



U.S. RAILROAD RETIREMENT BOARD

For Publication

Railroad Retirement Spouse Benefits

In addition to the retirement annuities payable to employees, the Railroad Retirement Act provides annuities for the spouses of retired employees. Payment of a spouse annuity is made directly to the wife or husband of the employee.

Many spouses who are eligible for such railroad retirement benefits are not applying for them. In some cases this is due to the employee and/or spouse not being aware that such spouse benefits are available. However, it appears that in many cases this situation is due to spouses being eligible for non-railroad retirement benefits, such as social security benefits, based on their own work and earnings and their belief that they cannot receive railroad retirement spouse annuities. While certain benefits can cause a reduction in a portion of the railroad retirement annuity otherwise payable, **it is to the spouse's financial advantage to apply for a railroad retirement spouse annuity.**

The following questions and answers should clear up some of the misconceptions about spouse benefits that may exist in the railroad community.

1. How are spouse annuities reduced for the receipt of other benefits?

The tier I portion of a spouse annuity is reduced for any social security entitlement, regardless of whether the social security benefit is based on the spouse's own earnings, the employee's earnings or the earnings of another person. This reduction follows principles of social security law which, in effect, limit payment to the higher of any two or more benefits payable to an individual at one time.

The tier I portion of a spouse annuity may also be reduced for receipt of any Federal, State or local pension separately payable to the spouse based on the spouse's own earnings. For spouses subject to the public service pension reduction, the tier I reduction is equal to $\frac{2}{3}$ of the amount of the public service pension.

While these offsets can reduce or even completely wipe out the tier I benefit otherwise payable to a spouse, they do not affect the tier II benefit potentially payable to that spouse.

2. What would be an example of how this reduction applies?

Mary, the spouse of a retired 60/30 employee, quits her social security-covered job as soon as she attains age 62 and applies for her social security benefit which, after the required age reduction, yields \$850 a month. Mary also applies for a railroad retirement spouse annuity. Her husband's

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railroad retirement annuity consists of a tier I benefit of \$1,600 a month and a tier II benefit of \$1,200 a month. Her gross spouse annuity would therefore consist of a tier I benefit of \$800 a month (50 percent of \$1,600 with no early retirement reduction as her husband is 60/30) and a tier II benefit of \$540 (45 percent of \$1,200 with no age reduction). Since Mary's own social security benefit is larger than her spouse tier I benefit, no tier I spouse benefit is payable in this case, but she would still be entitled to the spouse tier II benefit, yielding an additional \$540 in monthly income.

3. How can someone get more information about railroad retirement spouse annuities?

The RRB strongly encourages railroad employees and their spouses to contact an RRB field office prior to retirement for information about their benefit rights and/or a benefit estimate. Persons can speak to an agency representative or find the address of the RRB office servicing their area by calling the agency's toll-free number, 1-877-772-5772. Questions can also be sent to an RRB office via secure email through the agency's website, www.rrb.gov.

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