



RRB News

U.S. Railroad Retirement Board

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Railroad Retirement/Social Security COLA Correction

Some railroad retirement annuitants, like social security beneficiaries, will see a small increase in their monthly benefits, beginning with a retroactive payment in late July. Because of a Department of Labor error in calculating the rise in the Consumer Price Index (CPI) during the 12 months preceding October 1999, the cost-of-living adjustment payable in January 2000 for railroad retirement tier I and social security benefits was 2.4 percent, rather than the 2.5 percent due.

Tier II railroad retirement benefits, which increase by 32.5 percent of the CPI rise, were not affected, as the 0.1 percent error in the CPI was too small to trigger a change in the tier II cost-of-living increase of 0.8 percent paid for calendar year 2000.

The Railroad Retirement Board estimates that 92 percent (about 283,000) of the retired employees on its rolls along with 38 percent (about 61,000) of spouse beneficiaries and 79 percent (about 159,000) of survivor beneficiaries are affected. About 95 percent of all those affected have been underpaid \$1.00 a month or less since January 2000, while another 5 percent have been underpaid up to \$2.00 a month. The retroactive payments are therefore expected to average \$19 for those on the rolls since January 2000.

The Railroad Retirement Board, like the Social Security Administration, plans to issue retroactive payments in late July. The Board will begin monthly payments at the corrected amounts on August 1.

In general, annuitants are affected by this adjustment if the employee was age 62 or rated disabled by the Railroad Retirement Board before 2000. The Board will, in any case, notify all beneficiaries whether or not their benefits are affected by the adjustment.

Annuitants who have questions about this adjustment should contact the nearest field office of the Railroad Retirement Board. They can find the address and phone number of the Board office serving their area by calling the automated toll-free RRB Help Line at 1-800-808-0772 or by checking the Board's Web site at www.rrb.gov. Most Board field offices are open to the public from 9:00 a.m. to 3:30 p.m. Monday through Friday.

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