



UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-2092

December 2013

Bureau of the Actuary

REPORT OF GROSS EARNINGS FOR 2013

This circular letter is to inform you about the 2013 Gross Earnings report. The report is due February 28, 2014.

Employers submitting Form BA-11 should follow the steps listed below under the section "How to report". **If you submit magnetic media, please confirm that your report is properly formatted.** The BA-11 record layout is available under "Appendices" in the "Employer Reporting Instructions (ERI)" or "Labor Employer Reporting" found on our web site at http://www.rrb.gov/mep/er_info.asp. Select Form BA-11 (monthly, quarterly or annual) for the breakdown being submitted.

Purpose of collecting gross earnings reports

The gross earnings information is essential in determining the tax amounts involved in 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 (ERI)" or "Labor Employer Reporting." Part VIII of the instructions, as well as Program Letter 2012-05, explains how to file a BA-11 using the Employer Reporting System (ERS). While we will accept a paper BA-11 (available at www.rrb.gov/pdf/ba11.pdf) for 2013 reports due by February 28, 2014, **we will no longer accept paper reports effective with 2014 reports due February 28, 2015.** Paper filers and those using the obsolete Employer Reporting (PC) program should now use ERS. You can enroll in ERS by completing Form BA-12, found on our website at www.rrb.gov/pdf/AandT/ba12.pdf. Also, reports of gross earnings on paper, secure e-mail (Program Letter 2008-05), CD-ROM or using File Transfer Protocol (FTP), are required to be accompanied by Form G-440, Report Specifications Sheet. Form G-440 is not required if ERS is used.

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 12 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 below the annual creditable 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, you can select the appropriate response on ERS, or check the appropriate box on the Form G-440, Report Specifications Sheet, submitted with your Form BA-3, Annual Report of Creditable Compensation. Form G-440 is not required when using ERS.

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 ERS, computer prepared CD-ROM, secure e-mail or Form BA-11 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 information. 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.

We estimate that “negative” reports of the gross earnings information (no employees, or no employees with social security numbers ending with the digits “30”), whether by means of FTP, ERS, computer prepared CD-ROM, secure e-mail, a G-440 or Form BA-11, take an average of 15 minutes per response to complete.

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 Allison Gaines at (312) 751-4705.