the amount of bonus.

Table DI of the Social Security Computation and Benefit Tables shows the amount of a delayed retirement credit combined with the PIA amount for benefits payable before 9-1981. Effective 9-1981 or later, the computation is subject to the rounding rules of the 1981 SS Act Amendments. If the result is not a multiple of $.10, it is rounded to the next lower multiple of $.10.

EXAMPLE: The employee acquires 5 increment months in 1980. His PIA effective 1-1-81 is $709.70. The amount of the 100% O/M delayed retirement benefit payable 1-1-81 is $3.00. (5/12 x .01 x $709.70 = $2.95 rounded up to next $.10.)

In 1981 he acquires 8 more increment months. A recomputation and cost-of-living increases his PIA #9 to $791.20. A total of 13 increment months are applied to this PIA. The 100% O/M delayed retirement benefit payable 1-1-82 is $8.50 (13/12 x .01 x $791.20 = $8.57 rounded down to next $.10.)

NOTE: If the amount of delayed retirement benefit or bonus in an O/M case is less than tolerance, do not recertify an annuity in force only to pay this increase. Instead, annotate the folder to show that the increase should be considered in the next adjustment.

B. Employee Attains Age 65 In 1982 through 1989 - The amount of the delayed retirement benefit under the 100% O/M is 1/4 of 1% of the current PIA #9 for each increment month acquired by the employee after (s)he attains age 65. The earliest this increased amount can be paid is 1-1-83 (employees who attain age 65 in 1982).

The number of increment months effective January 1 of any calendar year 1983 or later are added to the increment months for prior years. The total accumulated increment months are applied to the current PIA #9 in 100% O/M cases to determine the amount of bonus #incr. mos./4 x .01 x PIA 9). If the result is not a multiple of $.10, it is rounded to the next lower multiple of $.10.

C. Employee Attains Age 65 1990 through 2002 - Beginning with 1991, the percentage by which the 100% O/M is increased for delayed retirement will

change every other year. The increase depends on the year in which the employee attains age 65 and is found by multiplying the DRC percentage shown in FOM1 1015.5.1.B2 times the number of increment months times the current PIA 9.

D. Employee Attains FRA in 2003 or Later - – Beginning with 2003, the percentage by which the 100% O/M is increased for delayed retirement will change every other year until it tops off at 2/3 of 1% for employees born 1/2/1943 or later. The increase depends on the year in which the employee attains FRA and is found by multiplying the DRC percentage shown in FOM1 1015.5.1.B2 times the number of increment months times the current PIA #9.

8.3.102 Using the Appendix to Determine DRC Amounts

To compute the amount of the delayed retirement credit for the 100% O/M for employees who attain age 65 before 1982 or for the 110% Grandfather O/M using Appendix D in RCM 8.6, take the following actions:

A. 100% O/M Computation

Step 1: Determine the number of delayed retirement increment months.

Step 2: Find the decimal which corresponds to the number of increment months in Appendix D of RCM 8.6.

Step 3: Multiply the employee's PIA #9 by the decimal obtained from Step 2. Prior to 9-1981, if the result is not a multiple of $.10, round up to next higher multiple of $.10. Effective 9-1981 or later, if the result is not a multiple of $.10, round down to the next lower multiple of $.10. The result is the PIA #9 increased by the employee's DRC's in 100% O/M cases.

B. 110% Grandfather O/M Computation

Step 1: Determine the number of delayed retirement increment months.

Step 2: Find the decimal which corresponds to the number of increment months in Appendix D of RCM 8.6.

Step 3: Multiply the employee's PIA #11 by the decimal obtained from Step 2. Round the result to the nearest cent. The result is the PIA #11 increased by the employee's DRC's in 110% Grandfather O/M cases.

8.3.103 Automatic Cost-of-Living Increases for Employees who Attain Age 62 or Have Disability Onset Before 1-1-79

Under the 1974 Railroad Retirement Act, the 110% Grandfather O/M is not subject to cost-of-living increases. PIA #11 is always based on the 6-1974 AMW PIA Table.

The 100% O/M computation based on PIA #9 for an employee who attains age 62 or has disability onset before 1-1-79 is subject to cost-of-living increase under SSA rules:

A. Cost-of-Living Increase for PIA Based on AMW or Converted PIB - The 1972 Amendments to the Social Security Act provide a general automatic cost-of-living increase in the PIA (based on the AMW "New Start" or converted PIB "Old Start") whenever the average consumer price index for a specific calendar quarter of the year exceeds the average consumer price index for a similar quarter in a prior year by 3%. The first automatic cost-of-living increase was effective 6-1-75. This provision still applies for employees who attained age 62 or became disabled before 1-1-79.

   The amount of the increased PIA's, Table Maximums and effective dates will continue to be calculated by SSA. Use the Social Security Computation and Benefit Tables to determine benefit amounts for these cases.

B. Cost-of-Living Increase For Special Minimum PIA - Effective June 1979, regardless of the O/M effective date, the SPC MIN PIA and family maximum is subject to automatic cost-of-living increases to be published by SSA based on an increase in the consumer price index. The revised SPC MIN PIA's and corresponding family maximums will be indicated in tables separate from the AMW PIA Tables.

8.3.104 Cost-of-Living Increases for Employees who Attain Age 62 or Have Disability Onset 1-1-79 or Later

Under the 1974 RRA, the 110% Grandfather O/M is not subject to cost-of-living increases. PIA #11 is always based on the 6-1974 AMW PIA Table.

The 100% O/M based on PIA #9 for an employee who attains age 62 or has disability onset 1-1-79 or later is subject to cost-of-living increases under SSA rules:

A. Decoupling Provision of 1977 SS Act Amendments - Under the decoupling provisions of the 1977 Social Security Act Amendments, benefits, other than the SPC MIN PIA and corresponding auxiliary benefits, for wage earners who attain age 62 or become disabled 1-1-79 or later are not automatically increased for the cost-of-living. The initial PIA #9 is either derived from the 6-1978 PIA Table based on the AMW, "New Start", or converted PIB "Old Start", or is computed by applying the formula based on the year of eligibility to the amount of the AIME. A cost-of-living increase can be added to this PIA as follows:

   1. 1977 Simplified "Old Start" Guarantee - The cost-of-living increase percentages beginning with the year of first eligibility are applied to the 6-1978 PIA (converted from PIB). Eligibility does not have to exist prior to the June 1, general benefit increase for PIA to be subject to the cost-of-living increase. As long as eligibility exists by December 31, of the calendar year, the PIA #9 can be increased by the cost-of-living

percentage for that year. However, the increased amount is not payable until June 1 of that year.

EXAMPLE 1: The employee (DOB 5-27-21) has an O/M effective date of 5-1-83. Assume the following general cost-of-living increases were possible: 5% - 6-1-79, 6.2% - 6-1-80, 7.5% - 6-1-81, 3.2% - 6-1-82 and 5.9% - 6-1-83. In this case, the cost-of-living increases cannot begin until 1983, the year of eligibility. The 6-1978 PIA #9 of $251.80 is payable on the O/M effective date. It is increased by 5.9% to $266.70 effective 6-1-83.

EXAMPLE 2: The employee whose disability onset date is 9-17-83 has an O/M effective date of 3-1-84. Assuming the same percentage increases as in sample 1, the 6-1-1978 PIA #9 of $251.80 is increased by 5.9% only payable on the O/M effective date. The resulting PIA #9 effective 3-1-84 is $266.70.

2. New Start Transitional Guarantee PIA - The cost-of-living percentages beginning with the year of first eligibility are applied to the 6-1978 PIA (based on AMW) similar to Section (A) above. Eligibility does not have to exist prior to the June 1 general benefit increase for the PIA to be subject to the cost-of-living increase. As long as eligibility exists by December 31, of the calendar year, the PIA #9 can be increased by the cost-of-living percentage for that year. However, the increased amount is not payable until June 1, of that year.

3. AIME PIA - In general, the "bend points" (portion of AIME to which the percentages are applied) are adjusted each year if the national average wages increase. The "bend points" which apply to the individual wage record, on the other hand, are established in the employee's year of eligibility and do not change. Once established, the AIME PIA is subject to percentage cost-of-living increases beginning June 1 of the year of eligibility. Actual payments may not begin until the wage earner becomes entitled to benefits.

   EXAMPLE: The employee (DOB 9-4-18) dos not cease last person service until 8-31-82. His year of eligibility is 1980. Therefore, the AIME PIA is computed based on the bend points for 1980. The AIME PIA would be increased by 14.3% for 1980, 11.2% for 1981 and 7.4% for 1982. Payments would begin on the O/M effective date of 9-1-82. The employee is entitled to all subsequent cost-of-living percentage increases while the O/M is applicable.

4. Frozen Minimum PIA - The cost-of-living percentage increase is applicable beginning the earlier of:

   1. The year in which at least a partial month's O/M benefit is paid; or,

2. The year in which the employee attains age 65.

This differs from the other PIA computations in which COL increases are based on the year of eligibility.

EXAMPLE: The employee (DOB 7-19-18) is eligible under the SS Act rules in 7-1980. He does not retire until 9-1982 and is paid for 9-1982 on. The Frozen Minimum PIA of $122.00 is not increased until the 7.4% increase payable in 1982. The resulting PIA #9 effective 9-1982 is $131.00 (rounded down).

In the case where the employee is entitled, terminates (e.g., last person service) and later becomes re-entitled, cost-of-living increases are applied to the Frozen Minimum PIA only for years in which the employee is actually paid for one or more months.

B. Cost-of Living Increase For Special Minimum PIA - The Special Minimum PIA is not "decoupled". Effective June 1979 the SPC MIN PIA and family maximum is subject to automatic cost-of-living increases to be published by SSA based on an increase in the consumer price index. The revised SPC MIN PIA's and corresponding family maximums are located in RCM Chapter 8.11, Appendix C.

The employee is entitled to the current SPC MIN PIA that corresponds to his years of coverage. The year of eligibility is not a factor.

8.3.105 Dual Benefit Reductions in Family Maximum Cases

Usually, the adjustment of 100% O/M benefits for the family maximum is computed before the offset for other railroad annuities or social security benefits. The reduction of a spouse or child 100% O/M benefit for "other benefits" payable does not, in itself, permit the 100% O/M benefits in the family group to be revised upwards.

However, when determining the reduction for the family maximum under the 100% O/M computation, do not include the following beneficiaries in the family group:

- A spouse who is entitled to an SS benefit that equals or exceeds 1/2 of the employee's PIA #9 (the O/M share would be reduced to zero); or,
- A spouse whose eligibility for an SS benefit occurred before or at the time (s)he is eligible to be included in the O/M computation, if the family benefits are greater if (s)he is not included; or,
- A divorced spouse; or
- A child who is receiving a benefit at SSA on other than the RR employee's wage record that equals or exceeds 1/2 of PIA #9 (the child's O/M share would be reduced to zero); or,

- A child included in the computation of another RR annuity;

A combined family maximum, as shown in RCM 8.3.115, may be used in determining the O/M rate if a child is considered in the computation of two annuities on separate wage records.

8.3.106 Elimination of "Plugged Rates" in Retirement O/M Computation

Prior to the 1972 Railroad Retirement Act Amendments, a "plugged rate" was computed for the social security benefit offset when the month the beneficiary became entitled to a reduced Social Security Act benefit differed from the month the beneficiary was included in the Retirement O/M.

The 1972 amendments provided that only the actual amount of the social security benefits being paid can be used in the O/M computation offset for "other benefits." The offset for potential entitlement to a social security benefit and the need to use "plugged rates" was eliminated in Retirement O/M cases.

The provisions of these amendments were carried forward to the 1974 RRA O/M cases.

8.3.107 Social Security Benefit Payments on Railroad Employee's Wage Record

The total employee and auxiliary benefits included in the 100% O/M computation are reduced but not below zero, by the total amount of the SSA benefits based on the employee's wages only that are actually being paid under the Social Security Act to the members of the family group.

Where the maximum is involved, it has been the practice of the Board to develop and include only sufficient auxiliary beneficiaries to provide maximum benefits. However, if the family (excluding a divorced spouse) is also entitled to SS benefits based on the employee's wages, the total amount of SS benefits to which the family is entitled is deducted from the Retirement O/M benefits even though some of the beneficiaries are not included in the Retirement O/M computation. (If the employee is receiving worker's compensation, refer to RCM 8.3.150 - 8.3.161.)If the divorced spouse is receiving SS benefits based on the employee's wages, those SS benefits are treated as "other benefits" and are subtracted from the divorced spouse's 100% O/M benefit (50% x PIA #9) since the divorced spouse benefit is not subject to the family maximum.

EXAMPLE - The family group consists of the disabled employee (DOB 8-2-21), female spouse, and a minor child in the spouse's care.

PIA #9 effective 8-1-78 is $348.70 with a family maximum of $647.50.

The family group is also entitled to social security benefits effective 8-1-78 on the employee's wage record as follows: employee $121.80, spouse $30.50 and child

$30.50. The amount of $647.50 is reduced by the total social security benefits of $182.80, resulting in a 100% O/M guaranty rate of $464.70. If the total RR formula rate is less than $464.70, the 100% O/M formula will apply.

8.3.108 Social Security Benefit Payable to RR Employee under Someone Else's Wage Record

The employee 100% O/M benefit is reduced, but not below zero, by the actual amount of a social security benefit being paid to the employee based on someone else's wage record. (If a reduction for worker's compensation is involved, see RCM 8.3.161.)

EXAMPLE - The family group consists of the employee (DOB 1-5-16) and spouse (DOB 4-2-14). The PIA #9 effective 5-1-78 is $402.70, resulting in an employee 100% O/M benefit after age reduction of $333.40. The employee is receiving social security benefits of $61.80 on the spouse's wage record effective 1-1-78. The employee benefit is reduced by the amount of the social security benefit ($333.40 - $61.80).

8.3.109 Social Security Benefit Payable to RR Spouse or Divorced Spouse on Other than RR Employee's Wage Record

The spouse 100% O/M benefit (after adjustment for the family maximum, if applicable) or divorced spouse benefit is reduced, but not below zero, by the actual amount of the social security benefit, regardless of whether entitlement to a reduced SS benefit is simultaneous with, before, or after O/M entitlement. (If a reduction for worker's compensation is involved, see RCM 8.3.161.)

Compute the spouse or divorced spouse retirement O/M benefit as follows:

Step 1 - Determine the spouse's full retirement O/M formula benefit (reduced for family maximum, if applicable) or the divorced spouse retirement O/M formula benefit.

Step 2 - Reduce the result of Step 1 by the number of months the spouse or divorced spouse is under age 65, if any (see RCM 8.3.85 - 8.3.86).

Step 3 - Reduce the result of Step 2 by the actual amount of the SS benefit, if any.

EXAMPLE - The family group consists of the disabled employee, spouse (DOB 6-10-19), and FTS. The O/M effective date is 6-1-79. The PIA #9 is $771.10 effective 6-1-81 with a family maximum of $1349.60, resulting in an employee benefit of $771.10, reduced spouse benefit of $217.00 and FTS benefit of $289.30.

The spouse is also entitled to a RIB effective 6-1-81 of $155.90. The spouse 6-1-81 O/M benefit is reduced by the 6-1-81 SS benefit amount to $61.10 ($217.00 - $155.90).

When the social security benefit equals or exceeds the spouse's 100% O/M benefit in a family maximum case, the benefits are recomputed as if the spouse were not a member of the family group.

When the PIA on which the divorced spouse's RIB/DIB SS benefit is based equals or exceeds the divorced spouse's 100% O/M benefit (50% of PIA #9) a divorced spouse annuity and O/M benefit is terminated.

8.3.110 Social Security Benefit Payable to Child(ren) on Other than RR Employee's Wage Record

The child's 100% O/M benefit is reduced, but not below zero, by the actual amount of a social security benefit being paid to the child based on a wage record other than the RR employee. (If a reduction for worker's compensation is involved, see RCM 8.3.161.)

When the social security benefit equals or exceeds the child's 100% O/M benefit in a family maximum case, the benefits are recomputed as if the child was not a member of the family group.

EXAMPLE - The family group consists of the disabled employee, spouse (DOB 5-6-31) and minor step-child. The PIA #9 effective 6-1-78 is $410.20 with a family maximum of $744.10, resulting in an employee benefit of $410.20, spouse benefit of $167.00 and child's benefit of $167.00.

The child is entitled to a social security benefit of $121.80 based on his deceased father's wage record. The child's O/M benefit is reduced by the amount of the social security benefit ($167.00 - $121.80).

8.3.111 Spouse or Divorced Spouse Entitled to a Public Service Pension

A reduction may apply if a non-dependent male spouse, a divorced spouse annuitant who was married to the employee for less than 20 years or, effective 7-1-83, any spouse (male or female) included in the retirement O/M computation is entitled to a public service pension.

See RCM Chapter 1.3.180ff for a complete explanation of "public service pension" reductions.

8.3.112 Beneficiary Entitled to an Employee and a Spouse or Divorced Spouse Annuity

If the beneficiary is simultaneously entitled to both an employee annuity on his (her) own wage record and a spouse or divorced spouse annuity on another wage record, the total social security formula benefits payable based on both wage records must exceed the total railroad formula rates payable based on both wage records for the retirement O/M to apply in either case. Each annuity payable must be increased proportionately to the total amount or the additional amount that would be payable on both records under the Social Security formula.

For the steps used to determine whether the O/M applies in this situation, refer to Appendix G.

8.3.113 Beneficiary Entitled to an Employee and a Survivor Annuity

If the beneficiary is simultaneously entitled to both an employee annuity on his (her) own wage record and a railroad survivor annuity on another wage record, the retirement benefits may be paid under the higher of the Retirement O/M computation or the RR formula.

The Retirement employee O/M benefit is reduced for social security benefits as explained in RCM 8.3.107 and RCM 8.3.108. Indicate in the "Remarks" section of Form G-354.3 that the employee is also receiving an RR survivor annuity and include the survivor annuity claim number.

For an example of the O/M computation, refer to Appendix H. If the retirement O/M computation exceeds the RR formula rate, refer the case to M&P-A.

8.3.114 Employee, Spouse or Divorced Spouse Receiving Two or More "Other Benefits"

If the employee is receiving two or more social security benefits, the retirement O/M employee benefit is reduced by the combined amount of the social security benefits.

If the spouse or divorced spouse is receiving two or more "Other benefits" (e.g., two social security benefits or a social security benefit and a retirement O/M employee benefit on her (his) own wage record), the retirement O/M spouse or divorced spouse benefit is reduced by the combined amount of the "other benefits."

If a spouse or divorced spouse included in the retirement O/M computation is entitled to both a social security and a public service pension the retirement O/M spouse or divorced spouse benefit is reduced by the total of the full social security benefit amount plus the public service pension amount subject to offset (depending on when the public service pension entitlement began). See RCM Chapter 1.3.180ff for how to determine the amount of the public service pension that is subject to offset.

8.3.115 Child(ren) Entitled Under Two Railroad Earnings Record

A child can usually be included in the computation of benefits payable on only one RR earnings record. The dually entitled child(ren) should be paid on the RR earnings record with the higher PIA unless this would result in the family as a whole receiving less total monthly benefits (considering the RR formula rate in retirement cases).

When the family maximum is not involved in either case, test the child(ren)'s rates payable using 50% of the retirement O/M PIA #9 or 75% of the survivor PIA plus the survivor annuity Tier II.

When the family maximum is involved in either case, a series of comparisons is made when a child is entitled under two railroad earnings records to determine the account on which the dually entitled child(ren) should be paid:

(a) Compute the railroad formula rate payable in the retirement cases; and,

(b) On each wage record, compute each benefit amount (including Tier II, if survivor case) as though the dually entitled child(ren) were not included in the family group (without combining the PIA maximums), and,

(c) On each wage record, compute each benefit amount (including Tier II, if survivor case) with the dually entitled child(ren) included in the family group and the family maximums combined but not higher than the lesser of:

(1) the sum of the individual family maximums on each earnings records; or,

(2) for entitlements before 1-1-79, the current amount of the highest AMW PIA family maximum (e.g., 1216.90 effective 6-1-78); or,

(3) for entitlement 1-1-79 or later, 1.75 times the highest AIME PIA possible in the year based on AIME equal to 1/12 of the contribution and benefit based effective in that year. The cost-of-living percentage increase for the year can be added after June 1 of the calendar year.

Year	**Base**	**Assumed PIA as of Jan. 1**	**1.75 x PIA**
1979	22,900	575.10	1006.50
1980	25,900	612.60	1072.10
1981	29,700	660.10	1155.20
1982	32,400	774.40	1355.20
1983	35,700	853.30	1493.20

If the child is entitled on one wage record with an AMW PIA in effect in December 1978 and one wage record with an AIME PIA, the combined family maximum cannot exceed (3) above.

(d) Pay the combination that yields the highest monthly benefit:

(1) Include the dually entitled child(ren) with the combined family maximum on the one wage record; and,

(2) Exclude the dually entitled child(ren) from the other wage record and:

- in retirement cases, either pay the benefits computed under the O/M with the regular family maximum, if applicable, or computed under the RR formula; or,

- in survivor cases, pay benefits computed with the regular family maximum, if still applicable, plus Tier II.

EXCEPTIONS: If the living employee and dually entitled IPI child do not live in the same household, refer the case to M&P-A.

If the rate payable in the retirement O/M computation, due to the inclusion of an IPI child and application of the combined family maximum, exceeds the amount that the child would receive as a survivor annuitant, refer the case to M&P-A.

This determination is made from the ABD of the latest annuity. Once the correct earnings record under which to include the child is chosen, there is no eligibility for the child(ren) to be included under the other wage record, even during those months in which the higher benefit is not paid because of deduction events. It is immaterial that those events are not causes for deductions from the other wage record.

For examples of the O/M computation, refer to Appendix I.

8.3.116 Dual Entitlement Cases – 110% Grandfather O/M

The total SSA formula benefits are reduced for entitlement to social security benefits or other railroad retirement annuities as explained in RCM 8.3.105 - 8.3.115 except:

- The original family O/M rates are based on PIA #11; and,

- The social security rates are the SS rates that would have been payable under the 6-1974 PIA Table; and,

- The spouse's own railroad retirement annuity "other benefit" rates are the rates that would have been payable under the RR Act as computed in 12-1974 before any adjustment for earnings after 12-1974; and,

- The amount of the O/M is equal to the DIFFERENCE between:

(1) the amount that would be payable under the SS Act to the employee, the wife or husband and children, if any, if the employee's compensation after 1936 were credited as "wages;" and,

(2) the amount payable under the SS Act on the basis of the employee's actual wages alone, plus 10% of the SS Act rate on the combined record after reduction for the maximum (if necessary) but before reduction for "other benefits."

NOTE: Under the 1937 RRA, the 110% O/M payable to beneficiaries entitled for months before 10-1966 was 110% of the DIFFERENCE between:

(1) The amount that would be payable under the SS Act to the employee, the wife or husband, and the children, if any, if the employee's compensation after 1936 were credited as "wages," and

(2) The amount payable under the SS Act on the basis of the employee's actual wages alone.

8.3.117 De-Converting Social Security Benefits to 12-1974 Rates

SS benefit amounts to be used in the 110% Grandfather O/M computation are determined as follows:

(A) If the MBR shows a rate in effect on or after 6-1-74 but before 6-1-75 and the rate was not recomputed 1-1-75, use that rate; or,

(B) If the MBR shows that the SS benefit was not effective until 6-1-75 or later or includes a recomputation 1-1-75, figure the SS amount (without any recomputation effective 1-1-75 or later), using the following:

(1) DIB or Full Age RIB, Spouse Benefit - Deconvert the current AMW PIA to the 6-1974 PIA. If an RIB has been increased for SS DRC's, use Table DI in the Social Security Rainbow Book to deconvert the benefit increased for DRC's. (See example 1.)

(2) Reduced Age RIB, Spouse Benefit - Deconvert the current AMW PIA to the 6-1974 AMW PIA. Determine the number of months under age 65 on the SS DOE and apply the SS Act reduction. (For RIB, use Table RI in the Social Security Rainbow Book. For spouse benefit, use Table RII.) (See example 2.)

(3) Reduced Age DIB (RIB to DIB Conversion) - Determine the number of months between the effective date of the reduced RIB and the effective date of the reduced DIB. Deconvert the current AMW PIA to the 6-1974 AMW PIA and apply the SS Act reduction based on that number of months. (See example 3.)

EXAMPLES OF DECONVERSION

EXAMPLE 1 - Full Age RIB with DRC's

6-1975 AMW PIA = $200.70	6-1974 AMW PIA = $185.80
6-1975 AMW PIA + DRC's = $201.60	6-1974 AMW PIA + 5 DRC's = $186.60* (Table DI shows it takes 5)

DRC's to increase $200.70

PIA to $201.60 benefit.)

EXAMPLE 2 - Reduced Age RIB

6-1975 AMW PIA = $216.20	6-1974 AMW PIA = $200.10
Reduction Mos. = 20	Reduction Mos. = 20
6-1975 Rate = $192.20	6-1974 Rate = $177.90*

EXAMPLE 3: Reduced Age DIB (RIB to DIB Conversion)

6-1975 AMW PIA = $255.80	6-1974 AMW PIA = $236.80
	Mos. Pd. Reduced RIB = 4
	6-1974 Benefit Rate = $231.60*

*Amounts to be used for 110% O/M computation.

8.3.118 Deconverting Railroad Formula Annuities to 12-1974 Rates

To compute the railroad formula 12-1974 rate, de-convert the current AMW PIA #1 to the 6-1974 AMW PIA. Use this PIA as the "pass-thru" PIA to compute the 1937 RRA rates on Form G-353.

8.3.125 Rounding of O/M Benefits

Round the result of any step in the calculation of the 110% Grandfather O/M only to the nearest cent. The exact amount of any actuarial adjustment partial withholding, waiver or Medicare premium is subtracted from this amount.

8.3.126 Rounding of Beneficiary Shares under 100% O/M Computation

Prior to 9-1981, when the computed PIA or the individual benefit including a benefit adjusted for the family maximum (before reduction for "other" benefits) is not a multiple of $0.10, it is rounded to the next higher multiple of $0.10. The maximum limitation on family benefits may be exceeded to the extent required to round individual benefits to the $0.10 multiple.

The beneficiary O/M rate computations are subject to revised rounding procedures under the 1981 SS Act Amendments for rate changes effective 9-1981 or later. If the beneficiary's O/M share is not a multiple of $0.10, it is rounded to the next lower multiple of $0.10. After determining the amount of the beneficiary's share (amount after reduction for "other benefits"), if the result is not a multiple of $1.00, round the amount of the beneficiary share down to the next lower multiple of $1.00.

EXCEPTION: Cases paid a June COL increased on a mechanical mass adjustment were not rounded down to the dollar since each beneficiary share is not in the Research record. In these cases, the total family rate before proportionate shares are determined is rounded down to the dollar. (Examiners should not attempt to correct the mechanical rate merely to make it equal to the manual rate in the cases.)

The PIA and Family Maximum computations through 12-31-81 for employee's whose eligibility year is 1981 or earlier, if not a multiple of $.10, are rounded up to the next higher multiple of $.10. Recomputations effective Jan. 1, 1982 are rounded in the same manner. Effective with the June 1982 cost-of-living increase, if these PIA's are not a multiple of $.10, they are rounded down to the nearest multiple of $.10.

The PIA and Family Maximum computations for employee's whose eligibility year is 1982 or later, if not a multiple of $.10, are rounded down to the nearest multiple of $.10.

The proportionate shares of the 100% O/M computed for an employee and spouse under the RR Act are rounded only to the nearest cent.

8.3.127 Rounding Total 100% O/M Rate

Effective with rate changes 9-1981 or later the total 100% O/M rate, before proportionate share are determined is a multiple of $1.00 due to rounding of beneficiary shares. The exact amount of the actuarial adjustment is to be subtracted from the rounded 100% O/M rate, rounded (to nearest cent) proportionate share, or rounded (to nearest cent) 110% Grandfather O/M rate, whichever is applicable. The result of this subtraction is not rounded.

8.3.131 Waiver of Annuities

If the annuitant has waived part of the computed annuity rate, do not pay more than the amount specified by the annuitant on Form G-129 or written statement signed by the annuitant requesting a waiver.

Benefits waived by one member of the family group may not be added to the shares payable to other members in the family group.

8.3.135 Retirement O/M Work Deductions

The Social Security Act rules for work deductions based on the amount of earnings are applied to the employee age and service 100% O/M or 110% Grandfather O/M as if social security had jurisdiction of the case. A "work deduction insured status" under the RR Act is not required.

Although the Social Security Act applies work deductions in DIB cases only to an auxiliary beneficiary who has excess earnings, additional Railroad Retirement Act rules for work deductions in disability cases are applied to the DIB O/M if the employee has excess earnings.

The RRA also prohibits payment of an RR annuity to an annuitant in employer service. Therefore, an RR employee annuity is not payable under either the RR formula or O/M computation for any month in which the RR employee is in Employer service. A spouse can be included as an IPI in the O/M computation of the employee annuity for months in which (s)he is working in "Employer Service," provided the O/M computation was in force prior to the application of work deductions. The spouse IPI benefit is still subject to work deductions under the social security formula.

The O/M test is applied to the total RR formula and O/M computation monthly rates before application of work deductions.

- If the O/M computation is higher and there are no switching restrictions, the O/M is applicable. The case may revert back to the RR formula (subject to RR Act work deductions) on a month by month basis if this would result in higher benefits.

- If the RR rate is higher, the RR formula is applicable. Work deductions under the RR formula do not allow a switch to the O/M computation.

A general explanation of the social security formula work deduction computation is given in this chapter. Detailed explanations of earnings subject to work deductions are included in RCM Chapter 5.7.

8.3.136 Work Deductions Applied to Employee O/M Benefit Due to Wages or Self-Employment Earnings

A. Work Deductions For Age and Service O/M

1. Earnings Over Exempt Amount

If the employee is under full retirement age (age 70 prior to January 1, 2000) or (age 72 prior to 1-1-83, a reduction the employee's earnings over the annual exempt amount set for the employee's age is applied to the employee and auxiliary benefits. Before 1-1-78, work deductions are not applied to any "non-work months." From 1-1-78 on, this exception applies only in the FIRST year the employee is both entitled to an annuity (either RR formula or O/M computation) and has a "non-work month." (A non-work month is a month in which the employee neither earned more than the MONTHLY EARNINGS EXEMPT AMOUNT nor performed substantial services in self-employment.)

If an auxiliary also has excess earnings, refer to RCM 8.3.143.

EXAMPLE: The family group consists of an age and service annuitant, spouse and a minor child in the spouse's care. PIA #9 is $354.80 effective 1-1-77 and $375.80 effective 6-1-77.

The 1977 100% O/M rates payable before applying work deductions are as follows:

	EE	**Spouse**	**Child**
1-1-77	354.80	146.00	146.00
6-1-77	375.80	154.60	154.60

The employee has earnings of $6,000 in 1977 with earnings over $250 in all months. His excess earnings of $1,500 cause the permanent deduction of the full family O/M rate for January and February 1977. The remaining $206.40 is withheld from the family's March 1977 benefit.

2. Penalty For Failure to Report Earnings (100% O/M Only)

If the employee fails to make a timely report of earnings and an overpayment results, the 100% O/M computation benefit may be subject to a penalty (see RCM 5.7). Benefits for a spouse or IPI child are not payable under the O/M when the employee O/M annuity is not payable.

Payments may, however, revert to the RR formula (subject to RR Act work deductions) for the deducted penalty months

3. Non-Payment Months Due to Work Outside U.S

The employee's age and service 100% O/M or 110% Grandfather O/M annuity is subject to Social Security earnings restrictions. Prior to 5-1-83, if a person included in the O/M engages in work outside the U.S. in employment not covered by the SS Act, the 7 day work test would apply (see RCM 5.7). Effective 5-1-83 or later, if the employee engages in work outside the U.S. for more than 45 hours in a month, in employment not covered by the SS Act, work deductions may apply.

Prior to 9-1-84, auxiliary benefits for a spouse or IPI child of the employee are subject to the 7 day work test applied to the employee's earnings. Effective 9-1-84 or later auxiliary benefits are withheld on the same basis as the employee's benefit (45 hour a month test).

The case may revert to the railroad formula (subject to RR Act work deductions) for the Social Security Act non-payment months.

B. Work Deductions For DIB O/M

Under the Railroad Retirement Act, a disability annuity is withheld for any month in which:

- The annuitant is under full retirement age; and
- The annuitant is paid more than $200.00 in earnings from employment or SE of any kind.

Benefits for a spouse or IPI child are not payable when the employee annuity is not payable.

An adjustment may be payable at the end of the year when permanent work deductions are applied (see RCM 5.7.80).

The employee's regular employment may indicate an ability to engage in SGA and result in the termination of the disability freeze, and therefore, the DIB O/M. (See RCM 1.2.)

Although earnings deductions under the social security formula do not apply to the disabled employee, a working auxiliary in the DIB O/M computation other than a disabled child is subject to offset for their own earnings over the exempt amount set for their age.

8.3.137 Employee Annuitant in "Employer" or "Last Person" Service

The employee's 100% or 110% O/M annuity is not payable for any month in which the employee renders employer service. A spouse or child's benefit is not payable for any month in which the employee's benefit is not payable.

8.3.138 Earnings of a Disabled Child

A disabled child included in the family group for the retirement O/M computation is not subject to RR Act work deductions. However, the child's earnings may indicate that (s)he has recovered from his (her) disability. If a disabled child is employed, forward the case to the Disability Rating Section.

8.3.139 Relationship Of Spouse, Minor Child, Or FTS Work Deductions To Family Maximum

This section applies only to auxiliary benefits in the retirement O/M computations that are subject to the family maximum. This excludes a divorced spouse. (See Section 8.3.140ff for rules that apply to a divorced spouse annuitant included in the O/M).

Under the Social Security Act rules the annual earnings test is applied to a spouse, child or FTS O/M share adjusted for the family maximum. However, the Social Security Act provides a temporary month by month recomputation of the shares payable under the family maximum when the full amount of a working spouse, minor child or FTS is withheld due to:

(1) 7-day or 45 hour work test because of an auxiliary's or survivor's work outside U.S.;

(2) In-care deductions;

(3) VR deductions because of a childhood disability beneficiary's refusal to accept VR;

(4) Deductions under the annual earnings test because of an auxiliary's or survivor's work;

(5) Penalty deductions against any beneficiary; and

(6) Unpaid maritime tax deductions.

In both the retirement age and service O/M and DIB O/M, the remaining spouse, minor child or FTS shares for these fully deducted months are computed as if the working auxiliary were not included in the family group. However, each recomputed auxiliary share cannot exceed 50% of the employee's PIA #9 in 100% O/M computations or 50% of the employee's PIA #11 in 110% Grandfather O/M computations (adjusted for other

benefits if applicable) and the total employee, spouse, minor child and FTS benefits cannot exceed the family maximum amount.

The non-working spouse, minor child or FTS O/M shares are also recomputed in the month in which the working spouse, minor child or FTS is entitled to a partial month benefit. The dollar amount of the benefits lost by the working auxiliary due to excess earnings is distributed amount the non-working auxiliaries. However, each recomputed auxiliary share cannot exceed 50% of the employee's PIA #9 in 100% O/M computations or 50% of the employee's PIA #11 in 110% Grandfather O/M computations (adjusted for other benefits, if applicable) and the total employee, spouse, minor child and FTS benefits cannot exceed the family maximum amount. See Example 1, below.

Where excess earnings arising from the work of two or more auxiliaries are to be deducted from their benefits for the same month, each of their benefit rates is adjusted (for work deduction purposes) as if it were the only auxiliary benefit on the wage record subject to work deductions. See Example 2, below.

If a non-working spouse benefit is subject to an age reduction, apply the age reduction after the shares are adjusted to exclude a working auxiliary.

If a disability worker's compensation offset has been applied to the family O/M benefits, the benefits payable to the auxiliaries are reduced by the disability offset before work deductions are applied.

The deduction - before - reduction provision does not apply to deduction of premium payments for SMI coverage or for non-payment provisions not listed in this section.

EXAMPLE 1 - The family group consists of the disabled employee, spouse and the minor child in spouse's care. The PIA #9 effective 1-1-77 is $344.10 with a family maximum of $631.30 and effective 6-1-77 is $364.50 with a family maximum of $668.60

The 1977 100% O/M rates payable before applying work deductions are as follows:

	EE	**Spouse**	**Child**
1-1-77	344.10	143.60	143.60
6-1-77	364.50	152.10	152.10

The spouse earned $3870.00 in 1977 and, therefore, has excess earnings of $435.00. Since the spouse benefit is fully deducted in the months of January through March 1977, the child's benefit is increased to $172.10 (50% of PIA #9) for these months. Since the spouse is entitled to a partial payment of $139.40 for April 1977, the child's benefit for this month is increased to $147.80. The family group is entitled to the regular family maximum rates for the remaining months in 1977.

EXAMPLE 2 - The family group consists of the disabled employee, spouse, FTS and minor child in spouse's care. The PIA #9 effective 1-1-77 is $359.50 with a family maximum of $653.50 and effective 6-1-77 is $380.80 with a family maximum of $692.10.

The 1977 100% O/M rates payable before applying work deductions are as follows:

	EE	Spouse	FTS	Child
1-1-77	359.50	98.00	98.00	98.00
6-1-77	380.80	103.80	103.80	103.80

The spouse earned $3250.00 in 1977 and has excess earnings of 125.00. The FTS earned 3770.00 in 1977 and has excess earnings of $385.00. The rates payable after work deductions are as follows:

	EE	Spouse	FTS	Child
1-1-77	359.50	-	-	179.80
2-1-77	359.50	71.00	-	179.80
3-1-77	359.50	147.00	-	147.00
4-1-77	359.50	143.50	7.00	143.50
5-1-77	359.50	98.00	98.00	98.00

The family group is entitled to the regular family maximum rates for the remaining months in 1977.

8.3.140 Railroad Spouse or Divorced Spouse Annuitant has Compensation, Wages or Self-Employment Earnings over Exempt Amount

Under the Social Security formula, if the beneficiary is under full retirement age, (age 70 prior to January 1, 2000), or age 72 prior to 1-1-83,, the railroad spouse benefit (adjusted for the family maximum, if applicable) or divorced spouse benefit computed under the 100% O/M computation or 110% Grandfather O/M computation is subject to a reduction of the spouse's or divorced spouse's compensation, wages or self-employment earnings over the annual exempt amount set for her (his) age. Before 1-1-78, work deductions are not applied to any months in which the annuitant neither

earned more than the monthly exempt amount nor performed substantial services in self-employment. From 1-1-78 on, application of the monthly earnings test is based on more complicated rules as explained in RCM Chapter 5.7.

If the family benefits are subject to the O/M family maximum in the month(s) in which the spouse's O/M benefit is fully or partially deducted, refer to RCM 8.3.139.

If the spouse or divorced spouse is in "employer" or "last person" service, refer to RCM 8.3.141.

EXAMPLE - The family group receiving benefits under the 100% O/M computation consists of the disabled employee, RR spouse annuitant (DOB 9-12-14) and an FTS (DOB 1-10-58). The PIA #9 is $354.80 effective 1-1-77 with a family maximum of $646.70 and $375.80 effective 6-1-77 with a family maximum of $684.90. The 1977 100% O/M rates payable before applying the spouse's work deductions are as follows:

	EE	**SP**	**FTS**
1-1-77	354.80	113.60	146.00
6-1-77	357.80	120.60	154.60

The spouse earned wages of $4000 in 1977 and, therefore, has excess earnings of $500. Her O/M benefit is fully deducted for Jan. 1977 through April 1977. A partial payment of $68.00 is paid for May 1977. The full spouse benefit is payable for the remaining months in 1977.

The FTS benefit is adjusted to $177.40 for the months January 1977 through May 1977 (see RCM 8.3.139).

8.3.141 Spouse or Divorced Spouse Annuitant in "Employer" or "Last Person" Service

The annuity rate cannot be switched from the RR formula to the O/M computation solely to include a spouse or divorced spouse whose annuity is suspended because of "employer" or "last person service." However, if the O/M was in force prior to the application of work deductions, and the spouse is in "Employer" or "Last Person" service, any spouse O/M benefit due after applying the social security formula earnings deduction described in RCM 8.3.140 may be included in the employee's O/M computation rate if this computation would yield a higher monthly rate than the RR formula rate.

NOTE: If the divorced spouse works in LPE or RR service while the O/M formula is being paid, refer the case to P&S-RAC.

If the family benefits are subject to the O/M family maximum in the month(s) in which the spouse's O/M benefit is fully or partially deducted, refer to RCM 8.3.139.

EXAMPLE 1: The family group receiving benefits under the 100% O/M computation consists of the age and service annuitant (DOB 7-5-11), an RR spouse annuitant (DOB 9-12-14) and an FTS (DOB 1-10-58). The PIA #9 is $354.80 effective 1-1-77 with a family maximum of $646.70 and $375.80 effective 6-1-77 with a family maximum of $684.90.

The 1977 100% O/M rates payable before applying work deductions are as follows:

	EE	**Spouse**	**FTS**
1-1-77	354.80	113.60	146.00
6-1-77	375.80	120.60	154.60

The spouse worked in railroad service January 1, 1977 through July 31, 1977 and earned compensation of $4000.00. Her excess earnings are $500. The spouse benefit is fully deducted from January 1977 through April 1977 because of the amount of the earnings.

Since the 100% O/M is currently in force, the partial spouse benefit of $68.00 for May 1977 and the full monthly spouse benefits of $120.60 for June and July 1977 are included in the employee's O/M annuity because the spouse annuity is not payable. When the spouse ceases railroad service effective August 1, 1977, the O/M rate is again paid directly to her.

The FTS benefit is adjusted to $177.40 for the months January 1977 through May 1977 (see RCM 8.3.139). The FTS benefit is included in the employee O/M annuity rate January - July 1977. When the spouse annuity is payable August 1977, the FTS benefit is prorated between the employee and spouse annuities.

EXAMPLE 2: The family group consists of the RR employee annuitant (DOB 7-5-11) and RR spouse annuitant (DOB 9-2-14). Benefits are in force under the RR formula.

The spouse works part-time in "Last Person" service January 1, 1977 - July 31, 1977 and earns under $3,000.00.

The O/M computation to include the spouse as an IPI in the employee annuity rate yields a 100% O/M rate that exceeds the RR formula rate. However, the O/M cannot be paid because of the restriction against switching from the RR to O/M formula rate.

8.3.142 Ineligible (IPI) Spouse, Minor Child, or FTS Included in O/M Computation Has Compensation, Wages or Self-Employment Earnings over Exempt Amount

Under the social security formula, the IPI spouse, minor child or FTS benefit included in the 100% O/M computation or 110% Grandfather O/M computation is subject to reduction of the auxiliary's own earnings over the annuity exempt amount set for his (her) age. Before 1-1-78, work deductions are not applied to the auxiliary's benefit for any month in which the annuitant neither earned more than the monthly exempt amount nor performed substantial services in self-employment. From 1-1-78 on, application of the monthly earnings test is based on more complicated rules as explained in RCM 5.7.

A disabled child is not subject to work deductions. However, his (her) regular employment may indicate that (s)he has recovered from his (her) disability. If a disabled child is employed, forward the case to the Disability Rating Section.

If the IPI spouse works in "Last Person" service or the spouse, minor child or FTS works in employer service, the IPI benefit is still included in the employee's annuity 100% O/M computation after applying the SS formula work deductions to the amount of earnings.

NOTE: A divorced spouse cannot be included as an IPI in the retirement O/M computation.

If the family benefits are subject to the O/M family maximum in the months in which the auxiliary benefit is withheld, refer to RCM 8.3.139.

EXAMPLE 1: The disabled employee (DOB 7-24-14) has an ABD of 4-1-74. The spouse (DOB 4-3-14) filed a "spouse election" effective 7-1-76. Benefits are payable under the 100% O/M.

The spouse works in regular employment and has wages of $4500.00 in 1977 with excess earnings in all months. The 1977 100% O/M rates payable before applying work deductions are as follows:

	EE	**Spouse**
1-1-77	354.80	136.80
6-1-77	375.80	145.70

A partial IPI spouse benefit of $79.70 is included in the employee's 100% O/M annuity computation for June 1977. The full IPI spouse benefit of $145.70 is included in the O/M computation for the remaining months in 1977.

EXAMPLE 2: If the spouse in EXAMPLE 1 had been working in employer service and earned compensation of $4500 in 1977 with excess earnings in all months, the computation of the IPI spouse benefit would be the same.

8.3.143 Both Age and Service Employee and Auxiliary are Subject to Work Deductions

A. Applying Employee's Work Deductions

If the employee is under full retirement age, (age 70 prior to January 1, 2000, or age 72 prior to 1-1-83), a reduction of the employee's earnings over the annual exempt amount set for the employee's age is applied to the employee and auxiliary benefits. Before 1-1-78, work deductions are not applied to any month in which the annuitant neither earned more than the monthly exempt amount nor performed substantial services in self-employment. From 1-1-78 on, application of the monthly earnings test is based on more complicated rules as explained in RCM Chapter 5.7.

The Social Security Act has a statutory formula (based on the proportion of the original shares payable before adjustment for the family maximum) which divides the total payment for the month in which the employee has a partial work deduction between all members of the family group at a ratio of 2/x for the employee to 1/x for each auxiliary (x = the number of persons in the family group plus 1). However, the auxiliaries cannot be paid more than 50% of PIA #9 in the 100% O/M or 50% of PIA #11 in the 110% Grandfather O/M before adjustment for other benefits). An amount in excess of the auxiliary rates before work deductions is included in the employee's partial month.

This allocation is necessary in the retirement O/M computation only when an auxiliary has excess earnings that will be applied to his share of the employee's partial month payment.

EXAMPLE - The family group consists of the employee and FTS. PIA #9 equals $243.90 effective 1-1-77 and $258.30 effective 6-1-77. Under the 100% O/M computation, the employee's benefit is $243.90 effective 1-1-77 and $258.30 effective 6-1-77 and the FTS benefit is $122.00 effective 1-1-77 and $129.20 effective 6-1-77. The employee earned $10,000 in 1977 earnings. Permanent work deductions are applied to both the employee and FTS benefit from January through September.

The formula applied to the October 1977 partial month benefit of $267.00 results in the employee benefit of $178.00 and FTS benefit of $89.00.

B. Applying Auxiliary's Work Deductions

If the spouse or divorced spouse is under full retirement age, (age 70 prior to January 1, 2000, or age 72 prior to 1-1-83, and has excess earnings or a child

has excess earnings, a reduction of the auxiliary's earnings over the annual exempt amount set for his (her) age is applied only to his (her) O/M share. Before 1-1-78, work deductions are not applied to any "non-work months." From 1-1-78 on, application of the monthly earnings test is based on more complicated rules as explained in RCM Chapter 5.7.

If both the employee and auxiliary other than a divorced spouse (spouse or child) are subject to work deductions, the excess earnings of the auxiliary can be applied only to his (her) O/M share remaining after applying deductions for the employee's excess earnings.

EXAMPLE - In the family group described in section (A):

The FTS earned $4500.00 in 1977. The auxiliary benefits remaining after applying the employee's W/D total $347.40 (October 1977 through December 1977). Since this is less than the student's excess earnings ($750.00), the entire FTS accrual for 1977 must be withheld.

As explained in RCM 8.3.139, the family maximum may be adjusted when the auxiliary benefit, other than the divorced spouse benefit, is deducted.

The shares of the employee's partial month benefit that was distributed to the auxiliaries can also be adjusted by "excluding" the working auxiliary from the family group and redistributing the dollar amount of his (her) share of the partial payment among the non-working auxiliaries. However, the recomputed auxiliary shares cannot exceed 50% of the employee's PIA #9 in 100% O/M computations or 50% of the employee's PIA #11 in 110% Grandfather O/M computations (adjusted for "other benefits," if applicable). An amount in the excess of the total auxiliary rates before work deductions, is added to the employee's partial payment.

If a non-working spouse benefit is subject to an age reduction, apply the age reduction after the shares are adjusted to exclude a working auxiliary.

If a disability worker's compensation offset has been applied to the family O/M benefits, the benefits payable to the auxiliaries are reduced by the disability offset before work deductions are applied.

The earnings of the working auxiliary are charged against the dollar amount of his (her) share of the employee's partial month benefit (even though it is redistributed among the other auxiliaries) plus his (her) remaining auxiliary benefits due up to the lesser of the extent of the excess earnings or the extent of the auxiliary accrual for the year.

EXAMPLE - The family group consists of the employee (over 65), spouse and two minor children in the spouse's care. The PIA #9 effective 1-1-77 is $408.80 with a family maximum of $716.20 and effective 6-1-77 is $433.00 with a family

maximum of $758.50. The employee earned $4854.00 in 1977 and the spouse earned $3490.00 in 1977.

1. Benefits payable to the family group before application of work deductions are:

	Eff 1/77	**Eff 6/77**
A	$408.80	$433.00
B	102.50	108.50
C1	102.50	108.50
C2	102.50	108.50
	$716.30	$758.50

2. Benefits payable for the W/D months after charging employee's excess earnings ($927.00).

	1/77	**2/77**	**3/77**	**4/77**
A	None	$202.30 (2/5)	$408.80	$408.80
B	None	101.20 (1/5)	102.50	102.50
C1	None	101.20 (1/5)	102.50	102.50
C2	None	101.20 (1/5)	102.50	102.50
Total Payable	$505.90	$716.30	$716.30	

3. Benefits payable for the W/D months after charging B's excess earnings ($245.00) against her benefit amount.

	1/77	**2/77**	**3/77**	**4/77**
A	None	$202.30 (2/5)	$408.80	$408.80
B	None	None	None	61.20
C1	None	151.70 (3/10)	153.80	123.20

C2	None	151.70 (3/10)	153.80	123.20
Total Payable	$505.70	$716.40	$716.40	

8.3.150 Adjustment for Worker's Comp, Black Lung Benefits or Other Disabilities

An annuity paid under the DIB O/M may be reduced for any month in which an employee is under age 62 and is entitled to State or Federal periodic worker's compensation benefits and/or certain types of "Black Lung Benefits" (BLB) which are considered to be Federal worker's compensation. This is intended to prevent an individual from receiving more benefits based on disability than he earned in wages prior to becoming disabled.

If the employee is receiving disability benefits under a Federal, State or local government program as explained in RCM Chapter 8.5, refer the case to P&S-RAC. The MEGACAP provisions of the 1981 SS Act Amendments may apply.

8.3.151 Definition of Worker's Compensation, Black Lung Benefits, and Megacap Benefits

Worker's Compensation, Black Lung Benefits, or Megacap benefits for offset purposes are explained in RCM Chapter 8.5.

8.3.152 When WC or Megacap Benefit Reduction is Applicable

The conditions for applying a worker's compensation or Megacap benefit reduction the DIB O/M depend on the disability onset date and the effective date of the DIB O/M.

A. Disability Onset Date Before March 2, 1981 - Offset will be applied to the DIB O/M and/or auxiliary benefits payable for a month only if all of the following conditions are met:

1. The month is after 12-1965 and before the disabled individual attains age 62;

   AND,

2. The period of disability involved began after 6-1965;

   AND,

3. The month is the month following the month the Board received notice that the individual is entitled to worker's compensation or black lung benefits. The reduction cannot be made earlier than the month following the month

in which the worker's compensation payments and/or BLB are reported to the Board.

AND,

4. The WC is paid under a state or federal plan that does not provide for reducing the WC benefit because of DIB entitlement. (See RCM 8.5 for a list of states that reduce their WC benefits.)

AND,

5. If the benefits are Black Lung Benefits, they are paid under Part C of Title IV of the Federal Coal Mine Health and Safety Act.

B. Disability Onset Date March 2, 1981 or Later - If DIB O/M benefits are payable before September 1, 1981 because a waiting period is not required, the conditions in section (A), above apply.

If benefits are first payable September 1, 1981 or later, the 1981 SS Act Amendments apply. Offset will be applied to the DIB O/M only if the following conditions are met:

1. The DIB O/M effective date is before the disabled individual attains age 65 if the individual attains age 65 before December 19, 2015; or

2. Effective December 19, 2015, the DIB O/M effective date is before the disabled individual attains full retirement age, if the individual attains age 65 on December 19, 2015 or later;

AND,

2. If the benefits are Black Lung Benefits, they are paid under Part C of Title IV of the Federal Coal Mine Health and Safety Act.

The 1981 SS Amendments removed the notice provision so that offset can be imposed for any month in which an individual is entitled to both the DIB O/M and another disability benefit. (Formerly, offset could not be imposed until the month after the notice of receipt of worker's compensation was received.)

The 1981 amendments also removed the provision that excepted from offset cases where the state or federal plan reduces their benefit for a SSA DIB. Such "reverse offset" will continue to be allowed for states with such plans already in effect on February 18, 1981.

The Achieving a Better Life Experience (ABLE) Act was enacted December 19, 2014. This legislation included a Title II provision that affects WC/PDB offset. The Able Act changed the age at which WC/PDB offset ends for disability beneficiaries from age 65 to Full Retirement Age (FRA). The effective date of the

provision is December 19, 2015. This change applies to any individual whose Disability Insurance Benefit (DIB) is offset for WC/PDB and who attains age 65 on December 19, 2015 (DOB of 12/20/1950) or later.

The reduction is applied after reductions for the family monthly maximum but before any deduction (e.g., "other benefits" or work deductions). Under SSA rules, if auxiliary benefits are paid, the reduction is applied proportionately, first against the auxiliary benefits and then against the DIB if the sum of the auxiliary benefits is less than the amount of the reduction. In DIB O/M cases, the reduction is applied to the total SSA formula rate before offset for "other benefits."

If a spouse or child is receiving worker's compensation, on his (her) own wage record refer the case to P&S-RAC.

8.3.153 Developing Worker's Compensation or Megacap Benefit Information

See RCM Chapter 8.5 for developing Worker's Compensation and/or Megacap benefit information in DIB O/M cases.

8.3.154 Definition of Average Current Earnings

A. Effective 1-1973 - Effective 1-1973, the following formula is used for the determination of the average current earnings (ACE) used to determine the amount of the WC or Megacap reduction. The 1977 SS Act Amendments retained the use of the AMW instead of the AIME in cases with an "eligibility year" of 1979 or later in which a worker's compensation offset is required. The earnings are not indexed and are not subject to yearly earnings maximums. The ACE for the worker's compensation offset is the highest of the following:

1. The worker's AMW on which PIA #9 is based (i.e., if PIA #9 is $587.80, the AMW would be 637);

   OR,

2. The "high-5" AMW - The AMW based on his actual earnings (not subject to yearly earnings maximum) for the highest 5 consecutive years ("high-5") after 1950;

   OR,

3. The "high-1" AMW - The AMW based on the calendar year of highest actual earnings ("high-1") during the period consisting of the year of onset or disablement and the five preceding years (not subject to yearly earnings maximum).

This definition of the ACE applies to all WC or Megacap offset cases for DIB O/M payments beginning 1-1973. It also applies for making redetermination of WC in cases in which the offset was applied before 1-1973. (In such cases, substitute this ACE effective 1-1973 for that actually used in the earlier offset computation.)

B. Effective 2-1968 through 12-1972 - Effective 2-1968 through 12-1972, the ACE for the worker's compensation offset was the higher of:

1. The AMW on which the DIB is based;

   OR,

2. The "high-5" AMW (see A.1, above).

This definition of ACE applies to all WC offset cases for DIB O/M payments 2-1968 through 12-1972 and for making redeterminations for that period of WC for cases in which an offset was applied before 2-1968.

C. Before 2-1968 - Before 2-1968, the ACE for the worker's compensation offset was the higher of:

1. The AMW on which the DIB was based;

   OR,

2. The AMW based on his posted earnings for the "highest-5" consecutive years after 1950.

Determine the "Average Current Earnings" as explained in RCM Chapter 8.5, but substituting PIA #9 for PIA #1.

8.3.155 Computing Amount of Worker's Compensation or Megacap Reduction

A. Initial Determination of Reduction - The initial worker's compensation or Megacap reduction is equal to the difference between:

1. The total amount of benefits computed under the SS Act formula (PIA #9) including any auxiliary benefits plus the monthly worker's compensation or Megacap benefit. (If the employee is receiving more than one WC benefit (e.g., one black lung benefit) and one WC benefit, use the combined amounts of these benefits.);

   AND,

2. The higher of:

- 80% of the disabled worker's average current earnings (ACE) before disablement;

  OR,

- The sum of the DIB O/M and any auxiliary benefits before offset.

The result is rounded down to the nearest multiple of $.10.

The reduction is applied first against the auxiliary benefits and then against the DIB if the sum of the auxiliary benefits is less than the amount of the reduction. The amount of offset under the DIB O/M could result in a reduction in the O/M rate or a change to the RR Act formula rate.

EXAMPLE - The employee is receiving a monthly WC benefit of $75.00. The DIB O/M family rate is $1028.30. The total monthly benefit is $1103.30 ($75.00 + 1028.30).

The ACE is $1081.00. The ACE times 80% equals $864.80. This amount is less than the DIB O/M family rate.

The reduction for worker's compensation is $75.00 ($1103.30 - $1028.30).

Once computed, the amount of the reduction is not increased. However, it may be recalculated as explained below.

B. Change in Family Composition - Even though the family maximum may not be involved in the original offset computation, the addition or subtraction of a beneficiary may cause the family benefit to become, or cease to be, the applicable limit for offset.

When the family composition changes, the WC reduction is recomputed as if the new family composition had existed when the WC reduction was first applied. This adjusted reduction amount is effective on the first of the month in which the family composition changed. Cost-of-living increases are added from this point.

NOTE: The suspension of a phase-out student in May through August of a year is considered a change in the family composition. The WC reduction for those months is computed as if the phase-out student was not entitled when the WC reduction was first applied.

EXAMPLE - The employee reports on 12-7-79 that he is receiving monthly worker's compensation benefits of $200.00 with a month of entitlement of 8-1-79. The offset is effective 11-80 using 80% of the ACE ($826.40) as the applicable limit for offset.

An auxiliary is added 9-1-81. The total DIB and auxiliary benefits are recomputed as if this family composition had existed 1-1-80. The resulting family maximum rate of $840.20 exceeds 80% of the ACE and is used as the new applicable limit.

Once the WC reduction is computed the 6-1980 and 6-1981 cost-of-living increases are added to the DIB O/M rate. The adjusted WC reduction amount is not effective until 9-1-81, the month of the change of family composition.

C. Cost-of-Living Increases - Any increases in the retirement O/M rate due to cost-of-living, recomputation of the PIA, or a statutory PIA increase after the WC reduction is imposed, is not subject to offset. The increase is simply added to the amount, if any, that is payable.

EXAMPLE - PIA #9 is $706.80 effective 9-1979. The family O/M rate of $1236.90 is reduced for WC by $300.00 to $936.90. The PIA #9 increases to $807.90 effective 6-1980 with a family maximum of $1413.80. The difference ($1413.80 - $1236.90 = $176.90) is added to the benefits payable to the family group ($936.390 + $176.90 = $1113.80).

8.3.156 Redetermination of the ACE

The law provides that the ACE for all cases subject to disability offset shall be recomputed in the second calendar year after the year in which offset was first imposed and each third year thereafter to take into account rises in national earnings levels. The new amount payable, if any, will be effective with the January following the year the redetermination is made.

NOTE: Offset must be continuous when determining eligibility for a triennial redetermination of the ACE.

The redetermination will be figured by increasing the ACE in keeping with rises in national earnings levels and recomputing the offset using this new ACE. The SSA Office of the Actuary determines the applicable ratios annually. (see RCM 8.5 for how to redetermine the ACE.)

8.3.157 Change in Amount of Worker's Compensation or Megacap Benefit

If the amount of the employee's monthly WC or Megacap payment decreases, offset will be recomputed since the family could receive additional benefits as a result of the change. The higher benefits will be payable effective with the month of the benefit change.

If the amount of the employee's monthly WC or Megacap payment increases, the offset will be recomputed as of the date of the WC increase. However, all cost-of-living or statutory increases from the date of initial reduction for WC or Megacap are protected from offset.

EXAMPLE - The DIB O/M family rate effective 9-1-79 before WC reduction is $720.00. The WC benefit is $200 per month. The ACE is $925 (80% = $740.). The WC reduction is computed as follows:

$720.00 + $200.00 = $920.00 - $740.00 = $180.00. The 9-1-79 DIB O/M rate is $540. ($720 - $180)

The DIB O/M rate before WC reduction increases by $103.00 to $823.00 effective 6-1-80. Since the WC benefit did not change, the WC reduction remains $180.00. The rate after WC reduction is $823.00 - $180.00 = $643.00.

On 1-1981, the WC rate increases to $250 per month. The reduction is computed as follows:

$823.00 + $250 = $1073.00 - $823.00 = $250. The 1-1981 DIB O/M rate before considering the saved COL increase would be $823.00 - $250.00 = $573.00. However, the $103.00 COL increase is added to this amount, increasing the rate to $676.00 ($573.00 + $103.00).

8.3.158 Award Instructions

A. Apply Reduction - Complete the "REMARKS" and "OTHER BENEFIT" section of Form G-354.3 as explained in "SPECIAL SITUATIONS" of the G-354.3 instructions in RCM 8.6.

B. Notify Annuitant - Notify the annuitant about the WC or Megacap adjustment by including in the award notice whichever of the following code paragraphs is appropriate:

(1) Code paragraph 1762 when DIB O/M is reduced because of receipt of WC or Megacap benefits and the reduced rate exceeds the RR Act formula rate;

OR,

(2) Code paragraph 1762.1 when DIB O/M is reduced to RR Act Formula rate because of receipt of WC or Megacap benefits;

OR,

(3) Code paragraph 1762.2 when DIB O/M rate is increased or applied because the reduction for WC or Megacap benefits has ended.

C. Code For Call-Up - If offset has been applied, code the case for call-up for a redetermination of the ACE (see RCM 8.3.156). Enter a "49-01" call-up on Form G-662 for Dec. 1 of the year after the year the offset was first applied. Show the reason as "Redetermination of WC reduction."

If the employee did not attain age 62 or 65 (whichever applies) in the year the redetermination is made, code the case for call-up for another redetermination. Enter a "49-01" call-up on Form G-662 for Dec. 1 of the third calendar year following the redetermination year.

(See RCM Chapter 8.5 for redetermination.)

8.3.159 Effect Of Worker's Compensation or Megacap Benefits on Medicare Coverage

If the disabled employee is entitled to WC or Megacap benefits, he may be entitled to reimbursement for medical expenses based on this program. Refer cases in which the employee is also entitled to Medicare to the Retirement Medicare Section to notify the Part B carrier of the WC or Megacap benefit coverage.

8.3.160 Removing Worker's Compensation or Megacap Benefit Reduction

When the employee is no longer entitled to benefits that require a worker's compensation or Megacap benefit reduction, his entitlement to the WC or Megacap benefit ends, or if a WC reduction is still applicable to the DIB O/M when the employee attains age 62, 65 if he/she attains age 65 before December 19, 2015 or FRA if he/she attains age 65 December 19, 2015 (DOB of 12/20/1950) or later, the WC reduction should be removed. The vouchered award with the new rate is the folder record of the adjustment.

8.3.161 Social Security Benefit Reduced for Worker's Compensation, Black Lung or Megacap Benefits

The offset to the O/M computation depends upon the type of social security benefit that is being reduced for worker's compensation, black lung or Megacap benefits.

A. Employee's Benefit Reduced For Worker's Compensation or Megacap Benefits - The total family DIB O/M benefit after adjustment for the family maximum but before any deductions is reduced in any month in which the employee is under age 62 (or 65, if the 1981 SS Act Amendments apply, or FRA if age 65 is attained December 19, 2015 or later) and is entitled to State or Federal periodic worker's compensation or Megacap benefits.

   If the employee is receiving a social security benefit at SSA that is reduced for worker's compensation or Megacap benefits the employee O/M benefit (after adjustment for W/C or Megacap benefits) is reduced by the actual amount of the social security benefit that is being paid (after W/C or Megacap reduction).

B. Spouse or Child's Social Security Benefit Reduced for Worker's Compensation or Megacap Benefits - When the beneficiary is entitled to a benefit under the Social

Security Act on other than the RR employee's or their own wage record that is reduced for worker's compensation or Megacap benefits, his (her) O/M benefit is reduced by the actual amount of the social security benefit that is being paid (after reduction).

If the social security benefits is a DIB on his (her) own wage record that is reduced for worker's compensation or Megacap benefits refer the case to P&S-RAC.

8.3.170 Assignment Cases

Prior to the passage of the Social Services amendments of 1974 (PL93-647) the employee could authorize the Board to pay part of his (her) total O/M computation annuity rate to another person by completing an "Assignment of Payment Statement." It was necessary for the person to be included in the O/M computation for the assignment to be made. Usually the amount authorized by the employee to be paid to the assignee was equal to the amount the employee O/M computation increased because of that person. However, the employee could designate an amount that was not necessarily attributable to the ineligible person.

The employee may request that this O/M assignment amount be increased or decreased at any time. It is not the Board's responsibility to solicit changes in the amount of the assignment whenever there is a cost-of-living increase or change in family group composition. The assignment amount should continue to be paid until the employee completes a new assignment or until the person can no longer be included in the O/M computation. However, if the RR formula exceeds the O/M formula but the person for whom the assignment was made is still eligible to be included in the O/M, contact the employee to ask if there should be a change in the assignment.

Beginning with the passage of the Social Services Amendments of 1974 (PL93-647), assignments may also be made when the RR formula rate is payable, but only if a request is made because garnishment of the annuity, or a court order for alimony or child support is threatened. Assignments in O/M formula cases can still be made if requested by the employee, but the reason for the assignment should be ascertained since there may be a garnishment involved. If a new assignment or a change in the assignment amount is requested in either an O/M or RR formula case in which a garnishment exists, refer the case to the Office of General Counsel as shown in RCM 10.2.45.

8.3.171 Award Form Entries

Where an employee assigns a share of the O/M to an IPI as explained in section 8.3.170, show in the remarks block of the Form G-354.3, "O/M Assignment Case - IPI's share awarded on G-355."

Complete the Form G-355 as follows:

1. Complete the RRB claim number and/or Employee's SSA Number, Type of Award, Payment Summary; and,

2. Change the Payee Code in the Certification of Payment Section from "2" to "3" in red. Then complete the remaining items in this section; and,

3. Indicate the following in remarks: "Not a spouse award. Form prepared to award IPI's share of O/M to person having custody."

4. Voucher the award.

8.3.172 Recovery of Overpayments

The annuity remains the employee's benefit, even if the employee assigns part of his annuity to someone else. If an overpayment is created due to an event affecting the IPI, the Board has the authority to either recover the entire overpayment from the employee, or recover part of the overpayment from the employee and the balance from the assignee. Consideration should be given to whose earnings caused an excess earnings overpayment, who benefited from the proceeds of the overpayment, or who is entitled to future RR benefits from which the overpayment can be recovered.

8.3.173 Garnishment of Retirement Annuities for Alimony or Child Support

A garnishment of the retirement annuity is based on a court order. It can be any amount and can be paid to a person who is not included in the O/M computation.

The Office of General Counsel (OGC) handles all matters and makes all decisions related to the appropriateness and acceptability of legal notices of garnishment and the removal of those orders. The Reconsideration Unit in Operations implements the decision of the OGC in these cases including any subsequent annuity adjustment or COL increase payable in the employee's annuity rate. Any action that does not directly affect the annuity rate, or relate to, or cancel a garnishment (e.g., change of address) is handled in the regular adjudication units.

8.5.1 General

Legal Opinions L 81-130 and L 82-99 ruled that the Gross Tier I amount of an employee RR formula disability annuity is subject to offset due to the employee annuitant's receipt of Worker's Compensation (WC) benefits, or public disability benefits (PDB) under the 1981 Amendments to the Social Security Act. In addition, the Tier I of any spouse or divorced spouse RR formula annuity payable based on the disabled employee's earnings must also be reduced if the employee's annuity is subject to reduction for such benefits.

Note: Independently-entitled divorced spouse annuities are exempt from WC/PDB offset. However, once the employee becomes entitled to a disability annuity, and is also entitled to a WC/PDB, testing for WC/PDB offset including the (no longer independently-entitled) divorced spouse annuity will be necessary.

Information concerning Worker's Compensation or Public Disability Benefits can be found as follows:

- Items on Form AA-1 and items on Form AA-1d ask questions concerning these payments; or,

- Social Security transmissions may contain a "W" indication in item 13 of Form RR-1a or next to the "PRC' (partial rate code) of the Mechanical Output Referral. This means that the social security benefit is reduced for these payments; or,

- A notice may be received from the employee or RRB district office that such payments are being made.

Obtain a completed Form G-204, "Verification of Worker's Compensation/Public Disability Benefit Information," when any of the above conditions apply. If may also be necessary to obtain a completed Form G-209, Non-covered Service Pension Questionnaire. See RCM 1.1.16 and G-563 instructions in RCM Part 11.

The ROC and PC Award programs include items for applying the WC or PDB offset to the tier 1 component. Form G-349 is used to compute the WC or PDB offset amounts.

8.5.2 Definitions

A. Worker's Compensation - Worker's Compensation for offset purposes, means payments made to a worker because of a work-related injury or disease, under a State or Federal Worker's Compensation Law or plan. Payments may be for total or partial disability and paid on a temporary or permanent basis. Where a pre-existing injury combines with a second injury to produce a more severe disability, a portion of the payments may be paid from a special second injury fund. Payments from such a fund are generally WC payments.

"Dietas" paid by the State Insurance Fund in Puerto Rico are considered Worker's Compensation and are cause for offset.

Worker's Compensation payments are almost always based on a percentage of the worker's wages, generally, 50 to 66 2/3 percent of his average weekly wage, with benefits paid weekly, biweekly, or monthly.

The claimant may have the option of receiving his Worker's Compensation in lump-sum payment in lieu of periodic payments. Electing such a lump-sum payment will not exempt his WC from offset; it will simply be prorated for offset purposes, based on the periodic rate to which he would have been entitled had he selected installment payments. Generally, most lump-sum settlements are in lieu of periodic payments.

The amount of payments may be determined by a voluntary agreement between the worker and his employer or the Employer's Insurance Company, by an agency set up to administer a particular WC law, or by a court. Though payments are generally made by a private insurance company which has insured the employee, they may also come from a State insurance fund, an employer who is a self-insurer, or the Office of Worker's Compensation Programs, Department of Labor (DOL). The DOL administers the Federal Employee's Compensation Act, the Longshoremen and Harbor Workers' Compensation Act, and the Federal Coal Miner Health and Safety Act.

B. Black Lung Benefits (BLB) as Worker's Compensation - Benefits are paid under Title IV of the Federal Coal Mine Health and Safety (FCMH&S) Act to certain sufferers of Pneumoconiosis or Black Lung Disease. Although Part B benefits, which are paid from general revenues, were once considered for WC offset, the 1972 Amendments to the FCMH&S Act excluded these benefits for WC offset purposes.

Part C benefits are financed mainly by the mining industry and are considered the same as other Worker's Compensation in applying the offset. Part C benefits can be identified as follows:

1. The benefits are administered by the Department of Labor;

   AND,

2. The employee became entitled to BLB on the basis of an application filed after 6/30/73 (except as explained below).

Employees who became entitled to BLB on the basis of an application filed after 6/30/73 and prior to 1/1/74 were paid "Part B" benefits for months through December, 1973 and "Part C" benefits for months beginning January, 1974. Only the Part C benefits are subject to WC offset.

Employees who are entitled to black lung benefits based on an application filed prior to July 1, 1973 will be paid "Part B" benefits for the duration of their entitlement to monthly benefits under the FCMH&S Act. These benefits are not subject to WC Offset.

C. Public Disability Benefits - A public disability benefit is a periodic disability benefit paid under a law or plan of the United States, a State, a political subdivision, or an instrumentality of 2 or more States. The benefits are normally computed on the basis of the employee's entire earnings record, length of service, etc. rather than on a percentage (2/3 of current weekly earnings, for example) of current earnings as workers compensation benefits are. These benefits are normally not based on a work-related illness or injury. The persons receiving the benefit do not have to have been employees of the public entity paying or requiring the benefit. However, a Federal disability benefit based on service (other than in State or local employment) all or substantially all (85%) of which is "covered" for SSA purposes under Section 210 of the SS Act is specifically excluded from the PBD provision.

Disability benefits paid under a Federal, State, or other public law or plan based on State or Local employment all, or substantially all (85%) of which was "covered" for SSA purposes under Section 210 of the SS Act are also excluded from the PDB provision.

NOTE 1: Prior to 1982, public disability benefits were commonly referred to as "Mega cap" benefits.

NOTE 2: By definition a public disability benefit can, under certain situations, also be considered a NCSP. This occurs when a pension meeting the requirements as a NCSP is based on disability. When this happens, a manual calculation of PIAs 1, 9, 17 and SSEB is required for a NCSP-reduced PIA #1, in addition to testing for PDB offset that is applied to the tier 1 benefit. Use the NCSP-reduced PIA #1 in the PDB offset computation. See RCM 1.1.16 for additional information about the NCSP provision. If you suspect that both provisions apply, refer the case to P&S - RAC before the case is paid final, if you need to confirm that determination. A NCSP not based on disability is not considered a public disability benefit.

8.5.3 When Offset May Apply

Offset for WC or PDB benefits may be applicable only in retirement disability annuity cases. WC or PDB offset does not apply to retirement age and service annuities even though the employee may have a disability freeze (DF).

Since SSA rules are used to test for and apply WC/PDB offset, it follows that if the SSA disability benefit is being reduced for WC/PDB offset, that railroad annuity tier 1 should also be reduced for WC/PDB offset. However, it is possible for a railroad annuity tier 1 to be reduced for WC/PDB offset, while the SSA disability benefit is not. This can occur

because inclusion of railroad earnings in tier 1 can make it higher than the SSA benefit. When the test is performed, the SSA benefit WC/PDB offset may be computed at zero, while the railroad annuity, because it is higher, may have a computed offset amount.

Offset may apply under either the pre-1981 SS Act Amendment provisions or under the 1981 SS Act Amendments. An employee does not have to be a 1974 Act or conversion case (paid prior to 10-1-81) to be subject to pre-1981 SS Act Amendment WC offset rules. Likewise, a 1981 Amendment case (paid 10-1-81 or later) can be subject to offset under either pre-1981 SS Act Amendment or 1981 SS Act Amendment provisions. The requirements under A or B, below, must be met for WC or PDB offset to apply.

A. Pre-1981 SS Act Amendment Provisions - Offset may apply to the Gross Tier I of an employee's disability annuity and/or spouse or divorced spouse annuities payable on the employee's earnings record for a month only if all of the following conditions are met:

(1) The month is after 12-1965 and before the employee attains age 62;

AND

(2) The employee's ABD is after 6-1965; but before 9-1-81;

AND

(3) If the employee has a DF, the DF onset date is after 6-1965 but before 3-2-81.

NOTE: Refer to P&S-RAC any case in which the DF onset date is before 3-2-81 and the ABD is 9-1-81 or later:

AND

(4) The WC is paid under a State or Federal plan that does not provide for reducing the WC benefit because of DIB entitlement. (See 8.5.4 A of this procedure for a list of states that reduce their WC benefits.);

AND,

(5) If the benefits are Black Lung Benefits, they are paid under Part C of Title IV of the Federal Coal Mine Health and Safety Act.

Tier I is not subject to offset for public disability benefits under the pre-1981 SS Act Amendments.

If all the above conditions are not met, offset may still be applicable under the 1981 SS Act Amendment provisions, below.

B. 1981 SS Act Amendment Provisions - Offset may apply to the Gross Tier I of an employee disability annuity and/or any spouse or divorced spouse annuities payable on the employee's earnings record only if all of the following conditions are met:

(1) The month is after 8-1981 and before the employee attains age 65 before December 19, 2015 or full retirement age (FRA) if age 65 is attained on December 19, 2015 (DOB of 12/20/1950) or later;

AND

(2) The employee's ABD is 9-1-81 or later,

NOTE: Refer to P&S-CAS any case in which the EE has a DF onset date before 3-2-81;

AND,

(3) The WC or PDB benefit is paid under a State or Federal plan that does not provide for reducing the benefit because of DIB entitlement or, if there is such a plan, the plan to reduce the benefit because of DIB entitlement was first effective on 2-19-81 or later (see 8.5.4 A of the procedure);

AND,

(4) If the benefits are Black Lung Benefits, they are paid under Part C of Title IV of the Federal Coal Mine Health and Safety Act.

If all the above conditions are not met and the conditions under A, above are not met, offset is not applicable to the employee's (or spouse or divorced spouse) annuity.

If the requirements under A and/or B are met, offset may be applicable to the employee's (and spouse or divorced spouse) annuity if RCM 8.5.4, below does not apply.

8.5.4 When Offset Does Not Apply

As explained in 8.5.3, offset for receipt of WC or PDB benefits does not apply in retirement age and service annuities, even if the employee has a disability freeze (DF). Survivor insurance annuities payable on an employee's earnings record who was in receipt of WC or PDB benefits are also not subject to reduction for those benefits. If the requirements in 8.5.3 are not met, offset is not applicable.

Additional reasons for WC or PDB offset not to apply are listed in A through C, below. If any are applicable, offset does not apply to that particular payment.

A. State Law - If WC is paid under the provision of a State or Federal plan that provided for the reduction of WC because of SS Act DIB entitlement, the disability annuity will not be reduced if the plan was in effect on February 18, 1981.

States that have such a plan offsetting some or all WC recipients are:

1	California
2	Colorado
3	Connecticut
4	Florida
5	Louisiana
6	Massachusetts
7	Michigan
8	Minnesota
9	Montana
10	Nevada
11	New Jersey
12	New York
13	North Dakota
14	Ohio
15	Oregon
16	Washington
17	Wisconsin

In cases where the employee meets the requirements in 8.5.3 but lives in any of the above states, obtain a G-204 to determine if offset applies. Check item 17 of the G-204 to determine if the WC/PDB benefits the employee is receiving, or did receive, are being reduced due to SSA DIB receipt. While this item can be a good indicator that reverse offset applies, the examiner should still verify that the

state has a reverse offset provision by checking SSA's POMS. If the state has more than one plan, one of which has a reverse offset, determine which of the plans the employee is being paid. The name of the plan may be shown on the G-204 or other workers compensation material. If not, develop the information from the F/O.

B. Payments That Do Not Cause WC/PDB Offset

(1) Payments made under the Jones Act (usually seamen with work-related injuries).

(2) Third Party Settlements - payments made due to negligence of third party (i.e., not the employer).

(3) Payments under the Federal Employee's Liability Act (railroad workers).

(4) Sickness benefits paid under the Railroad Unemployment Insurance Act (RUIA).

(5) Payments made under an unemployment compensation act.

(6) Company or union group disability insurance or sick pay.

(7) State payments for non-work-related disability, although these payments may qualify as NCSP benefits. The following states make such payments which are not WC:

1) California

2) Hawaii

3) Louisiana

4) New Jersey

5) New York

6) Puerto Rico

7) Rhode Island

(8) Claimant entitled to WC but payments are being made to his employer.

(9) Payments made under a penalty provision of State law.

(10) Part B, Black Lung Benefits.

(11) Payments made by a foreign government (non U.S. entity).

(12) Veteran's Administration Benefits.

(13) Benefits based on need (SSI, Welfare).

(14) All non-disability benefits.

(15) All private disability benefits (e.g., benefits paid by private employers under their own plans not required by Federal, State, or Local laws; benefits paid under the terms of disability income insurance policies purchased by individuals, etc.).

(16) Federal benefits based on Federal employment if all or substantially all (85%) of the employment on which the benefit is based was covered for SSA purposes.

(17) Federal disability benefits based on State or Local employment if all or substantially all (85%) of the employment on which the benefit is based was covered for SSA purposes.

(18) Benefits under a law or plan of a State subdivision or instrumentality based on State or Local employment all, or substantially all (85%), of which was covered for SSA purposes.

(19) Railroad disability pensions (because these benefits are reduced for SS DIB, WC, and PDB payments).

Those workers compensation/public disability benefits not specifically listed above for exclusion from offset are probably subject to WC/PDB offset. Refer cases to P&S-RAC if there is any doubt as to whether the benefit is subject to offset.

Under the pre-1981 SS Act Amendment provisions, offset for receipt of WC benefits cannot be imposed prior to the month after the month in which "notice" of the WC entitlement has been received by the Board. The 1981 SS Act Amendments eliminated the "notice" provision so that offset is applicable for any month in which the employee is entitled to both a disability annuity and to WC or PDB benefits. Therefore, in cases where the 1981 SS Act Amendments apply, offset will be applied from the later of the Tier I date of entitlement or the WC or PDB benefit entitlement date, regardless of when the Board is informed of the existence of WC or PDB entitlement.

Cases in which the pre-1981 SS Act Amendments apply will still require "notice" before offset can be applied.

8.5.5 District Office Action

Form G-204, "Verification of Worker's Compensation/Public Disability Benefit Information" should be developed for disability applicants who indicate on the APPLE application that they are receiving worker's compensation or public disability benefits.

Note: Form G-204 may also be required when the employee is filing for Medicare only to develop a possible source of medical evidence.

If the disability applicant lives in a state that has a plan to reduce worker's compensation payments for an SS DIB that was in effect on 2-18-81, the C/R will indicate in the remarks screen of APPLE that a "WC offset may not apply." The examiner should check item 17 of Form G-204 to determine if the WC/PDB benefits are being reduced for an SS DIB.

If the employee has an award letter for WC benefits (or some other evidence), the C/R will image a copy of the letter or the other evidence to RRA Imaging. The C/R will indicate on the APPLE summary screen if the verification is "imaged" or "to be submitted." If verification cannot be obtained by the F/O, the F/O will initiate release of Form G-204, "Verification of Worker's Compensation/Public Disability Benefit Information," to the agency or company paying the benefits.

If the completed form is returned to the F/O, the form or other proof will be imaged to RRA Imaging rather than be included with the application package submitted to DBD or submitted separately. This will allow RBD easier access to WC/PDB information when paying the claim. The paper document will be retained in the F/O until it can be disposed of per the imaging disposition schedule.

For disability annuities filed prior to 8-2-82, Form AA-1d will indicate if the employee is receiving WC payments prior to age 62 only. In the absence of information to the contrary, the C/R will assume the employee is not receiving WC if he is age 62-64 and is not receiving a public disability benefit.

8.5.6 RBD Action

If the employee indicates that he is not receiving WC or public disability benefits, no offset is applicable. In the absence of evidence to the contrary, the claims examiner should assume the information Form AA-1d or on the G-204 is correct.

If the employee indicates on Form AA-1d or the G-204 indicates he is receiving WC or public disability benefits, the amount of the benefit and how often the benefit is paid should also be indicated. If no benefit amount is shown or if the D/O hasn't attached a copy of the WC award letter to the application, verification of the actual benefits should be done as explained in C below. Pending verification, RBD will calculate the offset amount using the maximum monthly benefit for the state from which the employee receives the WC/PDB benefits. See RCM Chapter 8.5, Appendix B for a list of state maximum amounts.

If the employee initially indicates that he was receiving WC or Megacap benefits but the benefits have since terminated, and there is no evidence in file to cast doubt on the allegation, no action will be taken to verify termination.

A. Mechanical Action - RASI will produce a #190 referral when a disability application is received indicating that the employee is receiving worker's compensation or public disability benefits. After the disability rating is made RASI will produce referral #191, "D-A rated - WC/PD involved." The examiner is to respond via G-394 indicating whether a WC/PDB offset applies. If a WC/PDB offset does apply, a #192 referral will be produced indicating the case has been dumped. Pay the case manually.

B. Manual Action

(1) QBD-ERS-SEI - Upon receipt of information that the employee is receiving WC or PDB benefits and the employee annuity may be subject to offset as explained in 8.5.3 and 8.5.4 of this procedure, the examiner should release Form G-37b for a QBD-ERS-SEI for the employee's earnings from 1951 to the current year. This information should be requested prior to the disability rating and before the G-90 is received. This breakdown of earnings will be necessary if the employee has maximum earnings in any year after 1950 since the amount of the WC or PDB offset is based on a combination of the monthly WC or PDB benefit and the employee's actual RR and SS covered earnings (not subject to yearly maximum). This is discussed in 8.5.7, below.

(2) G-90 - After the employee has been rated disabled, the ABD has been determined, and Form G-90 is received, determine if a WC or PDB offset is applicable by computing the offset amount as explained in 8.5.7 below.

(3) Applying WC or Megacap Offset - If an offset amount has been computed as explained in 8.5.12, apply the offset to the employee's and/or spouse's or divorced spouse's annuity(ies) as explained in 8.5.11 of this procedure.

C. Verifying WC or Megacap Benefit Rates - When a disability applicant indicates on the AA-1d that (s)he is receiving a WC/PDB benefit, Form G-204"Verification of Worker's Compensation/Public Disability Benefit Information," will be released by the F/O to the Federal, State, and Local agency or company paying the benefit. F/Os will image the form to RRA Imaging rather than include it with the application package or submit separately. The examiner should set a 60 day call-up for the return of the G-204 to headquarters. If the G-204 or other WC/PDB evidence is not received at the end of the 60 day period, RBD should check RRA Imaging before tracing via e-mail.

See 8.5.16 of this procedure for other action to be taken in WC or PDB offset cases.

8.5.7 Computing WC OR PDB Offset

Once it is determined that offset may apply based on the employee's age, ABD, and the type of WC or PDB benefit he's receiving, several computations are necessary to

determine the WC or PDB offset amount. The WC or PDB offset (or reduction) amount is equal to the difference between:

- The Total Family Benefits (TFB) payable in the month offset is considered PLUS the monthly WC or PDB benefits payable to the employee in that month; and,
- The higher of:
  - 80% of the employee's Average Current Earnings (ACE),

    or
  - The Total Family Benefits (TFB).

The following formula simplifies this:

TFB + WC/PDB

- Higher of TFB or 80% x ACE

WC/PDB OFFSET

Thus, if the offset is based on the ACE, the monthly offset will be less than the monthly WC or PDB benefit amount. If the offset is based on the TFB, the monthly offset amount will be equal to the monthly WC or PDB benefit amount. The monthly offset will never be more than the monthly WC or PDB benefit amount.

If the employee's actual earnings were high enough, it is possible for 80% of the ACE to exceed the TFB plus WC or PDB benefit. Therefore, no offset would apply in such a case.

Compute the WC or PDB offset on RRAILS Form G-349 (rev. 03-03). Refer to RCM Part 11, Form G-349 Instructions for completion.

Definitions - The factors used in computing the offset amount are explained below:

(1) Average Current Earnings (ACE) - The average current earnings (ACE) is the highest of the following:

- The Average Monthly Wage (AMW) upon which the employee's PIA 1 is based.
- The "high 5" ACE based on the 5 consecutive years after 1950 with the highest covered (RR and SS) earnings (dividend - 60).

- The "high 1" ACE based on the one calendar year in which the employee's covered (RR and SS) earnings were highest (dividend - 12) selected from the period consisting of year of onset (earlier of ABD year or DF onset year) and the 5 preceding years.

(2) Total Family Benefit (TFB) - The total family benefit (TFB) is the total of all the PIA 1 amount(s) payable in the month that offset is considered to the employee, spouse, and/or divorced spouse BEFORE any reductions.

(3) WC or PDB Benefit - The monthly amount of WC or PDB benefits less any exclusion being paid to the employee.

Computing the ACE - Obtain the following to compute the ACE on Form G-349 (when available):

(1) AMW - If the PIA 1 on the initial WC or Megacap offset data is an AMW or Old Start PIA, use the AMW upon which the PIA 1 is based. If the PIA 1 is a SPC MIN PIA, use the AMW upon which the alternate AMW PIA is based.

If the PIA 1 is an AIME PIA, send a Form G-563 to CCU with Form G-90 requesting an "AMW PIA 1" with "DO NOT INDEX EARNINGS" entered on the G-563.

(2) Actual Earnings - When computing the "high 1" or "high 5" ACE, the employee's actual covered earnings are to be used (the higher the earnings the lower the offset amount will be). Since employers under the RR and SS Acts are only required to report up to the maximum creditable earnings for any year, all covered earnings may not be reported as wages or compensation. Therefore, when computing the "high 5" or "high 1" ACE amounts, all reported covered earnings will be used.

NOTE: Earnings not covered under the RR or SS Acts cannot be used in the ACE computation.

To determine the employee's total earnings, take the following steps:

STEP 1 - As explained in 8.5.6 of this procedure, a QBD-ERS-SEI breakdown should be requested if any year after 1950 shows maximum earnings (see RCM 5.3 for yearly maximums) on Form G-90. Since most people have maximum earnings in at least one year, the breakdown will usually be necessary.

STEP 2 - Total the wages and SEI from the breakdown for all employers for each year. Since SSA's wage record is incomplete from 1979 - 1982, Form G-90 or the QBD may not reflect the employee's total wages for those years. If the employee submits proof of earnings for any of those years, they should be considered in computing the "high 5" or "high 1" ACE amounts.

STEP 3 - Add to the Step 2 result for each year the RR compensation shown on Form G-90 for each year. (For years after 1978 use the Tier I amount shown.)

The Step 3 result is the amount of actual earnings to be used in computing the "high 5" or "high 1" ACE amounts.

If either the "high 5" or "high 1" ACE is used to compute the WC or PDB reduction amount, the employee will be notified as to which years' earnings were used and the amount of earnings for each of those years (see 8.5.16 of this procedure). If his actual earnings for any year after 1951 were higher and he can submit proof of such earnings, his ACE can be recomputed from the original offset date as explained below (see 8.5.16 for what is considered proof of earnings).

(3) Change in ACE - If the ACE is used in computing the employee's WC or PDB reduction amount (as opposed to using the Total Family Benefit as explained below), the ACE that is established in the first month of offset can be changed if:

- Unposted covered earnings are developed (i.e., employee submits proof of actual earnings not shown on G-90). This includes wages and compensation; or
- A triennial redetermination is made (see 8.5.13, below); or
- A recomputation of PIA 1 is applicable AND the ACE is based on the AMW PIA.

If the ACE is recomputed due to any of the above, the WC or PDB offset that may apply must be recomputed as explained in 8.5.12 of this procedure.

8.5.8 Computing The TFB

The Total Family Benefit (TFB) is the total of all gross Tier I amounts payable on the employee's earnings record in the month that offset is considered before any reductions for age, spouse public pensions, SS benefits, another RR annuity, M/S or excess earnings. This includes spouse and divorced spouse annuities.

Note: Independently-entitled divorced spouse annuities are exempt from WC/PDB offset. However, once the employee becomes entitled to a disability annuity, and is also entitled to a WC/PDB, testing for WC/PDB offset including the (no longer independently-entitled) divorced spouse annuity will be necessary.

However, when the PIA is reduced for a NCSP, the NCSP-adjusted PIA is used as the TFB.

If a spouse or divorced spouse annuity becomes payable after the initial TFB is determined, or if the spouse or divorced spouse was initially included in the TFB and

her Tier I was subsequently terminated, the TFB must be recomputed as explained below.

8.5.9 Computing The Amount Of WC or PDB Benefits

If evidence of the WC or PDB benefit rate is in file (i.e., copy of WC award letter), determine the monthly WC or PDB rate as explained in (1), below. If no evidence is in file, determine the monthly WC or PDB rate as explained in (2), below.

(1) Evidence of WC or PDB Rate in File - The WC or PDB reduction is computed using a monthly WC or PDB benefit amount. If the WC or PDB benefit is not paid monthly, determine the monthly amount as follows:

- Benefit Paid Weekly - If the benefit is paid weekly, multiply the amount by 4.33333 to find the monthly rate. Round down to the nearest multiple of .10.
- Benefit Paid Biweekly - If the benefit is paid biweekly (every two weeks), multiply the amount by 2.16667 to find the monthly rate. Round down to the nearest multiple of $.10.
- Benefit Paid Semi-Monthly - If the benefit is paid semi-monthly (twice a month), multiply the amount by 2 to find the monthly rate. Round down to the nearest multiple of $.10.
- Benefit Paid for Part of Month - If the benefit is paid for only part of the month, base any offset for the month on the amount actually paid.

(2) No Evidence of WC or PDB Benefit Rate in File - If there is no evidence confirming the employee's claimed WC or PDB benefit rate in file, use the applicable State's monthly maximum for each effective date shown in RCM Chapter 8.5 Appendix B to determine the monthly WC or PDB benefit rate.

If the claimed monthly PDB benefit rate exceeds the benefit rate shown in Appendix B, use the claimed benefit rate.

When the actual WC or PDB benefit is verified, the offset should be recomputed, if different.

(3) Prorating Lump-sum Awards - Lump-sum awards paid as a substitute for or in lieu of periodic payments are considered WC or PDB benefits for offset purposes and, therefore, must be prorated.

a. In order to prorate a lump-sum award, it is necessary to first verify the following:

1. The gross amount of the lump-sum

2. The lump-sum starting date.

3. The weekly rate at which to prorate.

4. The amount of excludable expenses which are included in the gross amount of the lump-sum. Excludable expenses are documented legal, medical, and related expenses incurred by the worker in connection with the WC claim, or the injury or occupational disease on which the claim is based.

Allocate the WC/PDB lump-sum to the period specified in the WC/PDB award. If a date is not specified, and periodic payments were made prior to the lump-sum settlement, begin prorating the lump-sum the day after the day on which the periodic payments ended. If the lump-sum award does not specify a beginning date, and the worker did not receive periodic payments, allocate the lump-sum to the period beginning with the date of injury.

Divide the lump sum amount by the weekly periodic payment amount to determine the number of weeks that WC offset should be tested. This will give you a weekly total and a remainder. Once you've determined the beginning date and the number of weeks in which WC/PDB offset is to be tested, you may use the "CALC - WORKMAN COMP ENDING…" EXCEL program provided to those examiners on their Desktop who work these type cases. Once accessed, enter the beginning/start date using 99/99/9999 format with slashes, and the number of weeks in which WC offset may apply. Press "ENTER", and the program will calculate the ending date. The ending date shown is the final day of the weekly period. WC/PDB offset would not be considered the following day, except that you would add any remainder amount to days after the ending date. Always consider months as having 30 days with these type of calculations, whether it be February or December.

EXAMPLE:

GROSS WC LUMP SUM	$50,000.00
NET WC LUMP SUM	$50,000.00
Weekly rate	$235.00
Beginning Date (day after periodic WC payments ended)	9/14/01

Divide the net lump sum by the weekly rate ($50,000: $235 = 212 weeks) plus a $180 remainder.

Enter a Starting Date of 09/14/2001, adding 212 weeks in the Excel program which gives you an ending date of 10/06/2005. Projected WC payments for 6 days in October 2005 will be used for possible offset.

Determine a daily rate by dividing the weekly rate ($235 : 7 = $33.571428) by 7 (normal rounding rules should be applied), and multiply by the 6 days for October, 2005 ($33.57 x 6 = $201.42). Add the remainder of $180 to the 6 day total ($180.00 + $201.42 = $381.42) for a monthly WC amount for testing WC/PDB offset for the month of October, 2005. Make sure the total doesn't exceed the preceding monthly WC amount total ($235 x 4.33333 = $1018.30).

Therefore, for this example, you'd use a monthly WC amount of $1018.30 for months through 9/05, and a monthly amount of $381.40 (rounded down to the dime) for the month of 10/05 for testing of WC offset on the G-349. No WC offset applies after 10/05.

c. Lump-sum awards must be prorated at an established weekly rate. The priority for establishing weekly rates is as follows:

1. The rate specified in the lump-sum award.

2. The periodic rate paid prior to the lump-sum award.

3. If WC, the State's WC maximum rate in effect in the year of injury.

d. There are three methods which may be used in prorating a lump-sum award with excludable expenses. Use the method most advantageous to the annuitant. The three methods of proration are:

1. Divide the excludable expenses by the weekly rate, resulting in a number of weeks. Offset is not applicable for this number of weeks, beginning with the first possible month the annuity would be reduced, or the day after periodic WC payments ended, whichever is later. (This method is advantageous if the annuitant is nearly age 62, age 65 or FRA, whichever is the applicable offset removal date.)

2. Divide the lump-sum, less expenses, by the total lump-sum, resulting in a percentage. This percentage is then multiplied by the weekly rate, resulting in a reduced weekly rate which is used to test for WC/PDB offset.

3. Reduce the lump-sum by the amount of the excludable expenses prior to the proration. This removes offset at the earliest possible time, and may result in the proration expiring before the first possible month of offset.

If the employee receives more than one WC or PDB payment in a month for separate injuries, the amount of benefits for offset purposes is the total of the WC or PDB payments for that month.

If the employee's WC or PDB benefit rate changes after a WC or PDB reduction has been initially applied to the employee's, spouse's, and/or divorced spouse's annuity(ies), the WC or PDB reduction must be recomputed. The new offset may result in either increase or decrease in the WC or PDB reduction amount.

If the 1981 SS Act Amendments apply, recompute the WC or PDB offset and apply any new reduction amount effective with the month in which the WC or PDB rate changes.

If the pre-1981 SS Act Amendments apply and the change in the WC rate results in a decrease in the employee's, spouse's, or divorced spouse's annuity rate(s), apply the new offset amount effective with the month after the month in which "notice" is received. If the change in the WC benefit rate results in an increase in the employee's, spouse's or divorced spouse's annuity rate(s), apply the new offset amount effective with the month of the WC change, no matter when "notice" is received. (See 8.5.5 of this procedure for a definition of "notice".)

Change in Family Composition - Even though the Total Family Benefit (TFB) may not be involved in the original offset computation, the addition or subtraction of a spouse or divorced spouse annuitant may cause the TFB to become, or cease to be, the applicable limit for offset.

When the family composition changes, the WC or PDB reduction is recomputed as if the new family composition had existed when the reduction was first applied. The same AMW, "high 5" or "high 1" ACE, and total gross Tier I amount that would have been subject to WC or PDB offset for that first month based on the new annuitant(s) are used. This adjusted reduction amount is effective on the first of the month in which the family composition changes.

Applying WC Or PDB Offset

After computing the monthly WC or PDB offset amount the offset is first applied to any spouse or divorced spouse annuity payable. If both a spouse and a divorced spouse annuity are payable, the offset is applied equally to each Tier I amount (e.g., $50 to spouse and $50 to divorced spouse). Any remaining offset amount is then applied to the employee Tier I benefit. If no spouse or divorced spouse Tier I is payable, the entire offset is applied to the employee Tier I benefit.

If work deductions are applicable to the spouse or divorced spouse Tier I, refer the case to P&S-RAC.

8.5.10 Mechanical Cases

Since RASI cannot apply WC or PDB offset, once it is determined that an offset is applicable to the employee or spouse/divorced spouse annuity, the case should be dumped off RASI. A manual award should be made as explained below.

If an offset amount is not applicable the case can be paid on RASI (unless it must be dumped for some other reason).

See RCM 9.3.13 for instructions on handling mechanical cases.

8.5.11 Testing Spouse Inclusion

If it is determined that offset does not apply because the reduction amount is "0" and a spouse or divorced spouse annuity is not payable, recompute the offset including a spouse in the TFB as of the date offset is being considered (see 8.5.9 above). If the WC or PDB reduction would apply by including the spouse, use the PREH correction system to change the employee RH-3200-WC-PDB-RED-EFF-DT field to '19999900'. This will earmark the PREH record so that when the MA/XA becomes payable, RASI will not pay the spouse without the WC or PDB reduction being considered.

Once determined, the WC or PDB offset amount does not change unless the offset must be recomputed as explained below.

8.5.12 Recomputing WC or PDB Offset

The WC or PDB offset is recomputed only when one of the following occur:

(1) ACE Changes - Even though offset is based on the TFB, if the ACE increases (i.e., the employee furnishes proof of his actual earnings or PIA #1 is recomputed), 80% of the ACE may surpass the TFB and, therefore, the basis of the offset should be changed to 80% of the ACE.

(2) TFB Changes - Regardless of whether the offset is based on the ACE or TFB, if a spouse or divorced spouse becomes entitled to a Tier I benefit or if a Tier I benefit terminates, the TFB will change. Therefore, the WC or PDB offset should be recomputed to see if the reduction amount is affected.

(3) WC or PDB Benefit Changes - If the amount of the WC or PDB benefit changes, or the actual WC or PDB rate is verified by the agency paying the benefit (e.g., the state maximum was used in computing the original offset, but the actual payments are less), the offset must be recomputed.

(4) Triennial Redeterminations - The offset must be redetermined every 3 years as explained in 8.5.14.

Whenever an award action is taken which decreases the WC offset (not PDB offset) amount already in force to a different WC offset amount, refer the case to

BTRS for correction of the tax record. The WC offset items on the award should be left blank. In addition, refer cases to BTRS when a WC offset is being completely removed.

8.5.13 WC And Payment Of Cost-Of-Living Increases

The law provides full protection of all cost-of-living increases effective for months after the month in which offset is first considered. Do not recompute the WC offset solely for a cost-of-living increase in tier 1. The WC offset previously computed will remain unchanged as long as the conditions for recomputation covered in RCM Chapter 8.5.12 above are not met.

Further, any change in the WC benefit effective after the month in which offset is first considered, will not impact upon the payment of any cost-of-living increases. Those increases are protected from WC offset.

If the employee is receiving SSA benefits, only the difference between the tier 1 cost-of-living increase and the SSA benefit cost-of-living increase being paid is protected. This puts the employee in the same position he/she would be in if he/she was not receiving an SSA benefit. The WC/PDB offset amount on the award will have to be manipulated, so as to produce the net tier 1 reflecting the protected COL increase amounts. (e.g., RR COL increase is 31.00, SS COL increase is 29.00, therefore, the protected RR tier 1 increase is 31.00 minus 29.00 = 2.00.)

Following are examples of how offset is computed in such circumstances:

Example 1:

The disability annuitant was entitled to a PIA 1 of $471.20 effective 12/88, the month in which offset was first considered. The tier 1 was reduced to zero based on a computed WC offset of $818.00. The WC offset is considered to be $471.00, the rounded down gross tier 1 amount. In 12/89, the PIA 1 was increased by $22.10 to $493.30. The 12/89 tier 1 computation is made as follows:

$471.20	-	12/88 PIA 1
471.00	-	rounded down gross tier 1
- 471.00	-	WC offset
0.00	-	payable after offset (12-88)
+ 22.00	-	protected rounded 12/89 COLA increase
$ 22.00	-	total payable 12/89 in tier 1

Example 2:

The disability annuitant was entitled to a PIA 1 of $771.80 effective 9/87, the month in which offset was first considered. The tier 1 was reduced to $499.30 based on WC offset of $271.70. In 12/87, the PIA was increased by $32.40 ($804.20), which after rounding is added to the tier 1 he was previously receiving ($804.00 - $771.00 = $33.00). The 12/87 tier 1 computation is made as follows:

$771.80	-	9/87 PIA 1
771.00	-	rounded down gross tier 1
- 271.70	-	WC offset
499.30	-	Net tier 1 after WC offset
+ 33.00	-	protected rounded 12/87 COLA increase
$ 532.30	-	total payable 12/87 in tier 1

In the same example above, the annuitant becomes entitled to increased WC benefits effective 6/88 causing recomputation of WC offset. The recomputed offset amount is $354.20. Subtract the protected cost-of-living increases from the newly computed WC offset amount. A new offset computation is made as follows:

$804.20	-	6/88 PIA 1
804.00	-	rounded down gross tier 1
- 354.20	-	WC offset
449.80	-	Net tier 1 after WC offset
+ 33.00	-	protected rounded 12/87 COLA increase
$ 482.80	-	tier 1 payable effective 6/88

Show WC offset amount as $321.20 ($354.20 - $33.00) on the tier 1 screen.

Example 3:

The disability annuitant was entitled to a PIA #1 of $1107.00 effective on his ABD of 9/1/2000, his first month of WC offset. The tier 1 was reduced to $407.00 based on an initial WC offset of $700.00. The employee also had an SS benefit reduction of $500.00, leaving a net tier 1 of zero.

1107.00	gross tier 1
- 700.00	WC offset
- 500.00	SS benefit
0	net tier 1

The WC offset amount should be manipulated, so that the net tier 1 is exactly zero. The WC offset amount should be 607.00 (1107.00 - 607.00 - 500.00 = 0.) This will allow for the correct net tier 1 to be computed at the COL, guaranteeing the employee the correct COL increase.

Effective 12/00, the employee's gross tier 1 is increased to 1145.00, the WC offset remains at 607.00 and the employee's SS benefit is increased to 517.00. This allows for a net tier 1 of 21.00 (1145.00 - 607.00 - 517.00 = 21.00). The employee receives the COL guaranty amount of 38.00 via 21.00 RR tier 1 increase and 17.00 SS benefit increase (21.00 + 17.00 = 38.00).

Effective 1/01, the employee becomes entitled to a SS recomp, increasing his SS benefit from 517.00 to 530.00. His tier 1 is recalculated as follows:

1145.00	gross tier 1
-607.00	WC offset
-530.00	SS benefit recomp rate
8.00	net tier 1

The employee's net tier 1 is reduced by the recomp increase in the employee's SS benefit as it would be for any SS recomp benefit. The employee still receives $38.00 more in combined RR tier 1 and SS benefits than he did in 11/00, thereby guaranteeing the 38.00 12/00 COL increase.

8.5.14 Triennial Redeterminations

The law provides for a periodic redetermination of offset to take into account any increases in national earnings levels. Each case will be recomputed under this provision in the second calendar year following the year offset is first imposed and in each third year thereafter. The new amount payable, if any, will be effective with the January following the year the redetermination is made. If the offset amount computed is more than the offset amount before the triennial redetermination, the redetermination

will not apply. Subsequent recomputations should be based on the pre-triennial redetermination TFB and ACE.

By indicating the initial offset month and year on the award forms, cases can be called up for redetermination every third year.

For example, if offset is first imposed in 1983, a triennial redetermination should be processed in January 1986 and again in January 1989. Form G-349 instructions have been revised to include triennial redetermination instructions located in RCM Chapter 8.5, Appendix A.

NOTE: Offset must be continuous when determining eligibility for a triennial redetermination of the ACE. Offset temporarily removed eliminates entitlement to a redetermination until January of the third year after offset is later re-imposed.

8.5.15 Removing WC Or PDB Offset

Any WC or PDB offset should be removed at the earliest of:

- The month after the month in which the WC or PDB benefit terminates; or
- The month in which 80% of the ACE equals or exceeds the total of the TFB plus the monthly WC or PDB benefits; or
- The month in which the employee attains age 62 (if a pre-1981 SS Act Amendment case), age 65 (if a 1981 SS Act Amendment case), or effective December 19, 2015 full retirement age (FRA), if the individual attains age 65 on December 19, 2015 or later (DOB of 12/20/1950).

If the employee claims the WC or PDB benefit has terminated, verification of the termination must be obtained. If the employee cannot submit proof of termination (i.e., a copy of the termination letter) verify the termination by requesting the F/O release a G-204.

If the employee is attaining age 62, 65, or FRA, as the case may be, before removing the offset, examine the folder for proof of age. If POA is in file, offset may be removed. If POA is not in file, request POA development from the D/O as explained in RCM Chapter 4.2. Do not remove the offset until POA is received verifying the claimed DOB. If the claimed DOB is not verified, reconcile the DOB.

If offset was imposed and it is later determined that offset was not applicable (i.e., ACE was computed incorrectly) or it is determined that the disability benefits are not subject to reduction, remove the offset from the original effective date of offset.

NOTE: If offset was imposed based on 1981 SS Act Amendments and a DF onset date prior to 3-2-81 is granted, refer the case to P&S-RAC.

8.5.16 Award Notifications

Special code paragraphs for worker's compensation and public disability benefit offset cases are located in RCM Chapter 10.5.66

8.5.17 Employee Questions WC or PDB Offset Amount

In cases where the WC or PDB offset is applicable, the award notice to the employee will indicate the years used in computing the ACE (high 5 or high 1), the total earnings used for each of those years, etc.

(1) Earnings Used - An employee may question the earnings used either because:

- The ACE was not based on the highest 5 or the highest 1 year; or
- The total of earnings used for any year was not high enough.

In these cases, request the F/O to develop proof of actual earnings with the employee. If such proof is received, the offset will be recomputed using the actual earnings rather than the reported earnings.

(2) Proof of Earnings - Any evidence of yearly earnings that the employee wishes to submit should be accepted. One of the following is preferable, however:

- Form W-2
- Any other statement of earnings paid furnished by the employer.
- Certified copy of Federal or State income tax return.
- Uncertified copy of Federal or State income tax return with evidence that the return was filed (e.g., cancelled check showing payment of taxes).

If evidence other than that specified above is submitted, or there is doubt as to the acceptability of the evidence, refer the case to P&S-RAC.

Appendices

Appendix A - Reserved

Appendix B - Chart Of Maximum WC Benefits

The maximum rates in these charts are used only to 1) impose offset when the actual workers compensation rate(s) is unknown and verification is pending or 2) prorate a workers compensation lump sum when a periodic rate is not specified in the lump sum award and no periodic workers compensation payments were made previously.

These rates can be exceeded for a number of reasons, for example, the rate is increased due to a dependent child.

These rates do not represent cost-of-living increases for workers already receiving WC, but simply represent the maximum workers compensation rate an injured worker would begin to receive if injured on or after the date shown.

State	**Effective Date**	**WC Maximum Weekly * Payment**
Alabama	07/01/80	$ 148.00
	07/01/81	162.00
	07/01/82	174.00
	07/01/83	184.00
	07/01/84	194.00
	02/01/85	290.00
	07/01/85	303.00
	07/01/86	319.00
	07/01/87	331.00
	07/01/88	344.00
	07/01/89	357.00
	07/01/90	369.00
	07/01/91	385.00
	07/01/92	400.00
	07/01/93	419.00
	07/01/94	427.00
	07/01/95	465.00
	07/01/96	458.00
	07/01/97	474.00

	07/01/98	493.00
Alaska	01/01/80	650.00
	01/01/81	859.00
	01/01/82	942.00
	01/01/83	996.00
	01/01/84	1,080.00
	01/01/85	1,114.00
	01/01/87	1,108.00
	01/01/88	1,094.00
	07/01/88	700.00
American Samoa	Effective 1978, 66 2/3 of worker's regular pay with no maximum	
Arizona	01/01/78	192.30
	04/28/80	203.64
	07/30/80	203.28
	01/01/88	253.19
	07/01/89	276.15
	07/01/91	322.21
Arkansas	03/01/80	126.00
	03/01/81	140.00
	03/01/82	154.00
	07/01/86	175.00
	07/01/87	189.00
	01/01/89	209.08
	01/01/90	226.11

	01/01/91	231.37
	01/01/92	241.93
	01/01/93	252.30
	01/01/94	267.00
	01/01/95	270.00
	01/01/96	337.00
	01/01/97	348.00
	01/01/98	359.00
	01/01/99	375.00
California	01/01/77	154.00
For Permanent Partial	01/01/81	175.00
Rates See DI 52001.206	01/01/83	196.00
	01/01/84	224.00
	01/01/90	266.00
	01/01/91	336.00
	07/01/94	406.00
	07/01/95	448.00
	07/01/96	490.00
Colorado	07/01/80	224.65
	07/01/81	261.80
	07/01/82	283.68
	07/01/83	296.79
	07/01/84	316.00

	07/01/85	336.42
	07/01/86	351.68
	07/01/87	357.63
	07/01/88	354.69
	07/01/89	371.21
	07/01/90	379.61
	07/01/91	395.71
	07/01/92	414.05
	07/01/93	432.25
	07/01/94	442.61
	07/01/95	451.22
	07/01/96	468.44
	07/01/97	493.08
	07/01/98	519.61
Connecticut	10/01/80	285.00
	10/01/81	310.00
	10/01/82	326.00
	10/01/83	345.00
	10/01/84	381.00
	10/01/85	397.00
	10/01/86	408.00
	10/01/87	643.00
	10/01/88	671.00
	10/01/89	693.00

	10/01/90	719.00
	10/01/91	737.00
	10/01/92	768.00
	07/01/93	628.00
	10/01/93	638.00
	10/01/94	660.00
	10/01/95	656.00
	10/01/96	678.00
For DOI Prior to 07/01/93	10/01/92	769.00
	10/01/93	793.00
	10/01/94	820.00
	10/01/95	876.00
	10/01/96	883.00
	10/01/97	908.00
	10/01/98	942.00
Delaware	05/23/80	175.28
	06/01/81	194.81
	06/01/82	208.45
	06/07/83	223.78
	06/15/84	231.63
	06/03/85	235.69
	06/05/86	244.22
	07/01/87	250.53
	07/01/88	265.14

	07/01/89	280.64
	07/01/90	297.21
	07/01/91	312.39
	07/01/92	327.83
	07/01/93	339.29
	06/14/94	346.17
	06/15/95	357.19
	06/03/96	372.23
	06/18/97	392.46
	06/11/98	411.11
District of Columbia	10/01/80	456.24
(Private Industry	10/01/81	496.70
Employees)	07/26/82	396.78
	01/01/85	413.26
	01/01/86	431.70
	01/01/87	453.94
	01/01/88	481.92
	01/01/89	513.00
	01/01/90	551.00
	01/01/91	584.10
	01/01/92	613.09
	01/01/93	647.84
	01/01/94	679.14
	01/01/95	701.52

	01/01/96	723.34
	01/01/97	748.83
	01/01/98	774.32
Florida	10/01/80	$ 211.00
	01/01/81	228.00
	01/01/82	253.00
	01/01/83	271.00
	01/01/84	288.00
	01/01/85	307.00
	01/01/86	315.00
	01/01/87	330.00
	01/01/88	344.00
	01/01/89	362.00
	01/01/90	382.00
	01/01/91	392.00
	01/01/92	409.00
	01/01/93	425.00
	01/01/94	444.00
	01/01/95	453.00
	01/01/96	465.00
	01/01/97	479.00
	01/01/98	494.00
	01/01/99	522.00
Georgia	1978	110.00

	07/01/81	115.00
	07/01/82	135.00
	07/01/85	155.00
	07/01/86	175.00
	07/01/90	225.00
	07/01/92	250.00
	07/01/94	275.00
	07/01/96	300.00
	07/01/97	325.00
Guam	07/01/68	56.00
	04/09/81	140.00
	12/31/89	250.00
Hawaii	01/01/80	215.00
	01/01/81	235.00
	01/01/82	252.00
	01/01/83	266.00
	01/01/84	281.00
	01/01/85	291.00
	01/01/86	299.00
	01/01/87	318.00
	01/01/88	334.00
	01/01/89	358.00
	01/01/90	383.00
	01/01/91	412.00

	01/01/92	437.00
	01/01/93	460.00
	01/01/94	481.00
	01/01/95	491.00
	01/01/96	496.00
	01/01/97	501.00
	01/01/98	508.00
	01/01/99	519.00
Idaho	01/01/80	181.80
	01/01/81	198.00
	01/01/82	217.80
	01/01/83	238.50
	01/01/84	249.30
	01/01/85	260.10
	01/01/86	269.10
	01/01/87	278.10
	01/01/88	282.60
	01/01/89	290.70
	01/01/90	300.60
	01/01/91	309.60
	01/01/92	324.00
	01/01/93	335.70
	01/01/94	351.00
	01/01/95	360.90

	01/01/96	373.50
	01/01/97	389.70
	01/01/98	398.70
	01/01/99	410.00
Illinois	01/15/80	353.19
	07/15/80	358.95
	01/15/81	376.33
	07/15/81	394.19
	01/15/82	403.12
	07/15/82	426.44
	01/15/83	446.40
	07/15/83	456.33
	01/15/84	463.44
	07/15/84	474.71
	01/15/85	491.65
	07/15/85	502.36
	01/15/86	511.81
	07/15/86	525.45
	01/15/87	544.00
	07/15/87	548.56
	01/01/88	554.27
	07/15/88	566.97
	01/15/89	580.89
	07/15/89	604.73

	01/15/90	610.97
	07/15/90	618.23
	01/15/91	630.65
	07/15/91	645.84
	01/15/92	655.73
	07/15/92	670.13
	01/15/93	688.14
	07/15/93	711.04
	01/15/94	712.92
	07/15/94	722.24
	01/15/95	735.40
	07/15/95	741.45
	01/15/96	760.51
	07/15/96	761.71
	01/15/97	781.17
	07/15/97	796.97
	01/15/98	815.08
	07/15/98	843.47
	01/15/99	862.80
Indiana	07/15/79	130.00
	07/01/80	140.00
	07/01/83	156.00
	07/01/84	166.00
	07/01/85	178.00

	07/01/86	190.00
	07/01/88	256.00
	07/01/89	274.00
	07/01/90	294.00
	07/01/91	328.00
	07/01/92	360.00
	07/01/93	394.00
	07/01/94	428.00
	07/01/97	448.00
	07/01/98	468.00
	07/01/99	488.00
Iowa	07/01/80	384.00
	07/01/81	501.34
	07/01/82	542.30
	07/01/83	562.64
	07/01/84	580.00
	07/01/85	598.00
	07/01/86	613.00
	07/01/87	632.00
	07/01/88	660.22
	07/01/89	675.00
	07/01/90	703.00
	07/01/91	733.00
	07/01/92	755.00

	07/01/93	797.00
	07/01/94	817.00
	07/01/95	846.00
	07/01/96	873.00
	07/01/97	932.00
	07/01/98	947.00
Kansas	07/01/80	170.00
	07/01/81	187.00
	07/01/82	204.35
	07/01/83	218.31
	07/01/84	227.00
	07/01/85	239.00
	07/01/86	247.00
	07/01/87	256.00
	07/01/88	263.00
	07/01/89	271.00
	07/01/90	278.00
	07/01/91	289.00
	07/01/92	299.00
	07/01/93	313.00
	07/01/94	319.00
	07/01/95	326.00
	07/01/96	338.00
	07/01/97	351.00

	07/01/98	366.00
Kentucky	01/01/80	131.00
	01/01/81	233.26
	01/01/82	254.33
	01/01/83	277.66
	01/01/84	294.87
	01/01/85	304.80
	01/01/86	316.54
	01/01/87	322.19
	01/01/88	330.53
	01/01/89	343.02
	01/01/90	353.24
	01/01/91	362.03
	01/01/92	380.00
	01/01/93	394.39
	01/01/94	415.94
	01/01/97	447.03
	01/01/98	465.36
	01/01/99	587.00
Louisiana	09/01/80	163.00
	09/01/81	183.00
	09/01/82	204.00
	07/01/83	230.00
	09/01/83	245.00

	09/01/85	254.00
	09/01/86	261.00
	09/01/87	262.00
	09/01/88	267.00
	09/01/89	276.00
	09/01/90	282.00
	09/01/91	295.00
	09/01/92	307.00
	09/01/93	319.00
	09/01/94	323.00
	09/01/95	330.00
	09/01/96	349.00
	09/01/97	350.00
	09/01/98	367.00
Maine	07/01/80	332.17
	07/01/81	367.25
	07/01/82	396.48
	07/01/83	426.26
	07/01/84	447.92
	07/01/91	518.42
	07/01/92	536.00
	01/01/93	441.00
For DOI Prior to 01/01/93	07/01/92	536.00
	07/01/94	565.83

	07/01/95	574.78
	07/01/96	594.00
	07/01/97	613.38
	07/01/98	640.98
Maryland	01/01/80	241.00
	01/01/81	248.00
	01/01/82	267.00
	01/01/83	292.00
	01/01/84	311.00
	01/01/85	327.00
	01/01/86	344.00
	01/01/87	365.00
	01/01/88	382.00
	01/01/89	407.00
	01/01/90	432.00
	01/01/91	452.00
	01/01/92	475.00
	01/01/93	494.00
	01/01/94	510.00
	01/01/95	525.00
	01/01/96	546.00
	01/01/97	553.00
	01/01/98	573.00
	01/01/99	602.00

Massachusetts	10/01/80	245.48
	10/01/81	269.93
	10/01/82	297.85
	10/01/83	320.29
	10/01/84	341.06
	10/01/85	360.50
	10/01/86	383.57
	10/01/87	411.00
	10/01/88	444.20
	10/01/89	474.47
	10/01/90	490.57
	10/01/91	515.52
	10/01/92	543.30
	10/01/93	565.94
	10/01/94	585.66
	10/01/95	604.03
	10/01/96	631.03
	10/01/97	665.55
	10/01/98	699.91
Michigan	01/01/80	200.00
	01/01/81	210.00
	01/01/82	307.00
	01/01/83	324.00
	01/01/84	334.00

	01/01/85	358.00
	01/01/86	375.00
	01/01/87	391.00
	01/01/88	397.00
	01/01/89	409.00
	01/01/90	427.00
	01/01/91	430.00
	01/01/92	441.00
	01/01/93	457.00
	01/01/94	475.00
	01/01/95	499.00
	01/01/96	524.00
	01/01/97	533.00
	01/01/98	553.00
	01/01/99	580.00
Minnesota	10/01/80	244.00
	10/01/81	267.00
	10/01/82	290.00
	10/01/83	313.00
	10/01/84	329.00
	10/01/85	342.00
	10/01/86	360.00
	10/01/87	376.00
	10/01/88	391.00

	10/01/89	413.00
	10/01/90	428.00
	10/01/91	443.00
	10/01/92	481.95
	10/01/93	508.20
	10/01/94	516.60
	10/01/95	615.00
Mississippi	07/01/79	$ 98.00
	07/01/81	112.00
	07/01/84	126.00
	07/01/85	133.00
	07/01/86	140.00
	07/01/88	198.00
	01/01/89	206.60
	01/01/90	212.58
	01/01/91	218.56
	01/01/92	227.18
	01/01/93	235.84
	01/01/94	243.75
	01/01/95	252.59
	01/01/96	264.55
	01/01/97	270.67
	01/01/98	279.78
	01/01/99	292.86

Missouri	08/13/80	150.00
	07/01/81	174.00
	07/01/82	189.49
	09/28/83	212.19
	07/02/84	222.73
	07/02/85	233.24
	07/01/86	243.78
	09/28/86	261.19
	07/01/87	269.81
	07/01/88	279.64
	07/01/89	349.00
	07/01/90	397.50
	08/28/91	431.26
	07/01/92	449.80
	07/01/93	470.06
	07/01/94	476.28
	07/01/95	491.19
	07/01/96	513.01
	07/01/97	531.52
	07/01/98	562.67
Montana	07/01/80	219.00
	07/01/81	241.00
	07/01/82	263.00
	07/01/83	277.00

	07/01/84	286.00
	07/01/85	293.00
	07/01/86	299.00
	07/01/91	336.00
	07/01/92	339.00
	07/01/93	362.00
	07/01/94	373.00
	07/01/95	380.00
	07/01/96	384.00
	07/01/97	396.00
	07/01/98	411.00
Nebraska	09/01/79	180.00
	08/26/83	200.00
	09/06/83	225.00
	05/30/87	235.00
	07/01/88	245.00
	07/10/90	255.00
	07/01/91	265.00
	06/01/94	310.00
	01/01/95	350.00
	01/01/96	409.00
	01/01/97	427.00
	01/01/98	444.00
	01/01/99	468.00

Nevada	07/01/80	245.09
	07/01/81	269.08
	07/01/82	297.21
	07/01/83	314.18
	07/01/84	324.66
	07/01/85	331.10
	07/01/86	341.95
	07/01/87	353.01
	07/01/88	367.29
	07/01/89	388.88
	07/01/90	404.13
	07/01/91	421.26
	07/01/92	432.39
	07/01/93	459.34
	07/01/94	468.86
	07/01/95	473.69
	07/01/96	492.24
	07/01/97	514.22
	07/01/98	532.63
New Hampshire	07/01/80	213.00
	07/01/81	234.00
	07/01/82	256.00
	07/01/83	418.50
	07/01/84	444.00

	07/01/85	462.00
	07/01/86	492.00
	07/01/87	525.00
	07/01/88	559.50
	07/01/89	598.50
	07/01/90	619.50
	07/01/91	633.00
	07/01/92	676.50
	07/01/93	709.50
	07/01/94	714.00
	07/01/95	730.50
	07/01/96	756.00
	07/01/97	793.50
	07/01/98	840.00
New Jersey	01/01/80	185.00
	01/01/81	199.00
	01/01/82	217.00
	01/01/83	236.00
	01/01/84	255.00
	01/01/85	269.00
	01/01/86	284.00
	01/01/87	305.00
	01/01/88	320.00
	01/01/89	342.00

	01/01/90	370.00
	01/01/91	385.00
	01/01/92	409.00
	01/01/93	431.00
	01/01/94	461.00
	01/01/95	469.00
	01/01/96	480.00
	01/01/97	496.00
	01/01/98	516.00
	01/01/99	539.00
New Mexico	01/01/80	201.04
	01/01/81	221.50
	01/01/82	246.44
	01/01/83	271.76
	01/01/84	289.20
	01/01/85	298.66
	01/01/86	308.38
	07/01/86	298.63
	07/01/87	270.97
	01/01/88	275.99
	01/01/89	283.70
	01/01/90	291.75
	01/01/91	297.19
	01/01/93	321.03

	01/01/94	333.02
	01/01/95	343.49
	01/01/96	353.33
	01/01/97	363.60
	01/01/98	375.98
	01/01/99	392.05
New York	07/01/79	215.00
	07/01/83	255.00
	07/01/84	275.00
	07/01/85	300.00
	07/01/90	340.00
	07/01/91	350.00
	07/01/92	400.00
North Carolina	10/01/79	194.00
	10/01/80	210.00
	01/01/82	228.00
	01/01/83	248.00
	01/01/84	262.00
	01/01/85	280.00
	01/01/86	294.00
	01/01/87	308.00
	01/01/88	356.00
	01/01/89	376.00
	01/01/90	390.00

	01/01/91	406.00
	01/01/92	426.00
	01/01/93	442.00
	01/01/94	466.00
	01/01/95	478.00
	01/01/96	492.00
	01/01/97	512.00
	01/01/98	532.00
	01/01/99	560.00
North Dakota	07/01/80	213.00
	07/01/81	232.09
	07/01/82	261.00
	07/01/83	278.00
	07/01/84	285.00
	07/01/85	291.00
	07/01/86	296.00
	07/01/87	299.00
	07/01/88	306.00
	07/01/89	313.00
	07/01/90	321.00
	07/01/91	334.00
	07/01/92	343.00
	07/01/93	358.00
	07/01/94	366.00

	07/01/95	376.00
	07/01/96	387.00
	07/01/97	402.00
	07/01/98	417.00
Ohio	01/01/80	258.00
	01/01/81	275.00
	01/01/82	298.00
	01/01/83	321.00
	01/01/84	335.00
	01/01/85	354.00
	01/01/86	365.00
	01/01/87	376.00
	01/01/88	385.00
	01/01/89	400.00
	01/01/90	419.00
	01/01/91	428.00
	01/01/92	443.00
	01/01/93	460.00
	01/01/94	482.00
	01/01/95	493.00
	01/01/96	511.00
	01/01/97	521.00
	01/01/98	541.00
	01/01/99	567.00

Oklahoma	10/01/80	155.00
	10/01/81	175.00
	11/01/82	196.00
	11/01/83	212.00
	11/01/84	217.00
	11/01/87	231.00
	11/01/90	246.00
	09/01/92	277.00
	11/01/93	307.00
	01/01/95	369.00
	01/01/96	409.00
	11/01/96	426.00
Oregon	07/01/80	261.32
	07/01/81	286.88
	07/01/82	304.60
	07/01/83	316.23
	07/01/84	324.23
	07/01/85	334.58
	07/01/86	344.77
	07/01/87	355.04
	07/01/88	372.39
	07/01/89	388.99
	07/01/90	406.54
	07/01/91	429.71

	07/01/92	444.55
	07/01/93	478.95
	07/01/94	489.45
	07/01/95	494.44
	07/01/96	518.60
	07/01/97	546.70
	07/01/98	576.64
Pennsylvania	01/01/80	242.00
	01/01/81	262.00
	01/01/82	284.00
	01/01/83	306.00
	01/01/84	320.00
	01/01/85	336.00
	01/01/86	347.00
	01/01/87	361.00
	01/01/88	377.00
	01/01/89	399.00
	01/01/90	419.00
	01/01/91	436.00
	01/01/92	455.00
	01/01/93	475.00
	01/01/94	493.00
	01/01/95	509.00
	01/01/96	527.00

	01/01/97	542.00
	01/01/98	561.00
	01/01/99	588.00
Puerto Rico	06/30/68	45.00
	07/01/86	65.00
Rhode Island	09/01/80	217.00
	09/01/81	238.00
	09/01/82	257.00
	09/01/83	275.00
	09/01/84	292.00
	09/01/85	307.00
	09/01/86	320.00
	09/01/87	337.00
	09/01/88	360.00
	09/01/89	386.00
	09/01/90	403.00
	09/01/91	427.00
	09/01/92	440.00
	09/01/93	463.00
	09/01/94	474.00
	09/01/95	485.00
	09/01/96	503.00
	09/01/97	519.00
	09/01/98	544.00

South Carolina	01/01/80	197.00
	01/01/81	216.00
	01/01/82	235.00
	01/01/83	254.38
	01/01/84	268.99
	01/01/85	287.02
	01/01/86	294.95
	01/01/87	308.24
	01/01/88	319.20
	01/01/89	334.87
	01/01/90	350.19
	01/01/91	364.37
	01/01/92	379.82
	01/01/93	393.06
	01/01/94	410.26
	01/01/95	422.48
	01/01/96	437.79
	01/01/97	450.62
	01/01/98	465.18
	01/01/99	483.47
South Dakota	07/01/79	$ 175.00
	01/01/81	191.00
	07/01/81	208.00
	07/01/82	227.00

	07/01/83	238.00
	07/01/84	247.00
	07/01/85	254.00
	07/01/86	262.00
	07/01/87	272.00
	07/01/88	281.00
	07/01/89	289.00
	07/01/90	297.00
	07/01/91	308.00
	07/01/92	321.00
	07/01/93	338.00
	07/01/94	349.00
	07/01/95	362.00
	07/01/96	375.00
	07/01/97	390.00
	07/01/98	408.00
Tennessee	07/01/80	119.00
	07/01/81	126.00
	07/01/82	136.00
	07/01/85	168.00
	07/01/86	189.00
	07/01/87	210.00
	07/01/88	231.00
	07/01/89	252.00

	07/01/90	273.00
	07/01/91	293.00
	08/01/92	318.24
	07/01/93	355.97
	07/01/94	382.79
	07/01/95	415.87
	07/01/96	453.14
	07/01/97	492.00
	07/01/98	515.00
Texas	09/01/80	133.00
	09/01/81	154.00
	09/01/82	182.00
	09/01/83	189.00
	09/01/84	203.00
	09/01/85	217.00
	09/01/86	224.00
	09/01/87	231.00
	09/01/88	238.00
	01/01/90	252.00
	01/01/91	428.00
	09/01/91	438.00
	09/01/92	456.00
	09/01/93	464.00
	09/01/94	472.00

	09/01/95	480.00
	09/01/96	491.00
	09/01/97	508.00
	09/01/98	523.00
Utah	07/01/80	230.00
	07/01/81	256.00
	07/01/82	283.51
	07/01/83	300.00
	07/01/84	301.00
	07/01/85	323.00
	07/01/86	329.00
	07/01/87	335.00
	07/01/88	344.00
	07/01/89	355.00
	07/01/90	364.00
	07/01/91	378.00
	07/01/92	401.00
	07/01/93	413.00
	07/01/94	417.00
	07/01/95	429.00
	07/01/96	446.00
	07/01/97	465.00
	07/01/98	487.00
Vermont	07/01/80	208.00

	07/01/81	225.00
	07/01/82	243.00
	07/01/83	262.00
	07/01/84	278.00
	07/01/85	293.00
	07/01/86	465.00
	07/01/87	486.00
	07/01/88	514.00
	07/01/89	544.00
	07/01/90	559.00
	07/01/91	592.00
	07/01/92	611.00
	07/01/93	644.00
	07/01/94	648.00
	07/01/95	655.00
	07/01/96	674.00
	07/01/97	699.00
	07/01/98	727.00
Virgin Islands	01/01/80	110.00
	01/01/81	139.00
	01/01/82	153.00
	01/01/83	165.00
	01/01/84	173.00
	01/01/85	183.00

	01/01/86	187.00
	01/01/87	185.00
	01/01/88	195.00
	01/01/89	216.00
	01/01/90	218.00
Virginia	07/01/80	213.00
	07/01/81	231.00
	07/01/82	253.00
	07/01/83	277.00
	07/01/84	295.00
	07/01/85	311.00
	07/01/86	326.00
	07/01/87	344.00
	07/01/88	362.00
	07/01/89	382.00
	07/01/90	404.00
	07/01/91	418.00
	07/01/92	434.00
	07/01/93	451.00
	07/01/94	466.00
	07/01/95	480.00
	07/01/96	496.00
	07/01/97	513.00
	07/01/98	534.00

Washington	07/01/80	204.66
	07/01/81	223.34
	07/01/82	243.10
	07/01/83	253.16
	07/01/84	256.31
	07/01/85	260.94
	07/01/86	269.69
	07/01/87	279.82
	07/01/88	381.31
	07/01/89	395.31
	07/01/90	410.97
	07/01/91	430.78
	07/01/92	455.42
	07/01/93	511.49
	07/01/94	531.44
	07/01/95	576.28
	07/01/96	626.93
	07/01/97	659.98
	07/01/98	703.36
West Virginia	07/01/80	$ 263.08
	07/01/81	276.26
	07/01/82	300.61
	07/01/83	318.85
	07/01/84	321.30

	07/01/85	332.85
	07/01/86	343.06
	07/01/87	350.83
	07/01/88	358.52
	07/01/89	367.89
	07/01/90	376.44
	07/01/91	394.02
	07/01/92	405.44
	07/01/93	420.33
	07/01/94	423.10
	07/01/95	434.07
	07/01/96	445.83
	07/01/97	454.68
	07/01/98	466.11
Wisconsin	01/01/80	233.00
	01/01/81	249.00
	01/01/82	269.00
	01/01/83	294.00
	01/01/84	305.00
	01/01/85	321.00
	01/01/86	329.00
	01/01/87	338.00
	01/01/88	348.00
	01/01/89	363.00

	01/01/90	378.00
	01/01/91	388.00
	01/01/92	450.00
	01/01/94	466.00
	01/01/95	479.00
	01/01/96	494.00
	01/01/97	509.00
	01/01/98	523.00
	01/01/99	538.00
Wyoming	01/01/80	250.62
	04/01/80	258.86
	07/01/80	292.35
	10/01/80	326.45
	01/01/81	362.34
	04/01/81	393.14
	07/01/81	402.01
	10/01/81	411.21
	01/01/82	415.66
	04/01/82	422.10
	07/01/82	428.44
	10/01/82	434.42
	01/01/83	350.10
	04/01/83	346.41
	07/01/83	346.62

	10/01/83	346.14
	01/01/84	313.58
	04/01/84	339.81
	07/01/84	336.23
	10/01/84	347.27
	01/01/85	347.71
	04/01/85	346.13
	07/01/85	339.67
	10/01/85	359.86
	01/01/86	352.26
	04/01/86	358.33
	07/01/86	353.00
	10/01/86	376.80
	01/01/87	368.42
	04/01/87	360.74
	07/01/87	348.01
	10/01/87	362.37
	01/01/88	350.86
	04/01/88	359.28
	07/01/88	346.41
	10/01/88	370.59
	01/01/89	356.19
	04/01/89	356.00
	07/01/89	354.00

	10/01/89	373.00
	01/01/90	364.00
	04/01/90	367.00
	07/01/90	359.00
	10/01/90	388.00
	01/01/91	386.00
	04/01/91	372.00
	07/01/91	406.65
	10/01/91	387.00
	01/01/92	392.00
	04/01/92	385.00
	07/01/92	420.00
	10/01/92	399.00
	01/01/93	291.79
	04/01/93	283.12
	07/01/93	315.62
	10/01/93	290.34
	01/01/94	413.00
	04/01/94	408.00
	07/01/94	448.00
	10/01/94	415.00
	01/01/95	421.00
	04/01/95	450.65
	07/01/95	481.00

	10/01/95	459.25
	01/01/96	465.83
	04/01/96	419.00
	07/01/96	447.00
	10/01/96	430.00
	01/01/97	313.46
	07/01/97	344.51
	10/01/97	326.46
	01/01/98	325.01
	04/01/98	297.35
	07/01/98	325.35
	10/01/98	305.35
	01/01/99	310.00
F.E.C.A.	10/01/79	722.78
	10/01/81	829.33
	12/18/82	910.31
	01/01/84	946.76
	01/06/85	979.90
	01/04/87	1,009.27
	01/03/88	1,029.48
	01/01/89	1,071.68
	01/14/90	1,110.32
	01/13/91	1,155.84
	01/12/92	1,204.36

	01/10/93	1,248.88
	01/09/94	1,287.47
	01/08/95	1,273.94
	01/07/96	1,299.38
	01/05/97	1,329.25
	01/04/98	1,359.91
	01/03/99	1,401.94
Longshore and Harbor	10/01/80	456.24
Workers' Compensation	10/01/81	496.70
Act	10/01/82	524.70
	10/01/83	548.34
	10/01/84	579.66
	10/01/85	595.24
	10/01/86	605.32
	10/01/87	616.96
	10/01/88	636.24
	10/01/89	660.62
	10/01/90	682.14
	10/01/91	699.96
	10/01/92	721.14
	10/01/93	738.30
	10/01/94	760.92
	10/01/95	782.44

	10/01/96	801.06
	10/01/97	835.74
	10/01/98	871.76

* Multiply the weekly rate(s) by 4.33333 to obtain the monthly rate(s).

Appendix C – Triennial Redetermination Ratios

Year of Initial Offset	Year of Redetermination	Ratio
1975	1978	1.149
	1981	1.429
	1984	1.809
	1987	2.095
	1990	2.408
	1993	2.716
	1996	2.958
	1999	3.415
	2002	4.004
	2005	4.242
	2008	4.813
	2011	5.100
	2014	5.519

Year of Initial Offset	Year of Redetermination	Ratio
1976	1979	1.133
	1982	1.450
	1985	1.766
	1988	2.007
	1991	2.329
	1994	2.657
	1997	2.862
	2000	3.344
	2003	3.814
	2006	4.130
	2009	4.681
	2012	4.828
	2015	5.201

Year of Initial Offset	Year of Redetermination	Ratio
1977	1980	1.144
	1983	1.493
	1986	1.749
	1989	1.997
	1992	2.279
	1995	2.507
	1998	2.809
	2001	3.302
	2004	3.604
	2007	4.005
	2010	4.480
	2013	4.658
	2016	5.038

Year of Initial Offset	Year of Redetermination	Ratio
1978	1981	1.174
	1984	1.486
	1987	1.720
	1990	1.977
	1993	2.230
	1996	2.429
	1999	2.804
	2002	3.288
	2005	3.483
	2008	3.952
	2011	4.186
	2014	4.532

Year of Initial Offset	Year of Redetermination	Ratio
1979	1982	1.185
	1985	1.444
	1988	1.641
	1991	1.904
	1994	2.173
	1997	2.340
	2000	2.734
	2003	3.119
	2006	3.377
	2009	3.828
	2012	3.948
	2015	4.252

Year of Initial Offset	Year of Redetermination	Ratio
1980	1983	1.200
	1986	1.406
	1989	1.605
	1992	1.832
	1995	2.015
	1998	2.257
	2001	2.654
	2004	2.897
	2007	3.219
	2010	3.601
	2013	3.744
	2016	4.049

Year of Initial Offset	Year of Redetermination	Ratio
1981	1984	1.161
	1987	1.344
	1990	1.545
	1993	1.743
	1996	1.898
	1999	2.192
	2002	2.570
	2005	2.722
	2008	3.089
	2011	3.271
	2014	3.542

Year of Initial Offset	Year of Redetermination	Ratio
1982	1985	1.106
	1988	1.258
	1991	1.459
	1994	1.665
	1997	1.794
	2000	2.095
	2003	2.390
	2006	2.588
	2009	2.934
	2012	3.026
	2015	3.260

Year of Initial Offset	Year of Redetermination	Ratio
1983	1986	1.110
	1989	1.268
	1992	1.447
	1995	1.592
	1998	1.783
	2001	2.097
	2004	2.288
	2007	2.543
	2010	2.845
	2013	2.958
	2016	3.199

Year of Initial Offset	Year of Redetermination	Ratio
1984	1987	1.104
	1990	1.269
	1993	1.431
	1996	1.559
	1999	1.800
	2002	2.110
	2005	2.235
	2008	2.536
	2011	2.686
	2014	2.908

Year of Initial Offset	Year of Redetermination	Ratio
1985	1988	1.074
	1991	1.246
	1994	1.421
	1997	1.531
	2000	1.789
	2003	2.040
	2006	2.209
	2009	2.504
	2012	2.583
	2015	2.782

Year of Initial Offset	Year of Redetermination	Ratio
1986	1989	1.095
	1992	1.250
	1995	1.375
	1998	1.540
	2001	1.811
	2004	1.977
	2007	2.197
	2010	2.457
	2013	2.555
	2016	2.763

Year of Initial Offset	Year of Redetermination	Ratio
1987	1990	1.116
	1993	1.259
	1996	1.371
	1999	1.583
	2002	1.856
	2005	1.967
	2008	2.231
	2011	2.363
	2014	2.559

Year of Initial Offset	Year of Redetermination	Ratio
1988	1991	1.091
	1994	1.245
	1997	1.341
	2000	1.566
	2003	1.787
	2006	1.935
	2009	2.193
	2012	2.262
	2015	2.436

Year of Initial Offset	Year of Redetermination	Ratio
1989	1992	1.088
	1995	1.196
	1998	1.340
	2001	1.576
	2004	1.720
	2007	1.911
	2010	2.138
	2013	2.223
	2016	2.404

Year of Initial Offset	Year of Redetermination	Ratio
1990	1993	1.085
	1996	1.182
	1999	1.365
	2002	1.600
	2005	1.695
	2008	1.923
	2011	2.037
	2014	2.205

Year of Initial Offset	Year of Redetermination	Ratio
1991	1994	1.091
	1997	1.175
	2000	1.373
	2003	1.566
	2006	1.695
	2009	1.922
	2012	1.982
	2015	2.135

Year of Initial Offset	Year of Redetermination	Ratio
1992	1995	1.061
	1998	1.188
	2001	1.397
	2004	1.525
	2007	1.694
	2010	1.895
	2013	1.970
	2016	2.131

Year of Initial Offset	Year of Redetermination	Ratio
1993	1996	1.036
	1999	1.196
	2002	1.402
	2005	1.485
	2008	1.685
	2011	1.785
	2014	1.932

Year of Initial Offset	Year of Redetermination	Ratio
1994	1997	1.068
	2000	1.249
	2003	1.423
	2006	1.541
	2009	1.747
	2012	1.802
	2015	1.940

Year of Initial Offset	Year of Redetermination	Ratio
1995	1998	1.091
	2001	1.283
	2004	1.400
	2007	1.556
	2010	1.740
	2013	1.809
	2016	1.957

Year of Initial Offset	Year of Redetermination	Ratio
1996	1999	1.110
	2002	1.302
	2005	1.379
	2008	1.564
	2011	1.657
	2014	1.794

Year of Initial Offset	Year of Redetermination	Ratio
1997	2000	1.114
	2003	1.270
	2006	1.376
	2009	1.559
	2012	1.608
	2015	1.732

Year of Initial Offset	Year of Redetermination	Ratio
1998	2001	1.111
	2004	1.212
	2007	1.347
	2010	1.507
	2013	1.567
	2016	1.695

Year of Initial Offset	Year of Redetermination	Ratio
1999	2002	1.114
	2005	1.180
	2008	1.339
	2011	1.418
	2014	1.536

Year of Initial Offset	Year of Redetermination	Ratio
2000	2003	1.080
	2006	1.170
	2009	1.326
	2012	1.368
	2015	1.473

Year of Initial Offset	Year of Redetermination	Ratio
2001	2004	1.034
	2007	1.149
	2010	1.286
	2013	1.337
	2016	1.446

Year of Initial Offset	Year of Redetermination	Ratio
2002	2005	1.035
	2008	1.174
	2011	1.243
	2014	1.346

Year of Initial Offset	Year of Redetermination	Ratio
2003	2006	1.072
	2009	1.215
	2012	1.253
	2015	1.350

Year of Initial Offset	Year of Redetermination	Ratio
2004	2007	1.085
	2010	1.213
	2013	1.262
	2016	1.365

Year of Initial Offset	Year of Redetermination	Ratio
2005	2008	1.084
	2011	1.148
	2014	1.243

Year of Initial Offset	Year of Redetermination	Ratio
2006	2009	1.093
	2012	1.128
	2015	1.215

Year of Initial Offset	Year of Redetermination	Ratio
2007	2010	1.069
	2013	1.112
	2016	1.203

Year of Initial Offset	Year of Redetermination	Ratio
2008	2011	1.013
	2014	1.097

Year of Initial Offset	Year of Redetermination	Ratio
2009	2012	1.008
	2015	1.086

Year of Initial Offset	Year of Redetermination	Ratio
2010	2013	1.056
	2016	1.142

Year of Initial Offset	Year of Redetermination	Ratio
2011	2014	1.064

Year of Initial Offset	Year of Redetermination	Ratio
2012	2015	1.044

Year of Initial Offset	Year of Redetermination	Ratio
2013	2016	1.049

8.11.1 Introduction

This chapter explains the basic computations of the Primary Insurance Amount (PIA) under the Social Security Act. Prior to the 1977 Amendments to the SS Act, the PIA was selected from a table based on the average monthly wage (AMW). The 1977 Amendments introduce a new method for computing a PIA based on formula percentages of the employee's average indexed monthly earnings (AIME).

The Tier system under the 1974 RR Act requires a number of PIAs to calculate an employee, spouse or survivor annuity. The purpose of this chapter is to explain how the different PIAs are calculated, how they are used, and the effect of the 1977 and 1981 SS Act Amendments on these PIAs.

8.11.2 Definitions of SS Act Terms in Effect Prior to 1977

1. Retirement Age - Retirement age for women is age 62. The 1972 Social Security Act amendments changed retirement age for men from age 65 to age 62 beginning January 1, 1973. For men who attain age 62 in 1975 or later, the number of elapsed years is determined up to the year of attainment of age 62 (or, if earlier, the year of death) rather than age 65. Men who attain age 62 in 1973 or 1974 will be deemed to have attained age 65 in 1975. Elapsed years for these men will be counted up to 1975. Men who attain age 62 before 1973 are not affected by the 1972 amendments.

2. Average Monthly Wage (AMW) - This is the result of dividing the total of the (non-indexed) earnings in the computation base years (commonly known as divisor months).

3. Primary Insurance Benefit (PIB) - This is the result of a formula applied to the AMW under the Old Start Computation. The Primary Insurance Amount is determined from the PIB based on a conversion table.

4. Primary Insurance Amount (PIA) - The Primary Insurance Amount (PIA) is the basis of all Social Security Act benefits.

5. Eligible - The individual meets the requirements for a Social Security Act benefit and has an insured status. (This definition is changed under the 1977 SS Act Amendments to delete the reference to an insured status as of eligibility year.)

6. Recalculation - The PIA, once established can be changed by recalculation which:

   (a) Involves the reopening of previous computations to change the factors of the benefit computations; and,

   (b) Can result in an increase of a decrease in the PIA; and,

(c) May or may not be specifically provided for in the law.

7. Recomputation - The PIA, once established, can be changed by recomputation which:

   (a) Involves the use of a new computation period; and,

   (b) Can be effective only to increase the PIA; and,

   (c) Is specifically provided for in the Social Security Act.

8. Life Benefits - The benefits payable to the living wage earner and auxiliaries upon filing of an application.

9. Death Benefits - The benefits payable on the deceased wage earner's wage record to the eligible survivors upon filing of an application.

10. Drop-out Years - Up to five years of lowest earnings which are excluded from most PIA computations.

11. Date of Entitlement - The initial date of entitlement is the month for which payments are due before adjustment for work deductions or SS Act non-payment provisions. This is similar to the annuity beginning date under the RRA.

8.11.3 Definitions of SS ACT Terms Effective 1977 or Later

1. Entitled - The person is "entitled" when (s)he meets all the requirements including the insured status and the filing of an application. Entitlement exists even though payments are not being made.

2. Eligible - A wage earner is "eligible" for life benefits with a beginning date of 1-1979 or later under the 1977 SSA Amendments in the earliest of:

   (1) The year of disability onset; or,

   (2) The year of attainment of age 62.

   Insured status is not considered at SSA when determining whether an individual is eligible for a life benefit effective 1-1-79 or late under the 1977 SSA Amendments. A person age 62 in 1979 and not insured until 1980 is considered "eligible" in 1979 for computational purposes. However, the onset date of a period of disability is contingent upon the meeting of DIB insured status.

   If the wage earner dies before becoming eligible for life benefits, survivor benefits are computed using the year of death as the eligibility year.

   NOTE: The deeming provisions under the RR Act can make an RR employee "eligible" for the RRA PIA #1 or PIA #3 even though he or she would not be

eligible under the SS Act. For example, an occupational disability annuitant is deemed to be entitled to a DIB under the SS Act even though there is no SS Act DF. A 60/30 annuitant is deemed to be eligible on the ABD if he or she is under age 62 on the ABD.

3. Eligibility Year (Benchmark Year) - The "eligibility year" (or benchmark year) is the earliest of:

   (1) the year of death; or

   (2) the year of disability onset; or

   (3) the year of attainment of age 62.

   The "eligibility year" governs the type of PIA computation. If the employee is eligible before 1979, generally, the PIA is selected from a table based on the AMW. If the employee is eligible after 1978, generally, the PIA is determined under a formula based on the AIME. In the latter cases, the eligibility year also determines the formula used to calculate the AIME PIA. (See 8.11.40 and 8.11.70 for exceptions.)

4. Average Annual Wage (AAW) - The average annual wage is the average of actual covered and non-covered wages for all workers in a given year. Prior to 1978, this equals four times the average social security earnings reported for the first quarter of each year. After 1977, it is based on earnings reported to the Internal Revenue Service.

5. Indexing - Indexing is a means of expressing prior year's earnings in terms of their current dollar value. The method for accomplishing this involves the multiplying of the previously reported earnings for each year after 1950 up through the indexing year by the quotient of the average annual wage (AAW) of all workers for the year being indexed.

$$\text{(Unindexed earnings for year N)} \times \frac{\text{(Average annual wage for indexing year)}}{\text{(Average annual wage for year N)}} = \text{Indexed earnings}$$

   Earnings for years subsequent to the indexing year are not indexed. The actual reported earnings are considered.

6. Indexing Year - The indexing year is the second year before the individual's year of eligibility as defined in item 3.

7. Average Indexed Monthly Earnings (AIME) - This is the result of dividing the total of the indexed and non-indexed earnings in the benefit computation years by the

number of months in the computation base years (commonly known as divisor months).

8. Bend Points - Bend points are the amounts of the AIME which are multiplied by the constant percentages in the PIA formula contained in the law. The term also refers to the amounts of the AIME PIA which are multiplied by constant percentages in the formula used to determine the family maximums applicable to AIME PIAs.

   The law as amended provides that by November 1 of each year after 1978, the Secretary of Health Education and Welfare will publish in the Federal Register the bend points that will be applicable to workers who become "eligible" for benefits in the following year.

9. Decoupling - Decoupling is a term which denotes that all prior cost-of-living increases are not considered when computing the starting Old Start, TRANS or AIME PIA under the 1977 SSA Amendment provisions. The PIA is either derived from the June 1978 PIA Table or computed by applying a formula to the AIME. Cost-of-living increases are added, generally, after the starting PIA has been determined, beginning with the year of eligibility (see 8.11.91 for exceptions).

   The Special Minimum PIA is not subject to the decoupling provision.

10. RAW PIA or RAW Maximum - This is the basic result of applying the PIA formula based on the benchmark year to the AIME amount or the family maximum formula based on the benchmark year to the PIA amount.

11. Variable Dropout - This is a provision of the 1980 Social Security Disability Amendments which limits the low years of earnings to be excluded from disability PIA computations.

8.11.4 Types of PIAS Under the Social Security Act

The Primary Insurance Amount (PIA) is the basis of all Social Security Act benefits and, therefore, all RR annuity Tier I amounts and rates payable under the Retirement O/M computation. The basic SS Act PIA computations are explained in this section.

The PIA's designated under the RRA as PIA 1, PIA 3,

PIA 9, PIA 17, and the SSEB PIA are basically subject to the SSA rules based on the eligibility year. However, refer to section 8.11.103 - 8.11.105 for an explanation of the effect of RR Act deeming provisions on the determination of the PIA 1, PIA 3, and PIA 17 eligibility year.

Under the 1977 Amendments to the SS Act, the "eligibility year" determines the type of PIA to be computed.

A. Eligibility Year Before 1979 - The possible PIA computations for cases with an eligibility year before 1979 are:

1. "New Start" Method (AMW PIA) - The PIA is obtained directly from the Average Monthly Wage (AMW) under the "New Start" method; or,

2. Special Minimum PIA (SPC MIN PIA) - The PIA is obtained by multiplying an amount specified in the law by the number of "years of coverage" under the Special Minimum Guarantee; or,

3. "Old Start" Method (AMW PIA) - The PIA is obtained from the Primary Insurance Benefit under the "Old Start" methods (including the 1977 Old Start computation for eligibilities in 1978).

B. Eligibility Year 1979 or Later - The possible PIA computations for cases with an eligibility year 1979 or later are:

1. AIME PIA - The AIME (average indexed monthly earnings) PIA is determined by means of a formula in which variable portions of the AIME (the bend points established for the employee's eligibility year) are multiplied by constant percentages contained in the law. Cost-of-living increases are added under specific rules after the AIME PIA has been computed.

2. Frozen Minimum PIA (FRZN MIN PIA) - The minimum starting AIME PIA for initial entitlement effective January, 1979 and later is frozen at $122.00 (June, 1978 minimum PIA rounded to the next higher multiple of $1.00). Cost-of-living increases are added under specific rules.

   The 1981 SS Act Amendments eliminated the Frozen Minimum PIA for most earnings records based on eligibility years 1982 or later.

3. Transitional Guarantee PIA (TRANS PIA) - This is a "New Start" AMW based PIA limited to certain benefits as explained in RCM 8.11.25. This PIA does not include earnings in the eligibility year or later years. Cost-of-living increases are added under specific rules.

4. 1977 Old Start PIA (1977 O.S. PIA) - The primary Insurance Amount is determined by computing the PIB and then converting it to the PIA using a conversion chart. However, for eligibilities in 1979 or later, the AMW cannot include earnings in the eligibility year or later years. Cost-of-living increases are added under specific rules.

5. Special Minimum PIA (SPC. MIN. PIA.) - The PIA is obtained by multiplying an amount specified in law by the number of "years of coverage" under the Special Minimum Guarantee.

6. DIB Guarantee PIA - When an individual has been entitled to monthly disability benefits that terminated more than 12 months before the current disability, age and service, or survivor entitlement, the "eligibility year" of the current entitlement determines the computation to be used. However, the starting PIA may not be less than the PIA which was in effect in the month of termination of the disability benefits.

   NOTE: When an individual has been entitled to monthly disability benefits that terminated within 12 months of the current disability, age and service, or survivor entitlement, the previous PIA computation applies.

7. Vow of Poverty Minimum PIA - The SS Act Amendments retains the minimum PIA's for certain members of religious orders (or an autonomous part of such order) until 1992 provided:

   - The individual was required to take a vow of poverty; and,
   - The religious order must have elected Social Security coverage for their members prior to 12/29/81 (the enactment date of PL 97-123).

8.11.5 PIAs Under the RRA not Subject to 1977 SS ACT Amendments or 1981 SS Act Amendments

The PIA's designated under the Railroad Retirement Act as PIA #4, PIA #5, PIA #6, PIA #7, PIA #8, PIA #10, PIA #11, PIA #15 and PIA #21 are frozen under the computation in effect on 12-1974 (see 8.11.100 through 8.11.117). Therefore, regardless of the wage earner's eligibility year, these PIA's are always either based on the AMW under the higher of the "Old Start" or "New Start" method or, if higher, are based on the Special Minimum PIA.

The elimination of the minimum benefit under the 1991 SS Act Amendments does not affect these PIAs.

8.11.10 Determining the Elapsed Years

The Social Security Act rules are explained in this section. Refer to RCM 8.11.100-8.11.117 for an explanation of the effect of RR Act deeming provisions on the determination of the elapsed years.

The elapsed years determine the number of computation years which must be used in computing the AMW or AIME.

The elapsed years depend on the method of computing the AMW or AIME.

A. "Old Start" AMW Computation - The Elapsed Years for all Social Security Act Old Start AMW computations are the years since January 1, 1937 up to the earlier of the end of the year before the year of attainment of retirement age, the end of the

year before the year the period of disability begins, or the end of the year before the year of death, but excluding:

- Any years prior to the year in which the wage earner attained age 22; and,

- Any years partly or wholly within a previous "disability freeze" period established after 1-1-1951 (or after 1-1-1937 if Revised PIB Method) unless including these years would result in a higher AMW (benefits payable after June 1955 only).

B. New Start AMW Method or AIME Method - The Elapsed Years for the "New Start" AMW or for the AIME are the years since January 1, 1951 up to the earlier of the end of the year before the year of attainment of retirement age, the end of the year before the year the period of disability begins, or the end of the year before the year of death, but excluding:

- Any years prior to the year in which the wage earner attained age 22; and,

- Any years partly or wholly within a previous "disability freeze" period established after 1-1-1951 unless including these years would result in a higher AMW (benefits payable after June 1955 only) or would result in a higher AIME.

8.11.11 Determining the Divisor Months

The divisor months are determined from the elapsed years (see RCM 8.11.10). For benefits payable after 1954, the months in up to five years of lowest earnings are deducted from the elapsed years as explained in RCM 8.11.16. The divisor months used in computing the AMW or AIME equal the number of months in the elapsed years minus the number of months in the years deducted (i.e., (elapsed years - 5) x 12 = divisor months). However, the minimum divisor is 24. If the number of months remaining after excluding the years of disability and up to five low years is less than 24, the divisor will be 24.

EXAMPLE 1: The employee was born 8-17-14 and therefore has 39 elapsed years (1937 through 1975) under the Old Start Computation before the year he attained age 62 (1976). The months in the five years of lowest earnings are dropped from the divisor months. The 34 remaining years times 12 months per year equal 408 divisor months.

EXAMPLE 2: The employee was born 8-17-14 and therefore has 25 elapsed years (1951 through 1975) under the "New Start Computation" before the year he attains age 62 in 1976. The months in the five years of lowest earnings are dropped from the AMW divisor months. The 20 remaining years times 12 months per year equal 240 divisor months.

EXAMPLE 3: The employee was born 9-27-42 and therefore has 40 elapsed years (1964 through 2003) under the AIME computation before the year he attains age 62

(2004). The months in the five years of lowest earnings are dropped from the AIME divisor months. The 35 remaining years times 12 months per year equal 420 divisor months.

EXAMPLE 4: The employee was born 5-24-55. He is entitled to a "disability freeze" effective 9-30-2003. Since the employee attained age 22 in 1977, there are 26 elapsed years (1977 through 2002) under the "New Start Computation" before the year his period of disability began. The months in the five years of lowest earnings are dropped from the divisor. The 21 remaining years times 12 months per year equal 252 divisor months.

EXAMPLE 5: The employee was born 5-24-52. He is entitled to a "disability freeze" (DF) effective 9-30-2003. Since the employee attained age 22 in 1974, there are 29 elapsed years (1974 through 2002) under the AIME computation before the year his period of disability began. The months in the five years of lowest earnings are dropped from the AIME divisor. The 24 remaining years times 12 months per year equal 288 divisor months.

EXAMPLE 6: The employee was born 9-11-60. He died on 8-3-2004 before entitlement to life benefits. Since the employee attained age 22 in 1982, there are 22 elapsed years (1982 through 2003) under the AIME computations. The months in the five years of lowest earnings are dropped from the AIME divisor. The 17 remaining years times 12 months per year equal 204 divisor months.

EXAMPLE 7: The employee was born 9-11-59. He became disabled on 8-3-2004 (year age 45). Since the employee attained age 22 in 1981, there are 23 elapsed years (1981 through 2003) under the AIME computations. Since his PIA will be calculated under the 1980 SS Act Amendments he is only entitled to 4 drop-out years, and therefore, the months in the four years of lowest earnings are dropped from the AIME divisor. The 19 remaining years times 12 months per year equal 228 divisor months.

Once determined, the divisor months remain constant regardless of whether the living wage earner keeps working.

The chart in Exhibit 1 illustrates the determination of divisor months for employees born before 1-2-30.

8.11.12 Determining Base Years - General

The base years are the years from which the benefit computation years are chosen for the AMW dividend or AIME dividend. The number of base years depends on the SS Act method of computing the PIA:

- Old Start AMW Computation

The base years are the years since January 1, 1937 through the Last Computation Base Year, excluding years wholly within a period of disability.

- "New Start" AMW or AIME Computation

The base years are the years since January 1, 1951 through the Last Computation Base Year, excluding years wholly within a period of disability.

In life cases, the Last Computation Base Year for the initial (Old Start or New Start) AMW or AIME ends on the earlier of December 31, of the year prior to the effective date of the PIA or December 31, of the year of the disability onset.

In death cases, the Last Computation Base Year for the Old Start or New Start AMW or the AIME is the year of the wage earner's death.

EXCEPTION: The AMW Computation in life or death cases for the TRANS PIA or for the 1977 Old Start PIA for eligibilities in 1979 or later cannot include earnings in the "eligibility year" or later years.

8.11.13 Determining Benefit Computation Years - General

The benefit computation years for the (Old Start or New Start) AMW or for the AIME computation are chosen from the base years. The total number of benefit computation years equal the number of years used in the AMW or AIME divisor (elapsed years minus up to five years of lowest earnings as explained in RCM 8.11.16). However, earnings for a base year prior to the year of attainment of age 22, after the year of attainment of retirement age, or a base year partly within a period of disability may be substituted for a benefit computation year in which the wage earner had lower earnings.

EXCEPTION: The AMW computation for the TRANS PIA or for 1977 Old Start PIA for eligibilities in 1979 or later cannot include earnings in the "eligibility year" or later years.

Example 1: The employee was born 8-17-14. He attained age 62 in 8-1976 but did not file for benefits until 8-1979. The AMW PIA is effective 8-1979. In this case, December 31, of the year prior to the effective date of the PIA is used. The last computation base year for the initial AMW ends on December 31, 1978. Exclude five years of lowest earnings. Earnings for 1976, 1977 and 1978 are used only if they are higher than some other benefit computation year.

Example 2: The employee was born 11-14-18. He attained age 62 in 11-1980 but did not file for benefits until 11-1982. The AIME, TRANS or 1977 O.S PIA is effective 11-1982. In this case, December 31, of the year prior to the effective date of the PIA is used. The last computation base year for the initial AIME ends on December 31, 1981. Earnings for 1980 and 1981 are used only if they are higher than some other benefit computation year. The last computation base year for the TRANS PIA or 1977 Old Start PIA ends on December 31, 1979.

Example 3: The employee's date of birth is 5-24-31. He is rated disabled from 9-30-76 and the SS Act initial PIA is effective 3-1-77. In this case, December 31, of the year of disability onset and December 31, of the year prior to the effective date of the AMW PIA

are the same. Therefore, the last computation base year for the initial AMW ends on December 31, 1976.

After excluding five years of lowest earnings, the earnings for 1951 and 1952 which are prior to the year in which the employee attained age 22, and the earnings for 1976 (a year partly within a period of disability) are used only if they are higher than some other benefit computation year.

Example 4: The employee's date of birth is 5-24-31. He is rated disabled from 10-5-79 and the SS Act initial PIA is effective 4-1-80. In this case, December 31, of the year of disability onset and December 31, of the year prior to the effective date of the AIME PIA are the same.

The last computation base year for the initial AIME ends on December 31, 1979. After excluding five years of lowest earnings, the earnings for 1951 and 1952 which are prior to the year in which the employee attained age 22 and the earnings for 1979 (a year partly within a period of disability) are used only if they are higher than some other benefit computation year.

The last computation base year for the 1977 Old Start PIA in this case ends on December 31, 1978. After excluding five years of lowest earnings, the earnings for 1951 and 1952 are used only if they are higher than some other benefit computation year.

Example 5: The employee's date of birth is 5-24-31. He is rated disabled from 2-9-76 and the SS Act initial PIA is effective 8-1976. In this case, December 31, of the year prior to the effective date of the PIA is earlier than December 31, of the year of disability onset. The last computation base year for the initial AMW ends on December 31, 1975. After excluding the five years of lowest earnings, the earnings for 1951 and 1952 which are prior to the year in which the employee attained age 22, are used only if they are higher than some other benefit computation year.

The AMW may be recomputed effective 1-1-77 if the 1976 earnings are higher than some other benefit computation year.

Example 6: The employee's date of birth is 5-24-31. He is rated disabled form 3-10-79 and the SS Act initial AIME PIA is effective 9-1-79. In this case, December 31, of the year prior to the effective date of the PIA is earlier than December 31, of the year of disability onset.

After excluding five years of lowest earnings, the earnings for 1951 and 1952 which are prior to the year in which the employee attained age 22, are used only if they are higher than the indexed earnings of some other benefit computation year.

The last computation base year for the initial AIME ends on December 31, 1978. The AIME may be recomputed effective 1-1-80 if the actual reported earnings for 1979 are higher than the indexed earnings of some other benefit computation year.

The last computation base year for the 1977 Old Start PIA in this case ends on December 31, 1978. The AMW may not be recomputed.

Example 7: The employee attained age 62 in 8-1975 and died on 7-10-80. The last computation base year for the AMW is 1980. Earnings for 1975 through the year of death are used only if they are higher than some other benefit computation year.

Example 8: The employee attained age 62 on 2-9-80 and died on 9-2-81. The last computation base year for the AIME is 1981. Earnings for 1980-1981 are used only if they are higher than some other benefit computation year.

The last computation base year for the AMW for the TRANS PIA or 1977 Old Start PIA in this case is December 31, 1979.

Example 9: The employee was born 9-11-50. He died on 8-3-2004 before entitlement to life benefits. The last computation base year for the AIME is 2004. After excluding the five years of lowest earnings, the earnings for 1951-1971 (which are prior to attainment of age 22), and for 2004 (the year of death) are used only if they are higher than some other benefit computation year.

Example 10: The employee was born 9-11-59. He became disabled on 8-3-2004 at age 45. The last computation base year for the AIME is 2004. After excluding the four years of lowest earnings under the 1980 SS Act Amendments, the earnings for 1951-1980 (which are prior to attainment of age 22) and for 2004 (partial year of disability) are used only if they are higher than some other benefit computation year.

8.11.14 Yearly Earnings Maximums

The Social Security Act limits the yearly reported earnings that may be considered in the AMW computations or indexed for the AIME computation. The earnings to be used include all wages, self-employment income, creditable compensation and creditable M/S including deemed M/S credits up to the maximum for each year. RCM 8.11.42 explains the Old Start method of determining earnings for base years before 1951.

Note: The Annual and Monthly Earnings Maximums are now located on Boardwalk. For more information click here.

The yearly maximums for reported earnings are as follows:

	YEARS	**MAXIMUM**	
Old Start Only	1937-1939	$ 3,000.00	From each employer
	1940-1950	3,000.00	Total per year
Old Start, New	1951-1954	3,600.00	Total per year

Start or AIME	1959-1965	4,800.00	
	1966-1967	6,600.00	
	1968-1971	7,800.00	
	1972	9,000.00	
	1973	10,800.00	
	1974	13,200.00	
	1975	14.100.00	
	1976	15,300.00	
	1977	16,500.00	
	1978	17,700.00	
	1979	22,900.00	
	1980	25,900.00	
	1981	29,700.00	
	1982	32,400.00	
	1983	35,700.00	
	1984	37,800.00	
	1985	39,600.00	
	1986	42,000.00	
	1987	43,800.00	
	1988	45,000.00	
	1989	48,000.00	
	1990	51,300.00	
	1991	53,400.00	
	1992	55,500.00	

	1993	57,600.00	
	1994	60,600.00	
	1995	61,200.00	
	1996	62,700.00	
	1997	65,400.00	
	1998	68,400.00	
	1999	72,600.00	
	2000	76,200.00	
	2001	80,400.00	
	2002	84,900.00	
	2003	87,000.00	
	2004	87,900.00	
	2005	90,000.00	
	2006	94,200.00	
	2007	97,500.00	
	2008	102,000.00	
	2009	106,800.00	
	2010	106,800.00	
	2011	106,800.00	
	2012	110,100.00	
	2013	113,700.00	
	2014	117,000.00	
	2015	118,500.00	
	2016	118,500.00	

	2017	127,200.00	

8.11.15 Excluding Period of Disability

A. Determination of DF Period - The period of disability is determined by the Disability Rating Section at RRB or SSA (see RCM 1.2). It may apply in either an age and service or disability case.

When a disability freeze (DF) is established, the worker's wage record is frozen and the period during which he is rated disabled (and not likely to have substantial earnings) is usually excluded from the "Old Start" or "New Start" AMW computation or the AIME computation. However, the disability period is not excluded unless dropping these years produces a higher AMW or AIME than would otherwise be possible. If the period of disability is disregarded in the AMW or AIME computation, the disability freeze cannot be used to establish a DIB insured status or to pay a DIB VDB.

A disability annuitant who does not have a disability freeze on the ABD is deemed to be entitled to a DIB on the ABD for the purpose of computing PIAs 1, 3, and 10. Since (s)he is deemed to be entitled to a DIB, (s)he is also deemed to be entitled to a period of disability beginning with the ABD. Therefore, PIAs 1, 3, and 10 for a disability annuitant who does not have a DF on the ABD are computed as though the annuitant has a deemed DF.

The examiner may not exclude part of a disability freeze period and include part of the disability freeze period in order to compute a higher AMW or AIME.

B. Period of Disability - A period of disability is slightly different in disability cases than in age and service or survivor cases. Therefore, PIA 1, PIA 3, PIA 9 and the SSEB PIA are not necessarily computed at the same time or with the same earnings (see RCM 8.11.111). RCM 8.11.122 and 8.11.124-125 explain when a manual PIA computation is required.

1. Period of Disability In Disability Cases

(a) The Waiting Period - Under the Social Security Act, before entitlement to a DIB windfall or DIB O/M benefit can begin, the wage earner must have served a waiting period consisting of five full calendar months throughout which (s)he is under disability. He also must have a disability insured status (see RCM 5.6.11) in the first of those five months.

EXCEPTION: If (s)he previously had a freeze or DIB which ended within five years (60 months) before the month his/her current disability began, no waiting period is required. This 60 month period begins with the month in which the prior freeze ceased or DIB

terminated and ends with the month before the first month throughout all of which the W/E is under a disability.

The waiting period begins in the first month, no earlier than 17 months prior to the month of filing in which:

- The W/E has been under a disability for the entire month (i.e., the date of onset is on or before the first day of the month); and,

- The W/E has a disability insured status. (Under the disability exclusion computation, an individual who becomes disabled as of any particular date in which (s)he has a disability insured status, and who remains continuously disabled thereafter will continue to meet these requirements in the first month of the waiting period (even if the waiting period begins in a quarter after onset) and hence will have a disability insured status at that time because the establishment of a period of disability protects the insured status the W/E had at onset.

NOTE: Prior to January, 1973, the waiting period was six full calendar months. For waiting periods prior to November, 1960, see the SSCM section 6056.

A statutorily blind W/E (see RCM 1.2) who is in disability freeze status but cannot become entitled to a monthly disability benefit (i.e., (s)he is under age 55 and able to engage in SGA or (s)he is age 55 or over and able to engage in comparable SGA) and who later becomes unable to engage in such SGA and is therefore found entitled to a DIB under SSA rules, must serve a waiting period before DIB (or DIB O/M) payments can begin. However, months after age 55 in which (s)he was engaging in "non-comparable" SGA can be counted as months in the waiting period if they fall within the period of disability.

(b) When a Period of Disability Begins In Disability Cases - The first month of the waiting period or the month of entitlement to the disability benefit, if there is no waiting period, is used to determine the deemed retirement age under SS Act rules. Retirement age for women is 62. For a male wage earner born 1-2-13 or later, retirement age is 62. The AMW or AIME for an employee who has a DF on the ABD is computed with the employee deemed to be age 62 in the first month of his waiting period, in the first month (s)he is entitled to the disability benefit. The AMW or AIME for an employee who has a deemed DF on the ABD is computed with the employee deemed to be age 62 in the ABD month. (The male wage earner born before 1-2-13 is deemed to be age 65 in the first

month of his waiting period or, if there is no waiting period, in the first month (s)he is entitled to the disability benefit.)

(i) Disability Exclusion - Under the Social Security Act, the disability exclusion can apply to all disability PIA computation for monthly benefits payable for months after June, 1955. In this type of computation, earnings within the period of disability are excluded. A disability insured status on the disability onset date is preserved through the first full month of the waiting period in the disability exclusion computation.

In cases where the employee has a DF on the ABD, the disability period begins with the determined onset date and continues up to the earlier of the deemed attainment of age 65, actual attainment of age 65, or death. In applying the disability exclusion computation for these cases, elapsed years are figured based on the date of disability onset. Therefore, the year of disability onset is treated as a partial year of disability (unless onset is January 1 of a year).

In cases where the employee has a deemed DF on the ABD, the disability period begins with the ABD and continues up to the earlier of the deemed attainment of age 65, actual attainment of age 65, or death. In applying the disability exclusion computation for these cases, elapsed years are figured based on the ABD. Therefore, the ABD year is treated as a partial year of disability (unless the ABD is January 1 of a year).

EXAMPLE: The employee (DOB 5-7-38) files for a disability annuity on 4-1-99 and is found to have a disability onset of 7-2-1996. The waiting period does not begin until 11-1-1997 (17 months before the filing date - see RCM 5.6.11). The employee is deemed age 62 on 11-1-1997. Under disability exclusion, the freeze period begins on 7-2-1996 but benefits cannot be paid until 4-1-1998.

The G-90 program provides disability exclusion computations. No special entries are required on Form G-90 in order to obtain disability exclusion computations.

When an SSA and RRB disability onset date conflict refer to section E.

(ii.) Disability Non-Exclusion - Under the disability non-exclusion computation, earnings within the period of disability can be included. If the wage earner has high earnings in the year(s)

after his DF or deemed DF begins, the disability non-exclusion computation should be considered to determine if the PIA would be higher if the wage earner did not have a DF (since a DF is meant to increase the PIA, not lower it). Under the SS Act, the W/E must meet DIB insured status in the first month of the waiting period in order to apply the disability non-exclusion computation.

In cases where the employee has a DF on the ABD, the elapsed years for the disability non-exclusion computation are figured based on the first full month of the waiting period. Therefore, the year of the first full month of the waiting period is treated as a partial year of disability (when first full month is after January of that year). In this type of case, earnings in the year of disability onset up to the year in which the waiting period begins can be included in the PIA computation as regular benefit computation years (see 8.11.13). Earnings after deemed retirement age (first full month of waiting period) up to the earlier of deemed attainment of age 65, actual attainment of age 65 or death can be used in the non-exclusion PIA recomputation as base years.

In cases where the employee has a deemed DF on the ABD, the disability non-exclusion computation is similar to the disability exclusion computation, except that earnings within the deemed period of disability can be included in the disability non-exclusion computation. The elapsed years are based on the ABD, and the ABD year is treated as a partial year of disability. Earnings after deemed retirement age (the ABD month) up to the earlier of deemed attainment of FRA, actual attainment of FRA, or death can be included in the non-exclusion PIA recomputation.

EXAMPLE: In the example cited in section (1) the employee is deemed age 62 on 7-2-1996. Under disability non-exclusion, the freeze period is ignored and earnings from 1996through 1999 (his assumed FRA) can be included in this computation.

A disability non-exclusion computation cannot be obtained from the G-90 program. Therefore, if a disability non-exclusion computation is needed, request the Claim Certification unit (CCU) to manually compute a non-exclusion computation (see Section 8.11.122).

When the SSA disability onset date precedes the RR ABD, refer to section E for possible application of this provision.

(c) When a Period of Disability Ends In Disability Cases - In a disability exclusion case, the period of disability in disability cases ends as follows:

2. Recomputation Purposes Only - Under the SS Act, for PIA recomputation purposes, the period of disability ends with the earlier of:

- The last day of the second month after the disability ceases; or,
- The last day of the month preceding the month the wage earner attains FRA; or,
- The last day of the month preceding the month the wage earner is deemed FRA).

NOTE 1: A male employee born 1-1-13 or earlier is deemed age 65 in the earlier of the first month of the waiting period of 1975. The period of disability is also assumed to terminate in that year.

NOTE 2: SSA does not convert a DIB to an RIB until the beneficiary actually attains FRA.

Earnings for the partial year before the period of disability begins and earnings for the partial year in which the period of disability ends and later years may be considered for a benefit recomputation for the AMW PIA or AIME Disability Exclusion PIA (see RCM 8.11.22 and 8.11.33).

EXAMPLE: The employee (DOB 5-7-50) has a disability onset of 7-2-2001. The waiting period does not begin until 11-1-2002 (17 months before the filing date of 4-1-2004). The employee is deemed age 62 on 11-1-2002 and deemed FRA (deemed age 66) on 11-1-2006. Therefore, for recomputation purposes, the disability period ends 10-31-2006. Earnings for 2006 or later years may be used in the disability exclusion PIA computation.

3. New Disability Entitlement after Closed Period of Disability - Under the SS Act, for the initial computation of the PIA for new entitlement, the closed period of disability ends with the last day of the second month after the disability ceases.

Earnings for the partial year before the prior period of disability begins and earnings for the partial year in which the prior period of disability ends and later years (in life cases) may be considered in the Disability Exclusion computation of the AMW PIA or AIME PIA if they are higher than some other benefit computation year (see RCM 8.11.22 and 8.11.33).

The period of disability for the new disability entitlement ends as explained in section 1 above.

If two or more periods of disability are involved, they all must be excluded for the disability freeze to be applicable.

NOTE: This type of PIA computation for an RRB PIA must be manually computed by CCU on Form G-90a (see RCM 8.11.120).

EXAMPLE: The employee (DOB 8-16-44) filed for a disability freeze in 1995 and a date of onset of 2-10-95 was established. Since 3-1-95 was the first full month of his waiting period he was deemed age 62 in that month and deemed age 65 three years later. His period of disability for PIA computation purposes was 3-1-95 through 2-29-98. Earnings for 1998 were included in the DF recomputation effective 1-1-99. His disability terminated 9-30-99.

In 2001, the employee again filed for a disability freeze and a new onset date of 11-4-2001 was established. (Since there are less than 60 months after termination of his previous disability, there is no new waiting period.) This is considered new entitlement because the prior disability terminated more than 12 months before his present disability. The employee is deemed age 62 on 11-4-2001 and deemed FRA (age 66) in 11-2005.

In computing the initial PIA for the new entitlement with the disability freeze exclusion, two periods of disability must be excluded (3-1-95 through 9-30-99 and 11-4-2001 through 10-31-2005). The earnings in 1998 could be used in the recomputation of his PIA for his first entitlement if they were higher than some other benefit computation year. However, when computing the initial PIA for his new entitlement, the earnings and divisor months for 1998 are excluded because they are in a year fully within a period of disability.

4. Period of Disability In Age and Service or Survivor Cases - The period of disability in age and service or survivor cases begins with the date of disability onset and ends with the earlier of:

- The last day of the month in which the wage earner dies (survivor entitlement); or,
- The last day of the month preceding the month the wage earner actually attains FRA (there is no deeming of FRA under the SS Act); or,
- The last day of the second month after the disability ceases.

Under the disability exclusion provision (freeze computation), years wholly within the disability period are not used in the PIA computation. Earnings for the partial year before the period of disability begins and earnings for the partial year in which the period of disability ends and later years (in life cases) may be considered in the computation of the AMW PIA or AIME PIA if they are higher than some other benefit computation year (see RCM 8.11.22 and 8.11.33).

If two or more periods of disability are involved, they all must be excluded for the disability freeze to be applicable.

EXAMPLE 1: The employee (DOB 9-7-48) dies on 5-1-00. His survivors file for a DF which is established after death with disability onset of 11-6-98.

The PIA based on the DF eligibility year 1998 is computed and in this case is less than the PIA based on the date of death (eligibility year 2000).

The DF is disregarded in this case to allow use of the higher PIA.

EXCLUSION		NONEXCLUSION	
1998	(DF)	2000	(DOD)
-1970	(age 22)	-1970	(age 22)
28	(EY)	30	(EY)

Substantial earnings postings in 1999 and 2000 results in a higher non-exclusion PIA computation than exclusion computation even though 2 additional benefit comp. years (BCYs) are included in the computation.

EXAMPLE 2:

	EXCLUSION		NONEXCLUSION	
Dis onset 12/88	1988	(dis onset)	1989	(yr of w.p.)
DOB 9/46	-1968	(age 22)	-1968	(age 22)
Filing date 4/91	20	(EY)	21	(EY)

W.P. 11/89 - 3/90

ABD 4/90 (one year prior to DOF)

For purposes of determining elapsed years (EY), exclude any years partially or wholly in a period of disability for the EXCLUSION (freeze) computation. This leaves 20 elapsed years for the EXCLUSION computation and 21 elapsed years for the NONEXCLUSION (non-freeze) computation.

From the elapsed years, subtract the dropout years (4 for this employee based on his age on the disability onset date). This leaves 17 benefit comp. years (BCYs) for the NONEXCLUSION computation and 16 BCYs for the EXCLUSION computation, i.e. 204 divisor months and 192 divisor months, respectively.

The EXCLUSION computation uses 1988, the disability onset date in determining the benchmark year (YOE). The NONEXCLUSION PIA computation uses 1989, the beginning of the waiting period (W.P.), to determine the benchmark year (YOE). Note that this date can be no earlier than 17 months prior to the date of filing (12 months retroactivity from DOF plus 5 months waiting period).

EXAMPLE 3:

	EXCLUSION		NONEXCLUSION	
Dis onset 11/95	1995	(dis onset.)	1999	(yr of w.p.)
DOB 5/39	-1961	(age 22)	-1961	(age 22)
Filing date 1/00	34	(EY)	38	(EY)

W.P. 8/99-12/99

ABD 1/1/00 (designated ABD)

For purposes of determining elapsed years (EY), exclude any year(s) partially or wholly in a period of disability for the exclusion (freeze) computation. This leaves 38 elapsed years for the NONEXCLUSION (non-freeze) computation, and 34 elapsed years for the EXCLUSION (freeze) computation.

From the elapsed years, subtract the drop-out years (5 for this employee based on his age on the disability onset date). This leaves 33 benefit comp year (BCYs) for the NONEXCLUSION (non-freeze) computation, and 29 BCYs for the EXCLUSION (freeze) computation (i.e., 348 divisor months and 392 divisor months, respectively).

The EXCLUSION PIA computation uses the disability onset date in determining the benchmark year (1995 YOE), while the NONEXCLUSION PIA computation uses the beginning of the waiting period in determining the benchmark year (1999 YOE).

Because this employee had maximum earnings in the years 1995-1999, the NONEXCLUSION computation was higher, even though more BCYs & divisor months were factored into the computations.

C. Effect on AMW or AIME Computation - If a period of disability is excluded for one purpose (e.g. elapsed years) it must be excluded for all purposes (e.g. insured status).

1. Effect On AMW or AIME Divisor - When the disability freeze is applied to the AMW or AIME computation all months in years partly or wholly within the period of disability after 1-1-51 (or after 1-1-37, if 1965 Old Start Method) are excluded from the divisor (see RCM 8.11.10 and RCM 8.11.11).

2. Effect On AMW or AIME Dividend - When the "disability freeze" is applied to the AMW or AIME computation, earnings from years wholly within a period of disability after 1-1-51 (or after 1-1-37, if 1965 Old Start Method) are excluded from the dividend (see RCM 8.11.13). For eligibilities prior to 1-1-79, earnings from years partly within the disability period can be considered for inclusion in the AMW dividend for the AMW PIA if they are higher than some other benefit computation year.

For eligibilities 1-1-79 or later, earnings for years partly within a disability period can be considered for inclusion in the AIME dividend if they are higher than some other benefit computation year. Earnings from years partly within a disability period can be considered for inclusion in the AMW dividend for the 1977 Old Street PIA if they are higher than some other benefit computation year and the year is before the employee's eligibility year.

D. When Disability Freeze Affects PIA Computation

1. General

(a) Male Wage Earner - A DF granted to the eligible wage earner could increase the PIA if:

- He is born before 1910 and had a disability onset before the earlier of attainment of age 65 or death; or
- He is born 1910-1913 and has disability onset before the earlier of 1975 or death; or

- He is born after 1913 and had disability onset before the earlier of attainment of age 62 or death.

(b) Female Wage Earner - A DF to the eligible wage earner could increase the PIA if she had disability onset before the earlier of attainment of age 62 or death.

2. Disability Freeze Effective After ABD - When a disability freeze is granted with an onset after the ABD, that DF will not affect the computations of PIA #1, PIA #3, PIA #5, PIA #6, PIA #10, or the PT PIA. This is due to the Railroad Retirement Act deeming provisions explained in RCM Chapter 8.11.100, 8.11.107 and 8.11.108.

A DF established after the ABD can affect the following PIA computations:

(a) Windfall PIAs - If there is no actual DF on the ABD and the employee is vested, PIA #4, PIA #7 and PIA #8 will be computed based on the employee's projected attainment of age 62. A DF will decrease the number of divisor months, increase AMW PIA's, and permit payment of the DIB windfall before age 62.

(b) PIA #9 and the SSEB PIA - A DF will permit the computation of PIA #9 and the SSEB PIA prior to age 62. The eligibility year for these PIA's will be based on the year of DF onset. PIA #9 may be used for purposes of testing and paying the OM as explained in RCM 8.3.2. The SSEB PIA can be used for tax purposes, whether or not the OM is payable.

The SSEB PIA may also exceed PIA 1 in some cases, but since the SSEB paid amount is limited to the tier 1 paid amount, the higher SSEB PIA does not increase the SSEB paid to an amount greater than tier 1.

E. Disability Freeze Conflicts at RRB and SSA

1. Both RRB and SSA Have Established an Actual Disability Freeze - There are cases in which the Board grants a period of disability to an employee but the Social Security Administration either denies the period of disability or establishes a different eligibility onset date. Handle these cases as follows:

(a) SSA's DF Onset Date is Earlier Than RRB's Onset Date for Actual DF - Use SSA's DF onset date for all PIA computations unless RRB previously determined that the employee was not disabled as of SSA's DF onset date and denied an RRB D/A application. In that case, RRB's DF onset date must be used for all PIAs instead of SSA's.

(b) SSA's DF Onset Date is Later than RRB's Onset Date for Actual DF - Use SSA's DF onset date to compute the WF PIA's. Use RRB's DF onset date to compute all PIA's other than WF PIA's.

(c) SSA Denied the DF But RRB Granted an Actual DF - Use RRB's onset date to compute all PIA's other than WF PIA's. The DF cannot be used to determine WF entitlement or to compute the WF PIA's.

(d) SSA Paying Benefit Without DF but Joint Actual DF Granted - Use RRB's onset date to compute all PIA's other than WF PIA's. The DF cannot be used to determine WF entitlement or to compute the WF PIA's. In these cases, SSA is paying a benefit based on SS earnings only. RRB is paying a benefit based on combined SS earnings and compensation with an SS benefit offset.

2. Only SSA Established a DF – Use SSA's DF onset date (and/or closed freeze period) for all PIA computations in cases where the EE never filed for a disability annuity at RRB.

3. RR Act Deemed DF For 2a(I)(IV) and 2a(I)(V) Annuitants

(a) Deemed DF to Compute PIA - Section 3(a)(2) of the 1974 RRA deems all 2a(I)(IV) and 2a(I)(V) annuitants to be entitled to a DIB under section 223 of the Social Security Act as of their RR disability onset date and deems them to be age 62 on that date (unless an actual DF is earlier, in which case the actual DF is used). This deeming provision is for the computation of RR Act PIA's 1, 3, 10, 17, and the PT-PIA only, as explained in RCM 8.11.100. It does not entitle the employee to the Retirement DIB O/M computation, a windfall benefit based on disability, HI coverage based on disability, or SSEB entitlement prior to age 62.

If SSA has established an actual DF prior to the RR disability onset date, consider the disability non-exclusion provision of the SS Act.

EXAMPLE: The employee DOB 2-26-23 has an actual DF at SSA beginning 5-76. If this DF were not considered he would have an RR Act deemed DF on the RR ABD (no waiting period applied prior to the 1983 amendments) of 1-1-79. The rates with and without the actual DF are as follows:

Rates With DF 5-76		**Without Actual DF**	
PIA 1	331.30	PIA 1	356.10

PIA 4	126.80	PIA 4	114.40
PIA 6	194.10	PIA 6	194.10
PIA 7	181.60	PIA 7	153.20
PIA 8	194.10	PIA 8	171.40
6/79 Gross Tier I	331.30	6/79 Gross Tier I	356.10
SS Ben	-215.30	SS Ben	215.30
Net Tier I	116.00	Net Tier I	140.80
Tier II	22.03	Tier II	22.03
DIB WF	148.13	WF	none until age 62
Total Tier Rate	286.16	Total Tier Rate	162.83

Therefore, the actual DF effective 5-1976 provides a higher total tier rate.

(b) DF For HI Coverage Only - Section 7(d)(3) of the 1974 Railroad Retirement Act deems certain 2a(1)(IV) or 2a(1)(V) annuitants to be entitled to HI coverage as explained in RCM 5.6.12. This DF determination is for the purpose of establishing HI only. It is not applied to a PIA computation and does not entitle the employee to the Retirement DIB O/M computation, a windfall benefit based on disability or SSEB entitlement prior to age 62.

8.11.16 Excluding up to Five Years of Lowest Earnings (Dropout Years)

A. Age and Service Annuities - Effective with benefits paid after 1954, the months and earnings in up to five full calendar years with the lowest earnings after the starting date and before the last computation base year may be excluded from the dividend and divisor when computing the AMW or the AIME (effective 1979 or later). These years are called dropout years. This provision applies only to determining the dividend and divisor. It does not prevent the use of the affected years in determining quarters of coverage or insured status.

Up to five years of lowest earnings can be excluded in every case, including those in which a disability freeze has been established, as long as there remains

a minimum of two benefit computation years with the corresponding minimum 24 divisor months.

EXAMPLE 1: The employee's date of birth is 11-10-05. The five lowest years of earnings (indicated with an asterisk for illustration) are excluded from the AMW divisor and AMW dividend. The earnings for 1970 and 1971 are used in place of the 1953 and 1955 earnings.

1951 - 2714.76*	1962 - 4218.29
1952 - 3140.76	1963 - 4350.46
1953 - 3059.76	1964 - 4832.52
1954 - 3136.75	1965 - 4908.55
1955 - 2804.76	1966 - 5357.75
1956 - 3298.75	1967 - 4751.55
1957 - 2759.75*	1968 - 6016.18
1958 - 863.16*	1969 - 6849.22
1959 - 2600.00*	1970 - 6610.71
1960 - 2600.00*	1971 - 7100.77
1961 - 3656.25	

Therefore, his dividend is 68,228.51 and his divisor is 168. The AMW is $406.

EXAMPLE 2: The employee's date of birth is 7-5-39, so his eligibility year is 2001 (age 62). The earnings are indexed for the AIME computation. The 35 highest years of indexed earnings (indicated with an asterisk* for illustration) are included in the AIME divisor and AIME dividend.

1955	2295.96	1973	43412.58*	1987	71161.35*
1960	3801.96	1974	50082.67*	1988	70918.59*
1961	13163.64	1975	49777.40*	1989	71788.40*
1962	8760.74	1976	50527.24*	1990	73123.66*

1963	15623.01	1977	51409.12*	1991	69404.41*
1964	31959.14	1978	51090.81*	1992	67108.03*
1965	31393.87	1979	60783.29*	1993	67780.54*
1966	40722.21*	1980	61886.66*	1994	69640.14*
1967	38573.56*	1981	65588.95*	1995	75478.83*
1968	42655.24*	1982	67937.49*	1996	67392.39*
1969	40324.81*	1983	67456.75*	1997	72658.34*
1970	38418.29*	1984	71382.40*	1998	72211.82*
1971	36580.24*	1985	71725.66*	1999	66882.66*
1972	38440.74*	1986	73879.84*	2000	76200.00*

Therefore, his dividend is 2,104,405.11 and his divisor is 420. The AIME is $5010.

B. Disability Annuities

1. Prior to 1980 Social Security Disability Amendments - For computation of disability PIA's for individuals who first became entitled to a disability before 7-1-80, the provisions for excluding the five full calendar years with the lowest earnings were the same as those explained in section A, above.

   EXAMPLE 1: The employee's date of birth is 5-24-31. He is rated disabled from 9-30-76 and his SS Act initial PIA is effective 3-1-77. The five lowest years of earnings (indicated with an asterisk for illustration) are excluded from the AMW divisor and AMW dividend. Since they do not exceed another benefit computation year, earnings prior to attaining 22 are not used. The earnings for 1976, a year partly within a period of disability, are used because they are higher than the earnings for 1957.

1951	2453.27**	1964	4800.00
1952	2998.48**	1965	4800.00
1953	3452.48*	1966	5476.57

1954	3243.48*	1967	5478.50
1955	3745.48*	1968	5374.94
1956	3374.48*	1969	6205.70
1957	3947.49**	1970	6304.10
1958	3714.49*	1971	7095.93
1959	4389.93	1972	7945.49
1960	4655.79	1973	9029.86
1961	4549.44	1974	7757.68
1962	4664.89	1975	8011.36
1963	4730.91	1976	6196.14

Therefore, his dividend is 107,466.23 and his divisor is 216. The AMW is $497.00.

** Not used.

EXAMPLE 2: The employee's date of birth is 7-9-32. He is rated disabled from 9-30-79 and his SS Act initial PIA is effective 3-1-80. The earnings are indexed for the AIME computation.

The five lowest years of earnings (indicated with an asterisk for illustration) are excluded from the AIME divisor and AIME dividend. Since they do not exceed another benefit computation year, earnings for 1951 and 1952 (prior to attaining 22) are not used, but earnings for 1953 are used in place of 1968 earnings. The earnings for 1979, a year partly within a period of disability are not used because they are not higher than the earnings in another benefit computation year.

1951	6172.53**	1966	11,440.55
1952	9042.75**	1967	10,841.95
1953	11,344.85	1968	9,954.39**
1954	10,602.94	1969	10,866.18

1955	11,704.63	1970	10,521.54
1956	9,853.48*	1971	11,268.34
1957	11,183.24	1972	11,489.18
1958	10,430.29	1973	12,289.62
1959	11,747.45	1974	9,968.62
1960	11,988.66	1975	9,573.58*
1961	11,487.34	1976	6,927.28*
1962	11,211.99	1977	8,266.19*
1963	11,103.45	1978	8,917.65*
1964	10,819.20	1979	6,217.92**
1965	10,632.00		

Therefore, his dividend is 222,942.04 and his divisor is 300. The AIME is 743.00.

** Not used.

2. Changes Under 1980 Social Security Disability Amendments - PL 96-265

   a. General - Under the "Variable Dropout" provision of the 1980 Social Security Disability Amendments, the number of years dropped out of the calculation of disability PIA's for individuals who first become entitled to a disability benefit July 1, 1980 or later are computed under the "1 for 5 rule". This provision does not apply to workers who were ever entitled to disability benefits prior to July 1, 1980. The dropout equals the total number of elapsed years divided by 5, but not to exceed 5 drop-out years. Any fraction is disregarded.

      The variable dropout can apply to the AIME or 1977 Old Start PIA computations.

      This provision currently reduces the number of dropout years for employees who become disabled (onset date) between the ages of 27 and 46 and completely eliminates the dropout years for disabled employees under age 27.

Worker's Age In Year of Disability Onset	Number of Dropout Years
Under Age 27	0
Ages 27 through 31	1
Ages 32 through 36	2
Ages 37 through 41	3
Ages 42 through 46	4
Ages 47 and over	5

EXCEPTION: There is a special "Child Care Dropout Year" provision effective July 1, 1981 which provides an additional dropout year for any year after 1950 in which the disabled worker is under age 37, has no earnings, and is living in the same household with a child less than three years old of the employee or spouse. However, the total dropout years in these cases cannot exceed three. Additional dropout years under this provision are determined as explained in Section 8.11.17.

b. Disability Freeze/Non-Freeze - The number of dropout years may vary in situations where the onset date and the first month of the waiting period occur in different years if the employee has an insured status in the first month of the waiting period. Since the number of dropout years are based on elapsed years, they are determined separately for the disability freeze/non-freeze computations. (The disability freeze/non-freeze provision is explained in RCM 8.11.15.)

EXAMPLE: The employee DOB 2-15-54 has a disability onset and freeze effective 1-18-99 at age 45. He applied for disability benefits on 9-5-2002 and became entitled to the DIB O/M in 9-2001. The disability freeze computation years for PIA #9 are determined as follows:

Elapsed Years: 1976 through1998

Number of Elapsed Years: 23

Number of Dropout Years: 4

(23 divided by 5)

Number of Computation Years: 19

(23-4)

In addition, the employee has DIB insured status in the first full month of his waiting period when he is age 47 (4-2001 or 17 months prior to filing). The computation years for PIA #9 under the non-freeze computation are:

Elapsed Years: 1976 through2000

Number of Elapsed Years: 25

Number of Dropout Years: 5

(25 divided by 5)

Number of Computation Years: 20

(25-5)

c. Effect On Railroad Retirement Act PIAs - Due to the 1980 Social Security Disability Amendments, the computation of PIA 1, PIA 3, and PIA 17 is effective on the ABD, while the computation of PIA 9 and the SSEB PIA is effective in the first full month after the waiting period. Therefore these amendments result in a PIA 1 with dropout years that differ from those excluded from PIA 9 or the SSEB PIA.

The pre-1980 amendment rules for determining the dropout years will apply to the survivor PIA 1 at the disabled employee's death. Therefore, the survivor PIA will always have five dropout years, provided there remains a minimum of two benefit computation years.

The PIAs are subject to recomputation under regular procedure. The number of dropout years used in the initial PIA computation are also used in the recomputation.

EXAMPLE 1: The employee's date of birth is 5-19-35. At age 45, he is deemed disabled on the ABD of 5-16-80 for PIA 1. The DIB O/M is not payable until 11-1-80. The pre-amendment rules apply for PIA 1 with five dropout years. The amendment rules apply for PIA 9 which has only four dropout years.

EXAMPLE 2: The employee (DOB 7-10-43) has a disability onset date of 9-6-80. She received a disability annuity from that date. The dropout years determined under the 1 for 5 rule are three, applicable to live disability annuities. The employee dies in April

2004. The survivor PIA 1 is computed under pre-amendment rules having five dropout years, as do all survivor annuities.

EXAMPLE 3: The employee's date of birth is 11-12-62. He is rated disabled with an onset of 3-21-2004. The ABD is 9-1-2004. The four years of lowest earnings are dropped from the AIME dividend and the AIME divisor for both the initial and recomputed PIAs.

8.11.17 Additional Dropout Years Based on Child Care

The 1980 Disability Amendments provide for the crediting of dropout years based on child care in addition to those computed under the 1 for 5 rule (see Section 8.11.16 B 2) effective with monthly benefits beginning July 1, 1981. The sum of the dropout years computed under the 1 for 5 rule and the child care dropout years cannot exceed 3. But, since the minimum number of computation years is 2, any individuals who receive less than 3 dropout years under the 1 for 5 rule and who have more than 2 computation years may be eligible for additional dropout years effective July 1, 1981 or later.

See RCM Chapter 4.7.120ff for an explanation of how to determine if the child care dropout years provision may apply.

A. Requirements - In general, for the child care dropout provision to apply, the employee must:

- Be receiving a disability annuity; and
- Have an ABD of July 1, 1980 or later OR a disability freeze date of February 1, 1980 or later, and
- Be under age 37 in the earlier of the year of his ABD or disability onset; and
- Have a benefit computation year in which he has no earnings and he was living with his or her spouse's child under age 3 substantially throughout that year.

In survivor cases, the employee must have met the criteria listed above and must have died after July 31, 1981.

B. Determining Child Care Years - Where an individual receives less than 3 regular dropout years under the 1 for 5 rule, the child care dropout provision must be considered effective July 1, 1981 or later. The following chart lists the maximum number of child care dropout years, based on the number of elapsed years involved in computing the PIA.

Number of Elapsed Years	Number of Regular Dropout Years (1 for 5 rule)	Maximum Number of Child Care Years	
0	0	0	
1	0	0	Dropout Limited
2	0	0	By the Minimum
3	0	1	of 2 Computation
4	0	2	Years.
5	1	2	
6	1	2	
7	1	2	
8	1	2	
9	1	2	
10	2	1	
11	2	1	
12	2	1	
13	2	1	
14	2	1	
15 or More: Worker is Not eligible for child care dropout years - at least 3 dropout years given under 1 for 5 rule.			

By comparing the above chart to the chart given in Section 8.11.16 B 2 for the 1 for 5 rule, it becomes apparent that the only employees who would be eligible for child care years are employees under age 37 in the earlier of the ABD year or DF onset year. This is because in most cases only a person under age 37 would have less than 15 elapsed years (and still be payable under the 1980 Disability Amendments).

36 years of age (or less)

22 years of age (years before age 22 are excluded)

14 elapsed years (or less)

If the child care dropout provision may be applicable, the earnings record is reviewed. The years of highest earnings from the employee's base years (see Section 8.11.12) are selected that are equal in number to the employee's computation years (see Section 8.11.13). The number of computation years equals the number of elapsed years (see Section 8.11.10) minus the number of dropout years under the 1 for 5 rule (see Section 8.11.16). If each of the selected years contains any earnings, then the child care dropout provision does not apply.

If at least one of the selected computation years contains no earnings, the child care dropout provision should be developed according to RCM Chapter 4.7.120ff.

Where one or more years qualify as an eligible child care year, the number of computation years is reduced by the number of child care years. However, the number of child care years is limited to the maximum shown in the chart, above. In addition, the number of child care years is also limited to the number of computation years with no earnings. The number of child care dropout years and the years chosen as child care years are based on the initial computation. Future recomputations do not affect the number of, or the chosen, child care dropout years.

NOTE: The years of no earnings selected as computation years are not the only years available for consideration as child care years. Any year of no earnings within the initial base year period may be an eligible computation year and dropped, if the other criteria for a child care year are met.

EXAMPLE 1: The employee's DOB is 8-4-76, her disability annuity ABD is 7-1-2003 and her DF onset is 1-15-2003. The DIB O/M entitlement date is 7-1-2003. Her PIA #9 is computed using 4 computation years (5 elapsed years minus 1 drop-out year under the 1 for 5 rule).

Her PIA #9 should also consider dropout years for child care. Based on 5 elapsed years, she may be credited with a maximum of 2 child care years. She has no earnings in the period 1951-1999 and in 2003. Since she is age 22 in 1998 and her DF onset date is in 2003, only the years 1998-2002 can be considered as computation years. She's entitled to 1 dropout year under the 1 for 5 rule which would be a year with no earnings. Therefore, only 1 year of no earnings is left so she can only be credited with 1 child care year.

EXAMPLE 2: The same facts as in EXAMPLE #1, except the employee has no earnings in the period 1951-1997 and in 2003. Since the only computation year in which she has no earnings is 1998, that year would be dropped out under the “1 for 5” rule. None of the 4 computation years remaining has no earnings. Therefore, although she has other base years with no earnings, the child care provision does not apply.

8.11.20 Entitlement to "New Start" AMW Method

Before the 1977 Social Security Act Amendments, the 1965 "New Start" AMW method was used to compute the PIA if considering the earnings after 1950 only would result in the highest AMW and corresponding PIA, and the wage earner:

A. became entitled to an annuity on the basis of an application filed after 1965; or,

B. qualified for an automatic recomputation after 1965 (see RCM 8.11.22).

If the AMW computed under the "New Start" method is less than $250 and there are significant earnings before 1951, refer to RCM 8.11.40-8.11.48 "Computation of Old Start PIA".

Benefits based on an "eligibility year" before 1979 will continue to be computed based on the AMW PIA. The AMW PIA conversion table will be updated for each cost-of-living increase.

Benefits paid on the wage records of employees who attain age 62 in the years 1979-1983 can be computed using a "New Start" AMW computation for the Transitional PIA (TRANS PIA) as an alternative to the AIME computation, the 1977 Old Start computation or the Special Minimum PIA computation.

NOTE: The deeming provisions under the RR Act can make an RR employee "eligible" for the AMW computation even though he or (s)he would have a later eligibility year under the SS Act rules (see RCM 8.11.100 through 8.11.117).

8.11.21 Initial Computation of New Start AMW

The basic benefit computation years for the "New Start" AMW are chosen from the base years from the later of 1951 or the year of attainment of age 22 up to the last computation base year (See RCM 8.11.12). Five years of lowest earnings are dropped as explained in RCM 8.11.16.

The AMWs computed for cases in which the wage earner attained age 62, had a date of disability onset or died before 1979, may include as a benefit computation year: years prior to year W/E attained age 22, a year partly within a period of disability, the year in which the employee attains age 62 or later years, or the year of death if the employee's earnings in these years are higher than earnings in some other benefit computation year. The year of lower earnings is dropped.

The AMW's computed for the Transitional PIA for wage earners who attain age 62 after 12-31-78 but before 1-1-84 can include as a benefit computation year earnings in a year prior to the year in which the W/E attained age 22. The year of lower earnings is dropped. The TRANS PIA cannot include earnings in the eligibility year or later years.

Example: Two separate wage earners file for benefits payable 1-1982. Herman (DOB 5-7-14) has an "eligibility year" of 1976 and is entitled to the AMW PIA computation. The

1-1982 AMW PIA can include earnings after the "eligibility year." Alfonso (DOB 7-10-17) has an "eligibility year" of 1979 and is entitled to the TRANS PIA computation. The 1-1982 TRANS PIA cannot include earnings in or after the "eligibility year". Assuming both had the same earnings, their benefit computation years are indicated by "X" in the chart in Exhibit 2.

There will be the same number of years in the resulting benefit computation years for the AMW dividend as there are years (elapsed years minus drop-out) used to determine the AMW divisor months.

The actual reported earnings from the benefit computation years, subject to the yearly maximums, are added together to obtain the dividend used in computing the AMW.

The "New Start" Average Monthly Wage (AMW) is the quotient obtained by dividing the total earnings in the benefit computation years after 1950 by the number of months in the elapsed years minus the five years of lowest earnings. The amounts less than $1 in the quotient are dropped so that the AMW is expressed in whole dollar amounts.

8.11.22 Recomputation of "New Start" AMW

A. Age and Service Cases - The "New Start" AMW computed for employees who attained age 62 before 1-1-79 may be recomputed to include as a benefit computation year the ABD year or each subsequent year in which the employee has earnings higher than some other benefit computation year. The year of lower earnings is dropped. Therefore, there will be the same number of benefit computation years in the AMW dividend as there are years used to determine the AMW divisor months. Use the current AMW PIA Table to determine the recomputed AMW PIA.

In life cases, the recomputation is effective January 1, of the year following the year for which the earnings are credited.

Exception: If the employee's ABD is before 1-1967, refer to the Social Security Claims Manual section 4319.3.

EXAMPLE: The wage earner's date of birth is 5-20-15. The date of entitlement of his age and service benefit is 5-1-77. His earnings since 1951 are as follows:

1951	2671.47	1965	4800.00
1952	2892.79	1966	5374.75
1953	3120.72	1967	5478.50
1954	3201.91	1968	5392.94

1955	3745.27	1969	6110.92
1956	3017.29	1970	6314.72
1957	3321.56	1971	7190.93
1958	3702.19	1972	7540.93
1959	3891.72	1973	9103.71
1960	4091.72	1974	8172.90
1961	4371.92	1975	8703.12
1962	4420.72	1976	9079.31
1963	4572.80	1977	6150.76
1964	4691.73	1978	4120.76

Under SSA rules, the initial AMW for benefits payable 5-1-77 was computed based on earnings through December 31, 1976. Earnings for the years 1951, 1952, 1953, 1954 and 1956 were dropped from the AMW dividend. The AMW is recomputed for benefits payable effective 1-1-78 to include the earnings for 1977 in the AMW dividend and to drop the earnings for 1957 from the AMW dividend. The AMW is again recomputed for benefits payable effective 1-1-79 to include the earnings for 1978 in the AMW dividend and to drop the earnings for 1958 from the AMW dividend.

The "New Start" AMW computed for the TRANS PIA for employees who attain age 62 after 12-31-78 but before 1-1-84 is not subject to recomputation. Therefore, it is possible for a recomputed AIME PIA or Special Minimum PIA to exceed an initial TRANS PIA.

B. Disability Cases - The "New Start" AMW computed for employees with a disability onset date before 1-1-79 may be recomputed if the employee's reported earnings in the ABD year prior to the first month of the waiting period, or DIB effective date if there is not waiting period, or the employee's partial year after the actual or deemed attainment of age 65 or a subsequent year are higher than earnings in some other benefit computation year. (The period of disability is considered terminate, for PIA recomputation purposes only, when the EE is deemed to be age 65. However SSA does not convert a DIB to an RIB until the wage earner actually attains age 65. The year of lower earnings is dropped. Therefore, there will still be the same number of benefit computation years for the AMW dividend as there are years used to determine the AMW divisor. Use the

current AMW PIA Table to determine the recomputed AMW PIA. The recomputation is effective January 1, of the year following the year for which the earnings are credited. (The "New Start" AMW is not computed in disability cases with an eligibility year of 1979 or later.)

EXAMPLE: The employee's date of birth is 5-24-29. He is rated disabled from 6-20-76 and deemed to be age 62 on that date for PIA computation purposes. The DIB O/M effective date is 12-1-76. For purposes of the PIA computation, the employee is deemed age 65 on 6-20-79.

The yearly earnings are as follows:

1951	2453.27	1966	5476.57
1952	2998.49	1967	5476.57
1953	3452.48	1968	5374.94
1954	3243.48	1969	6205.70
1955	3745.48	1970	6304.10
1956	3374.48	1971	7095.93
1957	3947.48	1972	7945.49
1958	3714.49	1973	9029.86
1959	4389.93	1974	7757.68
1960	4655.79	1975	8011.36
1961	4549.44	1976	4210.70
1962	4663.89	1977	976.00
1963	4730.91	1978	1909.00
1964	4800.00	1979	3995.48
1965	4800.00		

The initial AMW for O/M benefits payable 12-1-76 was computed based on earnings through 12-31-75. Earnings for the years 1951, 1952, 1953, 1954 and 1956 were dropped from the AMW dividend. The AMW is recomputed for benefits payable effective 1-1-77 to include the 1976 earnings in the AMW

dividend and to drop the earnings from 1958 from the AMW dividend. The 6-1976 PIA Table is used in this case to determine the recomputed AMW PIA effective 1-1-77.

The wage earner does some odd jobs beginning in 1977, the scope of which is not sufficient to terminate his disability. Since 1979 is not wholly within a period of disability, the AMW is recomputed for benefits payable effective 1-1-80 to include the 1979 earnings in the AMW dividend and to drop the earnings for 1958 from the AMW dividend. The 6-1979 PIA Table is used in this case to determine the recomputed AMW PIA effective 1-1-80.

C. Survivor Cases - The "New Start" AMW computed for employees who attained age 62 or died before 1-1979 may be "recomputed" if the "lag" earnings in the year of death are higher than some other benefit computation year. The year of lower earnings is dropped. Therefore, there will still be the same number of benefit computation years in the AMW dividend a there are years used to determine the recomputed AMW PIA. In survivor cases the recomputation is effective in the month of death.

The "New Start" AMW computed for the TRANS PIA for employees who attain age 62 after 12-31-78 but before 1-1-84 is not subject to recomputation for lag earnings in the year of death.

8.11.23 AMW Maximum and Minimum

Under the 1965 PIA formula, the average monthly wage cannot exceed the highest amount indicated in the AMW column in Appendix B.

The AMW PIA is not affected by the elimination of the minimum social security benefit. The lowest AMW for the AMW PIA is $76.00 and the lowest PIB for the AMW PIA is $16.20.

The TRANS PIA for eligibility years 1982 and 1983 is subject to the 1981 SS Act Amendments. Therefore, the AMW for these PIAs is based on the actual amount of earnings. The minimum does not apply.

EXCEPTION: If the vow of poverty rule applies, refer to SSCM A4330.

8.11.24 Determining the Primary Insurance Amount for Pre-1977 SS Act Amendment Cases - (AMW PIA)

To find the AMW PIA when the AMW is figured under the 1965 "New Start" method, refer to the table in Appendix B of this chapter. Find the AMW in the first column. The PIA is on the same line as the AMW under the appropriate effective date. The amount of this PIA is increased for each cost-of-living increase.

To find the AMW PIA when the PIB is figured under the "Old Start" method for an eligibility year before 1979, refer to RCM 8.11.48.

8.11.25 Determining the Primary Insurance Amount under the Transitional Guarantee PIA (TRANS PIA)

A. Requirements for TRANS PIA

The Transitional Guarantee PIA is computed when the following requirements are met:

1. An age and service or survivor benefit is involved; and,

2. The employee attains age 62 in 1979-1983, even though the ABD or date of death is after the year the employee attained age 62.

3. The wage earner had some earnings before 1979; and,

4. The employee must not have established a period of disability which began prior to 1979, unless there was a period of at least 12 months prior to the month of attainment of age 62 or death during which (s)he is not entitled to a disability benefit (based on a DF) or the period of disability is disregarded.

The TRANS PIA is derived from the June 1978 PIA Table. Determine the employee's "eligibility year." Then use the corresponding Appendix based on the eligibility year at the end of this chapter to determine the TRANS PIA. The amount of this PIA is increased for the cost-of-living from the "eligibility year" as explained in RCM 8.11.91.

B. Minimum TRANS PIA - The 1981 SS Act Amendments eliminated the minimum TRANS PIA for eligibility years 1982 and 1983.

1. Age and Service Cases - The minimum TRANS PIAs 1, 9, and SSEB PIA can apply if the employee attained age 62 before 1982.

2. Survivor Cases - The minimum TRANS PIAs 1 and 3 can apply if the employee attained age 62 before 1982, even if the employee died after 1981.

C. TRANS PIA Family Maximum - The TRANS PIA Family Maximum Amount is computed as explained in RCM 8.11.86.

8.11.30 Entitlement to AIME Method

The 1977 Amendments to the Social Security Act provide a formula for computing the PIA. This formula is applied to the average indexed monthly earnings (AIME) which is computed for wage earners who in 1979 or later, attain age 62, have a date of disability

onset, or die before becoming eligible for a life benefit. The indexed earnings bring the actual reported earnings for early years of employment up to the dollar value level of the recent earnings.

The AIME under the SSA formula is an alternative computation to the 1977 Old Start based on eligibility year 1979 or later, the SPC MIN PIA, or the TRANS PIA (when applicable).

The RRA PIA 1, PIA 3, PIA 9, PIA 17, or SSEB PIA may be computed under the AIME method for eligibilities 1979 or later. The deeming provisions of the RRA can make an employee eligible at an earlier year than the "eligibility year" under SS Act rules (see RCM 8.11.100 - 8.11.117).

The AIME Family Maximum Benefit is computed as explained in RCM 8.11.86.

8.11.31 Indexing Reported Earnings for AIME Computation

To compute an AIME PIA, the earnings reported for previous years must first be indexed to reflect their relative values in comparison to recent earnings levels. The earnings used in the AIME computation include all wages, self-employment income, compensation and M/S creditable up to the yearly maximum, for years after 1950.

The indexing for the AIME PIA is the second year before the employee's year of eligibility. To index reported earnings, multiply the reported earnings for each year after 1950 through the indexing year, by the quotient of the average earnings for the indexing year divided by the average earnings for the year being indexed. Round the result to a penny.

$$\text{Reported earnings for 19}\underline{xx} \times \frac{\text{Average earnings for indexing year}}{\text{Average earnings for 19}\underline{xx}} = \text{indexed earnings for 19}\underline{xx}$$

The following chart shows the average earnings for years through the indexing year applicable to 1998. For benefit estimate purposes, estimated average earnings amounts for future eligibility years are also provided.

YEAR	AVERAGE ANNUAL WAGES	YEAR	AVERAGE ANNUAL WAGES	YEAR	AVERAGE ANNUAL WAGES
1951	2,799.16	1952	2,973.32	1953	3,139.44
1954	3,155.64	1955	3,301.44	1956	3,532.36
1957	3,641.72	1958	3,673.80	1959	3,855.80
1960	4,007.12	1961	4,086.76	1962	4,291.40

YEAR	AVERAGE ANNUAL WAGES	YEAR	AVERAGE ANNUAL WAGES	YEAR	AVERAGE ANNUAL WAGES
1963	4,396.64	1964	4,576.32	1965	4,658.72
1966	4,938.36	1967	5,213.44	1968	5,571.76
1969	5,893.76	1970	6,186.24	1971	6,497.08
1972	7,133.80	1973	7,580.16	1974	8,030.76
1975	8,630.92	1976	9,226.48	1977	9,779.44
1978	10,556.03	1979	11,479.46	1980	12,513.46
1981	13,773.10	1982	14,531.34	1983	15,239.24
1984	16,135.07	1985	16,822.51	1986	17,321.82
1987	18,426.51	1988	19,334.04	1989	20,099.55
1990	21,027.98	1991	21,811.60	1992	22,935.42
1993	23,132.67	1994	23,753.53	1995	24,705.66
1996	25,913.90	1997	27,426.00	1998	28,861.44
1999	30,469.84	2000	32,154.82	2001	32,921.92
2002	33,252.09	2003	34,064.95	2004	35,648.55
2005	36,952.54	2006	38,651.41	2007	40,405.48
2008	41,334.97	2009	40,711.61	2010	41,673.83
2011	42,979.61	2012	44,321.67	2013	44,888.16
2014	46,481.52	2015	48,098.63	2016*	49,541.59
2017*	51,027.84	2018*	52,558.67	2019*	54,135.43
2020*	55,759.49	2021*	57,432.27		

* Years after 2015 are estimated using an average 3% yearly wage increase. The actual average annual wages for these years will be determined from IRS records.

The amounts for 1978 - 2014 are based on IRS records.

The amounts for years prior to 1979 generally represent four times the average social security taxable wage reported for all workers for the first calendar quarter of each year. (Self-employment wage records were not included in these averages, as those earnings were not posted quarterly.)

Earnings for years subsequent to the indexing year are not adjusted. The actual reported earnings for these years are considered.

EXAMPLE: The employee's DOB is 5-10-17. He has 25 years RR service. Under the RR Act, due to last person service, the ABD is 2-1-80. The indexing year is 1977 based on his attainment of age 62 in 1979. The year 1977 has an average wage of $9,779.44. The earnings record is adjusted as follows:

Year	Reported Earnings	Indexed Earnings
1951	2,371.92	$ 8,286.79
1952	2,971.18	9,772.40
1953	3,476.91	10,830.67
1954	3,297.58	10,219.32
1955	3,751.26	11,111.88
1956	3,592.71	9,946.52
1957	3,957.89	10,628.48
1958	3,792.78	10,096.16
1959	4,792.16	12,154.32
1960	4,800.00	11,714.48
1961	4,800.00	11,486.19
1962	4,800.00	10,938.46
1963	4,800.00	10,676.63
1964	4,800.00	10,257.44
1965	4,800.00	10,076.01
1966	5,271.59	10,439.34
1967	6,576.72	12,336.70
1968	7,800.00	13,690.40

1969	7,800.00	12,942.44
1970	7,800.00	12,330.53
1971	7,800.00	11,740.60
1972	8,179.28	11,212.65
1973	9,215.76	11,889.59
1974	11,735.28	14,290.61
1975	14,100.00	15,976.29
1976	15,300.00	16,216.96
1977	16,129.78	16,129.78
1978	16,752.79	
1979	18,917.38	

8.11.32 Initial Computation of AIME

The basic benefit computation years for the average indexed monthly earnings (AIME) are chosen from the indexed (or unindexed if after indexing year) base years (see RCM 8.11.12). Up to five years of lowest earnings are dropped as explained in RCM 8.11.16.

The AIME may include as a benefit computation year indexed earnings for years prior to the year in which the W/E attained age 22, actual reported earnings in a year partly within a period of disability (assuming after indexing year), actual reported earnings in the year in which the employee attains age 62 or later years, or actual reported earnings in the year of death if they are higher than the indexed (or unindexed if after indexing year) earnings in some other benefit computation year. The year of lower earnings is dropped.

The indexed (or unindexed if after indexing year) earnings from the benefit computation years are added together to obtain the dividend used in computing an AIME.

There will be the same number of years in the benefit computation years for the AIME dividend as there are years (elapsed years minus up to five years of lowest earnings) used to determine the AIME divisor months.

The Average Indexed Monthly Earnings (AIME) is the quotient obtained by dividing the total earnings in the benefit computation years by the divisor months. The amounts less than $1 in the quotient are dropped so that the AIME is expressed in whole dollar amounts.

8.11.33 Recomputation of AIME

A. Age and Service Cases - The AIME may be recomputed to include, as a benefit computation year, the ABD year or each subsequent year in which the actual reported earnings are higher than the indexed earnings (or actual earnings for year after indexing year) of some other benefit computation year. The year of lower earnings is dropped. Therefore, there will still be the same number of benefit computation years for the AIME dividend as there are years (elapsed years minus up to five years of lowest earnings) used to determine the AIME divisor. The recomputed AIME is rounded down to the nearest whole dollar amount.

The same "bend points" used in the initial AIME PIA computation, based on the employee's year of attainment of age 62, are used to determine the amount of the recomputed AIME PIA. The AIME PIA must be increased by at least a $1.00 for the recomputation to apply. Subsequent cost-of-living increases are added from the eligibility year after the AIME PIA is determined.

The recomputation is effective January 1, of the year following the year for which the earnings are reported.

Since the AMW for the Transitional PIA ("New Start") cannot be recomputed, it is possible for an AIME PIA calculation in a life case to overtake and pass the TRANS PIA because of a recomputation.

EXAMPLE: The employee's date of birth is 9-20-17. The effective date of his age and service benefit is 9-1-79. His earnings since 1951 indexed to the 1977 average wage of $9,779.44 are as follows:

1951	8,287.48	1966	10,437.75
1952	9,772.21	1967	12,337.93
1953	10,830.57	1968	13,689.00
1954	10,219.22	1969	12,940.20
1955	11,111.23	1970	12,331.80
1956	9,948.21	1971	11,739.00
1957	10,626.93	1972	11,213.74
1958	10,092.59	1973	11,888.33
1959	12,152.92	1974	14,293.57

1960	11,716.80	1975	15,975.30
1961	11,486.40	1976	16,218.00
1962	10,939.20	1977	16,129.78*
1963	10,675.20	1978	16,752.79*
1964	10,257.60	1979	12,917.38*
1965	10,075.20		

* Actual reported earnings

The initial AIME for benefits payable 9-1-79 was computed based on earnings through December 31, 1978. Earnings for the years 1951, 1952, 1956, 1958 and 1965 were dropped from the AIME dividend. A cost-of-living percentage increase is added to the AIME formula effective 6-1-79. The AIME is recomputed for benefits payable effective 1-1-80 to include earnings for 1979 in the AIME dividend and to drop the earnings for 1954 from the AIME dividend. The same "bend points" plus COL increase percentage are used for the AIME PIA recomputation effective 1-1-80.

Note: There are special rules for employees who are entitled based on 60/30 provisions.

- **Employee eligible for a 60/30 annuity before 7-1-84**: Earnings in the ABD year or later cannot be included in the computation of PIA 1 until January after the employee attains age 62. The eligibility year is the earlier of age 62 or the ABD year.

- **Employee eligible for a 60/30 annuity 7-1-84 or later with an ABD before age 62 and before 1-1-02**: Earnings in the ABD year or later cannot be included in the computation of PIA 1 until the later of January of the following year or the first full month the employee is age 62. PIA 1 is then recomputed based on all earnings. A new PIA 1 is computed using the year age 62 is attained as the eligibility year. The number of months used for the employee's age reduction in the recalculation is changed to reflect the number of full months under FRA. The new PIA is effective the first full month the employee is 62.

- **Employee eligible for a 60/30 annuity with an ABD of 01-01-02 or later**: Earnings in the ABD year or later cannot be included in the computation of PIA 1 until the January after the employee attains age 62. Eligibility year is the earlier of age 62 or the ABD year.

B. Disability Cases - A disability PIA (except those paid under the non-exclusion provision) is recomputed based on including earnings years not wholly within the period of disability. The period of disability begins at deemed age 62, which is the first full month of the waiting period and ends at the end of the month prior to the month the employee attains deemed FRA (deemed age 65 if the disability ABD is prior to 1/1/2000). The deemed FRA is based on the actual DOB.

The AIME may be recomputed to include as a benefit computation year:

- The ABD year prior to the first full month of the waiting period, or
- The ABD year prior to the disability annuity effective date for cases where there is no waiting period, or
- The partial year after the actual or deemed attainment of FRA when the ABD is 1/1/2000 or later, (actual or deemed age 65, when the ABD is prior to 1/1/2000), or
- Each subsequent year in which the actual reported earnings are higher than the indexed (or unindexed if after indexing year) earnings of some other benefit computation year.

The year of lower earnings is dropped. Therefore, there will still be the same number of benefit computation years for the AIME dividend as there are years (elapsed years minus up to five years of lowest earnings) used to determine the AIME divisor. The recomputed AIME is rounded down to the nearest whole dollar amounts.

The same "bend points" used in the initial AIME PIA computation, based on the employee's year of disability onset, are used to determine the amounts of the recomputed AIME PIA. The AIME PIA must be increased by at least a $1.00 for the recomputation to apply. Subsequent cost-of-living increases are added from the eligibility year after the AIME PIA is determined.

The recomputation is effective January 1, of the year following the year for which the earnings are credited.

1) Disability Exclusion Cases with ABD 1/1/2000 or later: Effective with ABD's 1/1/2000 and later, the end of the employee's period of disability is the month before the month the employee attains deemed FRA (based on actual DOB). The existence of entitlement prior to 1/1/2000 on a prior claim is immaterial.

> EXAMPLE: The employee born 1/10/1962 has a disability onset of 6/10/2001 (ABD is 12/1/2001), and is deemed age 62 on the onset date. FRA for a person born in 1962 is age 67. This employee is deemed to be age 67 (FRA) in 6/2006, five years after deemed age 62. Earnings years beginning 2002 through 2005 cannot be used in a disability exclusion

computation because those years are wholly within the period of disability. Possible recomp effective dates for this employee are January 1, 2002, January 1, 2007, and every January 1 thereafter.

2) Disability Exclusion Calculation with ABD prior to 1/1/2000: The end of the employee's period of disability is the month before the month the employee attains deemed age 65.

EXAMPLE: The employee born 12/9/1946 has a disability onset of 5/20/1999 (ABD is 11/1/1999), and is deemed age 62 on that date. Age 65 is used as the FRA for all employees having a disability ABD prior to 2000. This employee is deemed to be age 65 in 5/2002, three years after deemed age 62. Earnings years from 2000 through 2001 cannot be used in a disability exclusion computation because those years are wholly within the period of disability. Possible recomp effective dates for this employee are January 1, 2000, January 1, 2003, and every January 1 thereafter.

3) Disability Non-exclusion Calculation – any ABD: Disability annuities paid under the non-exclusion provision allow PIA recomputations for all years beginning with January 1 of the year after the ABD. A period of disability is ignored for these type cases.

EXAMPLE: The employee born 2/19/1956 has a disability onset of 12/7/2004 (ABD is 6/1/2005). Because the period of disability is not a factor under the non-exclusion provision, PIA recomputations are payable effective immediately after the ABD year. This employee's annuity can be recomputed as early as January 1, 2006, and every January 1 thereafter.

C. Survivor Cases - The AIME computed for employees who attain age 62 or who have a date of disability onset in 1979 or later or who die 1979 or later before becoming entitled to life benefits may be "recomputed" if the "lag" earnings in the year of death are higher than some other benefit computation year. The year of lower earnings is dropped. Therefore, there will still be the same number of benefit computation years in the AIME dividend as there are years used to determine the recomputed AIME PIA. In survivor cases, the recomputation is effective in the month of death.

EXAMPLE: The employee whose DOB is 2/19/43 dies in 8/2004, without ever having been entitled to life benefits. The employee's widow is entitled to a WIA on 8/1/2004. The employee's earnings in 2004 are higher than in some other years used in the initial PIA calculation. The 2004 earnings year replaces the lowest year of earnings used in the PIA calculation. The recomputed PIA is effective with the WIA effective date (8/1/2004).

8.11.34 Determining the Primary Insurance Amount Based on the AIME - (AIME PIA)

The 1977 SS Act Amendments established a three step formula to compute the AIME PIA for wage earners who have an eligibility year of 1979 or later. The percentages in the formula are constant but the amounts (bend points) in each step will be adjusted each year as average wages rise. The bend points will be published by SSA in the November before the eligibility year to which they apply.

The AIME PIA is determined with bend points based on the year of first eligibility year, regardless of date of filing. When the ABD is June 1 of the eligibility year or later, a cost-of-living percentage increase is applied to the initial AIME PIA amount. The Social Security Amendments of 1983 change the effective month for the cost-of-living adjustment from June 1983 to December 1983 and provide for future automatic cost-of-living adjustments on a calendar year basis, with the increase payable in January rather than in July of each year. Subsequent cost-of-living percentage increases are payable from the eligibility year. Each cost-of-living increase is computed and rounded before the next cost-of-living is applied.

Under the 1981 SS Act Amendments, AIME PIAs for eligibility years 1982 or earlier, if not a multiple of $.10, are rounded up to the next higher multiple of $.10 in the initial computation, or adjustment through 5-31-82. Effective with the 6-1-82 COL, adjustments to these PIA's, if not a multiple of $.10 are rounded down to the next lower multiple of $.10.

SUMMARY OF AIME BEND POINTS

ELIG YEAR	90% of the AIME FIRST	32% of the AIME OVER	THROUGH	15% of the AIME OVER
1979	180	180	- 1,085	1,085
1980	194	194	- 1,171	1,171
1981	211	211	- 1,274	1,274
1982	230	230	- 1,388	1,388
1983	254	254	- 1,528	1,528
1984	267	267	- 1,612	1,612
1985	280	280	- 1,691	1,691
1986	297	297	- 1,790	1,790

1987	310	310 - 1,866	1,866
1988	319	319 - 1,922	1,922
1989	339	339 - 2,044	2,044
1990	356	356 - 2,145	2,145
1991	370	370 - 2,230	2,230
1992	387	387 - 2,333	2,333
1993	401	401 - 2,420	2,420
1994	422	422 - 2,545	2,545
1995	426	426 - 2,567	2,567
1996	437	437 - 2,635	2,635
1997	455	455 - 2,741	2,741
1998	477	477 - 2,875	2,875
1999	505	505 - 3,043	3,043
2000	531	531 - 3,202	3,202
2001	561	561 - 3,381	3,381
2002	592	592 - 3,567	3,567
2003	606	606 - 3,653	3,653
2004	612	612 - 3,689	3,689
2005	627	627 - 3,779	3,779
2006	656	656 - 3,955	3,955
2007	680	680 - 4,100	4,100
2008	711	711 - 4,288	4,288
2009	744	744 4,483	4,483
2010	761	761 - 4,586	4,586

2011	749	749 - 4,517	4,517
2012	767	767 - 4,624	4,624
2013	791	791 - 4,768	4,768
2014	816	816 - 4,917	4,917
2015	826	826 - 4,980	4,980
2016	856	856 - 5,157	5,157
2017	885	885 - 5,336	5,336

Add the results together: if the sum is not a multiple of $.10, round it as explained above, if it is less than $122.00, see FOM-I-1005.35.6.

Example 1: If the ABD is 3-1-97 and the AIME is 3,502.00, based on a 1995 eligibility year, the AIME PIA effective 3-1-97 is $1,276.00 ($1,068.52 + 15% of $935.00, rounded down to the dime, plus the 12/95 2.6% cost-of-living increase effective 12/95 and the 2.9% cost-of-living increase effective 12/96). This amount is later increased for subsequent cost-of-living increases.

Example 2: If the ABD is 12-1-96 and the AIME is 1,780.00, based on a 1996 eligibility year, the AIME PIA effective 12-1-96 is $846.80 ($393.30 + 32% of $1,343.00, rounded down to the dime, plus the 2.9% cost-of-living increase effective 12/96. This amount is later increased for subsequent cost-of-living increases.

Example 3: If the ABD is 5-1-97 and the AIME is $2,840.00, based on a 1997 eligibility year, the AIME PIA effective 5-1-97 is $1,155.80 ($1,141.02 + 15% of $99.00 rounded down to the dime). This amount is later increased for subsequent cost-of-living increases in 12/97 or later.

8.11.35 Determining the Primary Insurance Amount Based on the Frozen Minimum - (FRZN MIN PIA)

Wage earners whose eligibility year is 1979, 1980, or 1981, are guaranteed an initial PIA amount of not less than $122.00. Therefore, whenever a PIA less than $122 is computed, recomputed, or carried over from prior entitlement, it must be raised to $122. The $122 PIA amount is actually the minimum AIME PIA. It is called the frozen minimum PIA because special rules for adding COL increases apply (see 8.11.91).

Because COL increases may not always apply to the frozen minimum PIA, the actual AIME PIA, although initially lower than the frozen minimum PIA, may eventually be increased by COL's to the point where it exceeds the frozen minimum PIA. The type of PIA on which the benefit is based may not be switched, however, unless the PIA is recomputed to include earnings in base year(s) not included in previous computations

(the PIA before COL's must be increased by $1 or more), or the PIA is recalculated for a reason other than the inclusion of lag which would cause the switch from the frozen minimum PIA to the table minimum or vice versa.

EXCEPTION: If the vow of poverty rule applies, refer to SSCM A4330.

A. Age and Service Cases - The Frozen Minimum PIA's 1, 9, and SSEB PIA can apply if the employee attained age 62 before 1982.

In 60/30 cases, the Frozen Minimum PIA can apply to PIA 1 if the employee's ABD is before 1982. See RCM 8.11.100 for RR Act deeming provisions.

B. Disability Cases - The Frozen Minimum PIA's 1, 9, and SSEB PIA can apply if the employee's disability freeze onset was before 1982.

In disability cases with no freeze or a disability freeze onset after 1981, the Frozen Minimum PIA 1 can apply if the employee's ABD is before 1982. See RCM 8.11.100 for RR Act deeming provisions.

C. Survivor Cases - The Frozen Minimum PIA's 1, 3, and 9 can apply if the employee attained age 62, has a disability onset, or died before 1982. The actual survivor benefit ABD may be after 12-1981.

8.11.40 Use of "Old Start" Method

The "Old Start" method can be an alternative benefit computation if the "New Start" AMW is less than $250 for the AMW PIA or if the SPC MIN PIA computation includes significant earnings between January 1, 1937 and December 30, 1950.

The three basic "Old Start" methods currently in use are explained in this section. The old PIB method and revised PIB method are basically obsolete. Refer to the Social Security Claims Manual section 4380-4384 for an explanation of these computations.

A. 1965 "Old Start" Method - Under the Social Security Act, this method applied when:

- The wage earner:
  - Was born before January, 1929, and has less than 6 QC's after 1950; or
  - Becomes entitled after 1965 to an OAIB or DIB; or
  - Dies after 1965 with no prior entitlement;

  AND,
- The wage earner has at least one QC prior to 1951;

AND,

- The wage earner is not eligible for the 1967 Simplified Old Start MethodI or the 1977 Simplified Old Start Method.

Note: A comparison of the above requirements with those in B and C below shows that the 1965 "Old Start" is obsolete for computing a PIA where eligibility or death is after 1977, unless the wage earner had a period of disability which began before 1951 that is used for computation purposes.

B. 1967 Simplified "Old Start" Method - The 1967 Simplified "Old Start" method is used for qualified wage earners whenever the "Old Start" computation would yield a higher benefit than the "New Start" AMW method, there is no D/F before 1951, and either benefits are payable before 1-1-78 or the effective date is 1-1-78 or later and the employee attained age 21 before 1937. This method applied for months beginning January 1, 1967. (The 1965 table PIA rate applied for months 1/67 through 1/68.)

1. Social Security Act Requirements

Under the Social Security Act, the 1967 simplified old start method is applicable if:

- At least one quarter prior to 1951 is a QC; and,
- The wage earner attained age 21 either:
  - In or before 1936; or,
  - After 1950 but less than six quarters elapsing after 1950 are QC's; and,
- The wage earner did not have a period of disability which began before 1951 unless such a period of disability is entirely disregarded (i.e. the PIA is computed as though the period of disability had not been established); and,
- The wage earner:
  - Became entitled to an RIB or DIB after January 2, 1968; or,
  - Died after 1-2-68 without having been entitled to an RIB or DIB; or
  - Qualifies for an automatic recomputation of the PIA after the 1967 amendments, and,
- The wage earner is not eligible for the 1977 Simplified Old Start.

A last computation base year based on first eligibility or death before 1961 cannot be used to compute the PIA under the 1967 simplified old start method.

2. The Railroad Retirement Act Provisions - In order to meet the requirements for the 1967 simplified "Old Start" computation, the 1968 Amendments to the 1937 Railroad Retirement Act deemed any employee (except an employee who died before 1939) on whose service and compensation an annuity is based, to have:

   - Become entitled (assumed filing) to social security benefits after January 2, 1968; or,
   - Died after January 2, 1968 without having been entitled to social security benefits.

   Under the 1974 RRA, the deeming provision applies to the "Old Start" calculation of the 1937 Act O/M PIA only. It does not apply to "New Start" or SPC MIN calculations of the O/M PIA or the calculation of any other PIA.

C. 1977 Simplified "Old Start" Method - The 1977 Simplified "Old Start" method is used for benefits initially payable after December 1977 for employees whose eligibility year is 1978 when there is no DF before 1951 and this computation would yield a higher benefit than the "New Start" AMW PIA or SPC MIN PIA methods. For benefits based on eligibility year 1979 or later, the 1977 Simplified Old Start is an alternative to the TRANS PIA (when applicable) AIME PIA and SPC MIN PIA. The following requirements must be met for the 1977 Simplified "Old Start" to apply:

   1. At least one quarter prior to 1951 is a quarter of coverage; and,
   2. The wage earner either:
      - Attained age 22 after 1950 and had less than 6 QC's after 1950; or
      - Attained age 21 after 1936 and before 1950; and,
   3. The wage earner did not have a period of disability which began before 1951 unless such a period of disability is entirely disregarded (i.e. the PIA is computed as though the period of disability had not been established).

      Note: When the wage earner had a period of disability which began before 1951 that is used for computational purposes, the 1965 "Old Start" method will apply if it results in a higher PIA than any other applicable method.
   4. The 1977 O.S. Family Maximum benefit is computed as explained in RCM 8.11.86.

8.11.41 Use of the AMW

The Average Monthly Wage (AMW) is the quotient of the divisor months and dividend (total earnings in benefit computation years). Its use in the

PIB computation depends on the "Old Start" Computation that applies (see 8.11.47).

8.11.42 Base Years Before 1951

The base years are the years from which the benefit computation years are chosen.

A. 1965 "Old Start" Computation - The actual reported earnings for each year from 1-1-37, subject to the yearly maximum, are used in this computation. This includes all wages, self-employment income, creditable compensation and creditable M/S.

This computation applies only to applications filed May 31, 1992 or earlier, and to June 1992 and later recomputations for affected beneficiaries who have recent earnings.

B. 1967 Simplified "Old Start" Computation - A formula is applied to the total pre-1951 wages, self-employment income, creditable compensation and creditable M/S to determine the yearly earnings of each base year. This eliminates the need for a manual search of microfilm records to obtain a yearly breakdown of pre-1951 earnings.

The total of all credited pre-1951 earnings are broken down into base years as follows:

- If the total pre-1951 earnings are $27,000.00 or less, the total amount of the pre-1951 earnings is divided by 9. The result represents the yearly earnings for each of nine base years; or

- If the total pre-1951 earnings exceed $27,000.00, but are less than $42,000.00, the total amount of the pre-1951 earnings is divided by $3,000.00. The resulting whole number represents the number of pre-1951 base years. Remaining earnings (i.e., any excess of the total pre-1951 earnings over $3,000.00 times the whole number derived above) represents the earnings for an additional base year; or

- Total pre-1951 earnings of at least $42,000.00 represents 14 base years with earnings of $3,000.00 for each year.

C. 1977 Simplified "Old Start" Computation - The total pre-1951 wages, self-employment income, creditable compensation and creditable MS will be equally divided by the number of years elapsing after attainment of age 20 and prior to 1951. (In the case of an individual who attains age 20 in 1949, the

earnings divided by the one year elapsed after 1949 and before 1951 equals the amount of the earnings.) The amount so obtained for each year subject to the maximum will be deemed to be the individual's wages credited to each year used in the AMW dividend. If the amount exceeds $3,000 for each year, only $3,000 will be deemed to be the individual's wages for each of those years. The remainder of the individual's total wages prior to 1951 will be credited as follows:

1. If the wages are less than $3,000, they are credited to the year in which the individual attained age 20; or,

2. If the wages are $3,000 or more, they are credited, in $3,000 increments, to the year starting with the year in which the individual attained age 20 and, subsequently, to each year consecutively preceding that year with any remainder less than $3,000 being credited to the year immediately preceding the earliest year to which a full $3,000 increment was credited; but,

3. No more than $42,000 may be taken into account, as total wages after 1936 and prior to 1951.

8.11.43 Base Years After 1950

Under all "Old Start" Computations, the actual reported earnings after 1950 subject to the yearly maximums indicated in RCM 8.11.14 are used. These earnings are not indexed, even if the wage earner's eligibility year is 1979 or later.

8.11.44 Determining Benefit Computation Years for Initial "Old Start" AMW

The benefit computation years are chosen from the base years from 1-1937 up to the last computation base year (see RCM 8.11.12). Up to five of the years with the lowest earnings are excluded as explained in RCM 8.11.16. Years wholly within a period of disability after 1-1951 (or after 1-1937 if 1965 "Old Start" method) are excluded as explained in RCM 8.11.15 .

A. Employee Eligibility Year Before 1979 - (1965 "Old Start" With D F Before 1951 or 1967 O.S) - A year prior to attainment of age 22, after attainment of age 62 or termination of disability freeze, or a year partly within a period of disability after 1-1951 (or after 1-1937 if 1965 "Old Start" method) is included only if the earnings in that year are higher than earnings in some other benefit computation year. The year of lower earnings is dropped. Therefore, if there are 35 years used to determine the divisor months, there will be 35 benefit computation years for the AMW dividend.

B. Employee Eligibility Year 1979 or Later - (1965 "Old Start" With D F Before 1951 or 1977 O.S) - Under the 1977 Social Security Act Amendments, the AMW cannot include earnings in the eligibility year or later years. A year prior to the

year of attainment of age 22 or a year partially within a period of disability after 1-1951 and before the eligibility year is included only if the earnings in that year are higher than earnings in some other benefit computation year. The year of lower earnings is dropped. Therefore, if there are 37 years used to determine the divisor months, there will be 37 benefit computation years for the AMW dividend.

C. Employee Was Previously Paid An "Old Start PIA" Disability Benefit Within 12 Months - If the employee becomes disabled or attains age 62 or dies 1-1-79 or later and was previously paid a disability annuity with an "Old Start" PIA that terminated within 12 months of the current eligibility year of the previous PIA computation apply. (Recomputation allowed if previous eligibility year is before 1979.)

Refer to RCM 8.11.100 through 8.11.117 for an explanation of the effects of the RR Act deeming provisions on the Benefit Computation Years.

The earnings from the benefit computation years, subject to the yearly maximum, are added together to obtain the dividend used in computing the AMW. The amounts less than $1 in the quotient are dropped so that the AMW is expressed in whole dollar amounts.

8.11.45 Determining Benefit Computation Years for Recomputed "Old Start" AMW When Eligibility is Before 1979

Under the 1967 SS Act Amendments, an "automatic" recomputation for benefits payable 1-1966 or later can be made if earnings in the ABD year or later years in life cases or earnings in the wage earner's year of death in survivor cases (lag earnings) are sufficient to cause an increase in the AMW if it is recomputed. If the earnings in a year after the last year used in the previous computation, excluding years fully within a period of disability, are higher earnings are added to the AMW dividend and the lower earnings are deducted from the AMW dividend. The AMW divisor and the number of benefit computation years remain the same.

The effective date of the recomputation in life cases is January 1, of the year following the year for which the earnings are reported. The effective date of recomputation in survivor cases is the month of death. Earnings in the year of death may be used in the initial survivor PIA computation if the earnings are reported timely.

The 1977 SS Act Amendments limit the recomputation of the "Old Start" AMW to wage earners whose eligibility year is before 1979.

EXAMPLE 1: The female employee's date of birth is 5-20-13. The ABD of her age and service benefit is 5-1-75. Her earnings record (wages and compensation) is as follows:

The total earnings before 1951 = $16,678.60

Earnings 1951 - 1970 = -0-

Year	Earnings
1971	$3,000.00
1972	$3,172.90
1973	$5,691.20
1974	$6,921.70
1975	$4,291.80
1976	$4,770.00

The initial AMW for benefits payable 5-1-75 was computed using earnings through December 31, 1974. Earnings (of zero) for the years 1951, 1952, 1953, 1954, 1955 were dropped from the AMW dividend. The AMW is recomputed for benefits payable effective 1-1-76 to include the earnings for 1975 in the AMW dividend and to drop the zero earnings for 1956 from the AMW dividend. The AMW is again recomputed for benefits payable effective 1-1-77 to include the earnings for 1976 in the AMW dividend and drop the zero earnings for 1957 from the AMW dividend.

EXAMPLE 2: The female employee's date of birth is 7-16-23. The disability onset date is 5-10-78. Her earnings record (wages and compensation) is as follows:

Total earnings before 1951 = 23,715. Earnings 1951 - 1970 = 0

Year	Earnings	Year	Earnings
1971	6,713.28	1976	11,913.00
1972	7,295.76	1977	12,176.92
1973	9,173.95	1978	6,156.75
1974	10,192.15	1979	0
1975	10,713.20	1980	0
		1981	1,975.63

The initial AMW for benefits payable 11-1-78 was computed using earnings through December 31, 1977. Earnings (of zero) for the years 1951, 1952, 1953, 1954 and 1955 were dropped from the AMW dividend. Earnings for the years 1944 and 1943 which

were prior to attainment of age 22 are substituted for the earnings (zero) in 1956 and 1957. The AMW is recomputed effective 1-1979 to include the earnings for 1978 prior to disability onset and drop the earnings (zero) for 1958. The wage earner works in sheltered employment in 1981. Since the EE is deemed to be 65 in 1981 and the period of disability is deemed to be terminated, for PIA recomputation purposed, earnings in 1981 after termination of disability can be used in place of the zero 1959 earnings to recompute the AMW effective 1-1982.

Note: SSA does not convert a DIB to an RIB until the wage earner actually attains age 65.

8.11.46 Determination of Increment Years

Under the 1965 "Old Start" and 1977 Simplified "Old Start" methods, the increment year is computed as part of the PIB computation.

A. 1965 "Old Start" - An increment year is defined as a calendar year after 1936 and before 1951, including the year of death, if applicable, in which the wage earner was paid $200 or more in wages, compensation, or SEI. An increment is credited even though the year on which it is based is not a benefit computation year.

When the year of eligibility is before 1951, the year of first eligibility is included as an increment year if the wage earner was paid at least $200 through the end of the quarter of first eligibility.

In computing a benefit on the basis of an application filed before 1961, the year in which the disability began is considered to be an increment year only when the inclusion of earnings in that year increases the PIA. For applications filed after 1960, an increment is not credited for any base year which is part of an excluded disability period or for any year after the last year included in the initial computation.

EXAMPLE: The female employee's date of birth is 5-20-15. The ABD of her disability annuity is 5-1-75 based on twenty-three years of RR service. Her pre-1951 earnings are as follows:

Year	Earnings
1937	$2,175.12
1938	$2,079.15
1939	$2,276.94
1940	$2,301.75

1941	$2,375.92
1942	$2,416.75
1943	$2,571.23
1944	$2,719.15
1945	$3,000.00
1946	$3,000.00
1947	$3,000.00
1948	$ 198.00
1949	0
1950	0

She therefore has eleven increment years.

B. 1977 Simplified "Old Start" Computation - The number of increment years is the number, no more than 14 or less than 4, that is equal to the individual's total pre-1951 earnings (wages, self-employment, creditable compensation and creditable M/S) divided by $1,650, dropping any remainder.

EXAMPLE 1: The employee's total pre-1951 earnings are $28,000. His increment years would be 14 ($28,000 divided by 1,650 = 16 reduced to 14 increment years).

EXAMPLE 2: The employee's total pre-1951 earnings are $2,050. His increment years would be 4 ($2,050 / 1,650 = 1 raised to 4 increment years).

8.11.47 Computation of the PIB

A. 1965 "Old Start" - The PIB is computed as follows:

Step 1: To obtain the "basic benefit," compute 40 percent of the first $50 of the AMW and add 10 percent of the next $200 of the AMW. (If the AMW exceeds $50, the basic benefit may be computed by adding $15 to 10 percent of the AMW).

Step 2: Multiply the number of increment years by 1 percent. Then multiply the "basic benefits" in step 1 by the resulting percentage to obtain the increment.

Step 3: Add the "basic benefit" and the increment. Drop fractions of less than half a cent and increase those of a half cent or more to the next higher cent. The result is the actual amount of the PIB.

B. 1967 Simplified "Old Start" Method - Instead of being derived from a "basic benefit" and "increment years" as in the 1965 "Old Start," the PIB under the 1967 simplified "Old Start" method is merely the sum of 45.6 percent times the first $50 of the AMW and 11.4 percent of the next $200 of the AMW. (This formula, in effect, grants the equivalent of 12 "increment years" in all cases). Round the PIB to the nearest whole cent.

C. 1977 Simplified Old Start Method - The PIB is computed as explained in (A) above.

D. Minimum PIB - The 1981 Social Security Act Amendments eliminated the minimum PIB benefit for eligibility years after 1981.

EXCEPTION: If the vow of poverty rule applies, refer to SSCM A4330.

1. Age and Service Cases - The minimum PIB of $16.20 can apply for PIA's 1, 9, and SSEB PIA if the employee attained age 62 before 1982. In 60/30 cases the Frozen Minimum PIA can apply to PIA 1 if the employee's ABD is before 1982. See RCM 8.11.100 RR Act deeming provisions.

2. Disability Cases - The minimum PIB of $16.20 can apply if the employee became disabled before 1982. In disability cases with no freeze or a disability freeze onset after 1981, the Frozen Minimum PIA 1 can apply if the employee's ABD is before 1982. See RCM 8.11.100 for RRA deeming provisions.

3. Survivor Cases - The minimum PIB of $16.20 can apply if the employee attained age 62, had a disability freeze, or died before 1982.

8.11.48 Conversion of PIB to PIA

The method of converting the PIB to the PIA depends upon the employee's eligibility year.

A. Eligibility Year Before 1979 - (1965 "Old Start" With DF Before 1951 or 1967 "Old Start") - To determine the Primary Insurance Amount locate the amount of the PIB on the conversion chart in Appendix A. The PIA for 6/78 or earlier is indicated on the same line under the appropriate effective date. Use the 6/78 PIA in Appendix B to determine the updated AMW PIA based on the Old Start Method.

B. Eligibility Year 1979 or Later - (1965 "Old Start" With DF Before 1951 or 1977 "Old Start") - If the PIB is $16.20 or more locate the amount of the PIB on the conversion chart in Appendix A. The starting PIA is indicated on the same line

under the 6-1978 effective date. Cost-of-living percentage increases are added from the eligibility year. Use the appendix at the end of this chapter for the appropriate eligibility year to determine the updated 1977 O.S. PIA.

For eligibility years 1982 or later, the PIB may be less than $16.20. These PIBs are included in the RCM 8.11 Appendix for the applicable year.

8.11.60 Prior Disability Terminated Within 12 Months

If the employee has a disability insured status in the month of current disability, the prior period of disability can be excluded as explained in RCM 8.11.15.

A. Determining PIA Formula - When the wage earner was entitled to a disability annuity for any part of the 12 months immediately preceding the month of current disability, the month of death, or the month of entitlement to an age and service benefit, the benchmark year for the PIA computation is the year of the disability onset for the prior disability annuity.

If a minimum PIA applied for the prior disability annuity, it will continue to apply for the current annuity.

The PIA 1, PIA 3, PIA 9, PIA 17 or SSEB PIA for the current retirement annuity is the greater of the PIA with the "eligibility year" upon which the previous disability annuity was based, increased by intervening general and automatic benefit increases or recomputations that would have applied to the PIA had the individual remained entitled to that benefit until the month in which (s)he became entitled to the current benefit; or, the Special Minimum PIA computed under the 1977 SS Act Amendments.

The survivor annuity Tier I is based on the higher of the PIA computed with the "eligibility year" which was established for the prior disability annuity with increases or recomputations that would have applied to the PIA had the individual remained entitled to that benefit until the month in which (s)he died; or the special minimum PIA computed under the 1977 SS Act Amendment.

B. Determining Dropout Years - The dropout provision is explained in RCM 8.11.16.

- If the employee is again disabled, the number of dropout years used in the previous PIA computation apply. When there is more than one prior period of disability, the controlling point reverts back through the periods of disability until there is a period of disability that is preceded by a gap in disability entitlement of more than 12 months or up to the initial disability entitlement; or,

- If the new eligibility is at age 62, the number of dropout years used in the previous PIA computation apply; or,

- If the employee has died, five dropout years are applied to the survivor PIA.

There must remain a minimum of two benefit computation years. If applying the dropout results in less than 2 computation years, the benefit computation years are raised to two.

C. Family Maximum Benefit

In general, the Family Maximum Benefit is determined as follows:

- If the eligibility of the prior disability is before 1979 and the current eligibility for disability, age and service or survivor benefits is after 1978 but within 12 months of the previous termination, the bend point formula for the current eligibility year is applied to the PIA that was in effect in the last month of prior DIB entitlement (see RCM 8.11.86); or,

- If the eligibility of the prior disability is after 1978 and current eligibility for disability, age and service or survivor benefits is within 12 months of the previous termination, the bend point formula used for the prior eligibility year is applied to the PIA that was in effect in the last month of prior DIB entitlement. However, the bend point formula applicable for the current eligibility year will be used if the resulting formula maximum is higher than the maximum computed using the formula for the earlier eligibility year. (Insured status must be met at the current eligibility point, without considering the prior period of disability, before the current eligibility point, without considering the prior period of disability, before the current eligibility formula is used.)

If a prior savings clause maximum is higher than the maximum computed under the AIME family maximum formula the savings clause maximum would apply.

However, the 1980 Social Security Act Disability Amendments introduced a special limit on the family maximum for disability cases (DIB O/M) where first entitlement to the DIB O/M is after 6-1980 based on disability onset after 1978 (see RCM 8.11.88).

8.11.61 Prior Disability Entitlement Ended Before 12 Month Period Preceding Current Entitlement

If the employee has a disability insured status in the month of current disability, the prior period of disability can be excluded as explained in RCM 8.11.15.

A. DIB PIA Guarantee - The 1977 SS Act amendments guarantee that the amount of the PIA computed for life or death benefits based on the current "eligibility year" cannot be less than the amount of the PIA that was in force when the former disability annuity ended (unless the prior disability is disregarded). This amount is not increased for intervening general and automatic benefit increases

or recomputations after the termination of the prior disability and before the current entitlement.

The elimination of the minimum benefit does not affect the applicability or the use of the DIB Guarantee PIA. The DIB Guarantee PIA is a separate entity in itself. It is clearly defined in the law as the PIA that was in effect in the last month of prior DIB entitlement.

The PIA's designated under the Railroad Retirement Act as PIA 1, PIA 3, PIA 9, PIA 17 and the SSEB PIA are subject to the DIB PIA Guarantee.

B. Determining PIA Formula - When the wage earner was entitled to a disability annuity that terminated before the 12 month period immediately preceding the month of current disability, the month of death, or the month of entitlement to an age and service annuity, the "benchmark year" for the PIA 1, PIA 3, PIA 9, PIA 17 and SSEB PIA computation is based on the year of current disability onset, year of attainment of age 62, or the year of death if prior to eligibility to a new retirement benefit. The PIA is computed under the method applicable to the new benchmark year. The AIME computation "bend points" are based on this benchmark year (if 1979 or later).

C. Determining Dropout Years - The dropout provision is explained in RCM 8.11.16.

- If the current eligibility is for age and service or survivor benefits, five dropout years can be applied; or,
- If the PIA was previously computed for benefits paid before July 1980, five full dropout years can be applied; or,
- If the PIA was previously computed under the 1980 amendment method for benefits first payable July 1980 or later, regardless of disability onset date and the current entitlement is disability, the dropout years are computed under the "1 for 5" rule based on the elapsed years up to the current disability.

The PIAs designated under the Railroad Retirement Act as PIA 1, PIA 3, PIA 9, PIA 17 and SSEB PIA are affected by this provision.

There must remain a minimum of two benefit computation years. If applying the dropout results in less, the benefit computation years are raised to two.

D. Family Maximum Benefit - If the current entitlement is based on eligibility after 1978 for disability, age and service benefits, or survivor benefits, the family maximum for PIA 1 or PIA 9 is based on the current eligibility year as explained in RCM 8.11.86.

If the DIB Guarantee PIA is applicable as explained in A, above, the family maximum benefit for that PIA is based on the AIME family maximum formula for

the current eligibility year regardless of the method used to compute the DIB Guarantee PIA.

If a prior savings clause maximum is higher than the maximum computed under the AIME family maximum formula, the savings clause maximum would apply.

However, the 1980 Social Security Act Disability Amendments introduced a special limit on the family maximum for disability cases (DIB O/M) where first entitlement to the DIB O/M is after 6/1980 based on disability onset after 1978 (see RCM 8.11.88).

8.11.70 Special Minimum PIA

The 1972 Social Security Act Amendments established the computation of the Special Minimum PIA (SPC MIN PIA) to provide a higher benefit for wage earners who had consistently low earnings. The SPC MIN PIA is considered for benefits payable for months after December 1972 only, even if the employee's ABD is before 1-1-73.

The 1974 Railroad Retirement Act Pass-thru PIA, PIA 5, PIA 11 or PIA 21 are computed under the SS Act rules in effect in 12-1974. For these PIA's, the SPC MIN PIA computed as of 12-1974 is an alternative to the "Old Start" or "New Start" AMW PIA computation.

The 1974 RRA PIA 1, PIA 3, PIA 9, PIA 17 and SSEB PIA are computed under the current SS Act rules:

- If the employee attained age 62, had a disability onset date, or died (before entitlement to a life benefit) before 1-1979, the SPC MIN PIA is a continuing alternative to the corresponding AMW PIA and will be the PIA upon which all benefits are based until such time as it is exceeded by the corresponding AMW PIA. Therefore, the corresponding AMW PIA must also be maintained and updated. If for any month the corresponding AMW PIA exceeds the SPC MIN PIA, the corresponding AMW PIA will be used to determine benefit amounts effective with that month.

- If the employee attained age 62, had a disability onset date, or died (before entitlement to a life benefit) on 1-1-79 or later, the SPC MIN PIA is a continuing alternative to the corresponding AIME PIA (including FRZN MIN PIA) and, if the non-disabled employee attained age 62 in 1979-1983, is a continuing alternative to the corresponding TRANS PIA. The SPC MIN PIA will be the PIA upon which all benefits are based until it is exceeded by one of the alternate PIA amounts. Therefore, the amounts of the TRANS PIA (if employee attained age 62 in 1979-1983), AIME PIA, and FRZN MIN PIA must be maintained and updated. If for any month one of these alternate PIA's exceed the SPC MIN PIA, the alternate PIA will be used to determine benefit amounts effective with that month; and,

- Under the 1977 SS Act Amendments, the SPC MIN PIA under current SS Act rules (used for RR Act PIA 1, PIA 3, PIA 9, PIA 17, or SSEB PIA) is subject to automatic cost-of-living increases effective June 1979 or later. These increases are not "decoupled" i.e., cost-of-living increases beginning with June 1979 will be added to the SPC MIN PIA on a cumulative basis without special eligibility requirements.

The increased range of SPC MIN PIAs and increased range of SPC MIN PIA family maximums will be published with each cost-of-living increase.

8.11.71 Years of Coverage for Initial Computation of Special Minimum PIA

The Special Minimum PIA "years of coverage" are the base years since 1937 in which the wage earner is credited with the amount of earnings indicated in this section. If it is necessary to exclude a period of disability for purposes of determining an "insured status", the years wholly within the period of disability cannot be counted as years of coverage for purposes of establishing the Special Minimum PIA. Otherwise, years "within a period of disability" may be credited as years of coverage even if they are not used for the regular PIA computation.

A. For 1937-1950 Period - Divide the total earnings (wages and compensation) credited to the individual in the 1937-1950 period by $900 (disregarding any fraction). The result (up to a maximum of 14 years) is the number of years of coverage in the 1937-1950 period (wages and compensation of $12,600 or more will give 14 years of coverage).

The chart below displays the number of coverage years that can be creditable for years between 1937-1950.

YEARS OF COVERAGE CHART

EARNINGS BETWEEN 1937-1950	COVERAGE YEARS
900.00 - 1,799.99	1
1,800.00 - 2,699.99	2
2,700.00 - 3,599.99	3
3,600.00 - 4,499.99	4
4,500.00 - 5,399.99	5
5,400.00 - 6,299.99	6

6,300.00 - 7,199.99	7
7,200.00 - 8,099.99	8
8,100.00 - 8,999.99	9
9,000.00 - 9,899.99	10
9,900.00 - 10,799.99	11
10,800.00 - 11,699.99	12
11,700.00 - 12,599.99	13
12,600.00 - and over	14

B. For Period After 1950 through 1977 - One year of coverage is credited for each base year in which the wage earner has wage, compensation and SEI equal to or more than 25% of the maximum creditable earnings for that year (15% of the maximum for years after 1990).

Earnings are not indexed for the SPC MIN PIA. The years and amounts necessary to establish a "year of coverage" after 1950 through 1977 are as follows:

YEAR	**25% MAXIMUM**	**YEAR**	**25% MAXIMUM**
1951-1954	$ 900	1973	$2,700
1955-1958	1,050	1974	3,300
1959-1965	1,200	1975	3,525
1966-1967	1,650	1976	3,825
1968-1971	1,950	1977	4,125
1972	2,250		

In determining a year of coverage for years after 1977, it is necessary to use the amounts that would have been computed if the 1977 SS Act amendments had not prescribed maximum creditable amounts.

YEAR	25% MAXIMUM	YEAR	25% MAXIMUM
1978	$4,425	1985	$7,425
1979	4,725	1986	7,875
1980	5,100	1987	8,175
1981	5,550	1988	8400
1982	6,075	1989	8,925
1983	6,675	1990	9,525
1984	7,050		

Effective for years after 1990, 15% of the maximum creditable earnings for that year is used.

YEAR	15% MAXIMUM	YEAR	15% MAXIMUM	YEAR	15% MAXIMUM
1991	$5,940	2000	8,505	2009	11,880
1992	6,210	2001	8,955	2010	11,880
1993	6,435	2002	9,450	2011	11,880
1994	6,750	2003	9,675	2012	12,285
1995	6,795	2004	9,765	2013	12,645
1996	6,975	2005	10,035	2014	13,050
1997	7,290	2006	10,485	2015	13,230
1998	7,605	2007	10,890	2016	13,230
1999	8,055	2008	11,385	2017	14,175

Under SS Act rules, the last base year for the initial computation of the Special Minimum PIA for life benefits ends on December 31 of the year before the effective date of the PIA. For death benefits, the SPC MIN PIA last computation

base year is the year of death. Refer to RCM 8.11.100 - 8.11.117 for the effect of RRA limitations on some PIA computations.

EXAMPLE 1: The wage earner (DOB 7-11-14) is paid life benefits effective 7-1-79. The last computation base year for the SPC MIN PIA effective 7-1-79 ends on December 31, 1978.

EXAMPLE 2: The wage earner dies 9-25-78. The last computation base year for the SPC MIN PIA effective 9-1-78 is 1978.

8.11.72 Additional Years of Coverage due to Earnings in or after ABD Year

Under SSA rules, in life cases when the wages, compensation and SEI of the date of entitlement (ABD) year of late years equal or exceed 25% of the yearly maximum for years through 1990, 15% of the yearly maximum for years 1991 and later, these earnings are used effective January 1 of the following year to add years of coverage to increase the SPC MIN PIA. Refer to RCM 8.11.100 - 8.11.117 for the effect of RRA limitations on some PIA recomputations.

8.11.73 Amount of Special Minimum PIA Based on Years of Coverage

A. Months Prior to 3-1974 - The SPC MIN PIA is equal to $8.50 multiplied by the number of "years of coverage" in excess of 10, up to the maximum of 30 years.

B. 3-1974 through 12-1978 - For months from 3-1974 through 12-1978, the Special Minimum PIA will equal $9 for each year of coverage in excess of 10 up to the maximum of 30 years.

C. 1-1979 through 5-1979 - For months from 1-1979 through 5-1979, the special minimum PIA will equal $11.50 for each year of coverage in excess of 10 up to the maximum of 30 years.

D. 6-1979 and Later Months - The SPC MIN PIA is subject to automatic cost-of-living increase effective 6-1979 and later months. A table of the increased SPC MIN PIA amounts is published by SSA.

E. Possible Special Minimum PIAs - The possible special minimum PIAs are indicated in the on-line Appendix C of this chapter.

8.11.74 Family Maximum Amount for Special Minimum PIA

The family maximum for Special Minimum PIA is explained in RCM 8.11.82.

The family maximum amounts are indicated in the on-line Appendix C of this chapter.

8.11.75 Age Reductions to the Special Minimum PIA

The benefits payable to an employee, widow(er) or spouse based on the Special Minimum PIA are subject to the regular age reduction adjustments, when necessary.

8.11.76 Adjustment to The PIA for a Non-covered Service Pension

The 1983 Social Security Act Amendments modify the PIA computations for some workers receiving a public service pension based on non-covered employment. The modified PIA computation must be applied when the following conditions are met: the individual attains age 62 after 1985, he/she becomes eligible for RIB or DIB after 1985, and he/she becomes entitled to a monthly payment based on non-covered work for which he/she became initially eligible after 1985. This provision eliminates some of the advantage when the regular PIA formula, which is weighted in favor of employees with a lower average wage, is applied to the low average wage of a worker whose major employment was non-covered.

A. AIME PIA

In the AIME PIA, the modified method reduces the percentage applied to the AIME up to the first bend point. The reduced percentage is phased in over a 5 year period. The reduced percentage results in a lower PIA and family maximum than under the regular AIME formula.

B. AMW PIA

The amount of the AMW PIA is reduced. This also results in a lower family maximum than under the regular AMW formula.

C. Special Minimum PIA

The special Minimum PIA and Family Maximum are not adjusted for NCSP entitlement.

D.. Special Guaranty rate

This calculation reduces the regular unreduced PIA by ½ of the pension amount, attributable to post-1956 non-covered earnings. The Special Guaranty rate is not recomputed for any change in pension amount or entitlement to an additional pension. Only if the pension ceases would the PIA be recomputed, and then without consideration for the NCSP, effective with the first month in which the employee is no longer entitled to the pension.

E. The reduced AIME and AMW PIA's are based on the PIA's in effect on the ABD. If the employee becomes entitled to the public service pension based on non-covered service after the ABD month, the PIA #1 or PIA #9 is computed as if the NCSP were payable in the ABD month. However, the reduced PIA's are not

used in the tier 1 or Retirement OM benefit until the employee actually is paid or indicates that he will be paid the NCSP.

F. Exceptions to the Provisions

Several groups of individuals who would otherwise meet the requirements above are exempt from the Non-Covered Service Pension provision. Those exempt are:

1. Individuals to whom coverage was extended beginning on 1/84 under section 101 of the 1983 Social Security amendments.

2. Individuals who are employees of a nonprofit organization to which coverage was extended under section 102 of the 1983 Social Security amendments. However, employees of a nonprofit organization that were previously covered, terminated coverage, and were subsequently extended coverage under the 1983 amendments are not exempt from elimination of windfall provision.

3. Any individuals who has 30 years of coverage determined by applying the year of coverage test in RCM.8.11 Appendix M: and

4. Any individual who meets the requirement for his/her pension prior to 1986, even if he/she does not elect to receive the pension until after 1985. In determining if this exemption applies, the individual must meet all requirements for the pension (e.g., years of service, age, amount of contributions) prior to 1986.

8.11.77 Adjustment To The AIME PIA For Non-covered Service Pension

The AIME PIA 1, AIME PIA 9, AIME PIA 17 or AIME SSEB PIA is the larger of the following amounts. (Also refer to RCM 8.11.34 and 8.11.122.)

(1) The percentage applied to the AIME up to the first bend point is reduced. The reduced percentage is phased in over a 5 year period.

Year of Eligibility	Percentage of AIME up to 1st Bend Point
1986	80%
1987	70%
1988	60%
1989	50%

1990 or later	40%

OR

The following percentage is effective for PIA's before 1-1-89, if larger than the year of eligibility amount shown above, for individuals with more than 25 years of coverage.

Years of Coverage	**Percentage of AIME up to 1st Bend Point**
29	80%
28	70%
27	60%
26	50%
25 or less	40%

Effective 1-1-89, the following percentage applies, for individuals with more than 20 years of coverage, as determined in RCM 8.11.Appendix M, if larger than the year of eligibility amount shown above. Note: Refer to Appendix M for information on handling NCSP PIA's calculated prior to August 2002 based on an incorrect number of years of coverage.

Years of Coverage	**Then percentage of AIME up to 1st Bend Point**
29	85%
28	80%
27	75%
26	70%

25	65%
24	60%
23	55%
22	50%
21	45%
20 or less	40%

The remaining bend points of the AIME PIA formula remain the same. The AIME PIA computation continues under regular procedure.

Once an individual is entitled to a PIA computed as above, (s)he may receive an increase in PIA due to additional years of coverage. The increase is effective with January of the year following the year the additional year of coverage is earned.

Example: Brian Winslow attains age 62 in 7/89 and applies for benefits. He is receiving a NCSP beginning with age 62. Under the modified formula, his PIA would be computed using 50 percent of the AIME up to the first bend point. However, Brian has 27 years of coverage. His PIA in 8/88 will be based on 60 percent of the first AIME bend point. Brian's 1989 earnings exceed 25 percent of the contribution and benefit base for that year, making his total years of coverage effective 1/90 equal to 28. Brian's PIA will be recomputed using 80 percent of the first bend point;

OR

(2) The Guaranty Amount

There is a guaranty amount, designed to protect workers with low pensions based on non-covered employment that limits the reduction in the social security benefit to one-half of that part of the pension based on non-covered employment after 1956.

The guaranty provides that the pension reduction is guaranteed not to be more than the amount computed based on the following formula.

The AIME PIA computed with regular bend points minus one-half of the portion of the monthly periodic payment (NCSP) which is based on non-covered service after 1956. The portion of the payment based on non-covered service after 1956 is deemed to be:

$$\frac{\text{years of non-covered service after 1956 x monthly periodic payment (NCSP).}}{\text{total years of service}}$$

The amount of the pension to be used in computing the PIA is only the amount that is attributable to non-covered service after 1956. The full amount of the pension is reduced by the ratio of the years, or fraction of years, of non-covered service after 1956 to the total number of years, or fraction of years, used to compute the pension.

An individual whose pension is based on non-covered service prior to 1957 will have no pension amount to deduct from the PIA computed under the regular PIA formulas and will receive a regular PIA. Military retirees whose service began after 1956 will also receive a regular PIA since military service became covered after that year.

Example 1: Sally Baily is receiving a pension of $600 per month based on 30 years of service with the State of California. Sally held two different positions during her service from 1957 through 1986. From 1957 through 1976 (20 years) she performed services in a non-covered position. Beginning in 1977, she began working in a state position covered by Social Security. The pension attributable to non-covered service after 1956 is $400 ($600 x 20 years of non-covered service).

(30 total years of service used to compute pension).

Example 2: The employee is entitled to a monthly annuity of $500.00, based on Civil Service from January 1963 through December 1987 and FERS service (covered under the SS Act) from January 1988 through October 1994. In computing the portion of the $500.00 attributed to non-covered service, the number of non-covered service months after 1956, 300, and the total number of service months upon which the pension is based, 382, are used in the proration formula. The pension attributable to non-covered service after 1956 is $392.67 ($500.00 x 300 months of non-covered service)

(382 total months of service used to compute pension).

Therefore, in the above case, the guaranty would provide that the AIME PIA not be reduced by more than $196.33 (1/2 of $392.67).

The 1988 amendments changed the way the guaranty amount is determined. Effective 12-1-88, the guaranty amount is based on the amount of the "non-covered service pension" in the first month of the employee's concurrent

entitlement to both social security and the "non-covered service pension." Previously, the guaranty was based on the employee's concurrent eligibility for both benefits. This change eliminates the development of fictitious pension amounts.

8.11.78 Adjustment to the Old Start PIA for Non-Covered Service Pension

The old start PIA #1 or old start PIA #9 or old start SSEB PIA is the larger of the following amounts.

1. One half of the regular old start AMW PIA;

   OR

2. The old start AMW PIA minus one half of the portion of the monthly periodic payment which is based on non-covered service. The portion of the payment based on non-covered service is deemed to be:

$$\frac{\text{years of non-covered service after 1956} \times \text{monthly periodic payment (PSP)}}{\text{total years of service}}$$

The amount of the pension to be used in computing the PIA is only the amount that is attributable to non-covered service after 1956. The full amount of the pension is reduced by the ratio of the years, or fraction of years, of non-covered service after 1956 to the total number of years, or fraction of years, used to compute the pension.

An individual whose pension is based on non-covered service prior to the 1957 will have no pension amount to deduct from the PIA computed under the regular PIA formulas and will receive a regular PIA. Military retirees whose service began after 1956 will also receive a regular PIA since military service became covered after that year.

8.11.79 Effect of DIB Guarantee on Non-Covered Service Pension Reduction

The effect of a prior period of disability on a PIA computation is explained in RCM 8.11.60 - 8.11.61. In any case in which the employee was entitled to a disability annuity before 1986, the subsequent DIB guarantee PIA must be considered. If the DIB

Guarantee PIA is greater than the PIA adjusted for the public service pension, the DIB Guarantee PIA may be used.

8.11.80 Family Monthly Maximums

The Social Security Act limits the amount of monthly benefits which any be paid for any month on any one wage record. This limited amount is called the monthly maximum. The types of monthly maximums are explained in this section.

The 1980 Social Security Disability Amendments established separate family maximum rules for DIB O/M cases when the disability onset is after 1978 and the DIB O/M effective date is 7-1-80 or later as explained in RCM 8.11.88 and RCM 8.3.82. Prior to this, age and service and DIB O/M family maximums were the same.

Under the RRA, if three or more individuals are included in the family group in a Retirement O/M case or in a survivor case (two persons if one is an aged or disabled widow(er) or if it is a disability O/M case, their benefits (before adjustment for dual entitlement to other benefits) will usually be reduced for the family monthly maximum.

NOTE: Under the SS Act, the benefit of a divorced wife/husband or surviving divorced wife/husband is not reduced for the family maximum. Surviving divorced mothers/fathers and remarried widow(er)s are considered in the family monthly maximum.

8.11.81 Table Maximum Established By SSA

The Table Maximum for each "New Start" AMW or Old Start PIA for eligibilities before 1979 is written into the Social Security Act. From 1971-1978, the Table Maximum amounts have been increased with each amendment increase. After 12-1978, the "automatic" cost-of-living increase to the Table Maximum (first COL to be computed 6-1979) will be applicable only for wage records in which the employee eligibility year is before 1979.

Refer to RCM 8.11.83 for an explanation of the benefit conversion savings clause that could apply to a family Table Maximum in effect before 1971.

8.11.82 Special Minimum PIA (SPC MIN) Maximum

The determination of the Special Minimum PIA Monthly Maximum depends upon the employee's eligibility year.

A. Prior to 1-1979 - If the Special Minimum PIA applies prior to 1-1-79, the monthly SPC MIN maximum is the Table Maximum indicated in the AMW PIA table for the AMW PIA that is either equal to the SPC MIN PIA or immediately greater than the SPC MIN PIA.

Prior to the 1977 SS Act Amendments, the AMW PIA was subject to the cost-of-living increase and the Special Minimum PIA was not. The AMW PIA (and corresponding Table Maximum) that was equal to or immediately greater than the SPC MIN PIA before the cost-of-living adjustment may have been higher than the regular PIA (and corresponding Table Maximum) that is equal to or immediately greater than the SPC MIN PIA after the cost-of-living adjustment. If the monthly SPC MIN maximum still applies, the initial family payment is protected under the Family Payment Savings Clause which states that the total family payment will be at least as much as the total family payment for the month preceding the cost-of-living adjustment.

EXAMPLE: With the Special Minimum PIA #9 of $153.00 effective 6/76, the 6/76 Table Maximum for the regular PIA $155.00 was used which equaled $232.50. After the 6/77 cost-of-living adjustment, the next higher regular PIA #9 was $154.50 which had a Table Maximum of $231.80. However, the Family Payment Savings Clause guarantees the SPC MIN maximum of $232.50 effective 6/77. The regular PIA #9 effective 6/78 is $153.70 with a Table Maximum of $230.60. Since this amount is less than the 5/78 maximum, the Family Payment Savings Clause still applies.

B. 1-1979 or Later - Effective 1-1979, the Special Minimum PIA table maximums are published separate from the AMW PIA tables. The 1980 Social Security Disability Amendments later excluded from the family maximum computation disability claimants whose eligibility is 1978 or later and whose first month of entitlement to the DIB payment is July 1980 or later (see RCM 8.11.88). The SPC MIN PIA family maximum tables continue to apply for age and service, survivor, and disability cases payable prior to 7-1-80 with onset after 1978.

The January 1979 SPC MIN PIA family maximum benefit (FMB) is derived by multiplying the January, 1979 Special Minimum PIA by 150 percent and rounding the result up to the nearest multiple of 10 cents. These amounts are increased in each case by the percentage cost-of-living increases effective 6-1-79 or later. Use the table in the on-line Appendix C of this chapter to determine the Special Minimum PIA family maximum benefit.

EXAMPLE: Using the illustration from section A, the SPC MIN PIA of $153.00 is increased to $195.50 effective 1-1979. The family maximum benefit is $293.30 effective 1-1979. Therefore, the Family Payment Savings Clause no longer applies.

C. Summary of SPC MIN PIA Maximums - A summary of SPC MIN PIA family monthly maximums is found in the on-line Appendix C of this chapter.

8.11.83 Benefit Conversion and Cost-of-Living Savings Clause Family Maximums

A. Benefit Conversion Savings Clause - Prior to the 1971 Social Security Act Amendments, the SSA Table Maximums were not always increased by the same percentage as the PIA increase. The amendments that increased the SS Act benefits in 1972 and earlier provided for a benefit conversion savings clause that guaranteed the family group on the rolls the same percentage increase in the amount of the family monthly maximum as the Old Start or New Start PIA increase for the same years.

Such a maximum amount, once established, is not recomputed in a later month when the composition of the family group changes. However, the individual shares are redistributed and cannot exceed the benefit amount that would be payable without adjustment for a family monthly maximum (e.g. 50% of PIA for life benefit auxiliary). A newly entitled beneficiary can share in the previously established savings clause family monthly maximum amount payable to the family group.

The benefit conversion savings clause maximums established 9-1972 or earlier could be applicable until:

- A table maximum for a new PIA is higher; or
- A higher cost-of-living savings clause maximum is established (see section C); or,
- The family group is no longer subject to the family monthly maximum (although the savings clause may re-apply later).

B. Eligibility Requirement For SS Act Benefit Conversion Savings Clause

(1) The 1965 SS Act Benefit Conversion Savings Clause - The amendments passed July 30, 1965 provided a 7% increase in the previous family monthly maximum amount retroactive to 1-1-65 where two or more persons in the family group had filed and were entitled to benefits in or before 7-1965. For the retroactive period in 1965, the savings clause maximum is figured separately for each month (each beneficiary's share is increased by 7%) to arrive at the amount of underpayment which may be due. The amount determined to be the family monthly maximum for 7-1965 is also the maximum for future months even though benefits are terminated or additional beneficiaries become entitled after 7-1965.

(2) The 1967 SS Act Benefit Conversion Savings Clause - The amendments provided a 13% increase in the previous family monthly maximum effective 2-1-68 where two or more persons were entitled in 2-1968 based on applications actually filed in or before 2-1968.

(3) The 1969 SS Act Benefit Conversion Savings Clause - The amendments provided a 15% increase in the previous family monthly maximum amount effective 1-1-70 where two or more persons were entitled for 1-1970 based on applications actually filed in or before 1-1970, and at least one of them was entitled for 12-1969 based on an application filed in or before 12-1969.

(4) The 1971 SS Act Benefit Conversion Savings Clause - The amendments provided a 10% increase in the previous family monthly maximum amount effective 1-1-71 where two or more persons were entitled for 1-1971 based on applications actually filed on or before 2-1-1971, and at least one of them was entitled for 12-1970 based on an application filed in or before 12-1970.

(5) The 1972 SS Act Benefit Conversion Savings Clause - The amendments provided a 20% increase in the previous family monthly maximum amount effective 9-1-72 where two or more persons were entitled for 8-1972 based on applications actually filed in or before 8-1972, and the family monthly maximum provisions were in effect based on the same earnings for 1-1971 or earlier.

C. Cost-of-living Savings Clause - The 1972 Amendments to the Social Security Act establish a cost-of-living savings clause which guarantees the family group the full amount of any percentage increase to the previous family monthly maximum amount whenever a cost-of-living or general benefit increase occurs, provided:

- Two or more persons currently included in the computation were included in the family group for 1-1971 or any prior month based upon an application filed (or deemed to be filed) on or before 2-1-71; and,
- The family monthly maximum was in effect for such months; and,
- A prior S/C maximum is in effect in the month before the cost-of-living increase.

The following cost-of-living percentage increases have been paid to date:

EFF.DATE	**%**	**EFF.DATE**	**%**	**EFF.DATE**	**%**
6/75	8%	12/90	5.4%	12/05	4.1%
6/76	6.4%	12/91	3.7%	12/06	3.3%
6/77	5.9%	12/92	3.0%	12/07	2.3%
6/78	6.5%	12/93	2.6%	12/08	5.8%

6/79	9.9%	12/94	2.8%	12/09	0.0%
6/80	14.3%	12/95	2.6%	12/10	0.0%
6/81	11.2%	12/96	2.9%	12/11	3.6%
6/82	7.4%	12/97	2.1%	12/12	1.7%
12/83	3.5%	12/98	1.3%	12/13	1.5%
12/84	3.5%	12/99	2.4%	12/14	1.7%
12/85	3.1%	12/00	3.5%	12/15	0.0%
12/86	1.3%	12/01	2.6%	12/16	0.3%
12/87	4.2%	12/02	1.4%		
12/88	4.0%	12/03	2.1%		
12/89	4.7%	12/04	2.7%		

This guaranteed amount could be payable under the SSA formula until:

- A table maximum for a new PIA is higher (e.g., recomputation); or,
- A new cost-of-living savings clause maximum is established for a subsequent year; or,
- The family group is no longer subject to the family monthly maximum (although the savings clause may re-apply later).

D. Computation of Savings Clause Family Maximum amount - If the family composition did not change in the month of the PIA increase, the pre-PIA increase family maximum (unrounded) is multiplied by the percentage of the PIA increase. The result (unrounded) is used to compute the beneficiaries' shares. If the family composition changed in the month of the PIA increase, the savings clause rates are determined by increasing each beneficiary's (unrounded and before age reduction) pre-PIA increase rate payable in the month of the PIA increase by the percentage of the PIA increase. The result (unrounded) is used to compute the beneficiary shares.

The 1981 amendments provide that calculations or adjustments of PIA's, family maximum, or benefit amounts that are not multiple $0.10 are to be rounded to the next lower multiple of $0.10. Adjustments or calculations that are first effective in the period from 9/81 through 5/82 will not be subject to this provision. Since the 6/82 cost-of-living (COL) increase is applicable to all benefits, except certain

benefits based on the frozen minimum PIA, the 1981 amendments rounding provisions will apply in 6/82 and after to all benefits subject to the 6/82 increase.

Therefore, if the effective month is before 6/82 (eligibility year is 1982 or earlier), the raw PIA and the family maximum is rounded to the next higher multiple of $0.10. For eligibility years after 1982, the raw PIA and family maximum and rounded to the next lower multiple of $0.10.

8.11.84 The Family Payment Savings Clause (SAV. CL)

A. General

The Family Payment Savings Clause was originally set up under the 1969 Social Security Act Amendments to guarantee that family groups in which at least one person was entitled before January, 1971 on the basis of an application filed before January, 1971 would not receive less under these amendments than they would have received had the amendments not been enacted. The 1969 version of this savings clause had to be reworked if the family composition subsequently changed to ascertain whether the savings clause was still applicable.

The July, 1972 Amendments to the Social Security Act revised the Family Payment Savings Clause for months after December, 1971 to delete the requirement for filing before January, 1971. This version does not establish a new family monthly maximum for the wage record. It merely guarantees that the total family benefits are not decreased due to the PIA increase. The savings clause protection is maintained even when the family composition is altered. These amendments establish the following requirements:

(1) Two or more persons are entitled on a wage record for a month; and

(2) The benefits for that month are reduced for the family monthly maximum and at least one benefit amount is reduced for age; and

(3) The wage earner's PIA is increased for the following month; and

(4) The total family payment would (except for this savings clause) be less than the total family payment for the month immediately preceding the month of the PIA increase. The Family Payment Savings Clause also applies to the Special Minimum PIA maximum as explained in RCM 8.11.82.

The 1977 Social Security Act Amendments expanded the Family Payment Savings Clause to include all cases where benefits are limited to the family monthly maximums.

B. Computation of Family Payment Savings Clause - The Family Payment Savings Clause originally computed under the 1969 Social Security Act Amendments was determined by computing the total monthly benefits payable under the SS Act

under the 1967 law and the total monthly benefits payable under the SS Act as amended 1969. The higher of the two amounts was payable to the family group.

Under the July, 1972 SS Act Amendments, the Family Payment Savings Clause applies usually in life cases if the total monthly benefits in the month before the PIA increase is higher than the total monthly benefits established for the increased PIA (Table Maximum). The total monthly benefits for the wage record under the increased PIA are adjusted by the amount which will assure that the total monthly payment (after reduction for the maximum and for age) is not less than the total monthly benefits (after reduction for the maximum and for age) for the month immediately preceding the month of the PIA increase.

In effect, in life cases, the total family payment for the month preceding the month of the PIA increase is redistributed to the family. The wage earner will always be allocated the full amount due him/her after reduction for age under the increased PIA. The remainder will usually be distributed in one of two ways, depending on whether the spouse's benefit is subject to reduction for age.

1. Spouse Benefit Not Subject to Age Reduction - The amount to be allocated to each auxiliary beneficiary will be determined by:

   (a) Subtracting the W/E's benefit (reduced for age) after the PIA increase from the total family payment for the month preceding the month of the PIA increase; and,

   (b) Dividing the result in (a) by the number of auxiliaries. (Prior to 9-1-81, any amount not a multiple of $0.10 will be raised to the next higher multiple of $0.10. Effective with changes in family composition or any PIA change on 9-1-81 or later, any amount not a multiple of $.10 will be rounded to the next lower multiple of $0.10.) The result is the amount of each auxiliary share.

   EXAMPLE: The employee, spouse and two minor children, based on applications filed in December 1969, became entitled to benefits effective December 1969 based on the employee's PIA of $128.30. The employee elected to have his benefit reduced by 36 months (DOB December 5, 1907). The following monthly benefit amounts were payable effective December, 1969:

A	$102.70	(Table max - $244.00)
B2	38.60	(PIA - 128.30)
C2	38.60	
C1	38.60	

	$218.50	Total benefits

Due to the 15 percent increase effective January, 1970 the following benefits were payable to the family for January 1970. (Separate reduction of the employee's increase applies.)

A	$118.30	(Savings clause max - $280.80)
B2	44.40	(PIA - $147.60)
C2	44.40	
C1	44.40	
	$251.50	Total benefits

Due to the 10 percent increase effective January 1971 the following benefits were payable to the family for January 1971. (The employee's increase should be reduced separately.)

A	$131.30	(Saving clause max - $309.10)
B2	48.90	(PIA - $162.40)
C2	48.90	
C1	48.90	
	$278.00	Total benefits

The employee had high earnings in 1971 and consequently had his PIA recomputed effective for January 1972. His PIA was recomputed effective for January 1972. His PIA was recomputed to $170.00. The following rates, except for the family payment saving clause, would be appropriate in January 1972:

A	$138.50	(Saving clause max - $309.10)
B2	46.40	
C2	46.40	

C1	46.40	
	$277.70	Total benefits

In applying the family payment saving clause, the W/E's benefit is, of course, already up to the original rate (before reduction for age) and cannot be increased. The difference between $278.00 and $138.50 is distributed equally to the other auxiliaries and the rounded (if necessary). The following rates become payable effective January 1972:

A	$138.50	(Saving clause max - $309.10)
B2	46.50	
C2	46.50	
C1	46.50	
	$278.00	Total benefits

2. Spouse Benefit Reduced For Age

(a) Compute the Spouse's new reduced rate:

- Divide the difference between the total benefits payable under the 1967 law or in the month preceding the PIA increase (including the wage earner's rate) and the total payable under the 1969 Amendments or in the month of the PIA increase (including the wage earner's rate) by the number of auxiliaries. Prior to 9-1-81, an amount not a multiple of $0.10 will be raised to the next higher multiple of $0.10. Effective with changes in family composition or any PIA changes on 9-1-81 or later, an amount not a multiple of $0.10 will be rounded to the next lower multiple of $0.10; and,

- The quotient is reduced by the spouse's age reduction factor. (In July, 1972 Family Payment Savings Clause cases use the spouse's age reduction factor that applied in the month before the PIA increase.); and

- The remaining amount is added to the spouse benefit payable under the 1969 Amendments or in the month of the PIA increase; and,

(b) Add the W/E's new reduced rate to the spouse's new reduced rate; and,

(c) Subtract the result in (b) from the total benefits under the 1969 Amendments or for the month before the month of the PIA increase; and

(d) Divide the result in (c) by the number of remaining auxiliaries excluding a divorced wife or divorced husband (e.g. 4 auxiliaries less spouse = 3 remaining auxiliaries). Prior to 9-1-81, an amount which is not a multiple of $0.10 will be raised to the next higher multiple of $0.10. Effective with changes in family composition or any PIA changes on 9-1-81 or later, an amount not a multiple of $.10 will be rounded to the next lower multiple of $0.10. The result is the amount of each remaining auxiliary share.

EXAMPLE: The employee, spouse (DOB 3-27-07) and two students filed applications on 7/16/70 for benefits to begin 7/70. His PIA under the 1967 law is $128.30 with a family maximum of $244.00. The monthly rates are as follows:

A	$102.70	($128.30 reduced 36 months)
B2	33.30	(38.60 reduced 20 months)
C2	38.60	
C1	38.60	
	$213.20	Total benefits

Under the 1969 law, the PIA is $147.60 with a family maximum of $244.00. The monthly rates would be as follows:

A	$118.10	($147.60 reduced 36 months)
B2	27.80	(32.20 reduced 20 months)
C2	32.20	
C1	32.20	
	$210.30	Total benefits

In applying the 1969 family payment savings clause, the benefits would be as follows:

A	$118.10	($147.60 reduced 36 months)
B2	28.70	(27.80 plus 1.00 reduced 20 months)
C2	33.20	
C1	33.20	
	$213.20	Total benefits

The 1977 Social Security Act Amendments established the AIME PIAs and Family Maximum Benefit. These computations have the guaranteed rates built into the TRANS and 1977 OLD START PIA's. Therefore, a Family Payment Savings Clause should not be necessary.

8.11.85 Redetermination Savings Clause

The October 1972 Amendments to the Social Security Act established a Redetermination Savings Clause for survivor cases in which the widow(er) is included in a family in both 12-1972 and 1-1973 and the benefits of the family require a reduction for the family maximum. The redetermination savings clause computation is explained in RCM 8.9.

8.11.86 Basic Family Maximum Benefit (FMB) for AIME, TRANS or 1977 Old Start PIA

The 1977 SS Act Amendments established a four step formula to compute the family maximum benefit for the AIME PIA, TRANS PIA or 1977 Old Start PIA for all wage earners who have an eligibility year of 1979 or later. The 1980 Social Security Disability Amendments later excluded from this family maximum computation disability claimants whose first eligibility is after 1978 and whose first month of entitlement to the DIB O/M payment is July 1980 or later (see RCM 8.11.88). The formula continues to apply for age and service cases, survivor cases, disability cases payable prior to 7-1-80 with onset after 1978 and disability entitlement cases payable 7-1-80 or later in which disability benefits were previously paid before 7-1-80.

Under this family maximum computation, the percentages in the formula are constant but the amounts, "bend points" in each step will be adjusted each year as average wages rise. The "bend points" will be published by SSA in the November before the eligibility year to which they apply.

The AIME, TRANS or "1977 Old Start" Family Maximum Benefit is determined with "bend points" based on the eligibility year regardless of date of filing. When the date of entitlement is June 1 of the eligibility year or later, a cost-of-living percentage increase is applied to the initial Family Maximum Benefit amount. Subsequent cost-of-living percentage increases are payable from the eligibility year.

SUMMARY OF FAMILY MAXIMUM BEND POINTS

Elig Year	150% of the PIA Up To	272%of the PIA Over	Through	134%of the PIA over	Through	175% over
1979	$230	$230	$332	$332	$433	$433
1980	248	248	358	358	467	467
1981	270	270	390	390	508	508
1982	294	294	425	425	554	554
1983	324	324	468	468	610	610
1984	342	342	493	493	643	643
1985	358	358	517	517	675	675
1986	379	379	548	548	714	714
1987	396	396	571	571	745	745

SUMMARY OF FAMILY MAXIMUM BEND POINTS

Elig Year	150% of the PIA Up To	272% of the PIA over	Through	134% of the PIA over	Through	175% over
1988	$407	$407	$588	$588	$767	$767
1989	433	433	626	626	816	816
1990	455	455	656	656	856	856
1991	473	473	682	682	890	890

1992	495	495	714	714	931	931
1993	513	513	740	740	966	966
1994	539	539	779	779	1016	1016
1995	544	544	785	785	1024	1024
1996	559	559	806	806	1052	1052
1997	581	581	839	839	1094	1094
1998	609	609	880	880	1147	1147
1999	645	645	931	931	1214	1214
2000	679	679	980	980	1278	1278
2001	717	717	1034	1034	1349	1349
2002	756	756	1,092	1,092	1,424	1,424
2003	774	774	1,118	1,118	1,458	1,458
2004	782	782	1,129	1,129	1,472	1,472
2005	801	801	1,156	1,156	1,508	1,508
2006	838	838	1,210	1,210	1,578	1,578
2007	869	869	1,255	1,255	1,636	1,636
2008	909	909	1,312	1,312	1,711	1,711
2009	950	950	1,372	1,372	1,789	1,789
2010	972	972	1,403	1,403	1,830	1,830
2011	957	957	1,382	1,382	1,803	1,803
2012	980	980	1,415	1,415	1,845	1,845
2013	1,011	1,011	1,459	1,459	1,903	1,903
2014	1,042	1,042	1,505	1,505	1,962	1,962
2015	1,056	1,056	1,524	1,524	1,987	1,987

2016	1,093	1,093	1,578	1,578	2,058	2,058
2017	1,131	1,131	1,633	1,633	2,130	2,130

Under the 1981 SS Act Amendments, AIME, TRANS or 1977 OLD START PIAs for eligibility years 1982 or earlier, if not a multiple of $.10, are rounded up to the next higher multiple of $.10 in the initial computation or adjustment through 5-31-82. Effective with the 6-1-82 COL adjustments to these PIA's, if the result is not a multiple of $.10, it is rounded down to the next lower multiple of $.10.

The Family Maximum Benefit computed for eligibility years 1982 or later is subject to the 1981 SS Act Amendments from the initial computation. If the result is not a multiple of $.10, it is rounded down to the next lower multiple of $.10.

Example 1: The AIME PIA based on the eligibility year 1995 and annuity beginning date of 8-1-97 is $990.40. The AIME Family Maximum Benefit equals $1,844.00 ($1,471.52 + 134% of $205.40, rounded down to the dime, plus the 2.6% cost-of-living increase effective 12/95 and the 2.9% cost-of-living increase effective 12/96). This amount is later increased for subsequent cost-of-living increases.

Example 2: The AIME PIA based on the eligibility year 1996 and annuity beginning date of 8-1-97 is $1,062.10. The AIME Family Maximum Benefit equals $1,911.40 ($1,839.98 + 175% of $10.10, rounded down to the dime, plus the 2.9% cost-of-living increase for 12/96). This amount is later increased for subsequent cost-of-living increases.

Example 3: The AIME PIA based on the eligibility year 1997 and annuity beginning date of 8-1-97 is $990.40. The AIME Family Maximum Benefit equals $1,776.10 ($1,573.26 + 134% of $151.40, rounded down to the dime). This amount is later increased for subsequent cost-of-living increases.

8.11.87 Combined Family Maximum

If a child is entitled to benefits on two wage records the combined family maximum may apply. Refer to RCM 8.3.115.

8.11.88 Family Maximum Benefit For Disability Cases Under 1980 SS Act Amendments

Prior to the 1980 Social Security Disability Amendments, the computation of the family maximum was the same for both age and service and disability cases (see RCM 8.11.80 - 8.11.87).

Under the 1980 Social Security Disability Amendments, the total family benefits of disability claimants whose first eligibility is after 1978 and whose first month of entitlement to the DIB O/M payment is July 1980 or later are limited as follows. (It is

important that the comparison between 85% of the AIME, the PIA, and 150% of the PIA be made at the proper point in time.):

A. Payments Based on AIME PIA - This comparison is made based on the raw PIA computations (effective January of the eligibility year, before any cost-of-living increase). The DIB O/M MAX is the smaller of:

- 85 percent of the employee's average indexed monthly earnings (AIME) but not less than 100% of the employees raw AIME PIA; or
- 150 percent of the worker's raw AIME PIA.

B. Payments Based on 1977 O.S PIA - The comparison is made based on the raw PIA computations (effective January of the Eligibility Year before any cost-of-living increase). The DIB O/M MAX is the smaller of:

- 85 percent of the AIME from the companion (non-selected) AIME PIA computation but not less than 100% of the raw Old Start Guarantee PIA; or
- 150 percent of the raw Old Start Guarantee PIA.

C. Payments Based on SPC MIN PIA - This comparison is based on the actual PIA's effective on the DIB O/M effective date (including cost-of-living). The DIB O/M MAX is the smaller of:

- 85 percent of the RAW AIME multiplied by the percentage of all intervening COL increases up to the DIB O/M effective date, but no less than the SPC MIN PIA on the DIB O/M effective date; or
- 150 percent of the SPC MIN PIA effective on the DIB O/M effective date.

After the DIB O/M MAX is determined, subsequent percentage cost-of-living increases are applied to both the PIA and the DIB O/M MAX amounts.

For eligibility years 1982 or earlier, if the result of the DIB O/M MAX computation is not a multiple of $.10, it is rounded to the next higher multiple of $.10. Effective for initial DIB O/M entitlements, changes in the family composition, or PIA increases 6-1-82 or later, if the result is not a multiple of $.10, it is rounded to the next lower multiple of $.10.

If the PIA is recomputed, the above tests are also applied to the new PIA.

If PIA #9 is computed based on prior DIB entitlement under the 1980 SS Act Amendments as explained in RCM 8.11.60 or RCM 8.11.61 and the new eligibility is based on benefits payable beginning July 1, 1980 or later, the family maximum is still determined under the 1980 amendment method. Effective for PIA increases 1-1982 or later, if the result is not a multiple of $.10, it is rounded to the next lower multiple of $.10.

The DIB O/M MAX may be combined with other maximums as explained in RCM 8.3.115.

The computation of disability auxiliary benefits is explained in RCM 8.3.82.

The DIB O/M MAX will apply for eligible family groups until the employee dies or becomes entitled to an age and service O/M. At that time, the regular family maximums described in RCM 8.3.76 - 8.3.79 can apply.

In the case of an employee who is entitled to either a reduced age and service O/M or DIB O/M which begins July 1, 1980 or later based on first eligibility after 1978, the possibility of electing the reduced age and service O/M must be explored to determine if the age and service monthly family maximum would provide a higher rate. If the RIB is elected, entitlement to the disability freeze is still applicable for Medicare purposes.

EXAMPLE 1: Benefits are based on the AIME PIA with eligibility year 1980. If the AIME is $1175.00, the raw AIME PIA would be $487.90, and the raw DIB O/M MAX on the DIB O/M effective date of 7-1-80 would be the smaller of:

- 85% of the AIME $1175 = $998.75; or
- 150% of PIA 487.90 = 731.85

Therefore, 731.90 (rounded) would be the raw DIB O/M MAX in this case.

The AIME PIA and DIB O/M MAX are increased by 14.3% to $557.70 and $836.60, respectively, on the DIB O/M effective date of 9-1-80 due to the 1980 COL.

EXAMPLE 2: Benefits are based on the AIME PIA with eligibility year 1980. If the AIME is 190.00, the raw AIME PIA would be 171.00, and 85% of the AIME would only be 161.50. The SPC MIN PIA does not apply. The DIB O/M MAX would be the smaller of:

- The AIME PIA $171.00 (exceeds 85% of AIME); or
- 150% of 171.00 = $256.50.

Therefore, the amount of the AIME PIA (171.00) would be the DIB O/M MAX in this case.

The PIA and DIB O/M MAX are increased for cost-of-living by 14.3% to $195.50 on the DIB O/M effective date of 7-1-80.

EXAMPLE 3: Benefits are based on the Raw Old Start Guarantee PIA of $193.60 with eligibility year 1980. The AIME is $190.00 and the AIME PIA is

171.00. The SPC MIN PIA does not apply. The DIB O/M MAX would be the smaller of:

- The O.S PIA 193.60 (exceeds 85% of AIME); or,
- 150% of 193.60.

Therefore, the amount of the O.S PIA (193.60) would be the DIB O/M MAX in this case.

The PIA and DIB O/M MAX are increased for cost-of-living by 14.3% to $221.30 on the DIB O/M effective date of 8-1-80.

EXAMPLE 4: Benefits are based on the SPC MIN PIA. The DIB O/M effective date is 9-1-80. If the AIME is $311.00 with a 1980 eligibility year, the raw AIME PIA would be $212.10, increased by 14.3% (COL) to $242.50 effective 9-1-80. The O.S. Guarantee PIA 9-1-80 is $236.30. The SPC MIN PIA effective 9-1-80 is 245.70 and is therefore higher than both the AIME PIA and O.S PIA. The DIB O/M MAX effective 9-1-80 would be the smaller of:

- 85% of 311.00 x 14.3% = 302.30 (rounded)
- 150% of SPC MIN PIA 245.70 = 368.60 (rounded)

Therefore, 302.30 rounded is the DIB O/M MAX effective 9-1-80.

8.11.90 Automatic Cost-of-Living Increases for Cases with Eligibility Year Before 1979

The PIA computations in effect under the SS Act before 1979 are increased for cost-of-living as explained in this section. Only the RR Act PIA 1, PIA 3, PIA 9, and PIA 17 are increased for cost-of-living under SS Act rules. The remaining RR Act PIA's are frozen at the 6-1974 PIA Table amount. Effective 1-1-86, the SSEB PIA is also automatically increased for cost-of-living under SS Act rules.

A. Cost-of-Living Increase for PIA Based On "New Start" AMW or "Old Start" Converted PIB - The 1972 Amendments to the Social Security Act provided a general automatic cost-of-living increase in the PIA (based on the "New Start" AMW or "Old Start" converted PIB) whenever the average monthly consumer price index for a specific calendar quarter of the year exceeds the average consumer price index for a similar quarter in a prior year by 3%. The first automatic cost-of-living increase was effective 6-1-75. This provision still applies for employee's who attained (or are deemed) age 62 before 1-1-79 or who have a disability onset date before 1-1-79.

The amount of the increased PIA's, Table Maximums, and effective dates will continue to be calculated by SSA (see Appendix A and Appendix B).

B. Cost-of-Living Increase for Special Minimum PIA - Prior to 1979, the Special Minimum PIA was not subject to automatic cost-of-living increases. Effective June 1979, regardless of the "eligibility year," the SPC MIN PIA and family maximum is subject to automatic cost-of-living increases to be published by SSA based on an increase in the consumer price index. The revised SPC MIN PIA's and corresponding family maximums are indicated in the on-line Appendix C of this chapter.

8.11.91 Cost-of-Living Increases for Cases with Eligibility Year 1979 or Later

The PIA computations under the Social Security Act based on an eligibility year of 1979 or later are increased for the cost-of-living as explained in this section. The Railroad Retirement Act PIA 1, PIA 3, PIA 9, PIA 17, and SSEB PIA are increased for cost-of-living under SS Act rules. The remaining RR Act PIA's are frozen at the 6-1974 PIA Table amount.

A. Decoupling Provision of 1977 SS Act Amendments - Under the decoupling provisions of the 1977 Social Security Act Amendments, benefits, other than the SPC MIN PIA and corresponding auxiliary benefits, for wage earners who attain age 62 or have disability onset 1-1-79 or later are not automatically increased for the cost-of-living. The initial PIA is either derived from the 6-1978 PIA Table based on the AMW "New Start" for the TRANS PIA or converted PIB for the "1977 Old Start," or is computed by applying the formula based on the "eligibility year" to the amount of the AIME for the AIME PIA. A cost-of-living increase can be added to this PIA as follows:

1. 1977 Simplified "Old Start" Guarantee - The cost-of-living increase percentages beginning with the year of first eligibility are applied to the 6-1978 PIA (converted from PIB) and to the "1977 Old Start" Family Maximum (see 8.11.86). Eligibility does not have to exist prior to the June 1 general benefit increase for the PIA and family maximum to be subject to the cost-of-living increase. As long as eligibility exists by December 31 of the calendar year, the PIA and family maximum effective June 1 or later can be increased by the cost-of-living percentage for that year.

   EXAMPLE 1: The employee (DOB 5-27-21) has a date of entitlement of 5-1-83. Assume (for illustration) the following: general cost-of-living increases were possible: 9.9% - 6-1-79, 6.2% - 6-1-80, 7.5% - 6-1-81, 3.2% - 6-1-82 and 5.9% - 6-1-83. The cost-of-living increases cannot begin until 1983, the year of eligibility in this case. The 6-1978 "Old Start" PIA of $248.70 with a family maximum benefit of $395.90 will apply 5-1-83. It increases by 5.9% to $263.40 with a family maximum benefit of $419.30 effective 6-1-83.

   EXAMPLE 2: The employee whose disability onset date is 9-17-83 has an SS Act date of entitlement of 3-1-84. Assuming (for illustration) the same

percentage increases as in Example 1, the 6-1-1978 Old Start PIA of $251.80 and family maximum benefit of $404.30 is increased by 5.9% only payable on the PIA effective date. The resulting Old Start PIA effective 3-1-84 is $266.70 with a family maximum benefit of $428.20.

EXAMPLE 3: The wage earner died 8-10-81 before eligibility to life benefits. Her eligibility year is 1981. Assuming (for illustration) the same percentage increases as in Example 1, the 6-1978 Old Start PIA of 244.00 would be increased by 7.5% for widowers benefits payable 8-1-81, and later increased for the 3.2% and 5.9% cost-of-living increases.

2. New Start Transitional Guarantee PIA - The cost-of-living percentage beginning with the eligibility year are applied to the 6-1978 AMW PIA (based on New Start AMW) and TRANS PIA Family Maximum Benefit (see 8.11.86) similar to item 1 above. Eligibility does not have to exist prior to the effective date of the general benefit increase for the TRANS PIA to be subject to the cost-of-living increase. As long as eligibility exists by December 31 of the calendar year, the TRANS PIA can be increased by the cost-of-living percentage for that year. However, the increased amount is not payable until the effective date of the increase for that year.

3. AIME PIA - In general, the bend points (portions of AIME to which the percentages are applied) are adjusted each year if the national average wages increase. The bend points which apply to the individual wage record, on the other hand, are established in the employee's eligibility year and do not change. Once established, the AIME PIA and family maximum benefit is subject to percentage cost-of-living increases from the eligibility year. Eligibility does not have to exist prior to the effective date of the general benefit increase for the AIME PIA to be subject to the cost-of-living increase. As long as eligibility exists by December 31 of the calendar year, the AIME PIA and family maximum benefit can be increased by the cost-of-living percentage for that year. However, the increased amount is not payable until the effective date of the increase for that year.

AIME PIA COL INCREASES

Eligibility Year	**First COL Effective Date**	**COL %**
1979	6/79	9.9
1980 or earlier	6/80	14.3
1981 or earlier	6/81	11.2

1982 or earlier	6/82	7.4
1983 or earlier	12/83	3.5
1984 or earlier	12/84	3.5
1985 or earlier	12/85	3.1
1986 or earlier	12/86	1.3
1987 or earlier	12/87	4.2
1988 or earlier	12/88	4.0
1989 or earlier	12/89	4.7
1990 or earlier	12/90	5.4
1991 or earlier	12/91	3.7
1992 or earlier	12/92	3.0
1993 or earlier	12/93	2.6
1994 or earlier	12/94	2.8
1995 or earlier	12/95	2.6
1996 or earlier	12/96	2.9
1997 or earlier	12/97	2.1
1998 or earlier	12/98	1.3
1999 or earlier	12/99	2.4
2000 or earlier	12/00	3.5
2001 or earlier	12/01	2.6
2002 or earlier	12/02	1.4
2003 or earlier	12/03	2.1
2004 or earlier	12/04	2.7
2005 or earlier	12/05	4.1

2006 or earlier	12/06	3.3
2007 or earlier	12/07	2.3%
2008 or earlier	12/08	5.8%
2009 or earlier	12/09	No COLA
2010 or earlier	12/10	No COLA
2011 or earlier	12/11	3.6%
2012 or earlier	12/12	1.7%
2013 or earlier	12/13	1.5%
2014 or earlier	12/14	1.7%
2015 or earlier	12/15	No COLA
2016 or earlier	12/16	0.3%

4. Frozen Minimum PIA - The 1981 Social Security Act Amendments eliminated the Frozen Minimum PIA for earnings based on an eligibility year of 1982 or later. However, the computation remains in effect for earnings records based on an eligibility year before 1982 and for "vow of poverty" cases payable before 1992.

   A number of factors affect the applicability of cost-of-living increases under the Social Security Act when the frozen minimum PIA is involved.

   (a) No cost-of-living increase is applicable to the frozen minimum PIA on an earnings record for any year during which no individual was entitled to a RSDI benefit on that earnings record for any month of that year.

   (b) In employee disability cases and survivor cases other than that of a widow(er), no one has to be actually paid a benefit. COLs are applicable for years in which those individuals are actually entitled for one or more months.

   In the case where an individual is entitled, terminates and later becomes reentitled (e.g., a student), cost-of-living increases are only applicable for year in which the individual is actually entitled for one or more months.

Therefore, when there is a break in entitlement, the FRZN MIN PIA may be exceeded by the TRANS PIA, regular AIME PIA or SPC MIN PIA due to the cost-of-living increases in those computations that cannot be added to the FRZN MIN PIA.

EXAMPLE: A student becomes entitled to a benefit based upon the frozen minimum PIA in June 1979. He ceases full-time attendance in March 1980 and is terminated. He reenrolls in February 1982 and is re-entitled. He is entitled to cost-of-living increases in 1979, 1980 and 1982. However, since he was not entitled to a benefit in 1981, the cost-of-living percentage increase for 1981 cannot be applied.

A deemed DF for a retirement annuitant is not continued in computing the survivor annuity. The survivor FRZN MIN PIA cannot be increased for COL increases payable during the employee's lifetime before the earlier of actual attainment of age 62 or the year an actual DF begins.

(c) In the case of a wage earner entitled to an RIB, cost-of-living increase will be applicable beginning with the earlier of:

- The year in which at least a partial month's RIB is payable. (An employee paid for any given month in the year, including Jan-May, is entitled to the COL increase in the FRZN MIN PIA for that year. However, the increase amount is not payable until the effective date of the COL increase); or,

- The year in which the worker reaches age 65.

When applying this provision to the Railroad Retirement age and service annuity, if the employee is age 60-64 and the Tier I work deduction component is completely withheld all year, (s)he is not entitled to the percentage cost-of-living increase in the Frozen Minimum PIA for that year.

In 60/30 cases, the retirement annuitant is deemed to be age 62 on the ABD for purposes of determining the "eligibility year" and applying COL increases to the FRZN MIN PIA. This deeming provision is not continued in computing the survivor annuity. The survivor FRZN MIN PIA cannot be increased for COL increases payable during the employee's lifetime for years before the employee actually attains age 62.

(d) In the case of a widow(er) cost-of-living increases are also applicable beginning with the earlier of:

- The year in which at least a partial month's WIB is payable. (A widow(er) paid for any given month in the year, including Jan-May, is entitled to the COL increase in the FRZN MIN PIA for that year. However, the increase amount is not payable until the effective date of the COL increase); or

- The year the widow(er) reaches age 65. However, if a surviving child, mother, father or parent is also entitled on that same earnings record for any month during the year in which the cost-of-living increase occurs, whether or not in current payment status, a cost-of-living increase will be payable for that year to the widow(er).

The widow(er) is also entitled to previous COL increases to the FRZN MIN PIA during the employee's lifetime provided these COL increases are based on the actual attainment of age 62 or an actual D/F.

EXAMPLE: The employee retired at age 62 in 1979. He died in 2-1984. The FRZN MIN PIA of 122.00 was increased for the 1979, 1980, 1981, 1982 and 1983 COL increases. The widow filed for a WIA at age 62 to begin effective 2-1984 but she is not paid benefits in 1984 and 1985 due to work deductions. When she is entitled to a partial payment in 1986, the FRZN MIN PIA is increased for the 1979-1984 COLs and the 1986 COL.

B. Cost-of-Living Increase for Special Minimum PIA - The Special Minimum PIA is not "decoupled." Effective June, 1979, the SPC MIN PIA and corresponding monthly maximum is subject to automatic cost-of-living increases to be published by SSA based on an increase in the consumer price index. The revised SPC MIN PIA's and corresponding monthly maximums will be indicated in tables separate from the AMW PIA Tables.

The employee is entitled to the current SPC MIN PIA that corresponds to his "years of coverage" (see RCM 8.11.73). The year of eligibility is not a factor.

8.11.100 Railroad Retirement Act Deeming Provisions

The 1974 Railroad Retirement Act deems certain groups of employees to be entitled to PIA computations even though they could not qualify for a PIA under SSA rules because they have not attained the required age, do not have a disability freeze in disability cases, or do not have an insured status under the Social Security Act.

A. 60/30 Annuitants - A 60/30 annuitant (age 60-64) is deemed to be age 65 on the ABD (except for the purpose of recomputation) to determine the elapsed years and benefit computation years for PIA #1 (Retirement Cases), PIA #3, PIA #10, PIA #17 and the Pass-thru PIA.

A 60/30 annuitant (age 60-64) is deemed to be age 62 on the ABD to determine the "eligibility year" for PIA #1 (Retirement Cases), PIA #3, or PIA #17.

An employee (age 60-64), regardless of the type of annuity, is deemed to be age 65 on the ABD to determine the benefit computation years and divisor months for PIA #5 and PIA #15.

B. 2(a) 3 Annuitant Under 1937 RR Act With ABD Before July 1, 1974 - A 2(a) 3 annuitant with an ABD before July 1, 1974 who is age 60-61 in 1974 is deemed to be age 62 in 1974 in the computation of the Pass-thru PIA.

C. Disability Annuitant - Under Section 3(a)(6) of the 1937 RRA, if a disability annuitant does not have a D/F onset prior to the ABD, (s)he is deemed to have a D/F on the ABD in the computation of the Pass-thru PIA.

Under Section 3(a)(2) of the 1974 RR Act, a 2a(I)(IV) or 2a(I)(V) annuitant is deemed to be entitled to a DIB under section 223 of the Social Security Act as of the RR disability onset date for the purpose of computing PIA #1 (Retirement Cases), PIA #3 and PIA #10. The employee is deemed age 62 on the RR disability onset date unless an actual DF is earlier in which case the actual DF is used. This provision applies even if the actual DF period terminates after the RR disability onset date.

NOTE: If an actual DF terminated prior to the RR disability onset date, the RR disability onset date is the deemed DF onset date.

An employee under age 65 is deemed to be age 65 on the ABD to determine the benefit computation years and divisor months for PIA #5 and PIA #15.

D. No Insured Status - An insured status is not required in the computation of the 1974 RR Act PIA #1, PIA #3, PIA #5 and PIA #6 where the filing date, original beginning date, or date of death is after 12-31-74. An insured status is not required in the computation of the Pass-thru PIA.

8.11.101 PIA Computations for Retirement Benefits

A. Railroad Retirement Formula - The 1974 RRA provides an employee RR formula annuity computation which is the sum of several parts (see Form G-354.1 Instructions). Several variations of the PIA computation are used in the RR formula. If the employee meets all eligibility requirements before 8-13-81, PIA #21, used in the computation of the WIFE/WIDOW WF, is based on a wage record other than the RR employee. An RR formula age reduction is applied to each employee tier rate.

The spouse RR Formula benefit is basically based on the employee's PIA computation (see Form G-355.1 Instructions). If the spouse meets eligibility requirements before 8-13-81, PIA #21, used to compute the spouse windfall, is

based on the spouse's own wage record. An RR formula age reduction is applied to each spouse tier rate.

B. O/M Computation - Cases paid under the 1937 Act O/M computation in 12-1974 were converted to the 1974 RR Act tier rates effective 1-1975. Two variations of the SS Act PIA computation are used - the 6-1974 pass-thru PIA in tier I and PIA #11 in the O/M rate for tier II. These PIA's are not subject to age reduction under SSA rules. The age reduction applied to the total tier rate prior to the 1981 RR amendments is explained in RCM 8.3 Appendix B6.

Cases paid under the 1974 RR Act 100% O/M (effective 1-1975 or later) are based on PIA #9 which is computed under the SSA formula. An age reduction is applied under current SSA rules (see RCM 8.3).

Cases paid under the 1974 RR Act 110% Grandfather O/M (effective 1-1975 or later) are based on PIA #11, which restricts earnings after 1974 to the 1974 earnings maximum. An age reduction is applied under the SSA rules in effect in 12-1074 (see RCM 8.3).

8.11.102 PIA Computations for Survivor Benefits

The 1974 RRA provides a survivor annuity computation which is the sum of up to three parts (see Forms G-364.1, G-364.2 and G-364.3 Instructions).

The gross tier I amount is based on the Social Security PIA formula, without any RR Act deeming provisions, using the employee's combined compensation and social security credits. Refer to RCM 8.9, Form G-364.1 Instructions to determine whether PIA #1 or PIA #9 should be used. PIA #1 is subject to age reduction for widow(er)s under age 65. PIA #9 is used to compute the deemed PIA or RIB limitation under SSA rules.

The survivor tier II computation under the 1981 RR Act Amendments is based on a percentage applied to the employee tier II before reduction for age and after reduction for windfall if the employee was vested. The computation of PIA 4, PIA 7 and PIA 8 are necessary to compute the employee's windfall in initial "D" cases. Additional amounts may be payable as the restored amount or spouse minimum guaranty. If the widow(er) meets all eligibility requirements before 8-13-81, the survivor windfall computation may require either PIA #8 or PIA #21 (see Form G-364.3 Instructions).

Refer to RCM 8.9 for exceptions and an explanation of computations prior to 1981 RR Act Amendments.

8.11.103 Computation of PIA #1

A. PIA #1 in Retirement Cases - PIA #1 is used in the computation of the retirement annuity tier I. This PIA is computed under current SSA rules except that:

- An insured status is not required; and,

- A 60/30 annuitant (age 60-64) is deemed to be age 65 on the ABD (except for the purposes of recomputation) to determine the elapsed years and benefit computation years; and

- A 60/30 annuitant (age 60-61) is deemed to be age 62 on the ABD to determine the "eligibility year"; and

- A disability annuitant, other than one who filed a disability application January 1, 2008 or later and whose disability was granted on the basis of drug or alcohol abuse, is deemed to have a DF beginning on his (her) ABD unless an actual DF is earlier, in which case the actual DF is used; and,

- Prior to the 1981 Amendments, an age reduction is not applied to the PIA amount. Instead, for RR Act 2 (a)(I)(iii) cases, an RR formula age reduction is applied to the total tier rate. Effective 10-1-81, an RR formula age reduction is applied to the gross tier I rate which may also be the PIA amount.

PIA #1 uses combined wages, compensation and SEI through the last computation base year (see RCM 8.11.12) and is subject to recomputation when the employee actually attains SS Act retirement age in age and service cases or when the disabled employee is deemed age 65 or, if earlier, attains age 65 in cases where there is actually a DF. No PIA #1 is computed if there are no wages or compensation after 1936.

The current AMW PIA #1, TRANS PIA #1, 1977 Old Start PIA #1 or AIME PIA #1 computation is used based on the employee's "eligibility year." However, the SPC MIN PIA #1 will apply if it is higher than these alternate PIA #1 computations.

The 1981 Social Security Act Amendments eliminated the minimum AMW, PIB and AIME for PIA #1 for eligibility years 1982 or later as explained in RCM 8.11.23, 8.11.35 and 8.11.47.

Delayed Retirement Credits are added to all PIA #1 computations except the SPC MIN PIA, as explained in Form G-354 Instructions.

B. PIA #1 in Survivor Cases - The survivor annuity PIA #1 is used in the computation of the survivor annuity tier I amount. This PIA #1 is computed under current SSA rules except that an SS Act insured status is not required if filing date, original beginning date or date of death is after 12-31-74. There are no other RR Act deeming provisions.

The survivor annuity PIA #1 uses the employee's combined wages, compensation and SEI through the date of death. No PIA #1 is computed if there are no wages or compensation after 1936.

The current AMW survivor PIA #1, TRANS Survivor PIA #1, 1977 Old Start survivor PIA #1, or AIME survivor PIA #1 computation is used based on the employee's "eligibility year." However, the SPC MIN Survivor PIA #1 will apply if it is higher than these alternate survivor PIA #1 computations.

The 1981 Social Security Act Amendments eliminated the minimum AMW, PIB and AIME for PIA #1 for eligibility years 1982 or later as explained in RCM 8.11.23, 8.11.35 and 8.11.47.

An age reduction is applied to the widow(er)'s or divorced widow(er)'s share of the survivor annuity PIA # 1 as explained in RCM 8.9.

8.11.104 Computation of Retirement Work Deduction Components - (PIA #2 and PIA #17)

The amount of the employee tier I annuity that is subject to work deductions (called PIA #2) is the difference between the Gross Tier I PIA (PIA #1 or PT PIA) and PIA #17. Where the employee tier I has an age reduction, this difference should be reduced for age.

The amount of the spouse tier I annuity that is subject to work deductions is the difference between the wife's benefit based on the employee's PIA #1 or the PT PIA and 50% of PIA #17 rounded to end in zero. Where the spouse tier I has an age reduction, this difference should be reduced for age.

PIA #17 is basically based on one of three compensation-only PIA's (PIA #5, PIA #7 or PIA #15 as indicated in the chart located in Exhibit 6). With the exception of 1974 Act disability cases, if an RR Act deeming provision was applied to the Gross Tier I PIA, the same deeming provision is used to compute the elapsed years and benefit computation years for the PIA #5, PIA #7 or PIA #15 used for the PIA #17 computation. The appropriate PIA amount is increased by the percentage of any COL increase added to the Gross Tier I PIA.

Where the employee's "eligibility year" is 1979 or later and (s)he has a W/D Insured Status and the AIME PIA #1 is used in the employee's Tier I computation, the decoupling provisions of the 1977 Social Security Act Amendments apply to the PIA #17 computation. In these cases, it will be necessary to calculate the AIME PIA #17 as follows:

1. Index the compensation prior to 1975. Use the same indexing year used to index the earnings for AIME PIA #1;

   and

2. Set the elapsed years and benefit computation years (BCY) the same as those set for AIME PIA #1

Exception: The elapsed years and benefit computation years (BCY) for PIA #5 are always based on deemed age 65 on the ABD regardless of his (her) age:

and

3. Calculate the AIME selecting earnings for the appropriate number of BCY from the indexed compensation years prior to 1975; and

4. Calculate the PIA using the same AIME bend points used to calculate the AIME PIA #1; and

5. Multiply this PIA by the percentage of any COL increase added to the AIME PIA #1.

When applicable the AIME PIA #17 is computed by DP&A and furnished on Form G-90. (See RCM 8.11.121).

If the employee's Tier I is based on his TRANS PIA #1, 1977 old start PIA #1, or SPC MIN PIA #1, then his PIA #17 would be computed under the same formula as the PIA #1 amount (i.e., TRANS PIA #1 - TRANS PIA #17). However, since both the REG PIA #5 and REG PIA #7 contain RR compensation thru 12-1974 only, computations under the TRANS or 1977 OS formula will result in the same amount as the "REG PIA #5 or REG PIA #7 updated to the 6-1978 Table PIA amount.

If the eligibility year for PIA #1 is 1982 or later, the AMW, PIB or AIME will be based on the actual amount of earnings. It will be necessary to compute the corresponding PIA #5 or PIA #7 based on actual earnings. The minimum PIA will not apply in these cases.

The appropriate PIA amount, once computed, is then updated by the same cost-of-living percentage increases applied to the Tier I PIA. The resulting PIA is PIA #17.

The chart in Exhibit 6 indicates the compensation only PIA that is to be used to determine PIA #17.

8.11.105 Computation of PIA #3

PIA #3 is used in the computation of the residual lump sum amount. This PIA is computed under current SSA rules, except that under the 1974 RRA.

- An insured status is not required if the filing date, original beginning date or date of death is after 12-31-74; and,

- If the deceased employee had been a 60/30 annuitant and was deemed age 65 on the retirement annuity ABD (except for the purposes of recomputation) this deeming provision applies to the elapsed years and benefit computation years for PIA #3; and,

- If the deceased employee had been a 60/30 annuitant and was deemed age 62 on the ABD to determine the "eligibility year," this eligibility year is used for PIA #3; and,

- If the deceased employee had been a disability annuitant, (s)he is deemed entitled to a DIB under section 223 of the Social Security Act on the RR annuity ABD for the purpose of computing a PIA only. The employee is deemed age 62 on the ABD, unless an actual D F is earlier, in which case the actual DF is used; and

- Compensation only through the last benefit computation year is used. PIA #3 is computed in the same way as PIA #1 except that SS earnings are not included.

The current AMW PIA #3, TRANS PIA #3, 1977 Old Start PIA #3, or AIME PIA #3 computation is used based on the employee's "eligibility year". However, the SPC MIN PIA #3 will apply if it is higher than these alternate PIA #3 computations.

The 1981 SS Act Amendments eliminated the minimum AMW, PIB and AIME for PIA #3 for eligibility years after 1982 as explained in RCM 8.11.23, 8.11.35 and 8.11.47.

PIA #3 could be subject to recomputation if the employee's compensation only in the retirement annuity ABD year is not within a period of disability and is sufficient to create a recomputation effective January 1, of the following year or if the employee had returned to RR service after the retirement annuity ABD and this compensation only is sufficient to create a PIA #3 recomputation.

Delayed Retirement Credit are added to all of the PIA #3 computations (except the SPC MIN PIA) as explained in RCM 8.10, Form G-63b instructions.

8.11.106 Computation of PIA #4

PIA #4 is used to compute the windfall reduction in the retirement annuity tier II for vested employees and to compute the windfall benefit payable to vested employees. It is also used to compute the survivor tier II in 1981 Amendment cases. This PIA is computed under SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- The employee must be vested under the RR Act (see RCM 1.1 for age and service cases and RCM 1.2 for disability cases); and

- The AMW dividend uses only wages and SEI through 12-31-74 or, if earlier, through the vesting year. The AMW divisor is based on the earlier of the wage earner's disability onset or attainment of SS Act retirement age; and,

- In survivor initial "D" cases, the employee is deemed to be age 65 in the month of the employee's death. (However, the number of QC's required for an insured status is based on the employee's real age and not on deeming provisions.); and,

- An age reduction is not applied to the PIA amount. Instead, for RRA 2 (a)(1) (iii) cases, an RR formula age reduction is applied to each tier and,

- Delayed retirement credits are not added to this PIA.

Only the SS Act PIAs in effect in 12-1974 ("New Start" AMW PIA #4 "Old Start" AMW PIA #4 or SPC MIN PIA #4) are computed. Only regular PIA #4 is used in determining the TIER II WF reduction. The SPC MIN PIA #4 can be used in determining the WF amount if it is higher than the other computations.

This PIA is not affected by the elimination of the minimum social security benefit. For PIA #4, the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

If the employee is entitled to a windfall based on a transitionally insured status on 12-31-74 , PIA #4 would be the 12-1974 transitional RIB of $64.40.

In a disability freeze conflict case, PIA #4 is computed based on SSA's DF date.

8.11.107 Computation of PIA #5

PIA #5 is used in 1974 act cases only to determine the pass-thru increase in the computation of the employee annuity tier II. It is also used in the computation of PIA #17 for the tier I work deduction in 1974 Act 60/30 cases or occupational disability cases with no freeze or a freeze after the ABD year. This PIA is computed under SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- An insured status is not required; and,
- An annuitant is deemed to be age 65 on the ABD regardless of his (her) age or the type of annuity. Correspondingly (s)he is deemed age 22 43 years before the ABD; and,
- The AMW dividend uses only compensation through 12-31-74. If there is no compensation after 1936, the AMC is treated as an AMW for purposes of determining the PIA. The AMW divisor is based on deemed age 65 on ABD; and
- An age reduction is not applied to the PIA amount. Instead, for RR Act 2 (a)(1) (iii) cases, an RR formula age reduction is applied to each tier; and
- Delayed retirement credits are not added to this PIA; and
- An actual or deemed DF for PIA #1, PIA #3 or PIA #10 does not affect the computation of PIA #5.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #5, "Old Start" AMW PIA #5 or SPC MIN PIA #5) are computed.

In the computation of the employee annuity tier II for pre-1981 amendment cases, this PIA is not affected by the elimination of the minimum social security benefit. For the PIA

#5 used in tier II, the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

When PIA #5 is used in the computation of PIA #17, the same type of computation used to compute PIA #1 is used to compute PIA #17. This may result in an amount of less than $93.80 for work deduction purposes.

8.11.108 Computation of PIA #6

PIA #6 is used for the 110% O/M and imputed SS benefit reduction in the computation of tier II in 1974 Act cases only. This PIA is computed under SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- An insured status is not required; and,
- The AMW divisor months are fixed at 384 - "Old Start" or 216 "New Start". This precludes the need to determine the year age 22 was attained; and,
- The AMW dividend includes the compensation from the 32 high years after 1936 thru 1974 ("Old Start"), or the compensation from the 18 high years after 1950 thru 1974 ("New Start"); and,
- An age reduction is not applied to the PIA amount. Instead, for RR Act 2 (a)(I) (iii) cases, an RR formula age reduction is applied to each tier rate; and,
- Delayed retirement credits are not added to this PIA.
- If there is no compensation after 1936, no PIA 6 is computed.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #6, "Old Start" AMW PIA #6 or SPC MIN PIA #6) are computed.

This PIA is not affected by the elimination of the minimum social security benefit. For PIA #6, the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

8.11.109 Computation of PIA #7

PIA #7 is used in the computation of the employee's windfall benefit. It is also used in the computation of PIA #17 for the tier I work deduction amount in 1974 Act retirement cases other than 60/30 cases and in 1974 Act disability cases where the DF is prior to the ABD year. It is also used to compute the survivor tier II in 1981 Amendment cases. This PIA is computed under SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- The AMW dividend uses only compensation thru 12-31-74 or, if earlier, thru the vesting year. The AMW divisor is based on the earlier of the wage earner's disability onset, or attainment of SS Act retirement age; and

- In survivor initial "D" cases, the employee is deemed to be age 65 in the month of the employee's death. (However, the number of QCs required for an insured status is based on the employee's real age and not on deeming provisions.); and,

- An age reduction is not applied to the PIA amount. Instead, for RRA 2 (a)(I) (iii) cases, an RR formula age reduction is applied to each tier rate; and

- Delayed retirement credits are not added to this PIA.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #7, "Old Start" AMW PIA #7 or SPC MIN PIA #7) are computed. If there is no compensation after 1936, PIA #7 is zero.

PIA #7 is computed in all cases. However, the employee must be vested under the RR Act (see RCM 1.1 for age and service cases or RCM 1.2 for disability cases) for the PIA #7 to be used in the employee's windfall benefit.

If the spouse met all windfall eligibility requirements before 8-13-81, PIA #7 may be computed for this WF.

The female of dependent male spouse must be vested on (his) her own wage record (see RCM 1.3) to qualify for a windfall benefit based on the PIA #7 of a non-vested RR employee. A non-dependent male spouse cannot qualify for a windfall benefit if the RR employee is not vested.

In the computation of the windfall benefit, PIA #7 is not affected by the elimination of the minimum social security benefit. The lowest AMW for WF PIA #7 is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

If the RR employee has a work deduction insured status (see RCM 5.6.10) PIA #7 may be used to determine the PIA #17 amount regardless of the employee's vested status. The same type of computation used to compute PIA #1 is used to compute PIA #17. This may result in an amount less than $93.80 for work deduction purposes.

8.11.110 Computation of PIA #8

A. PIA #8 in Retirement Cases - PIA #8 is used in the computation of the employee annuity windfall. This PIA is computed under SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- The employee must be vested under the RR Act (see RCM 1.1 for age and service cases or RCM 1.2 for disability cases); and,

- The AMW uses only combined SS earnings and compensation through 12-31-74 or, if earlier, though the vesting year. The AMW divisor is based on the earlier of the wage earner's disability onset, or attainment of SS Act retirement age; and,

- An age reduction is not applied to the PIA amount. Instead, for RR Act 2 (a)(I)(iii) cases, an RR formula age reduction is applied to each tier and,

- Delayed retirement credits are not added to this PIA.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #8 or "Old Start" AMW PIA #8 or SPC MIN PIA #8) are computed.

This PIA is not affected by the elimination of the minimum social security benefit. For PIA #8, the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

B. PIA #8 in Survivor Cases - PIA #8 is used in the computation of the survivor annuity windfall for the eligibilities prior to 8-13-81 and in the survivor Tier II EE Annuity Restored Amount (see Form G-364.3 Instructions). It is also used to compute the survivor tier II in 1981 Amendment cases. This PIA is computed under SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- The AMW dividend uses only combined SS earnings and compensation through 12-31-74. The AMW divisor is based on the earlier of the wage earner's disability onset, death or attainment of SS Act retirement age; and,

- In survivor initial "D" cases, the employee is deemed to be age 65 in the month of the employee's death. (However, the number of QC's required for an insured status is based on the employee's real age and not on deeming provisions.); and,

- If the deceased employee had no earnings after 1936 by his annuity began to accrue before 1948 based on at least 120 months of service and a current connection, use the AMC as the AMW to determine the 6-1974 PIA or, if available, use the employee's 6-1974 Pass-thru PIA as shown on a folder record, T-12 (12-74) or on a G-354 (3-74) award form in the claim file; and,

- An age reduction is not applied to the PIA amount; and,

- Delayed retirement credits are not added to this PIA.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #8, "Old Start" AMW PIA #8 or SPC MIN PIA #8) are computed.

This PIA is not affected by the elimination of the minimum social security benefit. For PIA #8, the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

8.11.111 Computation of PIA #9

PIA #9 is used in the computation of the Retirement 100% O/M benefit and the Survivor Employee Fictional RIB amount. This PIA is computed under current SSA rules for life cases. There are no RRA deeming provisions.

PIA #9 uses combined wages, compensation and SEI through the last computation base year (see RCM 8.11.13) and is subject to recomputation under SSA rules for life cases.

In 60/30 cases, the AIME PIA #9 on the G-90, for the initial annuity award may be an estimated PIA (see RCM 7.4 Appendix A Form G-90 Instructions). An asterisk (*) will identify such calculations. If the O/M could apply in cases where an IPI spouse or child is involved, a subsequent G-90 with the actual PIA #9 amount is required. Since there are no deeming provisions for PIA #9, this PIA will be computed with an eligibility year based on the employee's actual attainment of age 62. The resulting AIME PIA bend points for employees who attain 62 in 1979 or later will differ from the formula used to compute PIA #1.

In RRA survivor cases, the PIA #9 for the Fictional RIB PIA (see RCM 8.9, Form G-364.1 Instructions) will differ from the survivor PIA #1 if the employee has earnings in the year of death. In these cases, the earnings in the year of death will not be used in the initial fictional RIB PIA #9 that is effective in the month of death. These earnings may be considered to recompute the fictional RIB PIA #9 effective January 1 of the year after the employee's death under the recomputation procedure for age and service cases (see RCM 8.11.22 or RCM 8.11.33).

The current AMW PIA #9, TRANS PIA #9, 1977 Old Start PIA #9 or AIME PIA #9 computation is used based on the employee's "eligibility year." However, the SPC MIN PIA #9 is still an alternate PIA computation and will apply if it exceeds the other PIA #9 computations.

The 1981 Social Security Act Amendments eliminated the minimum AMW, PIB and AIME for PIA #9 for eligibility years 1982 or later as explained in RCM 8.11.23, 8.11.35 and 8.11.47.

An age reduction is applied to this PIA as explained in RCM 8.3.85 - 8.3.91. Delayed retirement credits are added as explained in RCM 8.3.95 - 8.3.102.

NOTE: Under the 1937 Railroad Retirement Act, the PIA computed at death for the survivor annuity was used to determine the EE RIB Limitation amount. This PIA was chosen because it was closer to the SSA PIA formula amount than the O/M PIA (see RCM 8.11.113) as limited by the 1972 Technical Amendments.

8.11.112 Computation of PIA #10

PIA #10 is used in the computation to test for the 1937 RR Formula guarantee amount. This PIA is computed for employees with an insured status under the SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- A 60/30 annuitant (age 60-64) is deemed to be age 65 on the ABD; and
- A disability annuitant is deemed to be entitled to a DIB under section 223 of the Social Security Act as of the RR annuity ABD for the purpose of computing a PIA only. The employee is deemed age 62 on the ABD unless an actual DF is earlier in which case the actual DF is used; and
- The AMW dividend uses compensation through the DLW and wages through the year preceding the ABD year. The maximum creditable (wages and compensation) after 1974 is frozen at the 1974 maximum. The AMW divisor is based on the earlier of the wage earner's actual DF, deemed DF, attainment of retirement age or deemed age 65; and,
- If a PIA could not be computed under SSA rules due to insufficient earnings after 1936, the AMC is treated as an AMW for purposes of determining the PIA and,
- An age reduction is not applied to the PIA amount. Instead, for RR Act 2 (a)(1) (iii) cases, an RR formula age reduction is applied to the total tier rate; and,
- Delayed retirement credits can be added to this PIA as shown in the G-354.2 instructions.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #10, "Old Start" AMW PIA #10 or SPC MIN PIA #10) are computed.

This PIA is not affected by the elimination of the minimum social security benefit. For PIA #10 the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

8.11.113 Computation of the O/M PIA under the 1937 RRA and PIA #11 under the 1974 RRA

The over-all SSA minimum provision of section 3(e) of the 1937 RRA guarantees that the total annuities payable under the 1937 RRA effective 11-1-51 or later for a full month to an employee and his family will not be less than 100% of the monthly amount which would be payable under the Social Security Act if railroad service after 1936 were credited as "employment" under the Social Security Act. The O/M guarantee was increased to 110% of the monthly amount that would be payable under the SS Act effective 6-1-59 or later.

The O/M PIA was computed based on the employee's actual attainment of retirement age under SS Act rules or on an actual disability freeze. An insured status was required. There were no 1937 RRA deeming provisions for this PIA. Prior to 1-1972, it is based on the employee's combined wages, compensation and SEI through the last computation base year (see RCM 8.11.12). This includes SS earnings and compensation in and after the ABD year through 12-31-71 for the purpose of recomputation.

However, for AMW computations in retirement cases where the employee's ABD is in 1972 or later, the 1972 Technical Amendments to the 1937 RR Act changed the base years which may be used to compute the initial PIA. For ABD years 1972 or later, creditable compensation earned in the ABD year may be included in the initial AMW computation. Only SS earnings up to the end of the year before an ABD year 1972 or later may be included in the AMW computation.

The only subsequent recomputations permitted under the amendments were for 1-1-73 for cases where:

- The ABD is in 1972; and,
- The employee has sufficient creditable compensation in 1972, which if 1972 were a computation year, would increase the PIA; and,
- The AMW was computed before the enactment date.

The amendments did not affect the O/M PIA computation in death cases.

EXAMPLE 1

An employee born 8-10-07 retires with an ABD of 8-1-72. His creditable compensation in 1972 was $5250. He also had SS earnings of $287.50.

Elapsed years - 21 (years after 1950 up to 1972)

Computation years - 16 (elapsed years minus 5)

Divisor - 192 (16 computation years x 12)

The earnings record and computations are shown in Exhibit 7, example 1.

NOTE: Under the amendments, 1972 can be used as a computation year. Before the amendments, 1958 would be a computation year for the initial computation; 1972 would be used as a computation year in a recomputation. In the amended method the 1972 compensation is substituted for the 1958 earnings.

	Amended Method	Pre-Amend Method

Dividend	-	$86003.56	$84542.16
Divisor	-	192	192
AMW	-	447.00	440.00
1972 PIA	-	250.60	247.40

EXAMPLE 2

A male employee is awarded an annuity at age 60 under section 2(a)3 of the 1937 RRAbeginning in 3-1972. After that, he works in social security covered employment. The first point at which an O/M computation can be made is in 3-1974 when he attains age 62.

Elapsed Years - 24 (1951 through 1974)*

Computation Years - 19 (elapsed years minus 5)

Divisor - 228 (19 computation years x 12)

*Age 62 computation transitional provision (see RCM 8.11.2).

The earnings record and computations are shown in Exhibit 7, example 2.

NOTE: Before the amendments both 1972 and 1973 are base years. Consequently, both can be used as computation years permitting the use of the SS earnings in those years.

Under the amendments, only 1972 is a base year. However, since the compensation earned up to the ABD is less than other years, it is not used as a computation year. SS earnings in and after the ABD year are disregarded.

The computations are:

		Amended Method	Pre-Amend Method
Dividend	-	$101380	$113780
Divisor	-	228	228
AMW	-	444	499
3-1974 PIA	-	266.40	288.60

PIA #11 is used in the computation of the Retirement 110% Grandfather O/M benefit of the 1974 Railroad Retirement Act. This PIA is computed under the 1937 RR Act rules in effect in 12-1974 for the O/M PIA based on the 6-1974 PIA Table. For years after 1971, only SS earnings through the year before the ABD year and compensation up to the ABD are used. PIA #11 is not subject to recomputation. SS earnings and compensation for 1974 or later year are subject to the 1974 earnings maximum.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #11, "Old Start" AMW PIA #11 or SPC MIN PIA #11) are computed.

This PIA is not affected by the elimination of the minimum social security benefit. For the O/M PIA and PIA #11, the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

An age reduction is applied to this PIA as explained in RCM 8.3.85 - 8.3.91. Delayed retirement credits are added as explained in RCM 8.3.95 - RCM 8.3.102.

8.11.114 Computation of PIA #15

PIA #15 is used only in conversion cases in the computation of the retirement annuity tier II and it is also used as PIA #17 for the tier I work deduction component. PIA 15 is computed similar to the 6-1974 Pass-thru PIA, but is based on railroad compensation only through 12-31-74. If there is no compensation after 1936, no PIA #15 is computed.

The following deeming provisions are applied to the computation of PIA #15:

A. Male 2(a)3 Annuitant under 1937 RR Act with ABD Before July 1, 1974

A 2(a)3 annuitant age 60-61 in 1974 is deemed to be age 62 in 1974. He is then subject to the SS Act transitional provision for setting the retirement age for males who attain 62 in 1974 (see RCM 8.11.2). Male 2(a)3 annuitants who attained age 62 in 1973 are also subject to the SS Act transitional provision. The new start EY (Elapsed years), BCY (Benefit Computation years), and DM (divisor months) for computing the AMW for the PIA #15 in these cases are as follows:

EY	BCY	DM
1951-1974	19	228

If the 2(a)3 annuitant attained age 62 before 1973, the deeming provision is not applicable. Beginning 7-1974, an employee who has less than 30 years of service can qualify for a reduced annuity only if s(he) has attained age 62.

B. 2(a)2 Annuitant (with 7-1974 or later, if male,) Under 1937 RR Act - A 2(a)(2) 60/30 annuitant age 60-64 in 1974 is deemed to be age 65 in 1974. The new start Elapsed Years (EY), Benefit Computation Years (BCY), and the divisor months (DM) for PIA #15 for 60/30 annuitants deemed to be age 65 in 1974 are as follows:

1. 60/30 Male Annuitants - (Based on SS Act Transitional Provision).

EY	BCY	DM
1951-1973	18	216

2. 60/30 Female Annuitants

EY	BCY	DM
1951-1970	15	180

If the 2(a)2 annuitant is age 65 or over in 1974 this deeming provision is not applicable.

C. 2(a)4 or 2(a)5 Annuitant Under 1937 RRA - An RRA disability annuitant is deemed to have a DF beginning on his (her) ABD unless an actual DF is earlier, in which case the actual DF is used. This provision applies even if the actual DF terminates after the ABD.

NOTE: If an actual DF terminated prior to the ABD, the ABD is the deemed DF onset date.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #15, "Old Start" AMW PIA #15 or SPC MIN PIA #15) are computed. The AMW dividend is based on compensation only through 12-31-74. The AMW divisor is based on the earlier of an actual or deemed DF and the actual or deemed retirement age.

Since PIA #15 only applies in conversion cases, it is not affected by the elimination of the minimum social security benefit.

PIA #15 was computed for all conversion cases. However, the employee must be vested under the RR Act (see RCM 1.1 for age and service cases or RCM 1.2 for disability cases) for the PIA #15 to be used in the computation of the employee's tier II. The employee does not have to be vested for the computation of PIA #15 to determine the work deduction components.

8.11.115 Computation of PIA #21

If the beneficiary met all windfall eligibility requirements before 8-13-81, PIA #21 is used in the computation of the employee, spouse or widow(er) windfall benefit and for the windfall reduction in Tier II of a spouse annuity. It is based on the wage record of someone other than the RR employee. This PIA is computed under SSA rules in effect in 12-1974 using the 6-1974 PIA Table except:

- The annuitant must be vested (see RCM 1.1 for employee age and service cases, RCM 1.2 for employee disability cases, RCM 1.3 for spouse annuity cases, or RCM 2.1 for widow(er)'s annuity cases); and,

- The AMW dividend uses only wages and SEI through 1974 or, if earlier, through the vesting year. (The spouse or widow(er) may have railroad service on their own wage record totaling less than 120 service months, including military service. The employee may be entitled to a widow's benefit at SSA on a wage record that includes RR compensation but for which a WIA is not payable due to less than 120 railroad service months, including military service, or due to lack of an RR current connection. The RR compensation in these cases is used as wages). The AMW divisor is based on the earlier of the wage earner's disability onset, death or attainment of SS Act retirement age; and,

- An age reduction is not applied to the PIA amount; and,

- Delayed retirement credits are not added to the PIA amount.

Only the SS Act PIA's in effect in 12-1974 ("New Start" AMW PIA #21, "Old Start" AMW PIA #21 or SPC MIN PIA #21) are computed. Only regular PIA #21 is used in determining the SP tier II WF reduction. However, SPC MIN PIA #21 can be used in determining WF amounts.

NOTE: A date of death will not affect the computation of PIA #21 if it is in a year:

- After the onset of a current DF; or,

- After the year in which the wage earner attained SS Act retirement age.

This PIA is not affected by the elimination of the minimum social security benefit. For PIA #21, the lowest AMW is $76.00 and the lowest PIB is $16.20 with a corresponding PIA of $93.80.

AUX spouse and AUX widow paper G-90s produced prior to October, 1996 display the PIA #21 calculation if SEARCH determines that the widow is vested. If a PIA #21 calculation is needed, a G-563 request to CCU should be made, with anything pertinent to the vesting determination attached. CCU will determine if the spouse/widow meets the vesting requirements, and if so, calculate a PIA #21.

8.11.116 Computation of the 6-1974 Pass-Thru PIA

The 6-1974 Pass-thru PIA is computed in conversion cases only. This PIA established under the 1973 RR Act amendments was originally computed to determine the dollar amount of the 3-1974 and 6-1974 cost-of-living increase (pass-thru increase) that would have been payable under the Social Security Act if SSA had jurisdiction of the case. It is also used to establish the gross Tier I amount in 1974 RRA conversion cases.

The pass-thru PIA is based on combined wages, compensation and SEI through the last computation base year (see RCM 8.11.12).

A. 1937 RRA Deeming Provisions - Special deeming provisions were enacted because some employees who were entitled to annuities under the RRA formula would have insufficient quarters of coverage or would not be eligible for a PIA computation under the Social Security Act.

1. Employee Not Insured or Transitionally Insured Under SS Act - If a PIA could not be computed under SSA rules due to insufficient earnings after 1936, the AMC (rounded to next lower dollar) in annuity cases or AME (rounded to next lower dollar) in pension cases is treated as an AMW for purposes of determining the PIA.

   If the pensioner's AME is unknown, the AMW for the pass-thru PIA is imputed based on the table in Exhibit 8, chart 1.

   NOTE: The tier I amount computed for persons converted from the 1937 Act to the 1974 Act is not affected by the elimination of the minimum social security benefit.

   In cases where the employee or pensioner is transitionally insured under the SS Act, there is no AMW computation. However, instead of deeming the AMC or AME to be the AMW, the special age 72 SS Act benefit is considered as the PIA for the pass-thru increase. That special age 72 benefit must be used even though a deemed AMW based on the AMC or AME always produces a higher PIA and a higher pass-thru increase.

2. Employee Ineligible Under SS Act - The deeming provisions explained below must be applied for the purpose of computing the AMW for the pass-thru PIA.

   (a) Male 2(a)3 Annuitant under 1937 RR Act with ABD Before July 1, 1974 - A 2(a)3 annuitant age 60-61 in 1974 is deemed to be age 62 in 1974. He is then subject to the transitional provision for setting the retirement age for males who attain 62 in 1974 (see RCM 8.11.2). The new start EY (Elapsed years), BCY (Benefit Computation years) and DM (divisor months) for computing the AMW for the pass-thru PIA are as follows:

EY	BCY	DM
1951-1974	19	228

   If the 2(a)3 annuitant attained age 62 before 1973, the deeming provision is not applicable. Beginning 7-1974, an employee who has less than 30 years of service can qualify for a reduced annuity only if (s)he has attained age 62.

   (b) 2(a)2 Annuitant (Female or Male with (ABD 7-1974 or later) under 1937 RRA - A 2(a)(2) 60/30 annuitant age 60-64 in 1974 is deemed to be age 65 in 1974. The Pass-thru PIA is used for pass-thru increase, even though the employee annuitant has attained age 62 and is eligible for or is receiving a reduced annuity under the O/M. This is so because the deeming provisions produce a higher PIA than the regular O/M PIA.

   Exhibit 8, chart 2 compares the new start Elapsed Years (EY), Benefit Computation Years (BCY), and divisor months (DM) for the pass-thru and 1937 RR Act O/M PIA computations in conversion cases for 60/30 annuitants deemed to be age 65 in 1974.

   If the 2(a)2 annuitant is age 65 or over in 1974 this deeming provision is not applicable.

   (c) 2(a)4 or 2(a)5 Annuitant Under 1937 RRA - An RR Act disability annuitant is deemed to have a DF beginning on his (her) ABD unless an actual DF is earlier, in which case the actual DF is used. This provision applies even if the actual DF terminates after the ABD.

NOTE: If an actual DF terminated prior to the ABD, the ABD is the deemed DF onset date.

B. Recalculation and Recomputation of the Pass-thru PIA - For certain cases, the mechanically computed Pass-Thru PIA used for the 1974 pass-thru increase and the tier conversion was computed under special rules that are no longer in our current PIA system. For instance, "special" closing dates are used in computing any P.T.-PIA RECOMP's in conversion cases where the employee was under age 62 in the ABD year and/or the employee attained age 65 (either actual or deemed age 65) before 1960. As a result, current G-90s and G-90as may produce a P.T.-PIA that is inconsistent with the original, mechanically computed P.T.-PIA. Therefore, do not recalculate the mechanically computed P.T.-PIA used for the 1974 increases unless a legitimate recalculation of the P.T.-PIA is required due to an error of facts in the previous calculation (e.g., DOB changes).

Although the P.T.-PIA may not be recalculated, as explained above, it is subject to recomputation under SS Act rules when the employee actually attains SS Act retirement age in age and service cases or when a disabled employee is deemed age 65 or, if earlier, attains age 65 in cases where there is actually a DF. The employee's earnings in 1974 or a later year must increase the PIA. When the P.T.-PIA was initially computed it included wages only through 1971 or, if later, to the ABD year and compensation up to the ABD. However, if the 1974 or later wages produce an increased PIA, we can go back and include the 1972 and 1973 wages. The increased PIA is effective in January of the year following the year in which the wages triggered the recomputation (e.g., if 1974 wages triggered the recomputation, P.T.-PIA is effective January, 1975). If an adjustment is required for a conversion case, use the P.T.-PIA of record unless the P.T.-PIA can be recomputed under the above rules.

If the recomputed P.T.-PIA is less than the original, do not pay the RECOMP P.T.-PIA. Assume that the case involves the special rules and continue to use the original PIA with appropriate COL updating.

C. Updating the 6-1974 Pass-thru PIA - The 6-1974 Pass-thru PIA is updated for cost of living increases in the same way as an "AMW PIA" in force before 1-1979. The updated PIA's and effective dates are indicated in Appendix B "AMW PIA Conversion Chart."

D. Minimum Pass-thru PIA - The Tier I amount computed for persons converted from the 1937 Act to the 1974 Act is not affected by the elimination of the minimum social security benefit.

8.11.117 Computation of the SSEB PIA

The SSEB (Social Security Equivalent Benefit) PIA is used to calculate the SSEB portion of tier I for tax accounting purposes. It is computed in the same way as PIA 9; the computation is based on the employee's combined wages and compensation under

the current SSA rules for life cases. The SSEB PIA should be recomputed whenever PIA 1 or PIA 9 are recomputed. There are no RRA deeming provisions.

8.11.118 Computation of 1974 RRA PIAS

See Exhibit 9 for PIA comparison chart.

8.11.120 PIAs Obtained from Microfilms or Folder Records

The 6-1974 pass-thru PIA and PIA 15 for retirement conversion cases may be found on the "Employee/Spouse Annuity Conversion To Tier System" or "The 1974 Act Conversion PIA" microfilms or on a folder record of amendment adjustment or annuity award (see RCM 6.9).

The SSEB PIA that was first effective 1-1-86 can be found on the "11-86 SSEB Mass Adjustment" microfilm for annuitants on the rolls prior to 11-86. Effective 12-88, the SSEB PIA will also appear on cost-of-living microfilm and microfilm for tier 1 mass adjustments.

8.11.121 Requests for Mechanical PIA Computation for Retirement Annuities

The RASI program will attempt to obtain the required PIA calculations from DP to compute the initial employee or spouse award. Refer to RCM 9.3 for processing of RASI referrals.

When necessary, a mechanical computation of current PIA data is requested by the examiner using Form G-60 according to RCM 9.1.

A mechanical computation of current PIA data for PIA 1 - PIA 9, PIA 17.

PIA 21 (in pre-1981 amendment cases), or the SSEB PIA will be returned from DP on Form(s) G-90. The G-90 information will be forwarded by DP to Research as explained in RCM 8.1.38. Refer to RCM 7.4 for an explanation of the information on Form(s) G-90.

PIA 10 and PIA 11 were indicated on Form G-90 through 1978. If these PIAs are required after 1-1979, request a manual computation of the PIA.

8.11.122 Request for Manual PIA Computations for Retirement Annuities

Item 6 of Form G-563 (8-81) is used to request manual PIA computations (see RCM Part 11, Form G-563 Instructions). A manual computation will be needed as follows:

(a) A manual computation of the affected PIA's, including the SSEB PIA (see RCM 8.11.15), is needed in a case in which there is a closed period of disability or two

separate periods of disability. Show the period(s) of disability in item 8 of Form G-563 and indicate which PIA's are to be manually computed in item 6; or

(b) A manual computation of PIA 1, PIA 5, PIA 6, PIA 7, PIA 8, PIA 9,

PIA 10, PIA 11, PIA 15, PIA 17, or the SSEB PIA may be needed if the case involves Red Cap service (see RCM 5.3.112); or,

(c) A manual recomputation of PIA 1, PIA 9 or the SSEB PIA will be needed if the employee has sufficient earnings after the previous PIA 1,

PIA 9, or SSEB PIA computation to qualify for a recomputation and those earnings are not yet in DP records. Include the post ABD earnings amount on the G-563 request; or,

(d) A manual computation of PIA 9 and the Family Maximum Benefit (FMB) under the 1980 SS Act Disability Amendments may be needed if the employee is initially entitled to the DIB O/M on 7-1-80 or later and his disability onset date is after 1978 but before the year he attains age 62. Place an "X" in the applicable box in item 6 of the G-563.

Also enter the month and year of the DIB O/M entitlement date (O/M effective date plus waiting period) on the line next to "eff."

(e) A manual computation of PIA 9 only with dropout years under the 1980 SS Act Disability Amendments may be needed if the employee is initially entitled to the DIB O/M on 7-1-80 or later but his disability onset date is prior to 1979 and before the year he attains age 62. Place an "X" in the applicable box in item 6 of the G-563.

Also enter the month and year of the DIB O/M entitlement date (O/M effective date plus waiting period) on the line next to "eff."

(f) A manual recomputation of PIA 1 or 9 (and the FMB, if applicable) under the 1980 SS Act Disability Amendments may be needed if it is determined that the child care dropout years provision is applicable (per RCM 8.11.17 and RCM 4.7.120ff). See Form G-563 instructions for applicable entries.

(g) A manual computation of PIA 1, PIA 9, or the SSEB PIA under the pre-1980 amendment formula may be needed if the employee is entitled to a disability annuity with an ABD of 7-1-80 or later and he was previously entitled to a disability annuity or DF prior to 7-1-80. (G-90 computations in this type of case will be under the 1980 Amendments, and therefore, are not correct.) Place an "X" in the box before "Compute PIA's" and request PIA 9 and the SSEB PIA.

(h) A manual computation of PIA 9 and the SSEB PIA under the pre-1980 amendment formula is needed if the employee's disability onset date is 1-1-80 and the employee is initially entitled to the DIB O/M prior to 7-1-80. (The G-90

computation of PIA 9 in this type of case will be under the 1980 amendments, and therefore, is not correct.) Place an "X" in the box before "Compute PIA's" and request PIA 9 and the SSEB PIA.

(i) A manual computation of PIA 1, PIA 9 or the SSEB PIA under the pre 1980 amendment formula is needed if the employee is entitled to a non-covered service pension and does not qualify for an exemption. The manual computation of PIA 17 is also required if the employee is subject to work deductions.

A manual DP&A computation of PIA #21 for retirement cases is required if:

- A spouse is eligible for a windfall before 8-13-81 based on his or her own earnings record and his or her DF at SSA affects the computation of PIA #21 (see RCM 8.11.15D). Place an "X" in the box before "Compute PIA #21" in item 6(a) of Form G-563 and include the DF onset date in item 6(b); or,

- An employee is eligible for a WF before 8-13-81 on the earnings record of a spouse or deceased spouse and a DF for the spouse at SSA or the date of death of the spouse and a DF for the spouse at SSA or the date of death of the spouse affects the computation of PIA #21 (as shown in RCM 8.11.15D and 8.11.115). Place an "X" in the box before "Compute EE PIA #21" in item 6(a) of Form G-563 and include the DF onset date or DOD in item 6(b); or,

- An employee is vested for a WF on the earnings record of a deceased spouse who had some but less than 120 months RR service (including creditable military service) or who had 120 or more months of railroad service but did not qualify for RR survivor benefits due to lack of current connection or, if date of filing or date of death is before 1-1-75, due to lack of insured status. Place an "X" before "Compute PIA #21." Also place an "X" in the box before "use RR Comp as wages." If applicable include the DOD in item 6(b); or,

- The message "SSA Indicates Wrong Account Number" is printed on a pre-1981 amendment spouse G-90. Request a manual computation of PIA #21. Place an "X" in the box before "Compute PIA #21" in item 6(a) of Form G-563 and include any corrected data in item 6(b).

(j) A manual computation of the 6-1974 pass thru PIA may be needed if the 1937 Act rate must be computed in order to convert the annuity to the tier formula (i.e., employee annuity was in suspense during PT-PIA computations). Show the following message in item 8 on Form G-563:

"Please furnish PT-PIA effective prior to 1-1975. Include compensation through ABD and wages through 1971 only."

(k) A manual disability non-exclusion computation of PIA's #1 and/or #9 and/or the SSEB PIA is needed if the employee has substantial earnings within the deemed

or actual period of disability (see RCM 8.11.15). Enter the following message in item 8 of the G-563:

"Please calculate a disability non-exclusion computation for PIA #1, #9 and/or SSEB PIA."

(l) A manual recomputation of PIA's #1, #9 and/or the SSEB PIA based on earnings which have not yet been posted to SSA's earnings record file is needed if the unposted earnings are sufficient to cause a recomputation and either the employee has requested the PIA recomputation or work deductions must be assessed for the year in which the recomputation is first effective (see RCM 8.11.130 - 134). Attach proof of the earnings to the G-563 and enter the following message in item 8 of the G-563:

"Attached is proof of unposted earnings for (year). Please recompute PIA (1, 9 and/or SSEB PIA) effective (date) based on earnings of ($0.00) in (year)."

(m) A manual computation of PIA #1 or PIA #9 or SSEB PIA will be needed if the employee is in receipt of a "non-covered service pension" and does not qualify for one of the exemptions covered in RCM 1.1.15 - 1.1.18.

NOTE: The special minimum PIA, if higher, should be used to compute the benefits. The special minimum is not reduced for a "non-covered service pension."

Attach the latest G-90 for the case to the G-563 and forward these forms to the Bureau of Compensation and Certification.

The manual PIA computation(s) will be returned by on Form G-90a. This form must be signed by the BCC claims examiner who computed the PIAs.

Form G-59R is required to enter manual PIA data into the Research record. (See RCM 9.4, Form G-59R instructions.)

8.11.123 Request for Mechanical PIA Computations at First Notice of Death

The development clerks release Form G-73a to DP&A at first notice of death to request a mechanical computation of PIA #1, PIA #8 and PIA #9. Information available in the claim folder indicating a disability freeze, creditable military service and lag earnings are included on the G-73a at this time.

A mechanical computation of the current PIA data for PIA #1, PIA #3, PIA #9 and PIA #21 (in pre-1981 amendment cases) will be returned by DP&A on Form(s) G-90. Refer to RCM 7.4 for an explanation of the information on Form G-90. Additional manual PIA computations based on information on the G-73a will be returned by DP&A on Form

G-90a. The G-90a must be signed by the DP&A claims examiner who computed the PIA's.

8.11.124 Requests for Manual Computations of PIA #1, PIA #8 or PIA #9 in Survivor Cases

If the following information is received which was not included on the G-73a initial PIA computation request, the wage record is returned to DP&A by the examiner for a manual PIA computation.

(a) A manual computation of PIA #1, PIA #8 or PIA #9 is needed in a case in which a period of disability is established after the death of the employee (see RCM 8.1.84) or in which an established DF period(s) was not included on the G-73a for the initial PIA computation(s) request. Show the period(s) of disability in item 14 of Form G-73a; or,

(b) A manual DP&A computation is required if creditable M/S can be included in the PIA computation (see RCM 5.4). Show the date(s) of the creditable M/S in item 10 of Form G-73a; or,

(c) A manual DP&A computation is required if the lag earnings in the year of death could increase PIA #1 effective in the month of death or could be used to recompute PIA #9 effective January 1 of the following year for the Employee's RIB Limitation amount.

(d) A manual computation of PIA #1, PIA #8 or PIA #9 is needed in a case in which there is a closed period of disability or two separate periods of disability. This is because the mechanical G-90 program will not pick up a disability freeze ending date from Form G-73a.

Attach the latest G-90 for the applicable PIA on the deceased employee's wage record to the G-73a and forward these forms to the Bureau of Data Processing and Accounts.

The manual PIA computation(s) will be returned by DP&A on Form G-90a. This form must be signed by the DP&A claims examiner who computes the PIA's.

8.11.125 Requests for Manual PIA #3 or PIA #21 Computations in Survivor Cases

Form G-563 is used to request a DP&A computation will be needed in the following situations:

- Creditable M/S can be considered to be wages and excluded from the AIME PIA #3 computation (see RCM 5.4); or,

- Compensation only after the previous PIA #3 computation could result in a recomputation of PIA #3 (see 8.11.105); or,

- A widow(er) is eligible for a windfall before 8-13-81 based on his or her own earnings record and his or her disability freeze at SSA affects the previous computation of PIA #21 as shown in RCM 8.11.15D; or,

- A widow(er) is eligible for a windfall before 8-13-81 based on his or her own wage record and this wage record includes some but less than 120 months railroad service (including creditable military service) show: "RR compensation on (General file number or Claim Number) insufficient for RR annuity. Use compensation as wages to compute PIA #21."

- A widow is entitled under the 1981 Amendments and a tier II restored amount is payable. The mechanical G-90 program will not provide PIA #21 for 1981 Amendment cases.

- The child care dropout years provision applied to the employee disability annuity (as determined according to RCM 4.7.120ff and 8.11.17) and the RLS is payable. Request a recomputation of PIA #3 as explained in Form G-563 instructions.

- The employee's PIA #1 was computed under the disability non-exclusion computation provision and PIA #3 will be used to determine the employee's Tier I deductible amount from the residual. Request a disability non-exclusion computation by entering the following message in item 8 of the G-563: "Please calculate a disability non-exclusion computation for PIA #3."

Attach the latest G-90 with the PIA #3 or PIA #21 computation to the G-563 and forward these forms to the Bureau of Data Processing and Accounts.

The manual PIA computation will be returned by DP&A on Form G-90a. This form must be signed by the DP&A claims examiner who computed the PIA.

8.11.130 Requests For Manual PIA Recomputations

In most cases, SS earnings are posted to SSA's earnings record file 12 or more months after the end of the year in which they are earned. Recomputations of PIA 1, PIA 9, and the SSEB PIA which are due as a result of an employee's SS earnings are usually computed only after SSA has posted those earnings. However, employees who request an immediate recomputation and certain employees subject to work deductions may receive a recomputation prior to SSA's posting of earnings if the employee provides acceptable proof of those earnings.

8.11.131 Proof of Unposted SS Earnings

The type of evidence which is acceptable as proof of unposted SS earnings depends upon whether the earnings are wages or self-employment income (SEI).

A. Wages - Form W-2 is considered proof of unposted wages if the Form W-2 meets certain requirements.

Form W-2 is a multiple copy form and only certain copies of the form are acceptable to establish proof of unposted wages. Copy C of Form W-2 (the employee's copy), Copy D (the employer's copy), or a photocopy of Copy C or D are acceptable copies.

Do not accept Copy A (SSA's copy), Copy B (the copy filed with the employee's Federal income tax return), or Copy 2 (the copy filed with the employee's state or local income tax return) as proof of unposted wages. Possession of Copy A, Copy B, or Copy 2 by the employee casts doubt upon the authenticity of the claimed wages. In addition, do not accept a Form W-2 with a checkmark in the "correction" block or a correctional Form W-2C.

In order to establish proof of unposted wages, the Form W-2 must show the employee's name and SSA number, the employer's name, the Federal Insurance Contribution Act (FICA) taxes withheld, and the total wages paid for income tax purposes ("Wages, Tips, and Other Compensation") and for FICA purposes ("Total FICA Wages"). In addition, the Form W-2 must also show two Employer Identification Numbers (EIN). The first EIN is assigned to the employer by the Internal Revenue Service (IRS) and is composed of nine digits. The second EIN is assigned by SSA and always begins with the digits "69."

If an unacceptable copy of Form W-2 is submitted or if any of the necessary information is missing from Form W-2, but a plausible explanation for the deficiency exists, refer the case to M&P-A for a determination regarding the acceptability of the proof.

B. SEI - Form W-2 is usually not completed for self-employed individuals. SEI is reported to the IRS on the following forms, which are filed as part of the income tax return:

(1) Schedule C - A self-employed individual, other than a farmer, reports his business income and expenses to the IRS on Schedule C (Profit (or Loss) from Business or Profession).

(2) Schedule F - A self-employed farmer reports his business income and expenses on Schedule F (Schedule of Farm Income and Expenses).

(3) Form 1065 - Partners who are considered self-employed are credited with their distributive share or ordinary income whether or not actually distributed. Such amounts are reported on Form 1065 (the partnership's informational return).

(4) Schedule SE - All self-employed individuals (including farmers and those individuals who are part of a partnership) compute their SEI on Schedule SE (Computation of Social Security Self-Employment Tax).

To establish proof of unposted SEI, the employee must furnish a copy of Form 1040, a copy of Schedule SE, and a copy of either Schedule C, Schedule F, or Form 1065. In addition, the employee must also submit a signed statement that the tax return is a true and exact copy of the tax return filed with the IRS.

Once the proof of SEI has been obtained all SEI cases must be referred to M&P-A for a determination regarding the acceptability of the proof.

8.11.132 Requirements for Developing Lag SS Earnings

Initiate development action to obtain proof of unposted earnings if:

(1) A PIA recomputation is due based on the unposted earnings (i.e., the unposted earnings are higher than the earnings from a previous benefit computation year). In cases where an employee has no earnings in one of his benefit computation years, any earnings will be sufficient to cause a recomputation;

AND

(2) The unposted earnings were earned in SSA's lag period, which usually includes the current year and the two previous years;

AND

(3) Either:

a. The employee has submitted a written request for a PIA recomputation. This request should not be solicited from the employee. However, if an employee submits a recomputation request on his own initiative, we will act on that request. Consider statements such as "Include these earnings in my annuity computation" and "Increase my annuity for these earnings" as a request for a PIA recomputation;

OR

b. Permanent work deductions must be assessed (or reassessed) for the year in which the PIA recomputation based on the unposted earnings is first effective. For example, if permanent work deductions are being assessed for 1982, and 1981 unposted earnings are sufficient to cause a recomputation effective 1-1-82, take action to develop proof of 1981 earnings.

8.11.133 Field Development

If the employee meets the development requirements in Section 8.11.132, release a memorandum to the district office requesting them to develop proof of earnings. In the memorandum, explain why the proof is needed (i.e., the employee has requested a recomputation or the employee has work deductions) and specify which type of proof is required (either Form W-2 or the appropriate forms from the employee's tax return along with the employee's signed statement). In addition, if the PIA recomputation is being developed because the employee requested it, also request the district office to inform the employee that no action will be taken regarding his recomputation request until proof of earnings is submitted.

If multiple recomputations are due based on unposted earnings, request proof of each year's earnings which trigger a recomputation after the last year for which SSA has posted earnings. In order to recompute a PIA based on unposted earnings, proof must be obtained of all unposted earnings which should be included in the recomputation of the PIA. For example, if an employee has requested a PIA recomputation, and his 1981 and 1982 unposted earnings are high enough to cause a recomputation effective 1-1-82 and 1-1-83, proof of the 1981 and 1982 earnings must be obtained to compute the 1-1-83 recomputation.

If the district office obtains proof of wages, request a manual PIA recomputation per the instructions in Section 8.11.134. If the district office obtains proof of SEI, refer the case to M&P-A for a determination regarding the acceptability of the proof.

If the district office cannot obtain proof of the earnings, no further development action regarding the recomputation should be made at that point. A mechanical AERO recomputation will eventually be made once SSA has posted the earnings.

8.11.134 Obtaining the Recomputed PIA

Manual PIA recomputations based on unposted earnings should only be requested if the requirements in Section 8.11.132 have been met and the employee has submitted proof of the unposted earnings.

To request a PIA recomputation based on unposted earnings, attach the proof of the earnings and the latest G-90 to Form G-563 and send to BCC. In item 8 of the G-563 enter the following message: "Attached is proof of unposted earnings for (year). Please recompute PIA (1, 9, and/or SSEB PIA) effective (date) based on earnings of ($0.00) in (year)."

BCC has been instructed not to provide a recomputed PIA based on unposted earnings unless proof of the unposted earnings is attached to the Form G-563.

After BCC recomputes the PIA's, adjust the case accordingly.

Appendices

Appendix A - PIB/PIA conversion chart 1958-1978 (paper)

Appendix B - AMW PIA conversion chart (SSA Web Site)

Appendix C - Special Minimum PIA Conversion Chart

No. Yrs. Creditable Coverage	Dec. 1992 SPC MIN PIA 3% Increase	Family Maximum	No. Yrs. Creditable Coverage	Dec. 1992 SPC MIN PIA3% Inc.	Family Maximum
11	24.50	36.90	21	270.90	406.60
12	48.90	73.80	22	295.40	443.40
13	73.70	111.00	23	320.20	480.90
14	98.30	147.70	24	344.80	517.70
15	122.90	184.40	25	369.30	554.30
16	147.60	221.80	26	394.20	591.90
17	172.20	258.70	27	418.90	628.70
18	196.90	295.60	28	443.30	665.40
19	221.50	332.60	29	467.90	702.60
20	246.00	369.30	30	492.50	739.30

Special Minimum PIA Conversion Chart

No. Yrs.	Dec. 1993 SPC MIN		No. Yrs.	Dec. 1993	

Creditable Coverage	PIA 2.6% Increase	Family Maximum	Creditable Coverage	SPC MIN PIA 2.6 Inc.	Family Maximum
11	25.10	37.80	21	277.90	417.10
12	50.10	75.70	22	303.00	454.90
13	75.60	113.80	23	328.50	493.40
14	100.80	151.50	24	353.70	531.10
15	126.00	189.10	25	378.90	568.70
16	151.40	227.50	26	404.40	607.20
17	176.60	265.40	27	420.70	645.00
18	202.00	303.20	28	454.80	682.70
19	227.20	341.20	29	480.90	720.80
20	253.30	378.90	30	505.30	758.50

Special Minimum PIA Conversion Chart

No. Yrs. Creditable Coverage	Dec. 1994 SPC MIN PIA 2.8% Increase	Family Maximum	No. Yrs. Creditable Coverage	Dec. 1994 SPC MIN PIA2.8% Inc.	Family Maximum
11	25.80	38.80	21	285.60	417.10
12	51.50	77.80	22	311.40	454.90
13	77.70	116.90	23	337.60	493.40
14	103.60	155.70	24	363.60	531.10
15	129.50	194.30	25	389.50	568.70
16	155.60	233.80	26	415.70	607.20
17	181.50	272.80	27	441.70	645.00

18	207.60	311.60	28	467.50	682.70
19	233.50	350.70	29	493.40	720.80
20	259.30	389.50	30	519.40	758.50

Special Minimum PIA Conversion Chart

No. Yrs. Creditable Coverage	**Dec. 1995 SPC MIN PIA2.6% Increase**	**Family Maximum**	**No. Yrs. Creditable Coverage**	**Dec. 1995 SPC MIN PIA2.6% Inc.**	**Family Maximum**
11	26.40	39.80	21	293.00	439.80
12	52.50	79.80	22	319.40	479.70
13	79.70	119.90	23	346.30	520.30
14	106.20	159.70	24	373.00	560.00
15	132.80	199.30	25	399.60	599.70
16	159.60	239.80	26	426.50	640.40
17	186.20	279.80	27	453.10	680.20
18	212.90	319.70	28	479.60	720.00
19	239.50	359.80	29	506.20	760.10
20	266.00	399.60	30	532.90	799.90

Special Minimum PIA Conversion Chart

No. Yrs. Creditable Coverage	**Dec. 1996 SPC MIN PIA2.9% Increase**	**Family Maximum**	**No. Yrs. Creditable Coverage**	**Dec. 1996 SPC MIN PIA 2.9% Inc.**	**Family Maximum**

11	27.10	40.90	21	301.50	452.50
12	54.30	82.10	22	328.60	493.60
13	82.00	123.30	23	356.30	535.30
14	109.20	164.30	24	383.80	576.20
15	136.60	205.00	25	411.10	599.70
16	164.20	246.70	26	438.80	617.00
17	191.60	287.90	27	466.20	699.90
18	219.00	328.90	28	493.50	740.80
19	246.40	370.20	29	520.80	782.10
20	273.70	411.10	30	548.30	823.10

Special Minimum PIA Conversion Chart

No. Yrs. Creditable Coverage	**Dec. 1997 SPC MIN PIA 2.1% Increase**	**Family Maximum**	**No. Yrs. Creditable Coverage**	**Dec. 1997 SPC MIN PIA 2.1% Inc.**	**Family Maximum**
11	27.60	41.70	21	307.80	462.00
12	55.40	83.80	22	335.50	503.90
13	83.70	125.80	23	363.70	546.50
14	111.40	167.70	24	391.80	588.30
15	139.40	209.30	25	419.70	629.90
16	167.60	251.80	26	448.00	672.70
17	195.60	293.90	27	475.90	714.50
18	223.50	335.80	28	503.80	756.30
19	251.50	377.90	29	531.70	798.50

20	279.40	417.70	30	559.80	840.30

Special Minimum PIA Conversion Chart

No. Yrs. Creditable Coverage	Dec. 1998 SPC MIN PIA 1.3% Increase	Family Maximum	No. Yrs. Creditable Coverage	Dec. 1998 SPC MIN PIA 1.3% Inc.	Family Maximum
11	27.90	42.20	21	311.70	468.00
12	56.10	84.80	22	339.80	510.40
13	84.70	127.40	23	368.40	553.60
14	112.80	169.80	24	396.80	595.90
15	141.20	212.00	25	425.10	638.00
16	169.60	255.00	26	453.80	681.40
17	198.00	297.70	27	482.00	723.70
18	226.40	340.10	28	510.30	766.10
19	254.70	382.70	29	538.60	808.80
20	283.00	425.10	30	567.00	851.10

Special Minimum PIA Conversion Chart

No. Yrs. Creditable Coverage	Dec. 1999 SPC MIN PIA 2.4% Increase	Family Maximum	No. Yrs. Creditable Coverage	Dec. 1999 SPC MIN PIA 2.4% Inc.	Family Maximum
11	28.50	43.20	21	319.40	479.70
12	57.50	86.90	22	348.20	523.10

13	86.80	130.50	23	377.60	567.40
14	115.60	174.00	24	406.70	610.70
15	144.70	217.30	25	435.70	653.90
16	173.80	261.30	26	465.10	698.40
17	202.90	305.10	27	494.00	741.70
18	232.00	348.60	28	523.00	785.20
19	261.00	392.20	29	552.00	829.00
20	290.00	435.70	30	581.10	872.30

Special Minimum PIA Table

Effective for December 2000

Number of Years of Coverage	PIA	Maximum Family Benefit	Number Years of Coverage	PIA	Maximum Family Benefit
11	$ 29.40	44.70	21	330.50	496.40
12	59.50	89.90	22	360.30	541.40
13	89.80	135.00	23	390.80	587.20
14	119.60	180.00	24	420.90	632.00
15	149.70	224.90	25	450.90	676.70
16	179.80	270.40	26	481.30	722.80
17	210.00	315.70	27	511.20	767.60
18	240.10	360.80	28	541.30	812.60
19	270.10	405.90	29	571.30	858.00
20	300.10	450.90	30	601.40	902.80

Special Minimum PIA Table

Effective for December 2001

Number of Years of Coverage	PIA	Maximum Family Benefit	Number Years of Coverage	PIA	Maximum Family Benefit
11	$ 30.10	45.80	21	339.00	509.30
12	61.00	92.20	22	369.60	555.40
13	92.10	138.50	23	400.90	602.40
14	122.70	184.60	24	431.80	648.40
15	153.50	230.70	25	462.60	694.20
16	184.40	277.40	26	493.80	741.50
17	215.40	323.90	27	524.40	787.50
18	246.30	370.10	28	555.30	833.70
19	277.10	416.40	29	586.10	880.30
20	307.90	462.60	30	617.00	926.20

NOTE

Tables preceding 1992 and tables following December 2001 can be found on http://www.ssa.gov/OACT/ProgData/tableForm.html.

Appendix D - Trans & 77 O/S - Bnchmk 1979 (paper)

Appendix E - Trans & 77 O/S - Bnchmk 1980 (paper)

Appendix F - Dis Maximums for Bnchmk 1980 (paper)

Appendix G - Trans & 77 O/S - Bnchmk 1981 (paper)

Appendix H - Trans & 77 O/S - Bnchmk 1982 (paper)

Appendix I - PIA Max Fam Benefits at 6/78 (paper)

Appendix J - Trans & 77 O/S - Bnchmk 1983 (paper)

Appendix K - 77 O/S PIA - Bnchmk 1984 (paper)

Appendix L - 77 O/S PIA - Bnchmk 1984 (paper)

Appendix M – Determining Years of Coverage for the Non Covered Service Pension

This appendix should be used to compute the years of coverage when determining the PIA reduction for a non-covered service pension (NCSP) offset. The years of coverage are the base years since 1937 in which the wage earner is credited with the amount of earnings indicated in this section.

All raw compensation and wages on the earnings record, including SEI, military service (MS) wages and deemed M/S credits, from 1937 to present are used to determine the total number of YOCs for NCSP offset purposes.

> Note: Deemed M/S credits, while applicable from 1957-2001, began appearing in the wages totals on EDM beginning with 1968 forward. Therefore, when determining years of coverage, be sure to manually add in $300 per quarter of coverage for those employees having M/S in the 1957-1967 period.
>
> Example: The employee had M/S from 8/1/60 through 7/16/1963 with the following wages posted:

Year	Wages	QC Pattern	Deemed MS	Wage totals	YOC earned

1960	$540.29	NNCC	$600.00	$1140.29	No
1961	$1134.26	CCCC	$1200.00	$2334.26	Yes
1962	$1315.59	CCCC	$1200.00	$2515.59	Yes
1963	$696.47	CCCN	$900.00	$1596.47	Yes

The deemed MS credits provide for 1961 and 1963 to be years where a YOC is earned, which wouldn't otherwise have earnings totals high enough ($1200.00 needed to earn a YOC for 1959-1965) to earn a YOC.

A. For 1937-1950 Period - Divide the total earnings (wages and compensation) credited to the individual in the 1937-1950 period by $900 (disregarding any fraction). The result (up to a maximum of 14 years) is the number of years of coverage in the 1937-1950 period (wages and compensation of $12,600 or more will give 14 years of coverage).

The chart below displays the number of coverage years that can be creditable for years between 1937-1950.

YEARS OF COVERAGE CHART

EARNINGS BETWEEN 1937-1950	COVERAGE YEARS
900.00 - 1,799.99	1
1,800.00 - 2,699.99	2
2,700.00 - 3,599.99	3
3,600.00 - 4,499.99	4
4,500.00 - 5,399.99	5
5,400.00 - 6,299.99	6
6,300.00 - 7,199.99	7
7,200.00 - 8,099.99	8
8,100.00 - 8,999.99	9
9,000.00 - 9,899.99	10

9,900.00 - 10,799.99	11
10,800.00 - 11,699.99	12
11,700.00 - 12,599.99	13
12,600.00 - and over	14

B. For Years After 1950 - The years and amounts necessary to establish a year of coverage are as follows:

Year	Earnings Needed	Year	Earnings Needed
1951-1954	$ 900	1993	10,725
1955-1958	1,050	1994	11,250
1959-1965	1,200	1995	11,325
1966-1967	1,650	1996	11,625
1968-1971	1,950	1997	12,150
1972	2,250	1998	12,675
1973	2,700	1999	13,425
1974	3,300	2000	14,175
1975	3,525	2001	14,925
1976	3,825	2002	15,750
1977	4,125	2003	16,125
1978	4,425	2004	16,275
1979	4,725	2005	16,725
1980	5,100	2006	17,475
1981	5,550	2007	18,150
1982	6,075	2008	18,975

Year	Earnings Needed	Year	Earnings Needed
1983	6,675	2009	19,800
1984	7,050	2010	19,800
1985	7,425	2011	19,800
1986	7,875	2012	20,475
1987	8,175	2013	21,075
1988	8,400	2014	21,750
1989	8,925	2015	22,050
1990	9,525	2016	22,050
1991	9,900	2017	23,625
1992	10,350		

An RRB misinterpretation of Social Security procedure caused an incorrect NCSP offset calculation for some cases where the employee had earnings for years 1991 through 2002. The CCU program which makes these calculations was corrected in November, 2002. We are applying administrative finality prospectively to those rates incorrectly paid based on our misinterpretation. But a rate correction should only be made if the annuity is being adjusted for a reason other than the rate correction. (Use code paragraph 435.5 for these rate corrections.) Examiners, who need to recalculate the NCSP-reduced PIA for periods prior to the month of the rate correction, should denote on their G-563 request that they need “old rule” NCSP calculations and for what period.

Example: The employee’s NCSP PIA reduced annuity rate was corrected on an April 1, 2003 voucher. In August 2003, it was discovered that the employee had earnings in 2002, which would result in a PIA recomputation effective January 1, 2003. The employee’s NCSP-reduced PIA should be recomputed for the period January 2003 through March 2003 using the “old rule” NCSP PIA calculation. The “new rule” NCSP-reduced PIA calculation should be used to recompute the annuity effective April 1, 2003 with the 2002 earnings.

Refer to FOM1 130 for FOIA and PA information.