

**Railroad Retirement Board Sequestration Q & A**  
**March 2013**

Q. Why are UI/SI benefits impacted by the sequestration when they are funded by the railroads – not the Federal government?

A. *The Budget Control Act of 2011 mandated the reduction and can only be rescinded by the Congress and the President.*

Q. If the sequester issue is resolved, will the reduced portion of the UI/SI benefits be restored?

A. *We cannot answer this question since it would depend on the final legislative agreement passed by Congress and signed by the President.*

Q. How was the 9.2% reduction in unemployment and sickness benefits determined?

A. *The reduction amount of 9.2% in the payment of RUIA benefits was determined by law.*

Q. Will the Sequestration have an impact on extended benefits--including the benefits provided for in the American Taxpayer Relief Act of 2012?

A. *Yes, the 9.2% reduction applies to both regular/current UI benefits, as well as extended benefits funded thru the American Taxpayer Relief Act of 2012.*

Q. When did the reduction in unemployment and sickness benefits begin?

A. *The reduction of 9.2% applies to benefits paid for days beginning March 1, 2013 or later. For instance, in an unemployment claim for the period 02/24/13 thru 3/9/13, the days 2/24-28 would be paid at the full DBR of \$66, while the days 3/1-9 would be paid at the reduced rate.*

Q. How long will the reduction in my unemployment benefits last?

A. *Currently, the reduction for both unemployment and sickness benefits is expected to continue thru September 30, 2013*

Q. How much will I get paid?

A. *If a claimant's daily benefit rate is \$66.00 and all days are claimed in a 14-day registration period, the gross amount of benefits payable for the claim will be reduced by \$60.72 (9.2% x \$660.00). Instead of a maximum payment of \$660.00 for a full 14-day claim, the maximum payment will be \$599.28.*

*If the claim is for sickness benefits subject to Tier 1 railroad retirement taxes, there is a further reduction of 7.65% or \$45.84. The maximum payment after Tier 1 tax withholding will be \$553.44.*

Q. Will the sequestration affect the whole UI claim or just parts of it?

A. *The reduction in the amount of unemployment and sickness benefits applies to all days payable beginning March 1<sup>st</sup>.*

Q. Does Sequestration affect the payment of my Railroad Retirement, Disability or Survivor benefits?

*A. No, any Retirement, Disability and Survivor benefits paid under the Railroad Retirement Act are not affected and will continue to be paid in full.*

Q. Since sickness benefits are being reduced, will this also affect my disability retirement benefits?

*A. No, monthly disability retirement benefits are not affected by Sequestration and will continue to be paid in full.*

Q. Will the sequestration affect my retirement benefits even though I have not yet retired?

*A. No.*

Q. Are any RRB offices going to be closed or operate with reduced hours, especially since it has been rumored SSA offices will going to a 4-day work week?

*A. No, all RRB field offices will continue to be open to the public from 9:00am-3:30pm Monday-Friday (except for Federal holidays.)*

Q. Does the sequester affect Federal workers or the operations of the Railroad Retirement Board?

*A. Most Federal agencies will have to furlough employees as a result of sequestration. The RRB, which has experienced significant staff decreases over the past several years, does not expect, at this time, to furlough its employees. However, the RRB will not be able to hire sufficient staff to replace those employees who have retired over the past several years.*