



Transportation Communications Union/IAM

International Association of Machinists and Aerospace Workers



God Bless America

Russell C. Oathout
National Secretary-Treasurer

January 2015

CORRECTED COPY

TCU/IAM FINANCIAL SECRETARY-TREASURERS

Dear Brothers and Sisters:

The Railroad Retirement Tax rates for 2015 are listed below. **The employer and employee Tier 1 rate will remain at 7.65% (Tier 1 is 6.20%, Medicare is 1.45%). The employer Tier II rate increased to 13.1%. The employee Tier II rate increased to 4.9%.** The annual maximum compensation subject to Tier I tax increased from \$117,000 to \$118,500. The annual maximum compensation subject to Tier II tax increased from \$87,000 to \$88,200. These rates will remain in effect throughout the year unless we notify you of a change.

RAILROAD RETIREMENT EARNINGS/TAX RATES FOR THE YEAR 2015

<u>Employee Earnings Subject To RR Tax</u>	<u>Employer Tax Rate</u>	<u>Employee Tax Rate</u>
Tier I (0 to \$118,500)	6.20%	6.20%
Tier II (0 to \$88,200)	13.1%	4.9%
*Medicare (No Maximum)	1.45%	1.45%

*An additional Medicare payroll tax of 0.9 percent applies to an individual's income exceeding \$200,000, or \$250,000 for a married couple filing a joint tax return. While employers will begin withholding the additional Medicare tax as soon as an individual's wages exceed the \$200,000 threshold, the final amount owed or refunded will be calculated as part of the individual's Federal income tax return.

Please insert this revised notice in Section 7 of your *FST's Handbook* after the Railroad Retirement Tax Worksheet and discard the outdated notice. **Please contact your Grand Lodge Auditor if you have any questions or need assistance.**

Sincerely and fraternally,

Russell C. Oathout
National Secretary-Treasurer