

PROPOSED

## REPORT OF GROSS EARNINGS FOR 2007

This circular letter is to inform you about the 2007 Gross Earnings report. The report is due February 29, 2008.

Form BA-11 has been changed to be consistent with other RRB forms and processes as well as to conform to data processing standards established in 2000. **Employers who submit magnetic media should confirm that your report is properly formatted. The new BA-11 record layout is included as an attachment and is also available under "Appendices" in the "Employer Reporting Instructions" or "Labor Employer Reporting Instructions" found on our web site at [www.rrb.gov/mep/er\\_info.asp](http://www.rrb.gov/mep/er_info.asp).**

### Changes made to Form BA-11

The year covered by the report (item 1) has been expanded from two to four positions to include the century (e.g. the current year will be represented as "2007" rather than "07"). The employer's name field now includes a separate line (item 5b) to report another name if applicable. This is for paper Forms BA-11 only. The employee's name field (item 7) has been expanded to 20 characters for the surname and 15 characters for the first name. The middle initial follows the first name and remains at 1 character. The overall field size is now 36 characters.

### Purpose of collecting gross earnings reports

The gross earnings information is essential in determining computation of the financial interchange with the Social Security Administration and the Centers for Medicare and Medicaid Services. In addition, cash-flow projections of the social security equivalent benefit account and railroad retirement account and cost estimates made for proposed amendments to laws administered by the Railroad Retirement Board (RRB) are dependent upon input developed from the information collected.

## How to report

The instructions and formats for submitting the gross earnings reports are contained in the Office of Programs' "Employer Reporting Instructions" or "Labor Employer Reporting Instructions." A copy of the most recent Form BA-11 (dated XX-XX) used to submit non-computer listings, is available on our web site at [www.rrb.gov/mep/er\\_forms.asp](http://www.rrb.gov/mep/er_forms.asp) under "Labor Reporting Forms" and "Employer Reporting Forms." However, we encourage paper filers to use the Employer Reporting Program which you received from the Quality Reporting Service Center. Also, all reports of gross earnings, whether on paper, secure e-mail (Program Letter 2007-XX), diskette, magnetic cartridge or using File Transfer Protocol (FTP), are required to be accompanied by Form G-440, Report Specifications Sheet.

The collection of information is required under Section 7(b)(6) of the Railroad Retirement Act and is authorized for collection under OMB Control number 3220-0132. Further, each employer is required by section 209.13 of the RRB's Regulations to submit a report of gross earnings. The report includes the gross compensation amount for each employee on the payroll whose social security number ends with the digits "30". Failure to report or the making of a false or fraudulent report can result in criminal prosecution or civil penalties, or both.

- Gross earnings consist of all earnings taxable under the hospital insurance portion of the Tier I tax rate including earnings above the annual creditable limit, sick pay and miscellaneous compensation. However, pre-taxable deductions for cafeteria plans (also known as flexible benefit plans) should be excluded from creditable compensation. For further information on exclusions to creditable compensation see Part IV, Chapter 11 of the "Employer Reporting Instructions" or Part IV, Chapter 3 of the "Labor Employer Reporting Instructions".
- Gross earnings are to be reported for the same time periods as used in determining the employer's annual report of creditable compensation. The reported earnings should match the sum of the tier 1, miscellaneous and sick pay compensation amounts submitted on Form BA-3 (Annual Report of Creditable Compensation) for employees with earnings at or below the annual credible limit.
- Employers with 5,000 or more employees must provide a monthly or quarterly breakdown of the year's earnings. Employers with fewer than 5,000 employees may submit only an annual amount, although a monthly or quarterly breakdown is preferable.

Form BA-11 is not required if you have no employees with social security numbers ending with the digits "30." Instead, check the appropriate box on the Form G-440, Report Specifications Sheet, submitted with your Form BA-3, Annual Report of Creditable Compensation.

Completed gross earnings reports should be mailed to:

Railroad Retirement Board  
Bureau of the Actuary  
844 N. Rush Street  
Chicago, IL 60611-2092

Estimated completion time

We estimate that the reporting of the gross earnings information by means of computer prepared tape or File Transfer Protocol (FTP) takes an average of 5 hours per response to complete. This estimate includes the time needed for reviewing the instructions, and for conducting the complete range of computer-related tasks required of employers to develop, set-up and run a data processing program for producing gross earnings reports.

We estimate that the reporting of the gross earnings information by means of computer prepared diskette or secure e-mail takes an average of 30 minutes per response to complete. This estimate includes the time needed for reviewing the instructions, getting the needed data, and reviewing the completed diskette.

We estimate that the reporting of the gross earnings information by means of Form BA-11 takes an average of 30 minutes per response to complete, including the time for reviewing the instructions, getting the needed data, and reviewing the completed form. Federal agencies may not conduct or sponsor, and respondents are not required to respond to, a collection of information unless it displays a valid OMB number.

If you wish, you may send comments regarding the accuracy of our estimates or any other aspects of Form BA-11, including suggestions for reducing completion time, to Chief of Information Resources Management, Railroad Retirement Board, 844 N. Rush St., Chicago, Illinois 60611-2092. Please do not send this form to this address.

Who do you contact with questions concerning gross earnings reports?

If you have any questions about this letter, please call Tim Hogueisson at (312) 751-4789.