

Railroad Retirement Board

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the number of days in the month beginning with the spouse's annuity beginning date. In such a case, if the employee annuity is payable from the first of the month, the amount payable to the employee is:

(i) One-thirtieth of the O/M rate, with the spouse included, times the number of days in the month before the spouse annuity begins; plus

(ii) One-thirtieth of the employee's share of the O/M rate, with the spouse included, times the number of days in the month beginning with the spouse's annuity beginning date.

(3) *O/M rate applies before beginning date of spouse annuity and the railroad formula applies as of the spouse annuity beginning date.* If a spouse annuity begins after the first day of a month and the O/M rate applies to the family group, with or without the spouse included, before the beginning date of the spouse annuity, and the O/M rate paid to the family group, including the spouse, as of the spouse annuity beginning date is less than the amounts payable using the formulas under the Railroad Retirement Act, the amount payable to the spouse for the partial month is $\frac{1}{30}$ of the spouse's railroad formula rate times the number of days in the month beginning with the spouse's annuity beginning date. In such a case, if the employee annuity is payable from the first day of the month, the amount payable to the employee is:

(i) One-thirtieth of the O/M times the number of days in the month before the spouse annuity begins; plus

(ii) One-thirtieth of the employee's railroad formula rate times the number of days in the month beginning with the spouse's annuity beginning date.

PART 230—MONTHS ANNUITIES NOT PAYABLE BY REASON OF WORK

Sec.

230.1 Statutory provisions.

230.2 Loss of annuity for month in which compensated service is rendered.

230.5 Exception concerning service to a local lodge or division.

AUTHORITY: 45 U.S.C. 231f.

SOURCE: Board Order 60-2, 25 FR 593, Jan. 23, 1960, unless otherwise noted. Redesignated at 47 FR 7656, Feb. 22, 1982.

§ 230.1 Statutory provisions.

No annuity shall be paid with respect to any month in which an individual in receipt of any annuity hereunder shall render compensated service to an employer or to the last person by whom he was employed prior to the date on which the annuity began to accrue. Individuals receiving annuities shall report to the Board immediately all such compensated service. No annuity under paragraph 4 or 5 of subsection (a) of this section shall be paid to an individual with respect to any month in which the individual is under age sixty-five and is paid more than \$100 in earnings from employment or self-employment of any form: *Provided*, That for purposes of this paragraph, if a payment in any one calendar month is for accruals in more than one calendar month, such payment shall be deemed to have been paid in each of the months in which accrued to the extent accrued in such month. Any such individual under the age of sixty-five shall report to the Board any such payment of earnings for such employment or self-employment before receipt and acceptance of an annuity for the second month following the month of such payment. A deduction shall be imposed, with respect to any such individual who fails to make such report, in the annuity or annuities otherwise due the individual, in an amount equal to the amount of the annuity for each month in which he is paid such earnings in such employment or self-employment, except that the first deduction imposed pursuant to this sentence shall in no case exceed an amount equal to the amount of the annuity otherwise due for the first month with respect to which the deduction is imposed. If pursuant to the third sentence of this subsection an annuity was not paid to an individual with respect to one or more months in any calendar year, and it is subsequently established that the total amount of such individual's earnings during such year as determined in accordance with that sentence (but exclusive of earnings for services described in the first sentence of this subsection) did not exceed \$1,200, the annuity with respect to such month or months, and any deduction imposed by reason of the failure to report earnings for such month or months under the fifth sentence of this subsection, shall then be payable. If the total amount of such individual's earnings during such year (exclusive of earnings for services described in the first sentence of this subsection) is in excess of \$1,200, the number of months in such year with respect to which an annuity is not payable by reason of such third and fifth sentences shall not exceed one month for each \$100 of such excess, treating

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the last \$50 or more of such excess as \$100; and if the amount of the annuity has changed during such year, any payments of annuity which become payable solely by reason of the limitation contained in this sentence shall be made first with respect to the month or months for which the annuity is larger. (Section 2(d) of the act.)

§ 230.2 Loss of annuity for month in which compensated service is rendered.

If an individual in receipt of an annuity renders compensated service, he shall not be paid an annuity with respect to any month in which such service is rendered to:

- (a) An employer;
- (b) Any person whether or not an employer by whom he was most recently employed when his annuity begins to accrue;
- (c) Any person with whom he held, at the time the annuity begins to accrue, any rights to return to service;
- (d) Any person with whom he ceased service in order to have his annuity begin to accrue.

[Board Order 60-2, 25 FR 593, Jan. 23, 1960; 25 FR 1074, Feb. 6, 1960. Redesignated at 47 FR 7656, Feb. 22, 1982]

§ 230.5 Exception concerning service to a local lodge or division.

In determining whether an annuity is subject to the provisions of this part the Board shall disregard any compensated service rendered after December 31, 1936, to a local lodge or division of a railway-labor-organization employer if the compensation for such service is required to be disregarded under the provisions of § 222.3(f) of this chapter.

[Board Order 40-742, 6 FR 298, Jan. 14, 1941. Redesignated at 47 FR 7656, Feb. 22, 1982]

PART 233—REDUCTION IN THE WINDFALL BENEFIT ANNUITY COMPONENT

Sec.

- 233.1 When reduction must be made.
- 233.2 Computation of reduction.
- 233.3 Reduction of retroactive and other similar payments.
- 233.4 Reconsideration of the reduction computation.

AUTHORITY: Sec. 1122(c), Pub. L. 97-35, 95 Stat. 638 (45 U.S.C. 231f).

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SOURCE: 46 FR 50786, Oct. 15, 1981, unless otherwise noted.

§ 233.1 When reduction must be made.

On or before August 31 of each fiscal year, the Board shall, in accordance with this section, determine the amount of the reduction, if any that will have to be made in the following fiscal year in the amount of the windfall benefit components of persons entitled to such benefit components under the Railroad Retirement Act. A reduction must be made where it is determined that the balance in the Dual Benefits Payments Account, comprised of such funds as will be available for the payment of windfall benefits in the following fiscal year including the enacted or estimated appropriation to the Account for the next succeeding fiscal year, disregarding any interest which may be earned by the moneys in the Account during the next fiscal year, is less than the estimate of the amount of the windfall benefits that would be payable under the Railroad Retirement Act during such fiscal year if no reduction were to be applicable. The amount of the windfall benefit as determined by the Board and paid to a person under this section shall constitute full and complete payment of the person's windfall component and there shall be no further liability on the part of the Board, the U.S. Government, or any other person or entity for the amount of any reduction imposed.

§ 233.2 Computation of reduction.

The amount of the reduction to be made in the windfall benefit components of annuities shall be determined in the following manner: the balance in the Dual Benefits Payments Account as determined under § 233.1 shall be divided by the amount of the estimated windfall benefits that would be payable for the fiscal year as determined under § 233.1 to obtain a percentage. This percentage of the unreduced windfall benefit component shall be the amount of that component to which persons are entitled under the Railroad Retirement Act. In no event, however, shall the amount of the windfall benefit exceed the amount that would be payable under the Railroad Retirement Act without regard to this section.