



RAILROAD RETIREMENT INFORMATION AND REMINDERS

Let Us Know If You Change Your Address

We need your correct mailing address to mail benefit notices, tax statements and important information about changes that may affect your benefits. Please check your address on the accompanying letter. If it is correct, you do not have to do anything. If it is incorrect, please contact your nearest RRB office to report your new address.

DIRECT DEPOSIT

Simple. Safe. Secure.

Over 86 percent of all railroad retirement beneficiaries have their monthly benefits deposited directly into an account at their bank, savings and loan, or credit union. Direct Deposit is a simple, safe and secure way to receive benefits. Beneficiaries on Direct Deposit do not have to worry about lost, stolen or misplaced checks.

If you receive a check and want to switch to Direct Deposit for your monthly railroad retirement benefits, visit your bank or other financial institution. Most financial institutions are able to complete a Direct Deposit enrollment to get you started. Or, you can contact your nearest RRB office to sign up.

If you already have Direct Deposit, be sure to promptly notify your nearest RRB office if you change banks or bank accounts. Check with your RRB office before you close your old bank account to ensure that your RRB benefits are not delayed.

Railroad retirement beneficiaries can obtain information and a number of services through the RRB's website and toll-free, automated RRB HelpLine. If you want to talk to an RRB claims representative, call your nearest RRB office.

**RRB Website: www.rrb.gov
RRB HelpLine: 1-800-808-0772**

Tax Information

We will mail a tax statement for your 2006 railroad retirement benefits by January 31, 2007. If you do not receive a statement by February 15, let us know.

If your monthly benefit amount includes Social Security benefits, the Social Security Administration (SSA) will mail you a separate tax statement. If you changed your address in the past year and have not reported the change to SSA, call 1-800-772-1213 as soon as possible so that SSA has your new address.

You can change the amount of the tax withheld from your monthly benefit by contacting your nearest RRB office. (If you want taxes withheld from Social Security benefits paid by the RRB, you must contact SSA to request the withholding.)

Medicare Information

In 2007, the Medicare Part B premium for most beneficiaries is \$93.50. If your Medicare premium is more than your monthly benefit amount, we will bill you for the amount you owe, instead of deducting it from your benefits. The Part B deductible for 2007 is \$131.00; up from \$124.00 in 2006.

In 2007, the Medicare Part A deductible is \$992.00. This is the amount you pay for a hospital stay before Medicare begins to pay.

If you have Medicare, a monthly income of less than \$1,123 (or \$1,505 for a couple)*, and resources (such as bank accounts, stocks and bonds) not exceeding \$4,000 for a single person or \$6,000 for a couple, you may qualify for a Medicare Savings Program. A Medicare Savings Program can help pay your Medicare premiums, and in some cases, deductibles and coinsurance amounts. To find out if you are eligible for a Medicare Savings Program, call your state medical assistance office. You can get the number to call in your state by calling 1-800-MEDICARE (1-800-633-4227) and asking for information about the Medicare Savings Program.

* Income limits increase slightly each year and are higher in Alaska and Hawaii.



More Medicare Information

Part B Premiums Based on Income

Starting January 1, 2007, some Medicare beneficiaries with higher incomes will pay higher monthly Medicare Part B premiums. The Part B premiums in 2007 for beneficiaries with higher incomes will be \$105.80, \$124.40, \$142.90, or \$161.40, depending on how much a beneficiary's annual modified adjusted gross income exceeds \$80,000, or if married and filing a joint tax return, exceeds \$160,000. (These income amounts will change each year.) About 4 percent of all Medicare beneficiaries with Part B coverage will pay these higher premiums.

The Social Security Administration (SSA) determines if a beneficiary is required to pay higher premiums based on income level. SSA sent letters in November 2006, to railroad retirement beneficiaries who will pay higher premiums in 2007. SSA also notified the RRB so we can collect the correct premium amounts.

Prescription Drug Plan Annual Enrollment Period The annual period available to Medicare beneficiaries to enroll in a Medicare prescription drug plan or to change plans ends December 31, 2006. In most cases, the next chance to join or change plans will be November 15, 2007 to December 31, 2007. If you enrolled in a plan in 2006 and are not changing plans, you do not have to do anything. Your plan should have already sent you a letter explaining any changes for 2007.

The option to have monthly Medicare prescription drug plan premiums deducted from benefits you receive from the Railroad Retirement Board will **not** be available in 2007. Although this payment option is not yet available, this does not affect your prescription drug plan eligibility or coverage.

Computer Matching and Privacy Protection

The Computer Matching and Privacy Protection Act of 1988 requires the RRB to periodically let you know that information you provide to us may be used, without your consent, in automated matching programs. These matching programs are a computer comparison of RRB records with records kept by other Federal, state or local government agencies. Information from these matching programs can be used to establish or verify a person's eligibility for benefits and to help in the collection of debts.

Computer matching programs are conducted under strict guidelines designed to ensure that confidential information is protected and only used for the limited purpose of the matching program.

Retiree Earnings Limits for 2007

Railroad retirement beneficiaries who are under full retirement age and who work after retirement can earn more in 2007 without having their benefits reduced. For those under full retirement age throughout 2007 the exempt earnings amount is \$XX,XXX. For beneficiaries attaining full retirement age in 2007 the exempt amount is \$XX,XXX, and only earnings in months before the month you attain full retirement age are counted. Let us know if you need help determining your full retirement age.

Keep in mind that there are different rules if you work for a railroad employer, railroad labor organization or, if you are a retired employee or spouse, your last pre-retirement non-railroad employer.

- ✓ No railroad retirement benefits are payable for any month you work for a railroad or railroad labor organization. This applies to all annuitants, regardless of age or earnings.
- ✓ Retired employees and spouses who work for their last pre-retirement non-railroad employer, regardless of their age or the amount of their earnings, are subject to an earnings deduction.

There are special rules and earnings limits that apply to individuals who receive railroad retirement disability benefits. Contact us if you receive disability benefits and are thinking about going to work.