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U.S. Railroad Retirement Board

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Working After Retirement

Retirees, and those planning retirement, should be aware of the railroad retirement laws governing benefit payments to annuitants who work after retirement.

The following questions and answers describe these railroad retirement work restrictions and earnings limitations on post-retirement employment, and how these rules can affect retirees engaging in self-employment.

1. What are the basic railroad retirement work restrictions and earnings limitations that apply to post-retirement work?

Neither a regular railroad retirement annuity (whether based on age and service or on disability) nor a supplemental annuity is payable for any month in which a retired employee, regardless of age, works for an employer covered under the Railroad Retirement Act, including labor organizations. This is true even if only one day's service is performed during the month and includes local lodge compensation totaling \$25 or more for any calendar month.

A spouse annuity is not payable for any month in which the employee's annuity is not payable, or for any month in which the spouse, regardless of age, works for an employer covered under the Railroad Retirement Act. (Effective August 17, 2007, a divorced spouse can receive an annuity even if the employee has not retired, provided they have been divorced for a least 2 years, the employee and spouse are at least age 62, and the employee is fully insured under the Social Security Act using combined railroad and social security earnings.) A survivor annuity is not payable for any month the survivor works for an employer covered under the Railroad Retirement Act, regardless of the survivor's age.

Also, like social security benefits, railroad retirement tier I benefits and vested dual benefits paid to employees and spouses, and tier I, tier II and vested dual benefits paid to survivors are subject to deductions if an annuitant's earnings exceed certain exempt amounts.

These earnings deductions do not apply to those who have attained full social security retirement age. Full retirement age for employees and spouses ranges from age 65 for those born before 1938 to age 68 for those born in 1960 or later. Full retirement age for survivor annuitants ranges from age 65 for those born before 1940 to age 67 for those born in 1962 or later. Deductions for all annuitants, however, remain in effect for the months before the month of full retirement age during the calendar year of attainment. (The attainment of full retirement age does not mean an annuitant can return to work for an employer covered under the Railroad Retirement Act. As explained above, no annuity is payable for any month in which the annuitant works for a railroad employer, regardless of the annuitant's age.)

2. What are the current exempt earnings amounts for those annuitants subject to earnings limitations?

For those under full retirement age throughout 2007, the exempt earnings amount is \$12,960. For beneficiaries attaining full retirement age in 2007, the exempt earnings amount is \$34,440 for the months before the month full retirement age is attained.

For those under full retirement age throughout the year, the earnings deduction is \$1 in benefits for every \$2 of earnings over the exempt amount. For those attaining full retirement age in 2007, the deduction is \$1 for every \$3 of earnings over the exempt amount in the months before the month full retirement age is attained.

Earnings received for services rendered, plus any net earnings from self-employment, are considered when assessing deductions for earnings. Interest, dividends, certain rental income or income from stocks, bonds, or other investments are not considered earnings for this purpose.

Additional deductions are assessed for retired employees and spouses who work for their last pre-retirement nonrailroad employer and special restrictions apply to disability annuitants.

3. What are the additional deductions applied to the annuities of retired employees and spouses working for their last pre-retirement nonrailroad employer?

Such employment will reduce tier II benefits and supplemental annuity payments, which are not otherwise subject to earnings deductions, by \$1 for each \$2 of compensation received subject to a maximum reduction of 50 percent. The deductions in the tier II benefits and supplemental annuities of individuals who work for pre-retirement nonrailroad employers apply even if earnings

do not exceed the tier I exempt earnings limits. Also, while tier I and vested dual benefit earnings deductions stop when an annuitant attains full retirement age, these tier II and supplemental annuity deductions continue to apply after the attainment of full retirement age.

4. Can a retired employee's earnings also reduce a spouse's benefit?

A spouse benefit is subject to reductions not only for the spouse's earnings, but also for the earnings of the employee, regardless of whether the earnings are from service for the last pre-retirement nonrailroad employer or other post-retirement employment.

5. What are the special earnings restrictions applied to disability annuitants?

A disability annuity is not payable for any month in 2007 in which the annuitant earns more than \$700 in any employment or net self-employment, exclusive of disability-related work expenses. If a disabled annuitant's earnings in a year (after deduction of disability-related work expenses) exceed the annual limit, the annuity is not payable for the number of months derived by dividing the amount by which those earnings exceed the annual limit by the amount of the monthly limit. Any resulting fraction of a month equal to or greater than one-half (0.5) is rounded up, increasing the number of months in which the annuity is not payable by one. For example, a disability annuitant earns \$9,500 in 2007, which is \$1,100 over the 2007 annual limit of \$8,400. Dividing \$1,100 by \$700 yields 1.57. As .57 is more than one-half, the annuitant would lose 2 months of benefits.

These disability work restrictions cease upon a disabled employee annuitant's attainment of full retirement age. This transition is effective no earlier than full retirement age even if the annuitant had 30 years of service. Earnings deductions continue to apply to those working for their last pre-retirement nonrailroad employer.

If a disabled annuitant works before full retirement age, this may also raise a question about the possibility of that individual's recovery from disability, regardless of the amount of earnings. Consequently any earnings must be reported promptly to avoid overpayments, which are recoverable by the RRB and may also include penalties.

6. After becoming entitled to a railroad retirement annuity, a retired employee is thinking of becoming a self-employed contractor or consultant, and might be providing services for a railroad or last pre-retirement nonrailroad employer. How would this affect his or her railroad retirement annuity?

It depends on whether or not the Railroad Retirement Board (RRB) considers the employee to be truly engaging in self-employed contracting or consulting, or whether the RRB considers him or her to be functioning as an employee, and if so, who the RRB considers to be the actual employer for railroad retirement purposes.

If a retiree is considered to be functioning as a self-employed contractor or consultant, his or her annuity is subject to tier I and vested dial benefit earnings deductions for net self-employment earnings.

However, if a retiree is considered to be functioning as an employee of a railroad or railroad labor organization, rather than as a self-employed contractor or consultant, the retiree's annuity would be subject to suspension. If the retiree is considered the employee of a nonrailroad employer, the retiree's annuity would be subject to earnings deductions for nonrailroad wages, and to additional deductions if he or she is considered to be working for a last nonrailroad pre-retirement employer.

RRB determinations on contracting or consulting services take into account multiple factors which could be evaluated differently depending on the circumstances of the individual situation. Since no single rule covers every case, anyone requiring a determination as to whether contractor or consultant service is valid self-employment should contact the RRB for a determination well in advance of making a commitment so as to be sure of the effect on benefit payments.

7. How can individuals get more information about these railroad retirement work restrictions and earnings limitations?

They should contact the nearest field office of the RRB for information or refer to the RRB's Web site at www.rrb.gov.

Persons can find the address and phone number of the RRB office serving their area by calling the automated toll-free RRB Help Line at 1-800-808-0772, or from the agency's Web site. Most RRB offices are open to the public from 9:00 a.m. to 3:30 p.m., Monday through Friday, except on Federal holidays.

Updated Website for Members Covered under the Managed Medical Care Program (MMCP) of the

Railroad Employees National Health and Welfare Plan

Access United Healthcare's full nationwide Point of Service Network

Visit www.myuhc.com

Link to www.myuhc.com A New Look...A New Feel:

The myuch.com website has been updated! Besides a new updated look, the website has more options, better choices and greater flexibility. A major improvement is that the provider search capabilities have changed and offer new and improved functionality for our Railroad membership.

Beginning July 1, 2007, members covered under the Managed Medical Care Program (MMCP) of The Railroad Employees National Health and Welfare Plan have had access to UnitedHealthcare's full nationwide Point of Service (POS) network. This means that any UHC MMCP member can access the nationwide network anywhere in the country and receive in-network benefits. Although the National Railway Carriers and United Transportation Union Health and Welfare Plan members covered under MMCP continue to have access to the limited POS network (i.e., the Plan approved markets), they do have access to the improved functionality of the website. A few of the improvements that will benefit Railroad members when searching for a physician or facility in UnitedHealthcare's network includes:

- Search using a street address

- Custom search by radius; no longer limited to 25 miles as the radius can be changed to up to 100 miles

- Searches will now support abbreviations such as St. and Ft. (e.g., St. Paul or Ft. Worth)

- Provides directions and maps to physicians and facilities

- Paper or electronic versions of the search results available to download, email or fax

- Members can add physician or facility information to their online address book (e.g., Outlook)

- Ability to search by medical condition or procedure to assist in narrowing provider results

- Search results can be re-sorted by name, specialty, distance, zip code, and city/state

Spanish prompts are readily available

Additionally, within the myuhc.com website, members can also learn more about various UnitedHealthcare programs like Disease Management, Transition of Care, UnitedHealth Allies, NurseLineSM and Live Nurse Chat, etc. There are many tools within the website that offer assistance with various benefits to help members utilize all of the benefits and programs available to them.

Benefits 101...Dental Services Due To An Accident:

[Link to Benefits 101...Dental Services Due to an Accident:](#)

Benefits 101...Dental Services Due to an Accident

Railroad members covered under the UnitedHealthcare Managed Medical Care Program who are in need of dental treatment due to an accident should contact Care Coordination prior to seeking treatment to request a network gap exception. Charges for dental services due to an accident are covered under the patient's medical plan; not their dental plan. Generally, while the dentists would be considered in-network under their dental plan, they would not be in-network for UnitedHealthcare's medical plan. If a call is placed prior to the patient seeking treatment, the network gap exception means the charges will not be reimbursed at the out-of-network level of benefits.

Additionally, the phone call prior to treatment provides an opportunity for Care Coordination to advise the patient of a helpful suggestion that could directly impact the timeliness of payment on their claim. Currently, the Regional Mail Operation pulls any Railroad claim identified from a dental provider and forwards it to the Plan's dental administrator. By making a call to Care Coordination prior to treatment, the patient will be advised that the dental claim should be clearly noted across the top as **accident related**, thereby preventing the claim from being routed to a different carrier.