SAVE THE DATE:

2017 BLET REGIONAL MEETINGS

The BLET National Division is pleased to announce the dates and locations of its 2017 regional meetings: June 5-9 in San Antonio, Texas; and August 14-18 in Myrtle Beach, S.C.

As with the 2016 regional meetings, the 2017 meetings will be arranged on a Monday through Friday schedule. Travel to the meeting, registration and a welcome reception for each of the two meetings will be on Monday (June 5 for San Antonio and August 14 for Myrtle Beach). Meetings, training classes and other events will be scheduled throughout the remainder of the week and will include a closing banquet on Thursday night. Travel home is on Friday for each meeting (June 9 for San Antonio and August 18 for Myrtle Beach).

For the BLET Bylaws, regional meetings are held for the purposes of membership training, education and discussion of matters of importance to the membership. Additionally, the meetings are structured to include options for fellowship with other members and their families, entertainment, fun and relaxation.

More specific details will be announced at a later date. Registration information will be available online at the BLET National Division’s regional meeting website (www.bletregionals.org). All members are encouraged to attend one or both of these regional meetings in 2017.

FOR MORE INFORMATION, GO TO: WWW.BLETREGIONALS.ORG

JUNE 5-9 • SAN ANTONIO, TEXAS
AUGUST 14-18 • MYRTLE BEACH, S.C.

Stormy Weather

Rolling through downtown Hurricane, West Virginia, CSX Q135 heads west into the center of a severe thunderstorm. Featuring a storm top of more than 22,000 feet above the surface, an impressive lightning show turns darkness into daylight as the cell treks east across the C&O mainline. Photo: Chase Gunnoe

BLET President's Message

Now Is The Time To Address Rail Worker Fatigue pg. 2

Brotherhood Elections

State Legislative Board Chairmen elected in Louisiana, Colorado and Florida pgs. 3-4

Disaster Relief

Teamsters offer assistance in Florida, Georgia pg. 5

Register for News Flash email alerts at: www.ble-t.org/newsflash  Follow us on Facebook: www.facebook.com/BLETNational
O n behalf of the Brotherhood of Lo-
comotive Engineers and Trainmen, I ap-
plaud the Transportation Safety
Board of Canada (TSB) for
including rail worker fatigue as
one of the 10 items on its 2016
Safety Watchlist. Similar to the
Most Wanted List published an-
nually by the U.S. National Transpor-
tation Safety Board (NTSB), the TSB’s Safety Watch-
list identifies critical issues im-
pacting transportation safety.

Kathy Fox, Chair of the TSB, said:
“Fatigue has been a factor in
numerous railway investigations,
most notably regarding freight
train operations. Too many train
crews aren’t getting the rest they
need, whether it’s shifts that are
too long or irregular scheduling
that interferes with normal sleep
times. It’s time for the railway in-
dustry to start applying fatigue
science to crew scheduling, in-
stead of calling for more studies.”

My counterpart Doug FinnsHon, President of Teamsters
Canada Rail Conference, said:
“We’ve always believed that
fighting fatigue should be based
on sound science, not opera-
tional efficiency.” We in the
BLET could not agree more. It’s
time to stop putting profits
ahead of safety. The time is now
to address rail worker fatigue.

The TSB Watchlist notes that
safety management systems
should include a process for
scheduling the work of certain
employees, such as employees
whose schedule is not commu-
nicated at least 72 hours in ad-
vance, or who are required to
work beyond their normal
schedule, or who are required to
work between 11 p.m. and 6:00 a.m. Moreover, TSB says
that process should be based on
the principles of fatigue science.

In the U.S., the NTSB’s 2016
Most Wanted List also included
a call to “Reduce Fatigue-Relat-
ed Accidents” across all modes of
transportation. The NTSB not-
ed that: “Some of our earliest rec-
ommendations called for re-
search to better understand the
problem of fatigue in transpor-
tation, and, of the past three
decades, a great deal of research
has been done. But research only
goes so far; we must implement
what we have learned.”

Similarly, the TSB notes:
“Even though the railway indus-
try and Transport Canada have
known sleep-related fatigue to
be a problem for over 20 years,
the initiatives taken to date have
not been adequate to fully address
the issue. As a result, fatigue
continues to pose a risk to the
safe operation of trains.” I’ll say it again: the time is
now to get serious and put an
end to worker fatigue in the rail-
road industry.

As all rail workers know, fa-
tigue can seriously degrade work
performance and can contrib-
ute directly to accidents. Fatigue
leads to slower reaction times,
memory problems, poor deci-
dion-making, and inefficient in-
formation processing.

A main cause of fatigue for
operating employees is the vari-
able work schedules that rail
crews are forced to endure. Un-
reliable schedules result in un-
predictable and inconsistent pat-
terns of awake and sleep time
for locomotive engineers and
trainmen, resulting in rail work-
er fatigue. Due to the unpredict-
able nature of their assignments,
compounded by glaring defi-
ciencies in the railroad’s train
lineups as compared to actual
call times, engineers and train-
men are more frequently sub-
jected to situations where they
are not adequately rested
throughout their entire shift.

The situation is made even
worse by punitive carrier atten-
dance policies that threaten em-
ployees with discipline for at-
tempting to avoid hazardous
conditions by taking time off
due to fatigue. Under current
attendance policy rules, engine
and train service employees
could be suspended from work
or even fired for taking time off
due to fatigue.

Allowing engineers to take
time off due to fatigue — with-
out fear of disciplinary retali-
ation — would be a good first
step toward reducing fatigue.

More accurate train line-ups
would be an excellent second
step. As the NTSB has noti-
ced, fatigue has been studied to
death; indeed, many BLET
members have participated in
the various studies sponsored
by the FRA and other govern-
ment bodies for many years. Everyone knows what needs to
be done, but the industry has
not yet shown the willpower to
manage their operations in a
way that meaningfully address-
es this scourge.

The Federal Railroad Admi-
istration (FRA) recently published
a regulation establishing the con-
ditions for design and implemen-
tation of System Safety Plans
(SSPs) by the nation’s passenger
and commuter railroads. Also
pending is a FRA regulation man-
dating that Class 1 and other
freight railroads adopt Risk Re-
duction Plans (RRPs), which is
a requirement pending since en-
actment of the Rail Safety Im-

All SSPs and RRPs must in-
clude fatigue mitigation plans
as a matter of law. In prepara-
tion for discussions that will
take place with the various rail-
roads next year, the National
Division is hosting a program
for passenger and commuter
rail General Chairmen on De-
cember 12. That program will
equip our General Chairmen,
and their General Committees of
Adjustment, with the tools
needed to fight for fatigue
management plans within the
SSP/RRP construct that will
provide genuine relief from this
significant safety hazard. A similar program will be offered
to our General Chairmen of
freight railroads required to
implement RRPs once FRA’s
final rule has been published.

The time for talk is over, and
the need to act is more imper-
vative today than ever before.
We will provide future updates
on this subject as developments
warrant.

DENNIS R. PIERCE
BLET National President

BLET NATIONAL DIVISION ELECTRONIC COMMUNICATIONS POLICY

Official communications be-
tween BLET members and the
National Division require a
hard copy of the correspon-
dence, bearing a signature, being
received by the National President to be consid-
ered an “official communication.” This is to
provide that the actual question(s) are
addressed, and ensures that official
interpretations are made they have refer-
ce to a specific request and can be used in
future correspondence.

The volume of e-mails received makes it impossible for the National President to
answer all unofficial communications.
Therefore, it is the policy of the BLET that
e-mails addressed to the National Presi-
dent will be reviewed and forwarded
to the appropriate officer or staff for a time-
ly response; however, an e-mail message is
not considered an official communication.

Moreover, anonymous e-mails and e-
mails that do not provide sufficient in-
formation concerning the sender to en-
able National Division staff to confirm the
sender’s membership status will not receive
any reply or acknowledgement. This poli-
cy is intended to allow the National Presi-
dent to be aware of the opinions and sug-
gestions of the membership, while at the
same time providing a timely response to
the member’s unofficial communication,
if a response is necessary, without need-
lessly expending limited BLET resources.

ADOPTED AT CLEVELAND, OHIO ON
JULY 22, 2010. 9/6

Cover photos: Texas, courtesy of visitfortworth.com and Myrtle Beach, courtesy of Visit Myrtle Beach
U.S. manufacturing jobs, or the lack thereof, is a central concern for many hard-working Americans who toiled for years on factory floors across the country, earning a fair wage with decent benefits that allowed them to support their families.

For too many, these employment opportunities are no longer a reality. Companies have increasingly moved their facilities overseas due to bad trade deals like NAFTA or the proposed Trans-Pacific Partnership (TPP), decimating many communities. That's why the Teamsters and other unions have been so outspoken in their opposition to the TPP.

Those who have tried to minimize the influence of lousy trade agreements have tried to play up the angle that many of these jobs would have been lost to automation anyway. Many also stress that any future manufacturing growth in the U.S. will demand heavily on minority workers and more robots. But that is simply not the case.

Economist Susan Houseman, in a published interview with Vice President Joe Biden’s former chief economist Jared Bernstein, told him that automation is centered in computer manufacturing. Meanwhile, she noted overall U.S. manufacturing is still down five percent since the start of the Great Recession.

“Manufacturing employment has not recovered from the Great Recession, and now is 29 percent lower than in 2000,” Houseman said. “That decline is historically unprecedented. And those large-scale job losses are the reason for the focus on manufacturing in the presidential campaign.”

Such declines have been particularly hard felt in communities of color. The Alliance for American Manufacturing said that it was union manufacturing jobs that help grow wealth in the African American community during the last century. But due to industrial flight, minority workers are suffering more than anyone.

It will be challenging to undo past harms due to poor policy decisions. That’s why everyday Americans must rise up to vehemently oppose TPP. This country can’t afford to have more of its jobs shipped overseas and more towns hollowed out due to the loss of employers.

Stand up and let lawmakers know they must vote no if TPP comes before Congress!

Fraternally,

James P. Hoffa
Teamsters General President

Arlin Todd reelected by acclamation in Louisiana

President E. Lee Pruitt; BLET Vice President Dennis R. Pierce; First Vice President John P. Tolman; BLET Director of Regulatory Affairs Vincent G. Verna; Arkansas State Legislative Chairman Terry L. Todd; Texas State Legislative Board Chairman Gary R. Pedigo; Mississippi State Chairman W.D. (Bilby) Evans; Union Pacific-Western Lines General Chairman D.W. (Bill) Hannah; CN/IC General Chairman Clay E. Craddock; Kansas City Southern General Chairman David A. Spalding; and Union Pacific-Central Region Vice General Chairman Kyle J. Bagby.

I offer my sincere congratulations to Brother Todd and all officers of the Louisiana State Legislative Board, and thank them for their dedication to our Brotherhood, ”President Pierce said. “Brother Todd is one of our veteran leaders and I know he will continue doing an excellent job of representing our Brothers and Sisters in Louisiana.”

The Louisiana State Legislative Board encompasses 13 BLET Divisions from six different railroads (CN, Union Pacific, BNSF Railway, Kansas City Southern, Amtrak and Mid-South) and represents approximately 870 active and retired members.

TPP Would Be Another Blow to U.S. Manufacturing

For too many, these employment opportunities are no longer a reality. Companies have increasingly moved their facilities overseas due to bad trade deals like NAFTA or the proposed Trans-Pacific Partnership (TPP), decimating many communities.
Pearson elected Colorado State Legislative Board Chairman

Brother Paul E. Pearson of BLET Division 133 (Denver, Colo.) was elected by acclamation to serve as Chairman of the Colorado State Legislative Board at its quadrennial meeting on September 19, 2016, in Golden, Colo.

A Union Pacific locomotive engineer, Brother Pearson joined the Brotherhood in 1985 and has served in Division 133 as Legislative Assistant, Representative, Trustee, Alternate Secretary-Treasurer, and Alternate Legislative Representative. His service to the Colorado State Legislative Board began in 2008 when he was elected to serve as Secretary-Treasurer, an office he was reelected to by acclamation in 2012. Brother Pearson serves as Mobilization Captain for the BLET’s Union Pacific membership in Colorado.

Also elected during the 2016 quadrennial meeting were: 1st Vice Chairman Michael C. Bevtir, Division 940 (Denver, Colo.); 2nd Vice Chairman Christopher J. Sherwood, Division 505 (La Junta, Colo.); Secretary-Treasurer Robert L. Montoya, Division 940 (Denver, Colo.); and Alternate Secretary-Treasurer Richard A. Aguilar, Division 256 (Denver, Colo.).

"Congratulations to Brother Pearson and all officers of the Colorado State Legislative Board," BLET National President Dennis R. Pierce said. "I thank them for their willingness to actively serve our Brotherhood, and I have every confidence they will do an excellent job of representing our Brothers and Sisters in Colorado. Also, I wish to thank Brother Jim Wilmesher for his years of service to the Colorado State Legislative Board. I am also pleased to extend best wishes to long-serving 1st Vice Chairman Mike J. Quick, Division 133 (Denver, Colo.)."

Outgoing Colorado State Legislative Board Chairman Jim Wilmesher presents a retirement gift to outgoing 1st Vice Chairman Kevin Utterback.

Outgoing Colorado State Legislative Board Chairman Jim Wilmesher presents a retirement gift to outgoing 1st Vice Chairman Kevin Utterback.

Lavery reelected to sixth term as Florida State Legislative Board Chairman

Brother David S. Lavery was reelected by acclamation to his sixth term as Chairman of the Florida State Legislative Board at the Board’s quadrennial meeting in Tampa, Fla., on September 13, 2016.

The meeting marked 20 years since the Board was reestablished in Florida. Brother Lavery, a CSX locomotive engineer from Division 216 (Tampa, Fla.), has the distinction of continuously serving as the Board’s chairman since 1996. He first joined the BLET on October 1, 1983.

Also elected during the meeting were: 1st Vice Chairman Brendan P. Sullivan, Division 769 (Sanford, Fla.); 2nd Vice Chairman P.S. (Shawn) Sauville, Division 309 (Jacksonville, Fla.); Legislative Representative David P. Wyatt, Division 216 (Tampa, Fla.); and Alternate Secretary-Treasurer Nicholas E. Diiorio, Division 49 (Miami, Fla.).

Elected to serve as Trustees were: P.S. (Shawn) Sauville, Division 309 (Jacksonville, Fla.); Matthew P. Korn, Division 35 (Jacksonville, Fla.); Nicholas E. Diiorio, Division 49 (Miami, Fla.); and Cameron D. Razi, Division 216 (Tampa, Fla.).

Representing the National Division at the meeting were: National President Dennis R. Pierce; First Vice President Lee Pruitt; President and National Legislative Representative John P. Tolman; and National Vice President Gil L. Gore.

"Brother Lavery has served BLET members in Florida with distinction for many years. I am proud to offer my congratulations and thanks to him and all officers of the Florida State Legislative Board,” President Pierce said. "They will have their plates full between now and November 8, but I have every confidence that they are up to the challenge.”

Additional guests included: General Chairman Gary D. Best, CSX Eastern Lines General Committee of Adjustment; Trustee, Alternate Secretary-Treasurer of the CSXT-Eastern Lines GCA; and Alternate Secretary-Treasurer of the CSXT-Eastern Lines GCA; and Alternate Secretary-Treasurer of the CSXT-Eastern Lines GCA; and Alternate Secretary-Treasurer of the CSXT-Eastern Lines GCA; and Alternate Secretary-Treasurer of the CSXT-Eastern Lines GCA.

Representing the State Legislative Board at its quadrennial meeting on September 13, 2016, from left: Showen Sauville, Division 309; Gil Gore, National Vice President; Nicholas Diiorio, Division 49; John Tolman, President & National Legislative Representative; Dennis Pierce, BLET National President; Brendan Sullivan, Division 309; David Lavery, Florida State Legislative Board Chairman; David Wyatt, Division 216; Matt Rahn, Division 33; Lee Pruitt, BLET First Vice President; and Gary Best, CSX Eastern Lines General Chairman.

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railroad retirement annuities subject to earnings restrictions can earn more in 2017 with- out having their benefits reduced as a result of increases in earnings limits indexed to average national wage increases.

Like social security benefits, some railroad retirement benefit payments are subject to deductions if an annuitant’s earnings exceed certain exempt amounts. These earnings restrictions apply to those who have not attained full social security retirement age. For employee and spouse annuitants, full retirement age ranges from age 65 for those born before 1938 to age 67 for those born in 1960 or later. For survivor annuitants, full retirement age ranges from age 65 for those born before 1940 to age 67 for those born in 1962 or later.

For those under full retirement age throughout 2017, the exempt earnings amount rises to $16,920 from $15,720 in 2016. For beneficiaries attaining full retirement age in 2017, the exempt earnings amount, for the months before the month full retirement age is attained, rises to $44,880 in 2017 from $41,880 in 2016. For those under full retirement age, the earnings deduction is $1 in benefits for every $2 of earnings over the exempt amount. For those attaining full retirement age in 2017, the deduction is $1 for every $3 of earnings over the exempt amount in the months before the month full retirement age is attained.

When applicable, these earnings deductions are assessed on the tier I and vested dual benefit portions of railroad retirement employee and spouse annuities, and the tier I, tier II, and vested dual benefit portions of survivor benefits.

All earnings received for services rendered, plus any net earnings from self-employment, are considered when assessing deductions for earnings. Interest, dividends, certain rental income, or income from stocks, bonds, or other investments are considered earnings for this purpose.

Retired employees and spouses, regardless of age, who work for their last pre-retirement non-railroad employer are also subject to an additional earnings deduction, in their tier II and supplemental benefits, of $1 for every $2 in earnings up to a maximum reduction of 50 percent. This earnings restriction does not change from year to year and does not allow for an exempt amount.

A spouse benefit is subject to reduction not only for the spouse’s earnings, but also for the earnings of the employee, regardless of whether the earnings are from service for the last pre-retirement non-railroad employer or post-retirement employment.

Special work restrictions continue to be applicable to disability annuitants in 2017. The monthly disability earnings limit increases to $990 in 2017 from $880 in 2016. Regardless of age and/or earnings, no railroad retirement annuity is payable for any month in which an annuitant (retired employee, spouse or survivor) works for a railroad employer or railroad union.

Most railroad retirement annuities, like social security benefits, are scheduled to increase slightly in January 2017 on the basis of the rise in the Consumer Price Index (CPI) from the third quarter of 2016 to the corresponding period of the current year.

Cost-of-living increases are calculated in both the tier I and tier II benefits included in railroad retirement annuity. Tier II ben-efits, like social security benefits, will increase by 0.3 percent, which is the percentage of the CPI rise. Tier II benefits will go up by 0.3 percent, which is 32.5 percent of the CPI increase. Vested dual benefit payments and supplemental annuities also paid by the Railroad Retirement Board (RRB) are not adjusted for the CPI change.

In January 2017, the average regular railroad retirement employee annuity will increase $6 a month to $2,628 and the average of combined benefits for an employee and spouse will increase $9 a month to $3,815. For those aged widow(er)s eligible for an increase, the average annuity will increase $4 a month to $1,327. However, widow(er)s whose annuities are being paid under the Railroad Retirement and Survivors’ Improvement Act of 2001 will not receive an annual cost-of-living adjustments until their annuity amount is exceeded by the amount that would have been paid prior to law, counting all interim cost-of-living increases otherwise payable. Some 46 percent of the widow(er)s on the RRB’s rolls are being paid under the 2001 law.

If a railroad retirement or survivor annu- itant also receives a social security or other government benefit, such as a public service pension, the increased tier I benefit is reduced by the increased government benefit. Tier II cost-of-living increases are not reduced by increases in other government benefits. If a widow(er) whose annuity is being paid under the 2001 law is also entitled to an increased government benefit, her or his railroad retirement survivor annuity may decrease.

However, the total amount of the combined railroad retirement widow(er)’s an- nuity and other government benefits will not be less than the total payable before the cost-of-living increase and any increase in Medicare premium deductions.

The Centers for Medicare and Medicaid Services is expected to announce any Medicare Part B premium changes in mid-No- vember, and information will be available then at www.medicare.gov.

In January 2017, the average regular railroad retirement employee annuity will increase $6 a month to $2,628 and the average of combined benefits for an employee and spouse will increase $9 a month to $3,815.

Credit for military service under the Railroad Retirement Act

Any railroad employee who at some time served in the Armed Forces of the United States, under certain conditions, may be credited with railroad retirement contributions. The following questions and answers provide information on how military service may be credited towards railroad retirement benefits.

1. Under what conditions can military service be credited as railroad service?

The intent behind the crediting of military service under the Railroad Retirement Act is to prevent career railroad employees from losing retirement credits while performing active duty military service during a war or national emergency period. Therefore, to be credited as compensation under the Railroad Retirement Act, service in the U.S. Armed Forces must be preceded by railroad service in the same or preceding calendar year. With the exception noted later, the employee must also have entered military service when the United States was at war or in a state of national emergency or have served in the Armed Forces involuntarily. Military service is involuntary when an employee is required by law, such as Selective Service System conscription or troop call-up from a reserve unit, to leave railroad service to perform active duty military service.

2. Are there any examples of creditable service performed by a member of a reserve component, such as the Army Reserve?

Any military service a reservist was required to perform as a result of a call-up to active duty, such as during a partial mobilization, would be creditable under the Railroad Retirement Act, so long as the military service was preceded by railroad service in the same or preceding year.

Annual training duty as a member of a reserve component of a uniformed service is also considered active duty and may be credited, provided the employee service requirement is met. The period of active duty for training also includes authorized travel time to and from any such training duty. However, weekend alone or evening reserve duty is not creditable.

Active duty in a State National Guard or State Air National Guard unit may be creditable only if the reservist was at war or in a state of national emergency periods.

3. What are the dates of the war or national emergency periods?

The war or national emergency periods are:

- August 2, 1990, to date as yet undetermined.
- September 8, 1939, through June 14, 1948.

If military service began during a war or national emergency period, any active duty service the employee was required to continue in beyond the end of the war or national emergency is creditable, except that voluntary service extending beyond September 14, 1978, is not creditable.

Railroad workers who voluntarily served in the Armed Forces between June 15, 1948, and December 15, 1950, when there was no declared national state of emergency, can be given railroad retirement credit for their military service if they:

- performed railroad service in the year they entered or the year before they entered military service, and;
- returned to railroad service in the year their military service ended or in the following year, and;
- had no intervening nonrailroad employment.

4. How can military service be used to increase benefits paid by the Railroad Retirement Board (RRB)?

Railroad retirement annuities are based on length of service and earnings. If military service is creditable as railroad service, a person will receive additional compensation credits for each month of creditable military service and railroad service credit for each active military service month not already credited by actual railroad service.

Creditable military service may be used in addition to regular railroad service to meet certain service requirements, such as the basic 10-year or 5-year service requirement for a regular annuity, the 20-year requirement for an occupational disability annuity before age 60, the 25-year requirement for a supplemental annuity, or the 30-year requirement for early retirement benefits.

5. Can United States Merchant Marine service be creditable for railroad retirement purposes?

No. Service with the Merchant Marine or civilian employment with the Department of Defense is not creditable, even if performed in wartime.

6. Are railroad retirement annuities based in part on military service credits reduced if other benefits, such as military service pensions or payments from the Department of Veterans Affairs, are also payable on the basis of the same military service?

No. While railroad retirement employee annuities are subject to reductions for dual entitlement to social security benefits and, under certain conditions, Federal, State, or local government pensions, as well as certain other payments, railroad retirement employee annuities are also reduced by the amount of reduction for military service pensions or payments by the Department of Veterans Affairs.

7. Are the unemployment and sickness benefits payable by the RRB affected if an employee is also receiving a military service pension?

Yes. The unemployment and sickness benefits payable by the RRB are affected if a claimant is also receiving a military service pension. Payments made by the Department of Veterans Affairs will not affect railroad unemployment or sickness benefits.

When a claimant is receiving a military service pension or benefits under any social security law for days in which he or she is entitled to benefits under the Railroad Unemployment Insurance Act, railroad unemployment or sickness benefits are payable only to the extent to which they exceed the other payments for those days.

In many cases, the amount of a military service pension precludes the payment of unemployment or sickness benefits by the RRB. Examples of other social insurance payments are firefighters’ and police pensions, or certain workers’ compensation payments. Claimants should report all such payments promptly to avoid having to refund benefits later.

8. How can proof of military service be filed in advance of retirement?

Railroad employees are encouraged to file proofs of their military service well in advance of retirement. The information will be recorded and stored electronically until they actually retire. This will expedite the annuity application process and avoid any delays resulting from inadequate proof of military service.

9. How can an employee get more information about the crediting of military service by the RRB?

More information is available by visiting the agency’s website, www.rrb.gov, or by calling an RRB office toll-free at 1-877-772-5772. Persons can find the address of the RRB office serving their area by calling the RRB’s toll-free number or at www.rrb.gov.
The Railroad Retirement Board (RRB) is required by law to submit annual financial reports to Congress on the financial condition of the railroad retirement system and the railroad unemployment insurance system. These reports must also include recommendations for any financing changes which may be advisable in order to ensure the solvency of the systems. In June, the RRB submitted its 2016 reports on the railroad retirement and railroad unemployment insurance systems.

The following questions and answers summarize the findings to ensure the solvency of the systems. In the coming years will largely determine maintenance of the railroad retirement system assets, comprised of railroad retirement and railroad unemployment insurance systems.

What were the assets of the railroad retirement and railroad unemployment insurance systems last year?

As of September 30, 2015, total railroad retirement system assets, comprising assets managed by the National Railroad Retirement Investment Trust and the railroad retirement system accounts at the Treasury, equaled $26.3 billion. The Trust was established by the Railroad Retirement and Survivors’ Improvement Act of 2001 to manage and invest railroad retirement assets. The cash balance of the railroad unemployment insurance system was $108.9 million at the end of fiscal year 2015.

What was the conclusion of the 2016 report on the financial condition of the railroad retirement system?

The conclusion was that, barring a sudden, unanticipated, large decrease in railroad employment or substantial investment losses, the railroad retirement system will experience no cash-flow problems during the next 25 years. The long-term stability of the system, however, is still uncertain. Under the current financing structure, actual levels of railroad employment and investment return over the coming years will largely determine whether corrective action is necessary.

What methods were used in forecasting the financial condition of the railroad retirement system?

The 2016 report projected the various components of income and outgo of the railroad retirement system under three employment assumptions, intended to provide an optimistic, intermediate and pessimistic outlook, for the 25 calendar years 2016-2040. The projections of these components were combined and the investment income calculated to produce the projected balances in the railroad retirement accounts at the end of each projection year.

Projecting income and outgo under optimistic, intermediate and pessimistic employment assumptions, the report indicated no cash-flow problems occur throughout the 25-year projection period under any of the three employment assumptions.

What were the findings of the 2016 report on the financial condition of the railroad unemployment insurance system?

The RRB’s 2016 railroad unemployment insurance financial report was also generally favorable. Even as maximum benefit rates increase 36 percent (from $72 to $88) from 2015 to 2026, experience-based contribution rates maintain solvency. No new loans are anticipated even under the pessimistic assumption. Unemployment levels are the single most significant factor affecting the financial status of the railroad unemployment insurance system. However, the system’s experience-rating provisions, which adjust contribution rates for changing benefit levels, and its surplus trigger for maintaining a minimum balance help to ensure financial stability in the advent of adverse economic conditions.

Under experience-rating provisions, each employer’s contribution rate is determined by the RRB on the basis of benefit payments made to the railroad’s employees. Even under the pessimistic assumption, the report predicted that the average employer contribution rate remains well below the maximum throughout the projection period.

A 1.5 percent surcharge is in effect in calendar year 2016. Under all three employment assumptions, the report projects a surcharge of 1.5 percent in 2017 and 2018, with a surcharge of 1.5 percent predicted for 2019 under the pessimistic assumption and likely under the intermediate and optimistic assumptions.

Did the 2016 report of the railroad retirement system recommend any financing changes to the system?

The report did not recommend any change in the rate of tax imposed by current law on employers and employees.

What were the methods used in the 2016 report on the financial condition of the railroad unemployment insurance system?

The report did not recommend any financing changes for the period 2016-2026, rather than a 25-year period.

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Projecting income and outgo under optimistic, intermediate and pessimistic employment assumptions, the report indicated no cash-flow problems occur throughout the 25-year projection period under any of the three employment assumptions.

How do the results of the 2016 report compare with the 2015 report?

The projected tier II tax rates for each calendar year are either the same or higher than last year’s report. (Railroad retirement payroll taxes, like railroad retirement benefits, are calculated on a two-tier basis.) The projected combined account balances are lower at the end of each year. The unfavorable comparison with last year was due to overall unfavorable economic and employment experience, with the largest impacts resulting from declining employment and actual investment return of approximately 0.2 percent falling below the expected investment return of 7 percent in calendar year 2015.

What methods were used to evaluate the financial condition of the railroad unemployment insurance system?

The economic and employment assumptions used in the unemployment insurance report corresponded to those used in the 2016 report of the retirement system. Projections were made for various components of income and outgo under each of the three employment assumptions, but for the period 2016-2026, rather than a 25-year period.

Did the 2016 report on the railroad unemployment insurance system recommend any financing changes to the system?

No financing changes were recommended at this time by the report.

The following questions and answers summarize the findings to ensure the solvency of the systems. In June, the RRB submitted its 2016 reports on the railroad retirement and railroad unemployment insurance systems.

What were the assets of the railroad retirement and railroad unemployment insurance systems last year?

As of September 30, 2015, total railroad retirement system assets, comprising assets managed by the National Railroad Retirement Investment Trust and the railroad retirement system accounts at the Treasury, equaled $26.3 billion. The Trust was established by the Railroad Retirement and Survivors’ Improvement Act of 2001 to manage and invest railroad retirement assets. The cash balance of the railroad unemployment insurance system was $108.9 million at the end of fiscal year 2015.

What was the conclusion of the 2016 report on the financial condition of the railroad retirement system?

The conclusion was that, barring a sudden, unanticipated, large decrease in railroad employment or substantial investment losses, the railroad retirement system will experience no cash-flow problems during the next 25 years. The long-term stability of the system, however, is still uncertain. Under the current financing structure, actual levels of railroad employment and investment return over the coming years will largely determine whether corrective action is necessary.

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Tyley G. Jones was elected by acclamation to his first full term as Chairman of the Kansas Legislative Board at its quadrennial meeting in Kansas City, Kan., held from September 12-13, 2016. Brother Jones hired out on January 5, 1995 with the St. Louis Southwestern in Herington, Kan. Since 1997, he has been a locomotive engineer with Union Pacific and member of Division 746, (Pratt, Kan.). He served as Division Secretary-Treasurer for nine years, and Vice-Local Chairman and Local Chairman for five years. Currently, he is Vice Local Chairman and Legislative Representative of Division 740. He was elected 2nd Vice Chairman of the Kansas State Legislative Board in 2012. Also elected were: 1st Vice Chairmanship Scott W. Newell, Div. 336 (Osawatomie, Kan.); (2nd Vice Chairmanship William E. Brake, Div. 237 (Fort Scott, Kan.); Secretary-Treasurer Williette J. Thibodeau, Div. 130 (Kansas City, Kan.); and Alternate S-5 Brandon D. Nunnenkamp, Div. 90 (Kansas City, Kan.). Elected to serve as Trustees were: Shad M. Bremer, Div. 90 (Independence, Kan.); Phil D. Taylor, Div. 130 (Kansas City, Kan.) and Jason S. Holmes, Div. 777 (Independence, Kan.).

Office Officers, delegates and guests attending the Kansas State Legislative board’s quadrennial meeting on September 13, 2016, Kansas City, Kan.

National officers in attendance were: First Vice President E. Lee Pruitt and Vice President Dennis R. Pierce, Division 740; National Legislative Representative John P. Tolman; Kansas State Legislative Board Chairman Tyley G. Jones; first-term BLET National Vice President Gary Vedin; and Second Vice President William E. Brake, Div. 237 (Fort Scott, Kan.).

I congratulate Brother Jones and all officers of the Kansas State Legislative Board, BLET National President Dennis R. Pierce said, “I thank them for their dedication and willingness to serve our Brotherhood. I have every confidence they will do an excellent job representing the interests of our members in the proud state of Kansas.”

Special guest speakers included: Senate Minority Leader, Royce West, and Kansas Senate Majority Leader, John Flanagan, who both addressed the gathering, expressing gratitude for the BLET and the support for the continued strength of labor in the state of Kansas.

Tyley G. Jones, elected Kansas State Legislative Board Chairman