



**FROM THE DESK OF**

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**U.S. RAILROAD RETIREMENT BOARD**

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### **Railroad Retirement Survivor Benefits**

Monthly benefits may be payable under the Railroad Retirement Act to the surviving widow(er), children, and certain other dependents of a railroad employee if the employee was “insured” under that Act at the time of death. Lump-sum death benefits may also be payable to qualified survivors in some cases.

The following questions and answers describe the survivor benefits payable by the Railroad Retirement Board (RRB) and the eligibility requirements for these benefits.

#### **1. What are the general service requirements for railroad retirement survivor benefits?**

With the exception of one type of lump-sum death benefit, eligibility for survivor benefits depends on whether or not a deceased employee was “insured” under the Railroad Retirement Act. An employee is insured if he or she has at least 10 years of railroad service, or 5 years performed after 1995, and a “current connection” with the railroad industry at the time of retirement or death, whichever occurs first.

Generally, an employee who worked for a railroad in at least 12 months in the 30 months immediately preceding the month his or her railroad retirement annuity begins will meet the current connection requirement. If an employee dies before retirement, railroad service in at least 12 months in the 30 months before death will meet the current connection requirement for the purpose of paying survivor benefits.

If an employee does not qualify on this basis, but has 12 months of service in an earlier 30-month period, he or she may still meet the current connection requirement. This alternative generally applies if the employee did not have any regular employment outside the railroad industry after the end of the last 30-month period which included 12 months of railroad service and before the month the annuity begins or the date of death.

Full or part-time work for a nonrailroad employer in the interim between the end of the last 30-month period including 12 months of railroad service and the beginning date of an employee’s annuity, or the date of death if earlier, can break a current connection.

Self-employment in an unincorporated business will not break a current connection; however, self-employment can break a current connection if the business is incorporated.

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Working for certain U.S. Government agencies -- Department of Transportation, National Transportation Safety Board, Surface Transportation Board (the former Interstate Commerce Commission), National Mediation Board, Railroad Retirement Board, Transportation Security Administration -- will not break a current connection. Neither State employment with the Alaska Railroad, so long as that railroad remains an entity of the State of Alaska, nor non-creditable Canadian railroad service will break a current connection.

In some cases, a current connection may be deemed for survivor benefit purposes for employees with 25 years of service who were involuntarily terminated without fault from the rail industry on or after October 1, 1975, and did not thereafter decline an offer of employment in the same class or craft in the rail industry, regardless of the distance to the new position.

Once a current connection is established at the time the railroad retirement annuity begins, an employee never loses it no matter what kind of work is performed thereafter.

## **2. What if these service requirements are not met?**

If a deceased employee did not have an insured status, jurisdiction of any survivor benefits payable is transferred to the Social Security Administration and survivor benefits are paid by that agency instead of the RRB. Regardless of which agency has jurisdiction, the deceased employee's railroad retirement and social security credits will be combined for benefit computation purposes.

## **3. What are the age and other eligibility requirements for widow(er)s?**

Widow(er)s' benefits are payable at age 60 or over. They are payable at any age if the widow(er) is caring for an unmarried child under age 18 of the deceased employee or a disabled child of any age who became permanently disabled before age 22. Widow(er)s' benefits are also payable at ages 50-59 if the widow(er) is permanently disabled and unable to work in any regular employment. The disability must have begun within 7 years after the employee's death, 7 years after the termination of an annuity based on caring for a child, or 7 years after the termination of an earlier entitlement to a disability annuity. A 5-month waiting period is required after the onset of disability before disability payments can begin.

Generally, the widow(er) must have been married to the employee for at least 9 months prior to death, unless she or he was the natural parent of their child, the employee's death was accidental or while on active duty in the U.S. Armed Forces, the widow(er) was potentially entitled to certain railroad retirement or social security benefits in the month before the month of death, or the marriage was postponed due to State restrictions on divorce due to mental incompetence or similar incapacity.

## **4. Can surviving divorced spouses and remarried widow(er)s also qualify for benefits?**

Survivor benefits may also be payable to a surviving divorced spouse or remarried widow(er) under certain conditions, but benefits are limited to social security level tier I amounts and therefore are generally less than the total of the tier I and tier II benefit amounts otherwise payable by the RRB.

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A surviving divorced spouse may qualify for social security level tier I benefits if she or he was married to the employee for at least 10 years, and is age 60 or older (age 50 if disabled). A surviving divorced spouse who is unmarried can qualify at any age if caring for the employee's child and the child is under age 16 or disabled, in which case the 10-year marriage requirement does not apply. A widow(er) or surviving divorced spouse who remarries after age 60, or a disabled widow(er) or disabled surviving divorced spouse who remarries after age 50 may also receive benefits; however, remarriage prior to age 60 (or age 50 if disabled) would not prevent eligibility if that remarriage ended. Such social security level benefits may also be paid to a younger widow(er) or surviving divorced spouse caring for the employee's child who is under age 16 or disabled, if the remarriage is to a person receiving railroad retirement or social security benefits or the remarriage ends.

#### **5. When are survivor benefits payable to children and other dependents?**

Monthly survivor benefits are payable to an unmarried child under age 18, and to an unmarried child age 18 in full-time attendance at an elementary or secondary school until the student attains age 19 or the end of the school term in progress when the student attains age 19. In most cases where a student attains age 19 during the school term, benefits are limited to the two months following the month age 19 is attained. An unmarried disabled child over age 18 may qualify if the child became totally and permanently disabled before age 22. An unmarried dependent grandchild meeting any of these requirements may also qualify if both the grandchild's parents are deceased or disabled.

Monthly survivor benefits are also payable to a surviving parent at age 60 who was dependent on the employee for at least half of the parent's support. If the employee was also survived by a widow(er), surviving divorced spouse or child who can qualify for benefits, the parent's annuity is limited to the tier I amount.

#### **6. How are railroad retirement widow(er)s' benefits computed?**

The tier I amount of a two-tier survivor benefit is based on the deceased employee's combined railroad retirement and social security earning credits, and is computed using social security formulas. In general, the survivor tier I amount is equal to the amount of survivor benefits that would have been payable under social security.

December 2001 legislation established an "initial minimum amount" which yields, in effect, a widow(er)'s tier II benefit equal to the tier II benefit the employee would have received at the time of the award of the widow(er)'s annuity, minus any applicable age reduction.

However, such a tier II benefit will not receive annual cost-of-living increases until such time as the widow(er)'s annuity, as computed under prior law with all interim cost-of-living increases otherwise payable, exceeds the widow(er)'s annuity as computed under the initial minimum amount formula.

The average annuity awarded to widow(er)s in fiscal year 2005, excluding remarried widow(er)s and surviving divorced spouses, was \$1,412 a month. Children received \$1,023 a month, on the

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average. Total family benefits for widow(er)s with children averaged \$2,916 a month. The average annuity awarded to remarried widow(er)s or surviving divorced spouses in fiscal year 2005 was \$802 a month.

In any case, a widow(er) who received a spouse annuity from the RRB is guaranteed that the amount of any widow(er)'s benefit payable will never be less than the annuity she or he was receiving as a spouse in the month before the employee died.

**7. Are survivor benefits subject to any reduction for early retirement or disability retirement?**

Yes. The eligibility age for a full widow(er)'s annuity is gradually rising from 65 to 67. A widow(er), surviving divorced spouse or remarried widow(er) whose annuity begins at full retirement age or later receives the full tier I amount unless the deceased employee received an annuity that was reduced for early retirement. For a disabled widow(er), disabled surviving divorced spouse or disabled remarried widow(er), the maximum reduction is 28.5 percent, even if the annuity begins at age 50. For a surviving divorced spouse or remarried widow(er), full retirement age increases but the maximum reduction is 28.5 percent. The eligibility age for a full widow(er)'s annuity is gradually rising from age 65 to age 67. The maximum age reductions will range from 17.1 percent to 20.36 percent, depending on the widow(er)'s date of birth. For survivor annuitants, full retirement age ranges from age 65 for those born before 1940 to age 67 for those born in 1962 or later.

**8. Are these benefits subject to offset for the receipt of other benefits?**

Under the Railroad Retirement Act, the tier I portion of a survivor annuity is subject to reduction if any social security benefits are also payable, even if the social security benefit is based on the survivor's own earnings. This reduction follows the principles of social security law which, in effect, limit payment to the highest of any two or more benefits payable to an individual at one time.

The tier I portion of a widow(er)'s annuity may also be reduced for the receipt of any Federal, State or local government pension based on the widow(er)'s own earnings. The reduction generally does not apply if the employment on which the public pension is based was covered under the Social Security Act throughout the last 60 months of public employment. (This 60-month requirement is being phased in over a 5-year period ending March 1, 2009, and there are some exceptions.) However, most military service pensions and payments from the Department of Veterans Affairs will not cause a reduction. For those subject to the public pension reduction, the tier I reduction is equal to 2/3 of the amount of the public pension.

A survivor annuitant should notify the RRB promptly if she or he becomes entitled to any such benefits.

**9. What if a widow(er) was also a railroad employee and is eligible for a railroad retirement employee annuity as well as monthly survivor benefits?**

If both the widow or widow(er) and the deceased employee started railroad employment after 1974, the survivor annuity payable to the widow(er) is reduced by the amount of the employee annuity.

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If either the deceased employee or the survivor annuitant had some service before 1975 but had not completed 120 months of railroad service before 1975, the employee annuity and the tier II portion of the survivor annuity would be payable to the widow(er). The tier I portion of the survivor annuity would be payable only to the extent that it exceeds the tier I portion of the employee annuity.

A special guaranty applies if either the deceased employee or the survivor annuitant completed 120 months of railroad service before 1975. In effect, the widow, or dependent widower, would receive both an employee annuity and a survivor benefit, without a full dual benefit reduction.

#### **10. What types of lump-sum death benefits are payable under the Railroad Retirement Act?**

There are two kinds of lump-sum death benefits payable in some cases to survivors. A lump-sum death benefit for burial expenses is payable to certain survivors of an employee with an “insured” status under the Railroad Retirement Act if no survivor is immediately eligible for a monthly benefit when the employee dies. If the employee had 10 years of service prior to 1975, this lump-sum death benefit is payable to the widow(er) if she or he were either living with or supported by the employee at the time of death, or if the employee were under a court order for support. Also, if such an employee was not survived by a qualified widow(er), the lump-sum may be paid to the funeral home or the payer of the funeral expenses, but the amount paid cannot exceed the actual costs involved. However, if the employee did not have 10 years of service before 1975, the lump-sum may be paid only to the widow(er) living in the same household as the employee at the time of the employee’s death.

The amount payable depends primarily on whether the deceased employee was credited with 10 years of service before 1975, in which case the average benefit is about \$900. In all other cases where a lump sum is payable, the lump-sum benefit is \$255.

The Railroad Retirement Act also provides, under certain conditions, a residual lump-sum death benefit which ensures that a railroad family receives at least as much in benefits as the employee paid in railroad retirement taxes before 1975. An “insured” status under the Railroad Retirement Act is not required for payment of this benefit, which is, in effect, a refund of an employee’s pre-1975 railroad retirement taxes, after subtraction of any benefits previously paid on the basis of the employee’s service. This benefit is seldom payable.

#### **11. How does a person get an estimate of, or apply for, survivor benefits?**

To apply for any railroad retirement benefit, call or visit the nearest RRB field office. Active or retired employees who are concerned about the amount of benefits which would be payable to their survivors may also receive estimates from the nearest RRB field office.

Applications for railroad retirement or survivor benefits are generally filed at one of the RRB’s field offices, or with an RRB representative at one of the office’s Customer OutReach Program (CORP) service locations, or by telephone and mail. Persons can find the address and phone number of the RRB office serving their area by calling the automated toll-free RRB Help Line at 1-800-808-0772, or from the RRB’s Web site at [www.rrb.gov](http://www.rrb.gov). Most RRB offices are open to the public from 9:00 a.m. to 3:30 p.m. Monday through Friday, except on Federal holidays.