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Unemployment and Sickness Benefits for Railroad Employees

The Railroad Retirement Board (RRB) administers the Railroad Unemployment Insurance Act, which provides two kinds of benefits for qualified railroaders: unemployment benefits for those who become unemployed but are ready, willing and able to work; and sickness benefits for those who are unable to work because of sickness or injury. Sickness benefits are also payable to female rail workers for periods of time when they are unable to work because of pregnancy and childbirth. A new benefit year begins each July 1.

The following questions and answers describe these benefits, their eligibility requirements, and how to claim them.

1. What are the eligibility requirements for railroad unemployment and sickness benefits in July 2015?

To qualify for normal railroad unemployment or sickness benefits, an employee must have had railroad earnings of at least \$3,600 in calendar year 2014, counting no more than \$1,440 for any month. Those who were first employed in the rail industry in 2014 must also have at least five months of creditable railroad service in 2014.

Under certain conditions, employees who do not qualify on the basis of their 2014 earnings may still be able to receive benefits in the new benefit year. Employees with at least 10 years of service (120 or more cumulative months of service) who received normal benefits in the benefit year ending June 30, 2015, may be eligible for extended benefits, and employees with at least 10 years of service (120 or more cumulative months of service) might qualify for accelerated benefits if they have rail earnings of at least \$3,637.50 in 2015, not counting earnings of more than \$1,455 a month.

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

To be eligible for accelerated benefits, a claimant must have 14 or more consecutive days of 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.

2. What is the daily benefit rate payable in the new benefit year beginning July 1, 2015?

Almost all employees will qualify for the new maximum daily benefit rate of \$72. Benefits are generally payable for the number of days of unemployment or sickness over four in 14-day claim periods, which yields \$720 for each two full weeks of unemployment or sickness. Sickness benefits

(More)

payable for the first 6 months after the month the employee last worked are subject to tier I railroad retirement payroll taxes, unless benefits are being paid for an on-the-job injury. (Claimants should be aware that as a result of a **sequestration order** under the Budget Control Act of 2011, the RRB will reduce unemployment and sickness benefits by 7.3 percent through September 30, 2015. As a result, the total maximum amount payable in a 2-week period covering 10 days of unemployment or sickness will be \$667.44. The maximum amount payable for sickness benefits subject to tier I payroll taxes of 7.65 percent will be \$616.38 over two weeks. Future reductions, should they occur, will be calculated based on applicable law.)

3. How long are these benefits payable?

Normal unemployment or sickness benefits are each payable for up to 130 days (26 weeks) in a benefit year. The total amount of each kind of benefit which may be paid in the new benefit year cannot exceed the employee's railroad earnings in calendar year 2014, counting earnings up to \$1,860 per month.

If normal benefits are exhausted, extended benefits are payable for up to 65 days (during 7 consecutive 14-day claim periods) to employees with at least 10 years of service (120 or more cumulative service months).

4. What is the waiting-period requirement for unemployment and sickness benefits?

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. (If an employee has at least five days of unemployment or five days of sickness in a 14-day period, he or she should still file for benefits.) Separate waiting periods are required for unemployment and sickness benefits. However, only one seven-day waiting period is generally required during any period of continuing unemployment or sickness, even if that period continues into a subsequent benefit year.

5. Are there special waiting-period requirements if unemployment is due to a strike?

If a worker is 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 a worker subsequently becomes unemployed for reasons other than a strike later in the benefit year.

(More)

6. Can employees in train and engine service receive unemployment benefits for days when they are standing by or laying over between scheduled runs?

No, not if they are standing by or laying over between regularly assigned trips or they missed a turn in pool service.

7. Can extra-board employees receive unemployment benefits between jobs?

Yes, but only if the miles and/or hours they actually worked were less than the equivalent of normal full-time work in their class of service during the 14-day claim period. Entitlement to benefits would also depend on the employee's earnings.

8. How would an employee's earnings in a claim period affect his or her eligibility for unemployment benefits?

If a claimant's earnings for days worked, and/or days of vacation, paid leave, or other 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. That registration period, however, can be used to satisfy the waiting period.

Earnings include pay from railroad and nonrailroad work, as well as part-time work and self-employment. Earnings also include pay that an employee would have earned except for failure to mark up or report for duty on time, or because he or she missed a turn in pool service or was otherwise not ready or willing to work. For the benefit year that begins July 2015, the amount is \$1,440, which corresponds to the base year monthly compensation amount 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 a benefit year.

9. How does a person apply for and claim unemployment benefits?

Claimants can file their applications for unemployment benefits, as well as their subsequent biweekly claims, by mail or online.

To apply by mail, claimants must obtain an application from their labor organization, employer, local RRB office or the agency's website at www.rrb.gov. The completed application should be mailed to the local RRB office as soon as possible and, in any case, must be filed within 30 days of the date on which the claimant became unemployed or the first day for which he or she wishes to claim benefits. Benefits may be lost if the application is filed late.

To file their applications -- or their biweekly claims -- online, claimants must first establish an RRB online account at www.rrb.gov. Instructions on how to do so are available through the RRB's website. Employees are encouraged to establish online accounts while still employed so the account is ready if they ever need to apply for these benefits or use other select RRB Internet services. Employees who have already established online accounts do not need to do so again.

The local RRB field office reviews the completed application, whether it was submitted by mail or online, and notifies the claimant's current railroad employer, and base-year employer, if different. The employer has the opportunity to provide information about the benefit application.

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After the RRB office processes the application, biweekly claim forms are mailed to the claimant, and are also available on the RRB's website, as long as he or she remains unemployed and eligible for benefits. Claim forms should be signed and sent on or after the last day of the claim. This can be done by mail or electronically. The completed claim must be received by an RRB office within 15 days of the end of the claim or the date the claim form was mailed to the claimant or made available online, whichever is later. Claimants must **not** file both a paper claim and an online claim form for the same period(s).

Only one application needs to be filed during a benefit year, even if a claimant becomes unemployed more than once. However, a claimant must, in such a case, request a claim form from an RRB office within 30 days of the first day for which he or she wants to resume claiming benefits. These claims may then be filed by mail or online.

10. How does a person apply for and claim sickness benefits?

An application for sickness benefits can be obtained from railroad labor organizations, railroad employers, any RRB office or the agency's website. 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. Claimants should make a special effort to have the doctor's statement of sickness completed promptly since no claims can be paid without it.

The RRB suggests that employees keep an application on hand for use in claiming sickness benefits, and that family members know where the form is kept and how to use it. If an employee becomes unable to work because of sickness or injury, the employee should complete the application and then have his or her doctor complete the statement of sickness. Employees should note that they must indicate on the application whether they are applying for sickness benefits because they were injured at work or have a work-related illness. They must also indicate whether they have filed or expect to file a lawsuit or claim against a third party for personal injury. If a claimant receives sickness benefits for an injury or illness for which he or she is paid damages, it is important to be aware that the RRB 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 the claimant's gross medical, hospital, and legal expenses, whichever is less.

If the employee is too sick to complete the application, someone else may do so. In such cases, a family member should also complete Form SI-10, "Statement of Authority to Act for Employee," which accompanies the statement of sickness.

After completion, the forms should be mailed to the RRB's headquarters in Chicago by the seventh day of the illness or injury for which benefits are claimed. However, applications received after 10 days but within 30 days of the first day for which an employee wishes to claim benefits are generally considered timely filed if there is a good reason for the delay. After the RRB receives the application and statement of sickness and determines eligibility, biweekly claim forms are mailed to the claimant for completion and return to an RRB field office for processing. The RRB also makes claim forms available for completion online by those employees who establish an online account. The claim forms must be received at the RRB within 30 days of the last day of the claim period, or within 30 days of

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the date the claim form was mailed to the claimant or made available online, whichever is later. Benefits may be lost if an application or claim is filed late.

Claimants are reminded that while **claim forms** for sickness benefits can be submitted online, applications and statements of sickness must be returned to the RRB by mail.

11. Is a claimant's employer notified each time a biweekly claim for unemployment or sickness benefits is filed?

The Railroad Unemployment Insurance Act requires the RRB to notify the claimant's base-year employer each time a claim for benefits is filed. That employer has the right to submit information relevant to the claim before the RRB makes an initial determination on the claim. In addition, if a claimant's base-year employer is not his or her current employer, the claimant's current employer is also notified. The RRB must also notify the claimant's base-year employer each time benefits are paid to a claimant. The base-year employer may protest the decision to pay benefits. Such a protest does not prevent the timely payment of benefits. However, a claimant may be required to repay benefits if the employer's protest is ultimately successful. The employer also has the right to appeal an unfavorable decision to the RRB's Bureau of Hearings and Appeals.

The RRB also conducts checks with other Federal agencies and all 50 States, as well as the District of Columbia and Puerto Rico, to detect fraudulent benefit claims, and it checks with physicians to verify the accuracy of medical statements supporting sickness benefit claims.

12. How long does it take to receive payment?

Under the RRB's Customer Service Plan, if a claimant filed an application for unemployment or sickness benefits, the RRB will release a claim form or a denial letter within 10 days of receiving his or her application. If a claim for subsequent biweekly unemployment or sickness benefits is filed, the RRB will certify a payment or release a denial letter within 10 days of the date the RRB receives the claim form. If the claimant is entitled to benefits, benefits will generally be paid within one week of that decision.

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

Claimants who think an RRB office made the wrong decision about their benefits have the right to ask for review and to appeal. They will be notified of these rights each time an unfavorable decision is made on their claims.

13. How are payments made?

Railroad unemployment and sickness insurance benefits are paid by the U.S. Treasury's Direct Deposit program. With Direct Deposit, benefit payments are made electronically to an employee's bank, savings and loan, credit union or other financial institution. New applicants for unemployment and sickness benefits will be asked to provide information needed for Direct Deposit enrollment.

14. How can claimants get more information on railroad unemployment or sickness benefits?

Claimants with questions about unemployment or sickness benefits, or who are seeking information about their claims and benefit payments, can contact an RRB office by calling toll-free at 1-877-772-5772. Claimants can also access an online service, “View RUIA Account Statement” on the “Benefit Online Services” page at www.rrb.gov, which provides a summary of the unemployment and sickness benefits paid to them. To use this service, claimants must first establish an online account.

Persons can find the address of the RRB office serving their area by calling 1-877-772-5772, or by visiting www.rrb.gov. 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.

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