

Justification
Pension Plan Reports
 RRB Forms G-88p, G-88r and G-88r.1

1. Circumstances of information collection – Under Section 2(b) of the Railroad Retirement Act (RRA), the Railroad Retirement Board (RRB) pays supplemental annuities (SUP ANN) to qualified RRB employee annuitants. A supplemental annuity, which is computed according to Section 3(e) of the RRA, can be paid at age 60 if the employee has at least 30 years of creditable railroad service or at age 65 if the employee has 25-29 years of railroad service. In addition to 25 years of service, a “current connection” with the railroad industry is required. Eligibility is further limited to employees who had at least one month of rail service before October 1981 and were awarded regular annuities after June 1966. And, if an employee’s 65th birthday was prior to September 2, 1981, he or she must not have worked in rail service after certain closing dates (generally the last day of the month following the month in which age 65 is attained.)

Under Section 2(h)(2) of the RRA, the amount of the SUP ANN is reduced if the employees receive monthly pension payments, or lump-sum pension payments, from their railroad employer, which are based in whole or in part on contributions from that railroad employer. The employees own contribution to their pension accounts do not cause a reduction. An employer private pension is described in 20 CFR 216.40-216.42.

Prior to January 2002, the SUB ANN was financed under 26 USC 3221 of the Internal Revenue Code. Most railroad employers paid a work hour tax at such rate as to make available sufficient funds for the RRB to pay the SUP ANN. Section 26 USC 3221(c) had provided SUP ANN Tax Credits to employers who had established private pensions for their employees that were approved by the RRB’s Bureau of Law.

An exception was made under 26 USC 3221(d) for employers who had employees covered under a pension plan, approved by the RRB’s Bureau of Law, that was based on a collective bargaining (union) agreement. Instead of the work hour tax, these railroads paid a “Special Supplemental Tax” (also called SUP ANN Tax Liability) equal to the amount of SUP ANN that the RRB actually paid to their retired employees each quarter. They did not receive SUP ANN Tax Credits for the collective bargaining pension.

The Railroad Retirement and Survivor Improvement Act (RRISA) of 2001 deleted Section 26 USC 3221 from the Internal Revenue Code. Under the RRSIA, effective, from January 2002, the SUP ANN is paid from the railroad Retirement Investment Trust Account. However Section 2(b), 2(h)(2) and 3(e) were not changed by the RRSIA or any other legislation.

2. Purposes of collecting/consequences of not collecting the information – The RRB needs current pension information to determine (a) the current status of railroad employer pension plans and whether such employer pension plans cause reductions to the RRB SUP ANN; (b) the amount of the railroad employer private pension being paid to the employee; (c) whether or not the employee made contributions to the pension; (d) whether or not the employee was cashed out before attaining retirement age under the employer pension plan or received the pension in a lump-sum payment in lieu of monthly pension payment; and (e) whether the employee pension continues when the employer status under the RRA changes. The RRB uses the information to calculate the amount of the supplemental annuities due railroad employees.

RRB authority for requesting the information from railroad employers is contained in 20 CFR 209.2.

Details concerning the forms currently used by the RRB to obtain this information follow:

Form G-88p, Employer's Supplemental Pension Report, is the form used by the RRB to obtain private pension information about individual employees from their railroad employers. For most cases, the RRB will use the railroad employer pension information provided by the employees on their annuity applications. Form G-88p is released to the appropriate railroad contact official only when the information provided by employees on their employee annuity applications does not agree with the information on the RRB's Employer Pension Table. This usually happens when the employees state that they will not receive a pension from their former railroad employers but they retired from a job category that is covered under a railroad pension plan. In the employee is old enough to receive the SUP ANN on the annuity beginning date, the RRB field office releases the Form G-88p to the railroad immediately. Otherwise, RRB field office enters a pension entitlement code into RRB records for the Retirement Benefits division to release Form G-88p to the railroad shortly before the month the employee attains the age requirement for the SUP ANN.

Items 1-6 of the Form G-88p are always completed by the RRB prior to being mailed or faxed to the railroad employer for completion. The RRB will also complete Item 7 if the RRB's Railroad Employer Pension Table indicates that the RRB needs to provide the amount of the RRB Tier I and/or Tier II to the railroad for their monthly pension calculations. For most pensions, the Railroad Employer Pension Table indicates that is the railroads do not need the RRB to provide that information. Either the Railroad employer pension is not reduced for the RRB benefits or the railroads compute their own estimated RRB Tier I and and/or Tier II for their monthly benefit calculation. Therefore, the RRB rarely completes Item 14.

After completing Form G-88p, the railroad employer returns the form to our Retirement Benefits Division. The address is provided on the back of the form. RBD then makes a determination as to the amount of the SUP ANN, if any, that can be paid to the annuitant.

The RRB proposes no changes to Form G-88p.

Form G-88r, Request for Information about New or Revised Employer Pension Plan, is the form RRB uses to obtain information from railroad employers about their newly reported or revised private pensions. The information is used to determine the effect, if any, on RRB supplemental annuities paid to their retired employees. The RRB field office releases this form whenever a railroad is initially determined to be a covered employer under the RRA. The RRB also releases this form when information is received that indicates the railroad has updated or changed a pension plan previously approved by the RRB. The railroad can also initiate this form when necessary.

The RRB completes Items 1-3 before releasing the form to the appropriate railroad contact official.

Completion of the form is self-explanatory. However, general instructions are included in the RRB's Quality Reporting Service Center (QRSC) Reporting instructions (RI) for Employers.

If railroad employers have private pension plans at the time the RRB determines them to be covered under the RRA, they complete Form G-88r, and return the form to QRSC with a copy of their private pension plan. Otherwise, railroad employers can either retain the G-88r to report any private pension plans they may establish in the future or they can visit the RRB web-site to download a new Form G-88r from the QRSC forms available.

If railroad employers have revised plans previously approved by the RRB, they return the form to the QRSC with a copy of their revised pension plan. QRSC, in turn, submits the copy of the private pension plan or revised pension plan to the RRB's Bureau of Law, which determines if the employer pension requires a reduction on the RRB's SUP ANN.

The RRB proposes no changes to Form G-88r.

Form G-88r.1, Request for Additional Information About Employer Pension Plan in Case of Change of Employer Status or Termination of Pension Plan, is the form the RRB uses to obtain from a railroad employer, information needed to make a determination concerning the status of a employer pension plan in cases when (a) the employer declares bankruptcy or, for some reason, is determined by the RRB as no longer qualified for status as a railroad employer; (b) the employer is merged into another railroad employer; or (c) the employer terminates the railroad employer pension. Form G-88r.1 is released to the railroad's legal staff when the RRB records indicate employee SUP ANN records reduced for an approved railroad plan are in force when the railroad employer coverage under the RRA is terminated. However, if that existing pension plan is a corporate pension plan (i.e., Weyerhaeuser), of which the railroad was only a small part; no Form G-88r.1 is required. We assume that the corporate pension plan will continue.

The RRB proposed no changes to Form G-88r.1.

To assist in completing Form G-88p, employers reference the RRB's Reporting Instructions (RI) to Employers. The RI also provides a general explanation of the use of Forms G-88r and G-88r.1. The RI is also available at the RRB's web-site.

To our knowledge, no other agency uses forms similar to Forms G-88p, G-88r, or G-88r.1.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction – None planned due to low volume. The forms are currently available on the RRB.gov website.
4. Efforts to identify duplication – This information collection does not duplicate any other information collection.
5. Small business respondents – N.A.
6. Consequences of less frequent collection – Not applicable. The information is requested only once for each employer pension plan or for each employee for which employer pension plan information is needed.
7. Special circumstances – None
8. Public comments/consultations outside the agency – In accordance with 5 CFR 1320.8(d), comments were invited from the public regarding this information collection. The notice to the public was public on pages 22987 and 22988 of the May 15, 2009. No comments were received from the public.
9. Payments or gifts to respondents – N.A.
10. Confidentiality – Privacy Act System of Records, RRB-22 Railroad Retirement, Survivor and Pensioner Benefit System.
11. Sensitive Questions – N.A.
12. Estimate of respondent burden – The current burden for the collection is unchanged as follows:

Current Burden

Form #	Annual Responses	Time(min)	Burden (Hrs)
G-88p	750	8	100
G-88r	10	10	2
G-88r.1	5	7	1
Total	765	20	103

13. Estimated annual cost to respondents or record keepers – N.A.
14. Estimated cost to the Federal Government – N.A.
15. Explanation for changes in burden – N.A.
16. Time schedule for data collection and publication – The results of this collection will not be published.
17. Request not to display OMB expiration date – The G-88p, G-88r and G-88r.1 are low usage forms that are seldom revised. Given the costs associated with redrafting, reprinting and distributing the forms in order to keep the appropriate OMB expiration date in place, the RRB requests the authority to not display the expiration date on the forms.
18. Exceptions to Certification Statement – None