

**INSTRUCTIONS for FORM OE-1A**  
U.S. RAILROAD RETIREMENT BOARD  
Revised 2002



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The following instructions are to assist system subordinate units in reporting creditable service and compensation and taxable earnings to the National Secretary-Treasurer or National Reporting Officer of your labor organization and in reporting and paying retirement taxes and unemployment contributions.

Form OE-1A is used to report creditable compensation and service for local units of national rail labor organizations covered under the Railroad Retirement Act (RRA). Local lodges, divisions, unions, and federations, along with district councils, should report only employees who were previously in an employment relation to a railroad carrier and whose earnings were \$25.00 or more per month.

Form OE-1A should be sent to your National Secretary-Treasurer or National Reporting Officer within 15 days after the end of the period covered by the report. ***DO NOT SEND FORM OE-1A TO THE RAILROAD RETIREMENT BOARD (RRB) OR TO THE INTERNAL REVENUE SERVICE (IRS).***

**WHERE TO GO FOR ADDITIONAL INFORMATION**

- For additional forms or questions about these instructions contact your national organization or contact a Compensation Reporting Specialist at the Railroad Retirement Board's Quality Reporting Service Center at (312) 751-4992 or e-mail at [qrsc@rrb.gov](mailto:qrsc@rrb.gov) .
- For questions about tax deposits, call the CT-1 Specialist at the IRS at (913) 345-5622.

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**Prepared by the Quality Reporting Service Center**

**A. INSTRUCTIONS FOR COMPLETING ITEMS 1-12**

1. Name of your national organization.
2. Page number and the total number of pages included in this report. Example: Page 1 of 2.
3. Name and/or number of your reporting unit.
4. RRB code assigned to your type of unit. To obtain your unit code, contact your national organization.
5. Appropriate month or quarter and year. Example: Jan 2002 or 1st Q 2002.
6. Employee's last name followed by initials of first and middle names. Also, enter employee's nine-digit social security number.
7. Gross earnings and Tier I Medicare earnings both consist of all taxable compensation. Include only amounts earned for service to your unit.
8. Employee Medicare tax withheld from the employee's earnings. Instructions for calculating withholding amounts are in Part B of these instructions.
9. Tier I creditable retirement compensation.
10. Tier I taxes withheld from the employee's earnings.
11. Tier II creditable retirement compensation.
12. Tier II taxes withheld from the employee's earnings.

Sign and date the form. The box entitled "Date Received by NRO" is for use by the national organization.

RAIL LABOR LOCAL UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION							
1. Name of National Organization <b>Workers United</b>				2. Page <u>1</u> of <u>1</u> Pages		See Instructions On Separate Page	
3. Payroll Report of Reporting Unit (Name and/or Number) <b>Local 100</b>			4. RRB Unit No. <b>9999</b>	5. For Month or Quarter Ending <b>1<sup>st</sup> Quarter 2002</b>			
Compensation Should Not Be Reported In Excess of Applicable Yearly Maximums-				Tier I Maximum <b>\$84,900</b>		Tier II Maximum <b>\$63,000</b>	
6. EMPLOYEE IDENTIFICATION	Month of Qtr	8. Gross Earnings and Tier I Medicare Earnings	9. Employee Medicare Tax Withheld	10. Tier I Earnings	11. Tier I Employee Tax Withheld	12. Tier II Earnings	13. Tier II Employee Tax Withheld
Name <b>CARL CARMAN</b>  SSA Number <b>999-99-9999</b>	1	50.00	.73	50.00	3.10	50.00	2.45
	2	50.00	.73	50.00	3.10	50.00	2.45
	3	40.00	.58	40.00	2.48	40.00	1.96
Name <b>ED ENGINEER</b>  SSA Number <b>888-88-8888</b>	1	480.00	6.96	480.00	29.76	480.00	23.52
	2	512.00	7.42	512.00	31.74	512.00	25.09
	3	512.00	7.42	512.00	31.74	512.00	25.09
Name <b>DICK DISPATCHER</b>  SSA Number <b>777-77-7777</b>	1	60.00	.87	60.00	3.72	60.00	2.94
	2	60.00	.87	60.00	3.72	60.00	2.94
	3	60.00	.87	60.00	3.72	60.00	2.94
Name <b>TOM TRAINMAN</b>  SSA Number <b>666-66-6666</b>	1	25.00	.36	25.00	1.55	25.00	1.23
	2	25.00	.36	25.00	1.55	25.00	1.23
	3	25.00	.36	25.00	1.55	25.00	1.23
Name	1						
	2						
SSA Number	3						
Name	1						
	2						
SSA Number	3						
<b>Totals</b>		<b>1,899.00</b>	<b>27.53</b>	<b>1,899.00</b>	<b>117.73</b>	<b>1,899.00</b>	<b>93.07</b>
CAUTION: Railroad retirement (CT-1) taxes must be deposited in a Federal depository as directed by the Internal Revenue Service. Please read Form CT-1 Instructions for the proper depositing procedures. The frequency of your tax deposits is NOT determined by the completion of Form OE-1a. Deposits may be required more or less often.							
Name/Title <b>PAM PAYROLL</b>		Address <b>CHICAGO, IL</b>		Telephone Number <b>(312) 555-5555</b>		Date Completed <b>02/19/02</b>	Date Received by NRO
<b>ACCOUNTANT</b>							

**B. INSTRUCTIONS FOR CALCULATING WITHHOLDING AMOUNTS**

In October of each year, the RRB sends to each National Reporting Officer or National Secretary-Treasurer, notices of the earnings maximums and the Tier I, Tier II, and Medicare tax rates for the following year.

Enter the annual compensation maximums in the corresponding boxes on the OE-1a. Compensation should not be taxed or reported in excess of the annual compensation maximums.

Tier I taxes are not assessed on earnings above the Tier I annual maximum limit and Tier II taxes are not assessed on earnings above the Tier II annual maximum limit. There is no compensation maximum for Medicare tax.

The employee pays three payroll taxes, Tier I, Tier II, and Medicare tax. The employee and employer tax rates are the same for Tier I and Medicare, but are different for Tier II. To calculate withholding, multiply the taxable earnings by:

1. The employee Tier I tax rate to obtain the Tier I tax;
2. The employee Tier II tax rate to obtain the Tier II tax; and
3. The Medicare tax rate to obtain the Medicare tax.

Following is the calculation of Carl Carman's withholding from **Section A**.

<b>MEDICARE TAX WITHHOLDING</b>
<b>\$ 50.00</b>
<b><u>x .0145</u></b>
<b>\$ 0.73</b>

<b>TIER I TAX WITHHOLDING</b>
<b>\$ 50.00</b>
<b><u>x .062</u></b>
<b>\$ 3.10</b>

<b>TIER II TAX WITHHOLDING</b>
<b>\$ 50.00</b>
<b><u>x .049</u></b>
<b>\$ 2.45</b>



**D. INSTRUCTIONS FOR USE OF FORM OE-1a IN DETERMINING TAX LIABILITY**

CT-1 taxes are paid monthly with two exceptions, 1) your tax liability is more than \$50,000, in which case taxes are paid more often than monthly, or 2) your tax liability is less than \$2,500, in which case taxes may be paid annually. Deposits are made with a Federal Reserve Bank using Form 8109, Federal Tax Deposit Coupon or electronically using RRBLINK. Contact the IRS for Form 8109 and deposit information.

The frequency, monthly or quarterly, for filing Form OE-1a is determined by your national organization. If you file Form OE-1a monthly, the form can be used to calculate your monthly tax liability by completing Items A through G on the **TAX CALCULATION WORKSHEET** that is on the back of Form OE-1a. If you file Form OE-1a quarterly, the form will not have the monthly totals needed to determine monthly tax liability. If you develop the monthly earnings and withholding totals, you can enter the monthly totals in the **TAX CALCULATION WORKSHEET** to calculate the monthly tax liability.

If all employees' earnings are less than the Tier II maximum, another option for determining monthly tax liability is to multiply the monthly gross earnings by the combined tax rate. The combined tax rate is the sum of the six tax rates: Employee and Employer-Medicare rates, Tier I rates, and Tier II rates. For example, the sum of the six tax rates for 2002 is 35.8%. Multiply the monthly 2002 gross earnings by .358 to obtain the monthly 2002 CT-1 tax liability. However, the tax rates are subject to change annually. (See Section B of these instructions).

The following example demonstrates the calculation of CT-1 tax liability for March 2002 using data from **Section A**. The totals in Items A through G were developed from the figures shown for the third month of the first quarter.

**FORM OE-1a TAX CALCULATION WORKSHEET**

<b>TAX CALCULATION</b>		<b>CT-1 REFERENCES</b>
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.		
A. <u>\$637.00</u> <u>.062</u> Column 9 Total x Tier I Employer Tax Rate	<b>\$ 39.49</b>	Tier I Employer Tax
B. <u>\$637.00</u> <u>.0145</u> Column 7 Total x Medicare Tax Rate	<b>\$ 9.24</b>	Employer Medicare Tax
C. <u>\$637.00</u> <u>.156</u> Column 11 Total x Tier II Employer Tax Rate	<b>\$ 99.37</b>	Tier II Employer Tax
D. Column 10 Total	<b>\$ 39.49</b>	Tier I Employee Tax
E. Column 8 Total	<b>\$ 9.23</b>	Employee Medicare Tax
F. Column 12 Total	<b>\$ 31.22</b>	Tier II Employee Tax
G. Sum columns A through F CT-1 Railroad Retirement Tax Liability for period.	<b>\$ 228.04</b>	Total Railroad Retirement Taxes

**The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.**