

Justification
Application for Employee Annuity Under the Railroad Retirement Act
 RRB Forms AA-1, AA-1cert, AA-1sum, AA-1d, and G-204

EMERGENCY REQUEST FOR CHANGE

Note: This is the RRB's primary information collection for the processing of retirement and disability applications, and we request an emergency request for change of the information collection to avoid a violation of the Paperwork Reduction Act.

Changes are being proposed to Form AA-1, AA-cert, AA-1sum and AA-1d in support of the RRB's Disability Program Improvement Project (DPIP) to enhance/improve disability case processing and overall program integrity as recommended by the RRB's Office of Inspector General and the Government Accountability Office. Disability case processing and related program integrity issues were also the topic of a 2015 Congressional Hearing by the House Committee on Oversight and Government Reform. After a long and thorough review and evaluation, the RRB is now ready to go forward with significant revisions of the affected forms

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1. Circumstances of information collection - Section 2(a) of the Railroad Retirement Act provides for payment of age and service, disability, and supplemental annuities to qualified employees as explained below. An annuity cannot be paid until the employee stops working for a railroad employer. In addition, the age and service employee must relinquish any rights held to such jobs. A disabled employee does not need to relinquish employee rights until attaining Full Retirement Age, or if earlier, their spouse files for a spouse annuity. Benefits become payable after the employee meets certain other requirements, which depend, in turn, on the type of annuity payable.

Age and Service, Disability, and Supplemental Annuities

Age and Service Annuity

- Age and Service with at least 360 Months of Railroad Service - An employee with at least 360 months of railroad service is eligible for an age and service annuity at age 60. This annuity is not reduced for early retirement.
- Age and Service with 60-359 Months of Railroad Service - The retirement age of an employee with less than 360 months of railroad service is determined under Social Security Administration (SSA) rules. The term Full Retirement Age (FRA) means the

age at which an employee with less than 360 months of railroad service can receive a full annuity (not reduced for early retirement).

The Railroad Retirement and Survivor Improvement Act of 2001 provide for an employee annuity to an employee with 60-119 months of railroad service after 1995. The employee must have a Social Security Insured Status under SSA rules (usually 40 quarters of coverage based on combined railroad service and wages).

The employee is entitled to an age and service annuity based on 60-359 months of railroad service at age 62.

- Tier 1 Reduction to Age and Service Annuities for Early Retirement
 - If the employee has 120-359 months of railroad service, the reduction for early retirement is based on the number of months the employee is under FRA on the RRA annuity beginning date.
 - If the employee has 60-119 months of railroad service after 1995, the reduction for early retirement is based on the number of months the employee is under FRA on the RRA annuity beginning date or, if earlier, the beginning date of the employee's SSA benefit.
- Tier 2 Age Reduction for Early Retirement

The RRA has a special provision for the Tier 2 benefit:

- If the employee has railroad service before August 12, 1983, the Tier 2 amount will be reduced for early retirement if the annuity is awarded before age 65.
- If the employee began railroad service after August 12, 1983, the Tier 2 amount will be reduced for early retirement if the annuity is awarded before FRA.

Disability Annuity

- Total and Permanent Disability

An employee who has at least 120 months of railroad service and is totally and permanently (T&P) disabled for all employment (has a "disability freeze" based on SSA rules), may be eligible for a T&P disability annuity at any age. This annuity is not reduced for early retirement.

An employee who has an 60-119 months of railroad service after 1995 and is totally and permanently disabled (has a "disability freeze" based on SSA rules), may be eligible for a T&P disability "Tier 1 only" annuity at any age. The employee is not paid the Tier 2 benefit until age 62 is attained. The Tier 2 benefit is then reduced for early retirement under the RRA special provision for Tier 2 benefits as if it were based on age and service.

- Occupational Disability Annuity

An employee who is permanently disabled for his or her regular employment, and has at least 120 months of railroad service, may be eligible for an occupational disability annuity. If the employee has 120-239 months of railroad service, the occupational disability annuity is payable at age 60. If the employee has at least 240 months of service, the occupational disability annuity is payable at any age. This annuity is not reduced for early retirement. A "current connection" with the railroad industry is also required for an annuity based on occupational disability.

- Waiting Period for a T&P or Occupational Disability Annuity

A waiting period of five full months is required after the onset of disability before a T&P or occupational disability annuity can begin.

Supplemental Annuity

A supplemental annuity can be paid to any employee at:

- age 60, if the employee has at least 360 months of creditable railroad service or
- age 65, if the employee has 300-359 months of railroad service.

In addition to the railroad service requirement, a "current connection" with the railroad industry is required. Eligibility is further limited to employees who had railroad service before October 1981 and were awarded regular annuities after June 1966. An employee who was born before September 2, 1916, must not have worked in railroad service after certain closing dates (generally the last day of the month following the month in which age 65 is attained).

Current Connection Requirement

An employee must have a current connection with the railroad industry to qualify for an occupational disability annuity or supplemental annuity or to qualify any survivors for a survivor annuity.

An employee who worked for a railroad in at least 12 of the months in the 2½ years immediately preceding retirement will meet the current connection requirement. (If the employee died before retirement, railroad service in at least 12 of the months in the 2½ years before death will meet the current connection requirement for the purpose of paying survivor benefits.) If an employee does not qualify on this basis, but has 12 months of service in an earlier 2½-year period, the current connection requirement may still be met. This alternative generally applies if the employee did not have any regular employment outside the railroad industry after the end of the 2½-year period which included 12 months of railroad service. Full-time or part-time work for a non-railroad employer in an interim between the end of the 2½-year period, including 12 months of railroad service, and the beginning date of the employee's annuity, can break a current connection.

Self-employment in an unincorporated business will not break a current connection; however, self-employment can break a current connection if the business is incorporated. Working for certain U.S. Government agencies (Department of Transportation, National Transportation Safety Board, Surface Transportation Board, Interstate Commerce

Commission, National Mediation Board, or the Railroad Retirement Board) will not break a current connection.

A current connection can also be maintained, for purposes of supplemental and survivor annuities, if the employee completed 25 years of railroad service, was involuntarily terminated without fault from the railroad industry, and did not thereafter decline an offer of suitable employment in the railroad industry. A termination of railroad service is considered voluntary unless there was no choice available to the individual to remain in service. Generally, when an employee has no option to remain in the service of the employer, the termination of employment is considered involuntarily regardless of whether the employee does or does not receive a separation allowance. However, each case is decided by the RRB on an individual basis. This exception to the normal current connection requirements became effective October 1, 1981, but only for employees still living on that date who left the railroad industry on or after October 1, 1975, or who were on leave of absence, on furlough, or absent due to injury on October 1, 1975.

Once a current connection is established at the time of retirement an employee never loses it, no matter what kind of work is performed thereafter.

The requirements for obtaining the annuities are prescribed in 20 CFR 216 and 220.

2. Purposes of collecting/consequences of not collecting the information - The RRB currently utilizes the following manual and electronic forms to obtain information needed to determine entitlement to, and the amount of, the employee retirement annuity.

Manual Forms

Form AA-1, Application for Employee Annuity, which is completed by an applicant for either an age and service or a disability annuity, obtains information about the applicant's marital history, work history, military service, benefits from other governmental agencies and railroad pensions.

Form AA-1 is designed for self-administration. Items 1-5 are pre-filled by the RRB with identifying information before the form is mailed to the applicant for completion.

Along with the AA-1, the applicant receives an application package that includes an RL-1 transmittal letter and booklets RB-9, Employee and Spouse Annuities—Events That Must Be Reported, and RB-1, Age and Service Employee Annuity. Form G-77a, How Work Affects Your Railroad Retirement Benefits, is included when the applicant is under Full Retirement Age. The RL-1 transmittal letter tells the applicant what forms and booklets should be enclosed in the package and what proofs are needed to support the claim. Booklet RB-9 describes events that could cause changes in entitlement or the amount of an annuity and must be reported after the annuity is awarded. Booklet RB-1 provides important information which the applicant needs to complete an application properly, explains what the RRB does after receiving the application, and contains the Paperwork Reduction Act and Privacy Act Notices associated with the AA-1.

After the application is completed, the applicant must read, sign, and date the application's Certification page, which carries the required fraud language and lists events that could affect their annuity and must be reported to the RRB.

The completed application is returned to the field office in the pre-addressed return envelope included for that purpose. After the application is entered into the APPLE system, Form AA-1rec, Receipt for Claim, is generated and provided to the applicant. This receipt advises that processing of the application has begun and provide a general description of the application process; a reminder of events that could affect the annuity and must be reported to the RRB; and RRB telephone numbers to report any events or changes.

The RRB proposes the following changes to Form AA-1:

In support of the RRB's Disability Program Improvement Project (DPIP) to enhance/improve disability case processing and overall program integrity as recommended by the RRB's Office of Inspector General and the Government Accountability Office. Proposed revisions to Form AA-1 include the addition of questions regarding whether a disability applicant is relinquishing seniority rights and why. Comparable revisions to electronic equivalent forms (AA-1cert and AA-1sum) are also being proposed. Form AA-1 is being revised to make non-burden impacting editorial and formatting changes that include the deletion of an obsolete item. Other minor editorial changes are also proposed.

In addition to the required review under the Paperwork Reduction Act, revised Form AA-1 was reviewed by staff from the RRB's Office of General Counsel (OGC) and Office of the Inspector General (OIG). The OGC advised that the changes were legally acceptable. The OIG provided no comments or objections. Subsequently, the revised form has been reviewed and approved for use (pending OMB approval) by the RRB's Board Members

Form AA-1d, Application for Determination of Employee's Disability, is completed by an employee who is filing for a disability annuity under the RRA, or a disability freeze under the Social Security Act for early Medicare based on a disability. The application obtains information about the applicant's disability, doctor or hospital examinations, education, training, employment and worker's compensation.

Form AA-1d is designed for self-administration. Items 1-5 are pre-filled by the RRB with identifying information before the form is released to the applicant for completion. Booklet RB-1d, Employee Disability Benefits, is provided to supply additional information that the employee will need to complete the application properly. Form G-77a, How Work Affects Your Railroad Retirement Benefits, is included when the applicant is under Full Retirement Age. In addition, the employee completes Form G-251, Vocational Report (OMB No. 3220-0141), to provide further information about employment.

Field office personnel use the information from Section 4 of the AA-1d to initiate requests for medical evidence used in disability determinations. The evidence is secured by Forms G-3EMP, Report of Medical Condition by Employer, G-250, Medical Assessment, RL-11b, Disclosure of Hospital Medical Records, and RL-250, Request for Medical Assessment. These forms are described in more detail under OMB No. 3220-0038. If the AA-1 or AA-1d shows the applicant has filed for benefits at SSA, we ask SSA for any medical evidence they have developed before initiating our own request.

The remaining information on the AA-1d, along with Form G-251 and the medical evidence, is used by RRB disability examiners to determine whether a disability exists and, if so, whether it is total and permanent or occupational only.

After the application is completed, the applicant must read, sign, and date the application's Certification page, which carries the required fraud language and lists events that could affect their annuity and must be reported to the RRB.

The completed application is returned to the field office in the pre-addressed return envelope included for that purpose. After the application is released, a Receipt for Claim, is provided to the applicant. This receipt advises that processing of the application has begun and provide a general description of the application process; a reminder of events that could affect the annuity and must be reported to the RRB; and RRB telephone numbers to report any events or changes.

The Paperwork Reduction Act and Privacy Act notices associated with the AA-1d are found on the form.

The RRB proposes significant changes to Form AA-1d in support of the RRB's DPIP to enhance/improve disability case processing and overall program integrity as recommended by the RRB's Office of Inspector General and the Government Accountability Office. Proposed changes to Form AA-1d include the addition of questions regarding an applicant's daily activities, including any social and recreational activities and volunteer work; their education and training, any work performed since terminating their railroad occupation; whether an applicant used a facilitator or an attorney to either complete or aid in their completion of application. Clarification of existing items and other non-burden impacting editorial and formatting changes are also proposed.

In addition to the required review under the Paperwork Reduction Act, revised Form AA-1d was reviewed by staff from the RRB's Office of General Counsel (OGC) and Office of the Inspector General (OIG). The OGC advised that the changes were legally acceptable. The OIG provided no comments or objections. Subsequently, the revised form has been reviewed and approved for use (pending OMB approval) by the RRB's Board Members

Form G-204, Verification of Worker's Compensation/Public Disability Benefit Information, is used when an applicant checks the "Yes" box in Items 119 or 120 of Form AA-1, indicating that they have received or expect to receive worker's compensation or public disability benefits. The G-204 is released by the RRB to the payer of the benefit to obtain verification that the benefit was or will be paid to the disabled railroad employee.

Form G-204 is designed for self-administration. Items 1-5 are pre-filled by the RRB RRB with identifying information before the form is released to the payer of the benefit for completion.

After the application is completed, the payer of the benefit must read, sign, and date the application's Certification page.

The completed application is returned to the field office in the pre-addressed return envelope included for that purpose.

The Paperwork Reduction Act and Privacy Act notices associated with the G-204 are found on the form.

The RRB proposes no changes to Form G-204.

Electronic Forms

The RRB also uses the on-line Application Express (APPLE) system to automate the employee annuity application (AA-1) process. The on-line process is used when an RRB representative interviews an applicant at an RRB field office (preferred), an itinerant point, or by telephone then enters the information into the APPLE system.

The on-line AA-1 collects essentially the same information as the manual AA-1, however, it consists of a script or a series of questions. Depending on the responses to the questions, the APPLE system automatically generates the next appropriate question, eliminating the confusion associated with skip patterns (“go to items”) that are on the paper version. The APPLE system automatically pre-fills identifying information in real time from RRB database records onto the on-line screens. Depending on the circumstances, the system also incorporates information currently collected on RRB Form AA-6, Employee Application for Medicare (OMB 3220-0082), Form G-209, Employee Non-Covered Service Pension Questionnaire (OMB 3220-0154), and Form G-88p, Employer’s Supplemental Pension Report (OMB 3220-0089). The direct entry of the interview data into the APPLE system expedites the payment process, thereby enhancing RRB customer service goals.

Form AA-1cert, Application Summary and Certification, is generated by the APPLE system upon completion of the on-line AA-1 application process for the applicant to review the information provided or verified, and sign with a traditional pen-and-ink “wet” signature. If the application interview is taken over the telephone, the Form AA-1cert is mailed to the applicant for review and signature. The RRB does not release the application for processing by the payment systems until the signed AA-1cert is returned by the applicant.

Form AA-1cert is divided into two parts:

- Part 1 summarizes information about the employee and corresponds to Sections 2-20 of the manual Form AA-1.
- Part 2 provides for the certification and signature of the employee and corresponds to Section 22 of the manual Form AA-1. It includes statements that the information given with regard to the application is true; that the applicant received and reviewed a summary of the information they provided; that the applicant received the correct booklets; that the applicant is obligated to advise the RRB of any errors in the summary they received; and that they know if they make a false or fraudulent statement they are committing a crime punishable under Federal Law.

A footer on each page includes the form number, the page number, and an unique identifier. The unique identifier consists of the applicant’s social security number, the application type code and the time and date of generation.

The RRB proposes comparable changes to those proposed for Form AA-1 to Form AA-1cert in support of the RRB’s Disability Program Improvement Project (DPIP) to enhance/improve disability case processing and overall program integrity as recommended by the RRB’s Office of Inspector General and the Government Accountability Office including the addition of items regarding whether a disability applicant is relinquishing seniority rights and why (See justification for Form AA-1). Other minor editorial changes are also proposed.

NOTE: Two versions of Form AA-1cert are attached. One version contains all possible statements. The other version is an example of a completed application, which includes only statements relevant to the application process. The annuitant and any personally identifiable information contained in these two versions are fictitious.

Form AA-1sum, Application Summary, is generated by the APPLE system, upon completion of the on-line AA-1 application process, for the applicant to review the information provided or verified, when using the alternative signature method, Attestation. Attestation refers to an action taken by an RRB representative to confirm and annotate in the RRB's records (1) the applicant's intent to file an application, (2) the applicant's affirmation under penalty of perjury that the information provided is correct, and (3) the applicant's agreement to sign the application by proxy. If the application interview is taken over the telephone, the Form AA-1sum is mailed to the applicant for review. The RRB office does not release the application for processing by the payment systems until 10 days after Form AA-1sum is mailed to the applicant.

Form AA-1sum is divided into two parts:

- Part 1 summarizes information about the employee and corresponds to Sections 2-20 of the paper Form AA-1.
- Part 2, which corresponds to the information provided on Form AA-1rec., provides a general description of the application process, a reminder of the events that could affect the annuity and must be reported to the RRB; and the RRB telephone numbers to report any events or changes.

A footer on each page includes the form number, the page number, and a unique identifier. The unique identifier consists of the applicant's social security number, the application type code and the time and date of generation.

The RRB proposes comparable changes to those proposed for Form AA-1 to Form AA-1cert in support of the RRB's Disability Program Improvement Project (DPIP) to enhance/improve disability case processing and overall program integrity as recommended by the RRB's Office of Inspector General and the Government Accountability Office including the addition of items regarding whether a disability applicant is relinquishing seniority rights and why (See justification for Form AA-1). Other minor editorial changes are also proposed.

NOTE: Two versions of the proposed Form AA-1sum are attached. One version contains all possible statements. The other version is an example of a completed application, which includes only statements relevant to the application process. The annuitant and any personally identifiable information contained in these two versions are fictitious.

In addition to the required review under the Paperwork Reduction Act, new Form AA-1sum was reviewed by staff from the RRB's Office of General Counsel (OGC) and Office of the Inspector General (OIG). The OGC advised that the changes were legally acceptable. The OIG provided no comments or objections. Subsequently, the new form has been reviewed and approved for use (pending OMB approval) by the RRB's Board Members.

3. Planned use of improved information technology or technical/legal impediments to further burden reduction - The RRB's plan to make the forms available for Internet processing

through the RRB's Web Site has been deferred indefinitely at this time. The RRB will submit a request for a new/revised information collection to OMB for approval well in advance of any planned implementation of an Internet version.

4. Efforts to identify duplication - This information collection does not duplicate any other information collections.
5. Small business respondents - N.A.
6. Consequences of less frequent collection - N.A.
7. Special Circumstances - None
8. Consultations outside the agency - In accordance with 5 CFR 1320.8(d), comments were invited from the public regarding the information collection. The notice to the public was published on page 9888 of the February 26, 2016, Federal Register. No comments or request for information were received.
9. Payments or gifts to respondents - None
10. Confidentiality - Privacy Act System of Records, RRB-22, Railroad Retirement, Survivor and Pensioner Benefit System. In accordance with OMB Circular M-03-22, a Privacy Impact Assessment for this information collection was completed and can be found at <http://www.rrb.gov/pdf/PIA/PIA-BPO.pdf>
11. Sensitive questions - N.A.
12. Estimate of respondent burden - The current and proposed estimated annual burden for this collection is as follows:

Current Inventory

Form Number	Annual Responses	Time (Minutes)	Burden (Hours)
AA-1 (without assistance)	100	62	103
AA-1cert (with assistance)	4,900	30	2,450
AA-1sum (with assistance)	9,100	29	4,398
AA-1d (with assistance)	3,700	35	2,158
AA-1d (without assistance)	5	60	5
G-204	20	15	5
Total	17,825		9,119

Proposed Inventory

Form Number	Annual Responses	Time (Minutes)	Burden (Hours)
AA-1 (without assistance)	100	62	103
AA-1cert (with assistance)	4,620	30	2,310
AA-1sum (with assistance)	8,000	29	3,867
AA-1d (with assistance)	2,600	60	2,600
AA-1d (without assistance)	5	85	7
G-204	20	15	5
Total	15,345		8,892

	Responses	Hours
Total burden Change	<u>-2,480</u>	<u>-227</u>
Adjustment	-2,480	-227

13. Estimated costs to respondents or record keepers - N.A.
14. Estimated cost to the Federal Government - N.A.
15. Explanation for change in burden – The burden for this collection has been reduced largely due to the change in the estimate of the amount of responses annual responses due to enhanced RRB internal reporting/tracking capabilities as well as increased estimated completion times for Form AA-1d.
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 forms associated with this collection are seldom revised. Given the costs associated with programming, redrafting, reprinting, and distributing the forms in order to keep the appropriate OMB expiration date on the form, the RRB requests the authority not to display the OMB expiration date on the forms.
18. Exceptions to Certification Statement - None