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Congress of the United States
House of Representatives
Washington, DC 20515-4901

COMMITTEE ON
WAYS AND MEANS

May 14, 2012

Mike [REDACTED]
[REDACTED] Drive
Bakersfield, CA 93311 [REDACTED]

Dear Mike:

Thank you for contacting my office regarding your thoughts related to provisions contained in the Fiscal Year (FY) 2013 Budget Resolution that would affect Tier 1 Retirement Benefits for Railroad Retirees. I appreciate you taking the time to let me know your views on this important issue.

You raised some interesting and insightful points regarding this issue. The Report accompanying the budget resolution, which offers illustrative policy options and assumptions (though does not hold the force of law), makes the following points: Reforming the Federal Government's income security programs can both strengthen the safety net and protect taxpayers. Among the reforms that could be considered by the committees of jurisdiction involve reforms of the Railroad Retiree's pension funding.

As you know, Tier 1 Retirement Benefits are funded through a payroll tax and are invested in special non-marketable bonds, just like with Social Security. Further, these benefits are supposed to mimic Social Security benefits, and one potential reform would be to conform Tier 1 Retirement Benefits, so that its benefits would be equal to those of Social Security. Importantly, these reforms do not affect Tier 2 benefits at all, nor those in or near retirement. Tier 2 benefits are those benefits that the workers have funded beyond their Tier 1 Retirement Benefits. For additional information, I have included "Function 600: Income Security" from the Report on the FY2013 Budget Resolution. To read more about this budget, you are welcome to visit the House Budget Committee web site: <http://budget.house.gov/fy2013Prosperity/>.

Under Congressional Courtesy, I am also required to suggest that you direct your comments about this issue to your federal representative for their consideration. (As is the custom in Congress, all requests received from those outside of a Member's Congressional district are referred to the Member of Congress who serves the constituent's district.) You can obtain the contact information for your Member of Congress by visiting: www.house.gov.

Because I do not represent you in Congress, I appreciate your understanding why I am required to also suggest that you direct your concerns to your federal representative for

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their review and response. However, I am glad that you took the time to contact my office about this important issue, and I want to assure you that I have also noted the important concerns that you have expressed.

Again, thank you for contacting my office. Best wishes to you.

Sincerely,


Paul Ryan
Serving Wisconsin's 1st District

Enclosure