



Railroad Unemployment and Sickness Benefits

U.S. Railroad Retirement Board

Mission Statement

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

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

This pamphlet is issued for the purpose of general information. Certain limitations, exceptions, and special cases are not covered.

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Introduction

The Railroad Unemployment Insurance Act provides two kinds of benefits for railroad employees: unemployment benefits, when you are not working but are ready, willing and able to work; and sickness benefits, when you are unable to work because of illness or injury. Sickness benefits are also payable to female employees unable to work because of pregnancy, miscarriage, or childbirth.

Benefit payments are based on biweekly claims filed with the Railroad Retirement Board, the Federal agency responsible for administering the Railroad Unemployment Insurance Act.

The funds to pay unemployment and sickness benefits are provided by payroll taxes on railroad employers only. Employees do not pay unemployment insurance taxes.

The following describes the requirements for railroad unemployment and sickness benefits, the amounts payable, and how to claim them.

For more information about railroad unemployment and sickness benefits or any other program of the railroad retirement system, contact the nearest office of the Railroad Retirement Board. To locate the nearest Board office, you may call the automated toll-free RRB Help Line at 1-800-808-0772 or access the Board's Web site at www.rrb.gov. You may also look in the telephone directory under "United States Government," or check with your union representative, a rail employer, a local post office, or the nearest Federal Information Center. Most Board offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday, except on Federal holidays.

Railroad unemployment and sickness insurance claimants may also access claim and benefit information through the RRB Help Line. Claimants calling the Help Line are able to select various information options from a voice menu. While general information is available to all callers, those wishing to

access specific claim and benefit information are required to enter a social security number and a personal identification number (PIN). Claimants are advised of their PINs in a message printed on unemployment and sickness claim forms issued by the Board.

The Help Line is available 24 hours a day, 7 days a week.

In addition, information on the Board may be accessed through the Board's Web site. Information is available on benefit requirements, customer service standards, field office e-mail addresses, and other topics of interest to both active and retired railroad employees.

Base Year-Benefit Year

A new benefit year for unemployment and sickness benefits begins every July 1. To qualify in the benefit year beginning July 1, 2002, you must have base year earnings of \$2,625 in calendar year 2001, not counting earnings of more than \$1,050 per month. To qualify in the benefit year beginning July 1, 2003, you must have base year earnings of \$2,750 in calendar year 2002, not counting earnings of more than \$1,100 per month. If the base year was your first year of railroad service, you must also have worked in five months of that year.

If you do not meet these requirements but have at least 10 years of service, you might still be able to qualify under the conditions described on the following pages for extended and accelerated benefits.

Biweekly Benefits

The maximum daily benefit payable in benefit year 2002-03 is \$52 and, for biweekly claims, maximum benefits can total \$520. The daily benefit rate will increase to \$55 in July 2003, and may increase at the beginning of each future

benefit year depending on the growth in average national wages. Sickness benefits payable for the first six months after the employee last worked are subject to tier I railroad retirement payroll taxes, unless benefits are being paid for an on-the-job injury.

Registration and waiting period.-- Benefits are normally paid for the number of days of unemployment or sickness over four in 14-day registration periods. Initial sickness claims must also begin with four consecutive days of sickness. However, during the first 14-day claim period in a benefit year, benefits are only payable for each day of unemployment or sickness in excess of seven which, in effect, provides a one-week waiting period. But, only one seven-day waiting period is required during any period of continuing unemployment or sickness, even if that period continues into a subsequent benefit year.

Strike benefits.-- If you are unemployed because of a strike conducted in accordance with the Railway Labor Act, benefits are not payable for days of unemployment during the first 14 days of the strike, but benefits are payable during subsequent 14-day periods. If a strike is in violation of the Railway Labor Act, unemployment benefits are not payable to employees participating in the strike. However, employees not among those participating in such an illegal strike, but who are unemployed on account of the strike, may receive benefits after the first two weeks of the strike.

While a benefit year waiting period cannot count toward a strike waiting period, the 14-day strike waiting period may count as the benefit year waiting period if you subsequently become unemployed for reasons other than a strike later in the benefit year.

Duration of Benefits

Normal benefits.-- Normal benefits are paid for up to 130 days (26 weeks) in a benefit year. Benefit rights are exhausted when a benefit year ends (normally June 30) or earlier if benefit payments equal base year creditable earnings. For purposes of determining maximum normal benefits payable in benefit year 2002-03, monthly earnings of up to \$1,356 in base year 2001 are counted. In benefit year 2003-04, monthly earnings up to \$1,421 in base year 2002 will be counted.

Extended benefits.-- If you have 10 or more years of service and exhaust your normal unemployment or sickness benefits, you may be eligible to receive extended benefits for up to 65 days (13 consecutive weeks). Also, if you are not qualified for normal benefits in the current benefit year, but received normal benefits in the previous year, you may still be eligible for extended benefits.

In order to qualify for extended unemployment benefits, you must not have voluntarily quit work without good cause and not have voluntarily retired. To qualify for extended sickness benefits, you must not have voluntarily retired and must be under age 65.

Accelerated benefits.-- If you have 10 or more years of service and your earnings do not qualify you for unemployment or sickness benefits in the current benefit year, but will qualify you in the next benefit year, you may be able to receive normal unemployment or sickness benefits before the regular beginning date of the next benefit year. To be eligible, you must have 14 or more consecutive days of either unemployment or sickness; not have voluntarily retired or, if claiming unemployment benefits, quit work without good cause; and be under age 65 when claiming sickness benefits.

General Requirements

To be eligible for unemployment benefits, you must be ready, willing and able to work and be available for work. A "day of unemployment" is a day on which you meet these conditions and do not receive any pay, are not disqualified, and have properly registered for unemployment benefits. If you are in train and engine service, any calendar day on which you do not work solely because of a mileage limitation or work-restriction agreement or solely because you are between regularly assigned trips or tours of duty, or because you missed a turn in pool service, is not considered a day of unemployment.

To be eligible for sickness benefits, you must be unable to work because of illness or injury. A "day of sickness" is a day on which you meet this condition and for which you do not receive any pay and have filed a "statement of sickness" signed by your doctor or other authorized individual. This statement provides evidence of your medical condition and its expected duration.

You may not receive benefits for any day for which you receive pay. This includes railroad and nonrailroad wages, salary, pay for time lost, pay while sick, dismissal allowances, most wage guaranty payments, vacation pay, holiday pay, military reservist pay, earnings from self-employment, or remuneration other than subsidiary remuneration.

However, payments received under an approved non-governmental supplemental unemployment or sickness insurance plan, your own health or accident insurance policy or a group insurance policy will not affect entitlement to unemployment or sickness benefits and should not be reported on your claims.

Also, an earnings test is applied to unemployment claims. If a claimant's earnings for days worked, and/or days of vacation or paid leave, in a 14-day registration period are more

than a certain indexed amount, no benefits are payable for any days of unemployment in that period. Earnings include pay from self-employment and railroad, nonrailroad, and part-time work. Earnings also include pay that you would have earned except for your failure to mark up or report for duty on time, or because you missed a turn in pool service or were otherwise not ready or willing to work. For the benefit year beginning July 2002, the earnings test is \$1,050; and for the benefit year that begins July 2003 the test will be \$1,100. These amounts correspond to the base year monthly compensation amounts used in determining eligibility for benefits in each year. Also, even if an earnings test applies on the first claim in a benefit year, this will not prevent the first claim from satisfying the waiting period in that benefit year.

On the other hand, earnings of not more than \$15 a day from work which is substantially less than full-time and not inconsistent with the holding of normal full-time employment may be considered subsidiary remuneration and may not prevent payment of any days in a claim. However, be sure to report all full and part-time work on your claims, regardless of the amount of your earnings, so the Board can determine whether it affects your benefits.

How to Claim Unemployment and Sickness Benefits

In order to receive *unemployment benefits*, you must obtain an application from your employer, labor organization, local Railroad Retirement Board office or the Board's Web site (www.rrb.gov). The completed application should be mailed to the local Board office as soon as possible and, in any case, must be filed within 30 days of the date on which you became unemployed or the first day for which you wish to claim benefits. Benefits may be lost if the application is filed late.

The local Board office reviews the completed unemployment application and notifies your base-year railroad employer, and your current employer if different. Your employer has

the right to provide information about your benefit application. Biweekly claim forms are then mailed to you as long as you remain unemployed and eligible for benefits.

The Board must notify your base-year employer each time you file a claim for unemployment benefits and give that employer an opportunity to submit information relevant to the claim before the Board makes an initial determination on it. In addition, your current employer is also notified. The Board must also notify your base-year employer each time benefits are paid to you. The base-year employer may appeal the decision to pay benefits. The appeal does not prevent the timely payment of benefits. However, you may be required to repay benefits if the appeal is successful.

You should contact a Board office if you do not receive a claim or notice of ineligibility within 15 days of mailing an application or claim.

Claim forms should be signed and mailed only on or after the last day of the claim. The completed claim must be received by a Board office within 15 days of the end of the claim or the date the claim was mailed to you, whichever is later.

Only one application need be filed during a benefit year even if you become unemployed more than once. In that case, you must request a new claim form from a Board office within 30 days of the first day for which you want to claim benefits.

An application for *sickness benefits* can be obtained from railroad employers, railroad labor organizations, any Board office or the Board's Web site (www.rrb.gov). An application and a doctor's statement of sickness are required at the beginning of each "period of continuing sickness" for which benefits are claimed. The Board suggests that you keep an application form on hand for use in claiming sickness benefits, and that your family knows where the form is kept and how to use it.

Attached to each application is a statement of sickness which must be completed by your doctor. If you become unable to work because of sickness or injury, complete your application and take or send it to your doctor for completion of the statement of sickness.

If you are too sick to complete the application, someone else may do it for you. In such cases, a member of your family should also complete the "Statement of Authority to Act for Employee," which accompanies the statement of sickness.

After completion, the forms should be mailed to the Board's headquarters in Chicago by the seventh day of illness or injury for which benefits are claimed. After the Board receives your application and statement of sickness and determines eligibility, biweekly claim forms are mailed to you for completion and return to a Board field office for processing.

The claim forms must be received at the Board within 30 days of the last day of the claim period, or within 30 days of the date the claim form was mailed to you, whichever is later. Benefits may be lost if an application or claim is filed late. If an unemployment or sickness application or claim is filed late, you should include a signed statement explaining the reason for the late filing.

As with claims for unemployment benefits, the Board must notify your base-year employer each time a claim for sickness benefits is filed. That employer has the right to submit information relevant to the claim before the Board makes its initial determination. In addition, your current employer is also notified. The Board must also notify your base-year employer each time benefits are paid to you. The base-year employer may appeal the decision to pay benefits. The appeal does not prevent the timely payment of benefits. However, you may be required to repay benefits if the appeal is successful.

Payments.--If you file an application for benefits you may expect to receive a claim form, or a decision on your application, within 15 days of the date you filed your application. When you file your biweekly claims, you may expect to receive a payment, or a decision on your claim, within 15 days of the date a Board office receives your claim form.

However, some claims for benefits may take longer to handle than others if they are more complex, or if a Board office has to get information from other people or organizations. If this happens, you may expect an explanation and an estimate of the time required to make a decision.

The normal method of payment for railroad unemployment and sickness benefits is by Direct Deposit. With Direct Deposit, payments are issued directly to a claimant's bank, savings and loan, credit union or other financial institution. Applicants for unemployment and sickness benefits are asked to provide information needed for Direct Deposit enrollment.

Free Placement Service

The Railroad Unemployment Insurance Act authorizes the Board to operate a free placement service. The primary purpose of the placement service is to secure new employment for experienced railroad workers who have lost their jobs.

When you apply for unemployment benefits you also apply for employment service. You will probably be interviewed by a Board representative who will try to help you secure employment if you do not have good prospects of returning to your former job. You may be referred by the representative to a suitable railroad job; otherwise, an effort will be made to place you in a nonrailroad job for which you appear qualified. As part of its placement service, the Board maintains a list of job openings reported by railroads to its field offices. The list is available for review at all offices of the Board and on the Board's Web site (www.rrb.gov).

Disqualifications

If you have been paid a separation allowance by your employer, you cannot receive unemployment or sickness benefits for roughly the period of time it would have taken to earn the amount of the allowance.

If you leave either your railroad or nonrailroad job voluntarily without good cause, you will be disqualified for railroad unemployment benefits until you have returned to railroad work and earned wages sufficient to qualify for benefits again.

If you leave work voluntarily with good cause, you will be disqualified for unemployment benefits for periods in which you could receive unemployment benefits under another law. If you are not qualified for other unemployment benefits, you may receive railroad unemployment benefits.

If you refuse to accept suitable work, or fail to follow instructions to apply for work or to report to a State unemployment office or a Board office for an interview, you may be disqualified for unemployment benefits for 30 days.

You will be disqualified for unemployment benefits for any day on which you take part in a strike which began in violation of the Railway Labor Act or in violation of the established rules and practices of your labor organization.

You may be disqualified for sickness benefits if you fail to take a medical examination when required by the Board.

You will be disqualified for both unemployment and sickness benefits for 75 days if you make a false or fraudulent statement or claim to obtain benefits. You may also be subject to fine or imprisonment. The Railroad Retirement Board checks with Federal agencies, all 50 States (as well as the District of Columbia and Puerto Rico), and railroads to detect fraudulent benefit claims. The Board also checks with physicians to verify the accuracy of medical statements supporting sickness benefit claims.

Receipt of Other Benefits

If you receive a regular retirement or survivor benefit under the Railroad Retirement Act, Social Security Act, or any other social insurance law for days for which you are also entitled to benefits under the Railroad Unemployment Insurance Act, your unemployment or sickness benefits are payable only to the extent to which they exceed the other payments for those days. Examples of other such social insurance payments are military pensions, firefighters' and police pensions, or certain workers' compensation payments. *Claimants should report all such other payments promptly to avoid having to refund benefits later.*

There is no reduction in unemployment or sickness benefits for benefits paid under a Board-approved nongovernmental sickness insurance plan, such as a supplemental sickness benefit plan established by a railroad. Similarly, there is no reduction in benefits if you receive supplemental unemployment benefits under a Board-approved nongovernmental unemployment benefit plan. But unemployment and sickness benefits provided under the Railroad Unemployment Insurance Act are not payable to you if you also receive Federal/State unemployment or sickness benefits under other laws, including Canadian law, for the same period of time.

Damages

If you receive sickness benefits for an injury or illness for which you are paid damages, the Board is entitled to reimbursement of either the amount of the benefits paid for the injury or illness, or the net amount of the settlement (after deducting your gross medical, hospital, and legal expenses), whichever is less.

Protective Allowances

Unemployment benefits can sometimes be paid even though you are covered by a job protection plan which guarantees you a certain amount of work or wages each month. However, if you receive a protective allowance from your employer for a period for which benefits were paid, some or all of the benefits will have to be refunded. Report such allowances promptly to the Board.

Appeals

Employers.-- Employers have the right to appeal claims of their employees, but such appeals do not prevent timely payment of benefits. However, employees may be required to repay benefits if their employers' appeals are successful.

Employees.-- If you disagree with a decision made on your claim, you have 60 days from the date of the initial notice of the decision in which to file a written statement requesting reconsideration from the Board office that made the decision. This step is mandatory before a decision may be appealed to the Board's Bureau of Hearings and Appeals. Failure to request reconsideration within 60 days will result in forfeiture of further appeal rights.

If the case involves a benefit overpayment of more than 10 times the maximum daily benefit rate, you may request a waiver of repayment. A request for waiver filed within 30 days will, in certain cases, defer recovery of the overpayment from subsequent benefit payments. If you request waiver, you may be asked to complete a financial statement on a form provided by the Board. If dissatisfied with the reconsideration or waiver decision of a Board office, you may, within 60 days, appeal to the Board's Bureau of Hearings and Appeals.

If not satisfied with the Bureau of Hearings and Appeals' decision, you may further appeal, within 60 days, to the three-member Board.

If not satisfied with the three-member Board's decision, you may file a petition for a review of your claim by a U.S. Court of Appeals. A petition for review must be filed within 90 days of the notice of the Board's decision.

Income Taxes

Unemployment benefits paid by the Board are subject to Federal income tax, just like unemployment benefits paid under State government programs.

Sickness benefits paid by the Board, except for sickness benefits resulting from on-the-job injuries, are subject to Federal income tax under the same limitations and conditions that apply to the taxation of sick pay received by workers in other industries.

The Railroad Unemployment Insurance Act specifically provides that railroad unemployment and sickness benefits are not subject to State income taxes. Each year, the Board sends railroad employees Form 1099-G showing the total amount of unemployment benefits paid during the previous year and/or a Form W-2 showing the net amount of sickness benefits paid.

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Comments? If you have any comments or suggestions regarding the presentation of information in this publication, please let us know. You can fax us at 1-312-751-7154, e-mail us at opa@rrb.gov or write us at the following address: Office of Public Affairs, U.S. Railroad Retirement Board, 844 North Rush Street, Chicago, IL 60611-2092.

Fraud and Abuse Hot Line

Call the toll-free Hot Line if you have reason to believe that someone is receiving railroad retirement or unemployment-sickness benefits to which he or she is not entitled; that a person responsible for the financial affairs of a minor or other benefit recipients who are unable to manage their own affairs is misappropriating benefits; or that a doctor, hospital or other provider of health care services is performing unnecessary or inappropriate services or billing Medicare for services not provided. You may also use the Hot Line to report any suspected misconduct by a Railroad Retirement Board employee. The Hot Line has been installed by the Railroad Retirement Board's Inspector General to receive any evidence of such fraud or abuse of the Board's benefit programs.

The toll-free Hot Line number nationwide is 1-800-772-4258. Or you may send your complaints in writing to RRB, OIG, Hot Line Officer, 844 North Rush Street, Chicago, Illinois 60611-2092 or via e-mail at [hotline @oig.rrb.gov](mailto:hotline@oig.rrb.gov).

Please do not call or write the Inspector General's Hot Line with questions about eligibility requirements, delayed payments, or similar problems. Such matters should be directed to the nearest Railroad Retirement Board office.



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Nondiscrimination on the Basis of Disability

Under Section 504 of the Rehabilitation Act of 1973 and Railroad Retirement Board regulations, no qualified person may be discriminated against on the basis of disability. The Board's programs and activities must be accessible to all qualified applicants and beneficiaries, including those with impaired vision and/or hearing. Individuals with disabilities needing assistance (including auxiliary aids or program information in accessible formats) should contact the nearest Board office. Complaints of alleged discrimination by the Board on the basis of disability must be filed within 90 days in writing with the Director of Administration, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092. Questions about individual rights under this regulation may be directed to the Board's Director of Equal Opportunity at the above address.

**U.S. Railroad Retirement Board
844 North Rush Street
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www.rrb.gov**

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