



Surcharge in RUIA Tax Rate For 2008 **September 21, 2007**

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The Railroad Retirement Board recently determined that a surcharge of 1.5 percent will be added to the basic RUIA tax rate for each established employer beginning January 1, 2008. The surcharge was 1.5 percent for 2007. New employers are not affected, as their rate will be the average rate for all employers from 2004 through 2006.

The RUIA Experience Rating System provides for the addition of a surcharge to the RUIA tax rate if the accrual balance in the RUI Account falls below certain levels as of June 30 of each year. On June 30, 2007, that account had an accrual balance of \$119.3 million. The current thresholds are \$127.5 million for the 1.5 percent surcharge and \$63.7 million for the 2.5 percent surcharge. The 1.5 percent threshold is the higher of \$100 million or \$100 million indexed to changes in the system compensation base.

Official notice of the surcharge will be included in the annual rate notices to be sent out to individual employers by October 15.