

PROPOSED

## Program Letter 2008-XX

To: Certification Contact Officials

Subject: FTP and E-mail Submission of Forms BA-3, BA-4, BA-6a, BA-9 and BA-11

Date:

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TO: Certification Contact Officials

SUBJECT: FTP and E-mail Submission of Reporting Forms

Form BA-3 Annual Report of Creditable Compensation

Form BA-4 Report of Creditable Compensation Adjustments

Form BA-6a Form BA-6 Address Report

Form BA-9 Report of Separation Allowance or Severance Pay

Form BA-11 Report of Gross Earnings

Prepared by:

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Please share this information with members of your staff who file the forms listed above, as well as programming staff who support these functions.

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### **Background**

Service and compensation information for employees who work for employers covered under the Railroad Retirement Act (RRA), are maintained by the RRB for the purpose of administering the RRA and Railroad Unemployment and Insurance Act (RUIA). Employee address records are maintained by the RRB for the purpose of mailing Forms BA-6, Certificate of Service Months and Compensation to those same employees. Covered employers are required, by the last day of February, to submit Form BA-3, Annual Report of Creditable Compensation for all employees who performed compensated service in the previous year and Form BA-11, Report of Gross Earnings, for all employees whose social security number ends with the digits "30". Employers may also submit employee mailing addresses on annual Form BA-3 (rather than submitting a separate Form BA-6a, Form BA-6 Address Report). Employers are also required to submit Form BA-4, Report of Creditable Compensation Adjustments as necessary to report adjustments to previously submitted service and compensation reports. Additionally, employers are required to submit Form BA-9, Report of Separation Allowance and Severance Pay when such payments are made to employees.

### **New Reporting Options**

The RRB now offers file transfer protocol (FTP) interchange and e-mail as options for submitting Form BA-3, BA-4, BA-6a, BA-9 and BA-11 report files. The new options may be used starting with the reporting season that begins January 1, 2008. **New record layouts, which contain format and data content instructions, are effective as of January 1, 2008. (see Attachments A through E.)**

### **Privacy and Security Considerations**

Because RRB reporting forms contain sensitive personal information such as social security numbers, we must exchange information securely to insure that no one can intercept and read or alter the information. Accordingly, we are required to take security precautions that meet standards currently prescribed by the National Institute of Standards (NIST).

## **FTP Interchange**

- **What is FTP and how does it work?**

File Transfer Protocol (FTP) is used to transfer files between two computers by sending data over a data communications network such as the Internet.

FTP transfers require a FTP server and a FTP client. The FTP server continuously waits or “listens” for incoming connection requests that are initiated by FTP clients. In order to complete the connection, the FTP server will require the FTP client to authenticate itself by providing a valid set of credentials; typically a valid username and password. If the credentials supplied to the server by the client are valid, the FTP server will allow the connection to be completed. Once the connection is completed, the client may download files from the FTP server, upload files to the FTP server or modify existing files on the server depending on the FTP server’s access controls and existing agreements between the participating parties.

- **How will FTP protect data?**

To insure the confidentiality of personally identifiable data such as Social Security Numbers, the RRB requires Secure FTP (SFTP) data transfers. We also prefer to use Open PGP encryption utilizing a Public/Private key pair to ensure that the data is encrypted at all times. SFTP uses an encrypted connection on TCP port 22. Generally, the process involves the reporting employer creating a public/private encryption key pair and sending the public key to the RRB for authentication purposes. If you wanted us to send the output files back to one of your servers, then we would also create a public/private key pair and send you our public key as well.

- **How is an FTP Interchange with RRB established?**

The first step in this process is for the RRB and each interested employer to agree upon and then implement the specific procedures and programming needed to allow FTP interchanges. The most likely method will be via the Internet. The employers would then act as the “servers” and the RRB would act as the “client”. RRB personnel in Quality Reporting Service Center (QRSC) would be provided access to the railroad’s secure FTP server through a designated user ID and password. Once the applicable compensation/service information is ready to be conveyed to the RRB via the reporting forms, the employer would fax a completed Form G-440, Reports Specification Sheet (which must be signed by an authorized employer official), to notify A&T-Quality Reporting Service Center. The RRB would then use desktop FTP software to access and download the information at an agreed upon time and location. You may contact QRSC for additional information or instructions on implementing FTP exchanges with the RRB. The email address and telephone number are shown at the top of this letter.

## **E-mail Submissions**

- **Why use secure e-mail?**

Because the forms contain sensitive personal information such as social security numbers, we must exchange information securely to insure that no one can intercept and read or alter the information. To meet NIST security requirements, all e-mail messages we exchange must be encrypted and signed with a Digital ID, and information will be protected in accordance with security controls outlined in NIST guidance 800-53.

- **Why do I need a Digital ID or certificate?**

A Digital ID or certificate is a computer file that identifies the sender. E-mail software uses this file to “digitally” sign e-mail messages to prove a sender’s identity to the recipient’s computer.

A digital signature does two things:

- It lets the recipient of the e-mail confirm the identity of the sender, and
- It tells the recipient that the e-mail was not tampered with in transit.

A Digital ID typically contains the following information:

- Your public key
- Your name and e-mail address

- Expiration date of the public key
- Name of the company (the Certification Authority (CA)) who issued your Digital ID
- Serial number of the Digital ID
- Digital signature of the CA

- **How will encryption protect data?**

To encrypt (scramble) data we use a system with two keys. The key pair consists of a public and a private key. The keys are used like keys in a lock, except the key pair requires one key to secure the lock and another to open the lock.

When you request and install a Digital ID, your Web browser creates both a private key that can only be used with the Digital ID you requested, and a public key that becomes part of your Digital ID. Access to your private key will be password protected.

With key pairs, your e-mail application will use the RRB's public key to encrypt messages you send to us. The RRB, upon receipt of your encrypted e-mail message, will use our matching private key to decrypt the message.

- **How do I exchange a secure e-mail with the RRB?**

Before you can send the RRB an encrypted message, you must first get our public key. You do this by simply requesting that we send you a signed e-mail message, which contains our Digital ID and public key. Then your e-mail application can automatically store the RRB's Digital ID with public key in your contacts folder until you need to use it. Your e-mail application uses the RRB public key to encrypt the messages you send to us. From that point on, only the RRB's private key can decrypt the message.

When the RRB sends you an encrypted message, we will use your public key. Once the e-mail message is encrypted with your public key, only those individuals in your organization who have the matching private key can decrypt the message.

Steps:

1. Acquire a Digital ID from a company called a Certification Authority (CA), for example, Verisign or Thawte Certification. The cost of an individual Digital ID is about \$20.00 per year.
2. Once you have received and installed a Digital ID, distribute it to the RRB by sending an e-mail message to the [cesc@rrb.gov](mailto:cesc@rrb.gov) mailbox. The Digital ID that you send contains your public key. This will allow the RRB to send you encrypted e-mail messages using your public key. Only you will have the corresponding private key that allows you to decrypt the RRB reply.
3. The RRB will acknowledge your e-mail submission by sending you our public key for the [cesc@rrb.gov](mailto:cesc@rrb.gov) mailbox. This will allow you to send encrypted E-mail requests containing the RRB's public key. Only the RRB will have the corresponding private key to decrypt the e-mail message.
4. Once the parties have stored each others' Digital IDs, all further e-mail exchanges can be made securely.

Please follow the same provisions regarding completion and submission of Form G-440 as previously described.

**Paperwork Reduction Act (PRA) Notice(S)**

Federal agencies may not conduct or sponsor, and respondents are not required to respond to, any collection of information unless it displays a valid OMB number. If you wish, send comments regarding the accuracy of our estimates or any other aspect of these forms, including suggestions for reducing completion time, to CHIEF OF INFORMATION RESOURCES MANAGEMENT, RAILROAD RETIREMENT BOARD, 844 N RUSH STREET, CHICAGO, IL 60611-2092.

- **Form BA-3**

The information contained in this report (see Attachment A), which is required by law under Section 9 of the Railroad Retirement Act (RRA) and Section 6 of the Railroad Unemployment Insurance Act (RUIA), is needed to pay RRA and RUIA benefits and is authorized for collection under OMB control number 3220-0008 . This report is due at the Railroad Retirement Board by no later than the last day of February. Failure to report or the making of a false or fraudulent report can result in criminal prosecution or civil penalties, or both. We estimate the electronic version of this form, transmitted by e-mail or FTP, takes an average of 46.25 hours per response to complete, including time for reviewing the instructions, getting the needed data, and reviewing the completed form.

- **Form BA-4**

The information contained in this report (see Attachment B), which is required by law under Section 9 of the Railroad Retirement Act (RRA) and Section 6 of the Railroad Unemployment Insurance Act (RUIA), is needed to adjust compensation and service creditable under the RRA and RUIA and is authorized for collection under OMB control number 3220-0008. Failure to report or the making of a false or fraudulent report can result in criminal prosecution or civil penalties, or both. We estimate the electronic version of this form, transmitted by e-mail or FTP, takes an average of 1 hour per response to complete, including time for reviewing the instructions, getting the needed data, and reviewing the completed form.

- **Form BA-6a**

The information specified on this form (see Attachment C), which is required by law under Section 7(b)(6) of the Railroad Retirement Act and Section 209.12 of the Code of Federal Regulations and is authorized for collection under OMB control number 3220-0005, will be used by the Railroad Retirement Board to mail to the employees of your company Form BA-6, Certificate of Service Months and Compensation. Failure to report or the making of a false or fraudulent report can result in criminal prosecution or civil penalties or both. We estimate the electronic version of this form, transmitted by e-mail or FTP, takes an average of 15 minutes per response to complete, including time for reviewing the instructions, getting the needed data, and reviewing the completed form.

- **Form BA-9**

The information contained in this report (see Attachment D), which is required by law under Section 9 of the Railroad Retirement Act (RRA) and Section 6 of the Railroad Unemployment Insurance Act (RUIA) and is authorized for collection under OMB control number 3220-0173, is needed for two purposes: to establish eligibility for an additional lump-sum amount under the RRA and to establish a disqualification period under the RUIA. Failure to report or the making of a false or fraudulent report can result in criminal prosecution or civil penalties, or both. We estimate the electronic version of this form, transmitted by e-mail or FTP, takes an average of 1 hour and 16 minutes per response to complete, including time for reviewing the instructions, getting the needed data, and reviewing the completed form.

- **Form BA-11**

The purpose of this report (see Attachment E), which is required by Section 7(b)(6) of the Railroad Retirement Act and is authorized for collection under OMB control number 3220-0132, is to obtain the gross earnings for a sample of employees. This information is required for computation of the Financial Interchange with the Social Security Administration and the Centers for Medicare & Medicaid Services. The report is due at the Railroad Retirement Board by no later than the last day of February. Failure to report or the making of a false or fraudulent report can result in criminal prosecution or civil penalties, or both. We estimate the electronic version of this form, transmitted by FTP, takes an average of 5 hours to complete including time for reviewing the instructions, getting the needed data, and reviewing the completed form. We estimate that the secure E-mail version of this form, takes an average of 30 minutes per response to complete, including time for reviewing the instructions, getting the needed data, and reviewing the completed form.

#### **Attachments to this letter**

Attachment A	Electronic file format for Form BA-3, Annual Report of Creditable Compensation
Attachment B	Electronic file format for Form BA-4, Report of Creditable Compensation Adjustments
Attachment C	Electronic file format for Form BA-6a, Form BA-6 Address Report
Attachment D	Electronic file format for Form BA-9, Report of Separation Allowance or Severance Pay

**Electronic file format for Form BA-3, Annual Report of Creditable Compensation**

<b>Data Element</b>	<b>Record Position</b>	<b>Field Size</b>
Type report	1 ("0" zero for all records)	1
Year	2-5	4
Processing code	6	1
ER NO	7-10	4
Payroll ID No	11-20	10
SSN	21-29	9
Surname	30-49	20
First Initial/Name	50-64	15
Middle Initial	65	1
Filler	N/A	
RUIA I Compensation (to qualify for benefits)	66-72	7
Filler	73-74	2
RUIA II Compensation (to determine maximum benefits)	75-81	7
Filler	82-83	2
SM Detail	84-95	12
SM Total	96-97	2
Tier I Compensation	98-105	8
Filler	106-107	2
Tier II Compensation	108-115	8
Filler	116-117	2
Daily Pay Rate	118-122	5
Filler	123-124	2
Miscellaneous Compensation	125-132	8
Filler	133-134	2
Sick Pay Compensation	135-142	8
Filler	143-145	3
Street address line 1	146-175	30
Street address line 2	176-205	30
City	206-225	20
State	226-227	2
Zip code	228-232	5
Effective Date	233-240	8
Filler	241-300	60
(Filler is added to allow for future expansion.)	<b>Record Ends at 300</b>	

**Electronic file format for Form BA-4, Report of Creditable Compensation Adjustments**

<b>Data Element</b>	<b>Record Position</b>	<b>Field Size</b>
Type Report	1 (leave blank for all records)	1
Year	2-5	4
Processing code	4 (increase) M (decrease)	1
ER NO	7-10	4
Filler	11-21	10
SSN	21-29	9
Surname	30-49	20
First Initial/Name	50-64	15
Middle Initial	65	1
RUIA I Compensation (to qualify for benefits)	66-72	7
Filler	73-74	2
RUIA II Compensation (to determine maximum benefits)	75-81	7
Filler	82-83	2
SM Detail	84-95	12
SM Total	96-97	2
Tier I Compensation	98-105	8
Filler	106-107	2
Tier II Compensation	108-115	8
Filler	116-117	2
Daily Pay Rate	118-122	5
Filler	123-124	2
Miscellaneous Compensation	125-132	8
Filler	133-134	2
Sick Pay Compensation	135-142	8
Filler	143-200	58
(Filler is added to allow for future expansion.)	<b>Record Ends at 200</b>	

**Electronic file format for Form BA-6a, Form BA-6 Address Report**

<b>Data Element</b>	<b>Field Positions</b>	<b>Field Size</b>
SSN	1-9	9
First (initial) Name	10-24	15
Middle Initial	25	1
Surname	26-45	20
Address line 1 (location)	46-75	30
Address line 2 (delivery)	76-105	30
City	106-125	20
State	126-127	2
Zip code	128-132	5
Filler	133-140	8
BA number	141-144	4
Effective date	145-152	8
Filler	153-180	28
	<b>Record ends at 180</b>	

**Electronic File Format for Form BA-9, Report of Separation Allowance and Severance Pay****Form BA-9, Report of Separation Allowance and Severance Pay**

<u>Data Position</u>	<u>Data Description and Format</u>
1	Constant "L"
2-5	Four -digit applicable tax year
6	Code "4" for increase Code "M" for decrease
7-10	Four-digit employer number (BA-NO)
11-19	Employee's social security number
20-39	First 20 letters of the employee's surname
40-54	First Name
55	Middle Initial
56	Blank.
57-64	An eight-digit separation allowance amount - Do not use a decimal place - Format is <b>\$\$\$\$\$cc</b>
65	Code 1 for an initial report Code 2 for an adjustment report Code 3 for a periodic payment - not the final payment Code 4 for a periodic payment - final payment
66-73	Date employee relinquished employment rights - Format is MMDDCCYY
74	Blank.
75-82	Eight-digit compensation amount - Format is <b>\$\$\$\$\$cc</b>
83-86	<b>Four digit</b> applicable earnings year
87-92	Total gross amount of separation allowance - In whole dollars – Format is <b>\$\$\$\$\$</b>
93	Blank
94-100	Last rate of pay; format includes a floating decimal place
101	Pay rate code: 1 = per hour; 2 = per day/100 (or 150) miles; 3 = per week; 4 = per month.
102	Work week code: 5 = five-day wk; 6 = six-day wk 7 = seven-day wk; 8 = T&E; 9 = dining car
103-120	Blank (Filler is included to allow for future expansion.)



**Electronic File Format for Form BA-11, Gross Earnings Annual Report of Annual Earnings**

<u>Tape Position</u>	<u>Data and Instructions</u>
1-2	"40"
3-6	<b><u>Year</u></b> being reported. <b>Format is CCYY.</b>
7-10	Four-digit employer identification number assigned by the Railroad Retirement Board.
11-19	Employee's social security account number.
20-39	Employee's surname.
40-54 55	Employee's first name. Middle initial
56-64	Annual Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary.
65-120	Leave blank or zero-fill.

**Electronic File Format for Form BA-11, Gross Earnings Annual Report of Quarterly Earnings**

<u>Tape Position</u>	<u>Data and Instructions</u>
1-2	"39"
3-6	<b><u>Year</u></b> being reported. <b>Format is CCYY.</b>
7-10	Four-digit employer identification number assigned by the Railroad Retirement Board.
11-19	Employee's social security account number.
20-39	Employee's surname.
40-54 55	Employee's first name. Middle initial
56-64	First Quarter Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for first quarter, leave positions 56-64 blank or zero-fill.
65-73	Second Quarter Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for second quarter, leave positions 65-73 blank or zero-fill.
74-82	Third Quarter Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for third quarter, leave positions 74-82 blank or zero-fill.
83-91	Fourth Quarter Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for fourth quarter, leave positions 83-91 blank or zero-fill.
92-120	Leave blank or zero-fill.

**Electronic File Format for Form BA-11, Gross Earnings Annual Report of Monthly Earnings**

*Two 120 position tape records* must be keyed whether or not both records have earnings. (Where one record does not contain money fields, positions 1-55 must be keyed.)

**Record No. 1 - January through June**

<u>Tape Position</u>	<u>Data and Instructions</u>
1-2	"28"
3-6	<b><u>Year</u></b> being reported. <b>Format is CCYY.</b>
7-10	Four-digit employer identification number assigned by the Railroad Retirement Board.
11-19	Employee's social security account number.
20-39	Employee's surname.
40-54	Employee's first name.
55	Middle initial
56-64	January Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for January, leave positions 56-64 blank or zero-fill.
65-73	February Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for February, leave positions 65-73 blank or zero-fill.
74-82	March Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for March, leave positions 74-82 blank or zero-fill.
83-91	April Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for April, leave positions 83-91 blank or zero-fill.
92-100	May Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for May, leave positions 92-100 blank or zero-fill.
101-109	June Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for June, leave positions 101-109 blank or zero-fill.
110-120	Leave blank or zero-fill.

**Electronic File Format for Form BA-11, Gross Earnings Annual Report of Monthly Earnings (cont.)**

*Two 120 position tape records* must be keyed whether or not both records have earnings. (Where one record does not contain money fields, positions 1-55 must be keyed.)

**Record No. 2 - July through December**

<u>Tape Position</u>	<u>Data and Instructions</u>
1-2	"29"
3-6	<b><u>Year</u></b> being reported. <b>Format is CCYY.</b>
7-10	Four-digit employer identification number assigned by the Railroad Retirement Board.
11-19	Employee's social security account number.
20-39	Employee's surname.
40-54	Employee's first name.
55	Middle initial
56-64	July Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for January, leave positions 56-64 blank or zero-fill.
65-73	August Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for February, leave positions 65-73 blank or zero-fill.
74-82	September Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for March, leave positions 74-82 blank or zero-fill.
83-91	October Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for April, leave positions 83-91 blank or zero-fill.
92-100	November Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for May, leave positions 92-100 blank or zero-fill.
101-109	December Amount - 9 positions (\$\$\$\$\$\$cc), preceded by zero(s) if necessary. If there are no earnings for June, leave positions 101-109 blank or zero-fill.
110-120	Leave blank or zero-fill.