



Transportation Communications Union/IAM

International Association of Machinists and Aerospace Workers



God Bless America

Stanley L. Boyd
National Secretary-Treasurer

January 2018

TCU/IAM Financial Secretary-Treasurers

Dear Brothers and Sisters:

Railroad Retirement Tax rates for 2018 remain the same as in 2017. The employer and employee Tier I rate remains at 7.65% (Tier 1 is 6.2%, Medicare is 1.45%). The employer Tier II remains at 13.1%. The employee Tier II rate remains at 4.9%. The annual maximum compensation amounts subject to Tier I and Tier II tax have increased and are shown below. These rates will remain in effect throughout the year unless we notify you of a change.

RAILROAD RETIREMENT EARNINGS/TAX RATES FOR THE YEAR 2018

<u>Employee Earnings Subject To RR Tax</u>	<u>Employer Tax Rate</u>	<u>Employee Tax Rate</u>
Tier I (0 to \$128,400)	6.2%	6.2%
Tier II (0 to \$95,400)	13.1%	4.9%
*Medicare (No maximum)	1.45%	1.45%

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this revised notice in Section 7 of your FST's Handbook after the Railroad Retirement Tax Worksheet and discard the outdated notice.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,

Stanley L. Boyd
National Secretary Treasurer