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U.S. RAILROAD RETIREMENT

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Recovery Act Providing Special Extended Unemployment Benefits

The American Recovery and Reinvestment Act of 2009 (Recovery Act), signed into law by President Obama on February 17, 2009, contains a number of provisions that affect railroad retirement annuitants and railroad workers. Among other provisions, this Act provides up to 13 weeks of special extended unemployment benefits for certain railroad workers who exhaust their rights to the benefits normally provided under the Railroad Unemployment Insurance Act (RUIA). The following questions and answers provide information about these special extended unemployment benefits.

1. Who will receive the special extended unemployment benefits?

- Railroad workers who previously were not eligible for extended unemployment benefits because they did not have 10 years of railroad service (120 cumulative service months) may be eligible for up to 65 days within an extended period consisting of 7 consecutive 2-week registration periods.
- Railroad workers who were previously eligible for extended unemployment benefits of up to 65 days may now be eligible for extended benefits of up to 130 days within an extended period consisting of 13 consecutive 2-week registration periods.

2. I have 8 years of railroad service and I ran out of my normal unemployment benefits on January 15, 2009. Am I eligible to receive the special extended unemployment benefits?

Yes, you would be eligible to receive up to 65 days within an extended period consisting of 7 consecutive 2-week registration periods. Your extended benefit period would begin on January 16, 2009, and benefits would be payable provided that you were still unemployed and ready, willing and able to work.

3. I have 20 years of railroad service and I exhausted my extended unemployment benefits on February 27, 2009. Am I eligible to receive the special extended unemployment benefits?

Yes, you would be eligible to receive an additional 65 days within an extended period consisting of a total of 13 consecutive 2-week registration periods. Your extended benefit period would last an additional 7 consecutive 2-week registration periods past February 27. Benefits would be payable provided that you were still unemployed and ready, willing and able to work.

4. What effect will the new law have on sickness benefits?

The extended unemployment benefit provisions of the American Recovery and Reinvestment Act apply only to unemployment benefits. No additional extended sickness benefits are payable. If you have less than 10 years of service, you are still not eligible for extended sickness benefits. If you have 10 or more years of service, you are still eligible to receive up to 65 days within an extended sickness benefit period consisting of 7 consecutive 2-week registration periods.

5. What must I do to receive my special extended unemployment benefits?

The Railroad Retirement Board (RRB) will mail notices to eligible employees who previously exhausted their rights to normal or extended unemployment benefits. The notice will provide information about their extended unemployment benefit period beginning and ending dates. The RRB will also mail claim forms for days in the extended period. If you do not receive a notice and you believe you are eligible for these added benefits, you can contact your local RRB office as outlined below.

6. When will my special extended unemployment benefit period begin?

In general, your special extended unemployment benefit period will begin the day after you exhausted any normal or regular extended unemployment benefits.

7. What is the latest date that a special extended benefit period can begin?

Special extended unemployment benefit periods can begin no later than December 31, 2009.

8. When will my special extended unemployment benefits end?

Special extended unemployment benefits are being paid from the appropriation of \$20 million provided by the American Recovery and Reinvestment Act. Payment of special unemployment benefits will stop at the end of a person's extended unemployment benefit period or when the \$20 million has been spent - whichever comes first.

9. I returned to work and am now unemployed again. Can my special extended unemployment period beginning date be changed?

It depends. Extended benefit periods are frozen periods once they are established. If you exhausted normal benefits and did not receive any extended unemployment benefits, we can change the beginning date of your special extended unemployment benefit period. If, however, you already received some extended unemployment benefits but are

now eligible for the additional 65 days, your extended benefit period beginning date can't be changed. Instead, we will change the ending date of your extended period to allow for the payment of any additional days you may be entitled to.

10. How can I file my claims?

Upon receipt of the unemployment claims, you may file your claims by mailing them to your local RRB office or by filing them over the Internet at www.rrb.gov. You will need to establish a PIN/password to file your claims over the Internet.

11. What is the fastest way to get my benefits?

Filing your claims over the Internet and signing up for Direct Deposit help ensure faster delivery of your claims and benefit payments. You should establish a PIN/password account at www.rrb.gov now so that you can file your claims over the Internet once you receive notice that your extended period has been established. In addition, please notify your local RRB office if you have moved or if your bank account information has changed. Also, even if your Direct Deposit information has not changed but you were last paid benefits in 2008, call us to report this information again so we can pay your benefits faster and safer electronically. You may contact your local RRB office to sign up for Direct Deposit, make changes to your existing Direct Deposit information and update your address.

12. When will you start paying these special benefits?

Benefits paid under the Railroad Unemployment Insurance Act are financed from taxes paid by railroad employers. However, these special extended unemployment benefits are being paid specifically from a \$20 million appropriation provided under the Recovery Act legislation. Many of our automated systems need to be changed to allow for this exception. We are working on these changes and expect to begin paying eligible individuals no later than June 30, 2009.

13. What if I exhaust all of my normal, regular extended and/or special extended unemployment benefits?

A new benefit year begins July 1, 2009. You may receive unemployment benefits beginning July 1 or later if your railroad earnings were at least \$3,200 in calendar year 2008, counting no more than \$1,280 a month. You can obtain an application for benefits at your local RRB office or file an application over the Internet at www.rrb.gov. Applications are also available through railroad employers and many labor organizations. If you file for unemployment benefits, your application must be received within 30 days of the first day for which you want to claim benefits, or you may lose benefits.

14. Will the special extended unemployment benefits I receive because of the Recovery Act count as income for Federal income tax purposes?

Yes. Under current law, all unemployment benefits are subject to taxation. We will report the amount of the special extended benefits you receive because of the Recovery Act on the Form 1099-G you receive in January, along with all other railroad unemployment benefits paid to you during the previous year. Under another provision of the Recovery Act, however, there will be no Federal income tax on the first \$2,400 of unemployment benefits paid to you in 2009. This special rule applies only to unemployment benefits paid to you in 2009.

15. I am a railroad employer. Will the payment of these special extended unemployment benefits to my employees affect my RUIA experience-based contribution rate?

No, any special extended unemployment benefits paid based on the American Recovery and Reinvestment Act of 2009 will be charged to the \$20 million appropriation we will receive. These benefits will not be charged to the claimant's base year employer's benefit account balance and consequently will not be used when calculating the base year employer's experience-rated RUIA contribution rate for any future years.

16. How do I get more information?

Please call your local RRB office toll-free at 1-877-772-5772 (1-877-RRB-5RRB), or check our Web site at www.rrb.gov for further information.

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