



## RAILROAD RETIREMENT ISSUES

### ISSUE #1: RRB's Chronic Underfunding Is Failing Rail Workers and Retirees

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The Railroad Retirement Board (RRB) is a uniquely successful federal agency. Its trust fund is projected to remain solvent for at least the next 75 years – the maximum horizon actuaries can project. The benefits it provides to career railroaders far exceed what is available under Social Security, and the system has the strong support of both rail labor and railroad management alike.

But Congress has allowed the RRB's operating budget to stagnate for years, and rail workers are paying the price. In Fiscal Year 2026, Congress funded the RRB's Limitation on Administration (LOA) account at just \$127 million – a mere \$1 million increase over the prior year. That is nowhere near what the agency needs to do its job. The consequences are severe and well-documented:

- The average processing time for disability claims has risen to 14 months – over a year that railroaders and their families must wait for benefits they have already earned.
- The RRB relies on technology developed decades ago, severely slowing processing and creating unnecessary burdens for beneficiaries trying to file and receive claims.
- Roughly one in five RRB employees is eligible to retire today, threatening the loss of institutional knowledge and technical expertise that cannot be easily replaced.
- The agency lacks the resources to backfill positions, train new staff, or modernize its systems – and every year of flat funding deepens the hole.

The RRB is the sole entity that provides these essential earned benefits. For the vast majority of railroad workers who are not covered by Social Security and do not receive state unemployment insurance, there is no backup. When the RRB fails to perform, railroaders and their families have nowhere else to turn.

### Senate HELP Committee Hears It Loud and Clear

On February 5, 2026, the Senate HELP Committee held a bipartisan hearing – "On Track for Secure Retirement: Examining the Success of the Railroad Retirement Board" – jointly organized by Chairman Bill Cassidy (R-LA) and Ranking Member Bernie Sanders (I-VT). The message from both sides of the aisle was clear: Railroad Retirement is a proven success story, but Congress's chronic failure to fund the RRB's operations is producing unacceptable delays that harm railroaders and their families. BMW's Jeff Joines represented rail labor where he highlighted this importance of a strong, well-funded RRB is essential to the entire railroad industry.

### What Needs to Happen: Fund the RRB at \$185 Million

A bipartisan group of 54 Members of Congress has written to the House Labor, Health and Human Services, Education, and Related Agencies Subcommittee urging that the RRB's LOA be set at \$185 million in the FY27 appropriations bill. That request is supported by the Transportation Trades Department (TTD), AFL-CIO; the International Brotherhood of Teamsters (IBT); the Association of American Railroads (AAR); and the American Short Line and Regional Railroad Association (ASLRRA). In short, it has virtually the entire railroad community behind it.

Setting the LOA at \$185 million does not cost the taxpayer a dime. It simply allows the RRB to draw on its own trust funds to serve the rail workers and families who paid into the system and are counting on it. Congress must act.

## **ISSUE #2: SUPPORT The Railroad Retirement Fairness Act (S. 4362 / H.R. 8405)**



### **The Problem: An Outdated Penalty Still Punishing Railroad Retirees**

When railroad workers retire, they should be able to enjoy the benefits they spent a career earning. But an archaic provision of the Railroad Retirement Act – known as the Last Pre-Retirement Non-Railroad Employment (LPE) deduction – continues to penalize railroad retirees and their spouses for engaging in even modest work after they retire from the railroad.

Established nearly 90 years ago, the LPE rule no longer reflects the realities of the modern economy or the modern workplace. Yet it remains on the books, reducing hard-earned Tier II benefits (aka the “pension” portion) for retirees and their spouses who take on part-time jobs, provide informal caregiving, or serve in public roles like elected office.

Unlike workers covered by Social Security – who face no such penalty after reaching full retirement age – railroad retirees can face permanent Tier II benefit reductions of up to 50 percent simply because of modest wages earned from non-railroad employment. The rule requires complex legal interpretation, produces inconsistent decisions, and creates unnecessary administrative burdens for both retirees and the RRB. The original justification for the LPE restriction no longer applies.

### **The Bill and Its Bipartisan Support**

The Railroad Retirement Fairness Act grew out of a real-world case: IAM member and Amtrak locomotive machinist Dave Tackett discovered that his Tier II benefits would be docked because of the modest wages he earns as an elected local official – prompting him to engage Senator Coons and his union’s Legislative Departments to push for the LPE rule’s elimination.

The Railroad Retirement Fairness Act has been introduced in the Senate by Sens. Chris Coons (D-DE) and Josh Hawley (R-MO), and in the House by Reps. Chris Deluzio (D-PA) and Troy Nehls (R-TX). The bill would eliminate the LPE deduction, ending a penalty that discourages part-time work, limits retirees’ ability to fill labor shortages, and punishes families when a spouse earns even modest income.

The IAM Union – representing approximately 600,000 active and retired members – is a strong and enthusiastic supporter of the legislation. IAM International President Brian Bryant has called it an example of democracy in action, driven by a member who recognized an injustice and fought to fix it.

TCU/IAM National President Matt Hollis put the issue plainly: "Railroaders work all kinds of jobs to make ends meet – and that should have zero bearing on their hard-earned benefits when they finally retire from the railroad. It's past time for Congress to fix this unfair deduction, and our union is proud to help push for the LPE's removal."

### **What Needs to Happen**

Congress should pass the Railroad Retirement Fairness Act without delay. The LPE rule is a relic that serves no legitimate purpose in the modern economy. It penalizes rail workers and their families for the simple act of remaining active in their communities after retirement. Eliminating it is a straightforward matter of fairness – and it has the bipartisan support to get done.