RAILROAD RETIREMENT BOARD

FISCAL YEAR 2023
BUDGET SUBMISSION

The Honorable Shalanda D. Young
Acting Director
Office of Management and Budget
1650 Pennsylvania Avenue, N.W.
Washington, D.C. 20503

Dear Ms. Young:

Enclosed is our budget request for fiscal year 2023. We are also submitting our request concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act. Resources for the Office of Inspector General are not addressed in this submission. That office will submit a separate request concerning its needs.

The Railroad Retirement Board (RRB) requests direct funding of $154.661 million to support an estimated 880 full time equivalents (FTEs). For fiscal year 2023, the RRB has not requested Information Technology (IT) funding, in recognition of the funding received through annual and supplemental appropriations that have fully funded the agency's IT modernization program. Even though we are progressing with our modernization efforts, we continue to operate in a transitional state that requires sufficient FTEs to sustain benefit determination and payment operations, which still rely heavily on manual processing. The RRB's proposed agency request level, would allow the RRB to better manage workloads and the impact of significant attrition until IT modernization efforts are fully integrated into agency processing.

In accordance with OMB guidance, our fiscal year 2023 budget submission also includes proposed budget requests at the 2 percent Add Back and 7 percent Reduction levels based on the net Non-Defense Discretionary total provided to the RRB in the fiscal year 2023 Column of the President's fiscal year 2022 Budget. The 2 percent Add Back level would provide funding of $130.560 million and based upon budget projections would support 718 FTEs. In contrast, the 7 percent Reduction budget level would provide $119.040 million and support an estimated 641 FTEs. Budget projections show that at the 7 percent Reduction level, the agency would need to reduce current FTE levels rapidly and significantly by 133 FTEs through all available options to include attrition, furloughs, buyouts, and reduction in force to reach the estimated 641 FTEs provided at this level. The accelerated and substantial reduction of FTEs needed to reach 641 FTEs would put the agency critically close to or could result in mission failure.

In addition to requests for administrative expenses, this budget submission includes our best actuarial estimate of the expected fiscal year 2023 costs of vested dual benefits, $9 million, with a 2 percent reserve of $180,000. The RRB also requests $1.139 billion for applicable military service credits through December 2019, with interest through September 1, 2021.

Finally, included in the budget submission are four agency legislative proposals. The first would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies. The second would amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize student and recent graduate hiring authorities available to other Federal agencies. The third would amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency. The final would amend the Balanced Budget and Emergency Deficit Control Act of 1985 and the Statutory Pay-As-You-Go Act of 2010 to include the Railroad Unemployment Insurance Trust Fund in the list of accounts, which are exempt from sequestration.

As required by Section 1108(c) of Title 31, United States Code, we certify that all statements of obligations furnished to OMB in connection with our requests for proposed appropriations for fiscal year 2023 consist of valid obligations as defined in Section 1501(a) of that title.

Sincerely,

Original signed
FOR THE BOARD
Ana M. Kocur
General Counsel
September 13, 2021

Enclosure

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UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-1275

BOARD MEMBERS:

ERHARD R. CHORLÉ, CHAIRMAN
JOHN BRAGG, LABOR MEMBER
THOMAS JAYNE, MANAGEMENT MEMBER

The Honorable Kamala Harris
President of the Senate
S-212 Capitol Building
Washington, D.C. 20510

Dear Madam President:

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FOR THE BOARD
Ana M. Kocur
General Counsel
September 13, 2021

Enclosure

cc: Honorable Patrick J. Leahy
     Chairman, Senate Committee on Appropriations

     Honorable Richard Shelby
     Vice Chairman, Senate Committee on Appropriations

     Honorable Patty Murray
     Chair, Senate Subcommittee on Labor, Health
       and Human Services, Education, and Related Agencies

     Honorable Roy Blunt
     Ranking Member, Senate Subcommittee on Labor, Health
       and Human Services, Education, and Related Agencies

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UNITED STATES OF AMERICA
RAILROAD RETIREMENT BOARD
844 NORTH RUSH STREET
CHICAGO, ILLINOIS 60611-1275

BOARD MEMBERS:

ERHARD R. CHORLÉ, CHAIRMAN
JOHN BRAGG, LABOR MEMBER
THOMAS JAYNE, MANAGEMENT MEMBER

The Honorable Nancy Pelosi
Speaker of the House of Representatives
H-232 Capitol Building
Washington, D.C. 20515

Dear Madam Speaker:

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concurrently to the Congress in accordance with Section 7(f) of the Railroad Retirement Act.
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will submit a separate request concerning its needs.

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an estimated 880 full time equivalents (FTEs). For fiscal year 2023, the RRB has not requested
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of $130.560 million and based upon budget projections would support 718 FTEs. In contrast,
the 7 percent Reduction budget level would provide $119.040 million and support an estimated
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As required by Section 1108(c) of Title 31, United States Code, we certify that all statements of obligations furnished to OMB in connection with our requests for proposed appropriations for fiscal year 2023 consist of valid obligations as defined in Section 1501(a) of that title.

Sincerely,

Original signed
FOR THE BOARD
Ana M. Kocur
General Counsel
September 13, 2021

Enclosure

cc: Honorable Rosa DeLauro
      Chair, House Committee on Appropriations

      Honorable Kay Granger
      Ranking Member, House Committee on Appropriations

      Honorable Rosa DeLauro
      Chair, House Subcommittee on Labor, Health
        and Human Services, Education, and Related Agencies

      Honorable Tom Cole
      Ranking Member, House Subcommittee on Labor, Health
        and Human Services, Education, and Related Agencies

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RAILROAD RETIREMENT BOARD
FISCAL YEAR 2023 BUDGET SUBMISSION

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RAILROAD RETIREMENT BOARD
FISCAL YEAR 2023 BUDGET SUBMISSION

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RAILROAD RETIREMENT BOARD

Social Security Equivalent Benefit Account
Budget Account - 60-8010-0-7-601

The Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to establish a Social Security Equivalent Benefit (SSEB) Account beginning October 1, 1984. The SSEB Account, which is separate from other railroad retirement accounts, is used to record revenues and expenditures related to social security equivalent portions (similar to "tier I" amounts) of railroad retirement annuities. Accordingly, funds in the SSEB Account are used to pay social security equivalent benefits and related administrative expenses. A social security equivalent benefit is the portion of a railroad retirement annuity that corresponds to an amount calculated under social security formulas, but is based on combined railroad retirement and social security credits.

The following amounts are included as revenue to the SSEB Account:

(1) payroll taxes,
(2) income taxes attributable to taxation of the social security portion of railroad retirement annuities,
(3) financial interchange transfers from the social security trust funds provided by Section 7(c) of the Railroad Retirement Act,
(4) interest on uncashed checks, and
(5) return on investments.

In addition, for calendar year 2021, the SSEB Account also receives transfers from the general fund of the Treasury due to the temporary payroll tax reduction provisions of Public Laws 116-127, Families First Coronavirus Response Act, and 116-136, CARES Act.

In a relatively small number of cases, the railroad retirement system does not pay benefits when social security would pay benefits. In these cases, mainly dependent children of retired railroad employees, the SSEB Account collects an amount through the financial interchange but does not pay a corresponding benefit. This imbalance between outgo and income is relatively small in any particular year. Section 15A(d)(2) of the Railroad Retirement Act, as amended, provides that amounts in the SSEB Account not needed for payment of current benefits and administrative expenses will be transferred to the National Railroad Retirement Investment Trust or the Railroad Retirement Account.

Requested appropriation

The table on page 2 identifies the estimated budget authority and outlays for this account for fiscal years 2021 through 2031. The estimates are based on the Bureau of Actuary and Research's February 2021 review, issued June 2021.

RAILROAD RETIREMENT BOARD
Social Security Equivalent Benefit Account
(Budget Account - 60-8010-0-7-601)

Analysis of Resources
(in thousands of dollars)

	2021	**2022**	**Current services** **2023**
Budget authority…………..	7,642,000	7,782,000	8,084,500
Outlays……………………..	7,642,900	7,772,600	8,069,400

	2024	**2025**	**2026**	**2027**
Budget authority:				
Current services………….	8,232,600	8,379,400	8,524,600	8,661,900
Outlays:				
Current services………….	8,213,600	8,363,100	8,511,100	8,650,900

	2028	**2029**	**2030**	**2031**
Budget authority:				
Current services………….	8,799,100	8,931,800	9,067,000	9,206,900
Outlays:				
Current services………….	8,789,900	8,922,600	9,057,100	9,196,400

Note: In March 2021, the RRB paid social security equivalent benefits to 417,000 beneficiaries. The RRB estimates that in March 2022 and 2023, the agency will pay these benefits to 413,000 and 409,000 beneficiaries, respectively.

RAILROAD RETIREMENT BOARD

Railroad Retirement Account
Budget Account - 60-8011-0-7-601

Under the Railroad Retirement Act, the RRB pays retirement and disability annuities to qualified railroad workers. Supplemental annuities are payable to career railroad employees with service before October 1981. Annuities are also payable to spouses and divorced spouses of retired workers and to widows, widowers, children, and certain other survivors of deceased railroad workers. There are also provisions for lump-sum benefits. Qualified railroad retirement beneficiaries are also covered by Medicare in the same way as social security beneficiaries.

The Railroad Retirement Account funds the above-described benefits in excess of social security benefits. Funding is primarily from payroll taxes on railroad employers and employees, earnings on trust fund investments and income taxes attributable to these benefits.

The Railroad Retirement and Survivors' Improvement Act of 2001 (P.L. 107-90) made a number of major changes to the Railroad Retirement Act. In addition to other provisions, P.L. 107-90 provides for the transfer of railroad retirement funds from the Railroad Retirement Account to the National Railroad Retirement Investment Trust (NRRIT), whose Board of Trustees is empowered to invest NRRIT-held assets in non-governmental assets, such as equities and debt, as well as in governmental securities. NRRIT is not treated as an agency or instrumentality of the Federal Government.

P.L. 107-90 also repealed the railroad retirement supplemental annuity tax paid by rail employers and eliminated the separate Railroad Retirement Supplemental Account. While supplemental railroad retirement annuities provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account.

Requested appropriation

The table on page 4 identifies estimated budget authority and outlays for this account for fiscal years 2021 through 2031. The estimates are based on the Bureau of Actuary and Research's update of the February/March review, revised July 2021.

RAILROAD RETIREMENT BOARD

Railroad Retirement Account
(Budget Account - 60-8011-0-7-601)

Analysis of Resources
(in thousands of dollars)

	2021	2022	Current Services 2023
Budget authority:	5,670,000	5,696,000	5,779,000
Outlays:	5,670,000	5,696,000	5,779,000

	2024	2025	2026	2027
Budget authority:				
Current services	5,809,000	5,844,000	5,880,000	5,917,000
Outlays:				
Current services	5,809,000	5,844,000	5,880,000	5,917,000

	2028	2029	2030	2031
Budget authority:				
Current services	5,964,000	6,018,000	6,076,000	6,148,000
Outlays:				
Current services	5,964,000	6,018,000	6,076,000	6,148,000

Notes: The RRB paid tier II benefits to 473,000 beneficiaries in March 2021. The agency expects to pay these benefits to 468,000 beneficiaries in March 2022 and 464,000 beneficiaries in March 2023. The RRB also paid supplemental annuities to 113,000 beneficiaries in March 2021. The agency expects to pay supplemental annuities to 109,000 beneficiaries in March 2022, and 105,000 beneficiaries in March 2023.

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts
Budget Account - 60-0113-0-1-601

This account was established in conjunction with the implementation of the Railroad Retirement Solvency Act of 1983. It facilitates the administration of the Railroad Retirement Act by maintaining accurate accounting of, and control over, various financial transactions involving the railroad retirement trust funds. This account acts as a conduit for various financial transactions, such as interfund transfers and fund transfers from the Department of the Treasury (Treasury).

Military service credits

In accordance with, and pursuant to, Section 15(b) of the Railroad Retirement Act, the RRB also requests appropriations to the Federal Payments to the Railroad Retirement Accounts for reimbursement of costs (including interest, administrative expenses, and an actuarial adjustment) for crediting military service not reimbursed under the financial interchange. Both the railroad retirement system and the social security system are entitled to reimbursement for the cost of military service credits. Depending on the period during which the military service was rendered, the reimbursement may be made on either a benefit or prepaid tax basis. Reimbursement on a tax basis is accomplished by paying payroll taxes for individuals in military service. No additional reimbursement is due at retirement for military service credits reimbursed on a tax basis. Reimbursement on a benefit basis is accomplished by computing the value of retirement and survivor benefits with and without military service and requesting reimbursement based on this difference.

The Railroad Retirement Account has received full reimbursement for the tax basis periods. No reimbursements from general revenue have been received for the benefit basis periods:

> ➢ June 15, 1948, through December 15, 1950, creditable under P.L. 100-647, and

> ➢ July 1, 1963, and later.

In prior years, we have sought concurrence with our methodology for computing the reimbursable amount from the Social Security Administration (SSA), Treasury and OMB. We received responses from SSA and Treasury. SSA has concurred with our methodology while Treasury stated that they had no role in this particular process. Section 15(b) requires that these reimbursements from the general funds be authorized in advance by an appropriation act. The fiscal year 2023 appropriation request includes $1,138,590,430 for applicable military service credits through December 2019, with interest through September 1, 2021. Excluded are all costs for which the RRB has already received credits.

Interest on uncashed checks

Section 417 of the Railroad Retirement Solvency Act of 1983 amended the Railroad Retirement Act to provide for the reimbursement of principal and interest for unnegotiated railroad retirement benefit checks to the extent that such reimbursements are provided for in advance in appropriation acts. Beginning in fiscal year 1991, the principal amount of uncashed railroad retirement and railroad unemployment insurance checks and checks for administrative expenses, under provisions of the Competitive Equality Banking Act of 1987, are made available by Treasury. Treasury transfers principal amounts directly to the appropriate trust fund or administrative limitation. As a result, the RRB is not required to seek prior appropriation authority for the principal amount of the uncashed check transfers. Interest on uncashed checks, however, must be appropriated in advance. This account is the vehicle through which such appropriations are made. Under current law, the RRB requests $150,000 for estimated interest related to uncashed checks in fiscal year 2023, which shall remain available through September 30, 2024.

Other transfers

Appropriations are not necessary for other amounts that flow through this account to the appropriate trust fund accounts under authorizing legislation. Amounts expected to be transferred through this account in fiscal year 2023 that do not require appropriation action include $281 million in income taxes on the social security equivalent portion of tier I benefits, and $499 million in income taxes on tier II benefits and the non-social security equivalent portion of tier I benefits.

Requested appropriation

The table on page 7 identifies the estimated budget authority and outlays for this account for fiscal years 2021 through 2031. The estimates are based on the Bureau of Actuary and Research's February 2021 review, issued March 2021. The current services level includes interest amounts on uncashed checks for all years.

RAILROAD RETIREMENT BOARD

Federal Payments to the Railroad Retirement Accounts
(Budget Account - 60-0113-0-1-601)

Analysis of Resources
(in thousands of dollars)

	2021	**2022**	**Current services** **2023** [1]
Budget authority:	1,321,150	754,150	1,916,740
Outlays:	1,321,150	754,150	1,916,740

	2024	**2025**	**2026**	**2027**
Budget authority: Current Services	801,150	828,150	956,150	1,023,150
Outlays: Current services	801,150	828,150	956,150	1,023,150

	2028	**2029**	**2030**	**2031**
Budget authority: Current Services	1,052,150	1,081,150	1,111,150	1,142,150
Outlays: Current services	1,052,150	1,081,150	1,111,150	1,142,150

[1] Fiscal year 2023 budget authority and outlay amounts for current services include $1,138,590,430 for military service credits through December 2019 with interest through September 1, 2021.

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RAILROAD RETIREMENT BOARD

Dual Benefits Payments Account
Budget Account - 60-0111-0-1-601

Section 15(d) of the Railroad Retirement Act provides for a Dual Benefits Payments Account, which is separate from other railroad retirement accounts. The vested dual benefit portion of railroad retirement annuities is paid from this account and is funded by appropriations from general revenues.

Legislative history

Under laws in effect prior to 1975, a worker engaging in covered employment under both the Railroad Retirement Act and Social Security Act could receive benefits separately under both Acts. Because the social security benefit formula is weighted in favor of the low wage earner, the total of a worker's benefits from both systems averaged more than annuities of railroad employees who worked in the rail industry exclusively, and who had paid proportionally higher retirement taxes for the purpose of receiving higher benefits. The cost of the dual benefits was borne by the railroad retirement system since they reduced the system's income from its financial interchange with the social security system.

This situation was the major cause of the poor financial condition of the railroad retirement system in the early 1970s. In order to improve the systems financial condition, the Railroad Retirement Act of 1974 provided that the tier I component of the railroad retirement annuity be reduced by any social security benefit. This essentially integrated the two systems and eliminated the advantage of qualifying for benefits under both systems.

However, it was generally considered unfair to eliminate this advantage entirely for those already retired or close to retirement when the 1974 Act became effective. The 1974 Act, therefore, provided for a restoration of benefits which were considered vested at the end of 1974. The restored amount was known as the "vested dual benefit."

After considering various alternatives, the Congress authorized general fund appropriations to finance the cost of phasing out dual benefits. The Congress considered it unfair to impose this cost on current and future railroad employees because such employees would not be permitted to receive dual benefits upon retirement (except where vested rights were involved). Similarly, the Congress believed that it would be unfair to impose this cost on railroads because railroads had not benefited and had consistently opposed the creation and expansion of dual benefits. Financing the vested dual benefit component of railroad retirement annuities from general revenues was supported by a precedent regarding military service and by the fact that the dual benefit problem had been brought about by prior Congressional action repealing past dual benefit restrictions over the objections of the railroads.

Under the 1974 Act, appropriations had been authorized from general revenues for the phase-out costs of vested dual benefits. The amounts were to be sufficient to fund vested dual benefits on a level payment basis over the years 1976 through 2000. Because there was no provision in the law to reduce vested dual benefits to a level that would be fully covered by the amount appropriated, railroad retirement taxes were being used to cover the shortfall in the appropriation from general revenues. This led to a drain on the Railroad Retirement Account and contributed to a cash flow crisis.

To stop the resulting drain on the Railroad Retirement Account, the 1981 amendments changed vested dual benefits to a pay-as-you-go basis rather than a level-payment system. Starting in fiscal year 1982, vested dual benefits were to be reduced so as not to exceed the amount of the annual appropriation.

The Railroad Retirement Solvency Act of 1983 provided that revenues generated from income taxes on vested dual benefits be credited to the Railroad Retirement Account for fiscal years 1984 through 1988, and thereafter to the Dual Benefits Payments Account. Thus, since fiscal year 1989, these taxes have been credited to the Dual Benefits Payments Account and applied as an offset to the amount of funding needed from general revenues.

Requested appropriation

The table on page 11 identifies the estimated budget authority and outlays for the Dual Benefits Payments Account for fiscal years 2021 through 2031.

The Continuing Appropriations Act, 2021 (P.L. 116-260) provided $13,000,000 for the payment of vested dual benefits.

The estimate for fiscal year 2022 includes $11,000,000 for the payment of vested dual benefits, as shown in the table on the following page, plus a 2 percent reserve of $220,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available to pay benefits.

For fiscal year 2023, the RRB requests an appropriation of $9,000,000 to pay vested dual benefits, plus a 2 percent reserve of $180,000 to become available in proportion to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits. An estimated $1,000,000 in income taxes on these benefits will be credited to the Dual Benefits Payments Account. The estimates are based on the Bureau of Actuary and Research's February 2021 review, issued March 2021.

RAILROAD RETIREMENT BOARD

Dual Benefits Payments Account
(Budget Account - 60-0111-0-1-601)

Analysis of Resources
(in thousands of dollars)

	2021	2022	Current services 2023
Budget authority:	13,000	11,000	9,000
Outlays:	13,000	11,000	9,000

	2024	2025	2026	2027
Budget authority:				
Current Services	8,000	6,000	5,000	4,000
Outlays:				
Current Services	8,000	6,000	5,000	4,000

	2028	2029	2030	2031
Budget authority:				
Current Services	3,000	3,000	2,000	2,000
Outlays:				
Current Services	3,000	3,000	2,000	2,000

Note: The budget estimates for this account include its share of interest on non-negotiated checks through Fiscal year 2022. The RRB paid vested dual benefits to 6,000 beneficiaries in March 2021. The agency expects to pay these benefits to 5,000 beneficiaries in March 2022 and 4,000 beneficiaries in March 2023.

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RAILROAD RETIREMENT BOARD

Limitation on Administration
Budget Account - 60-8237-0-7-601

This appropriation request is for funds to administer the retirement/survivor and unemployment/sickness insurance benefit programs provided for railroad workers and members of their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Included in this request is an amount for certain activities related to the Medicare health insurance program. The Centers for Medicare & Medicaid Services (CMS) reimburse the RRB for certain other administrative expenses related to the Medicare program and transfer to the RRB for the Specialty Medicare Administrative Contractor (SMAC).

Retirement/Survivor Benefit Program

Under the Railroad Retirement Act, the RRB pays retirement and disability annuities to retired workers with qualifying years of railroad service. Annuities are also payable to spouses and divorced spouses of retired workers and to widows, widowers, children and certain other survivors of deceased railroad workers. Qualified railroad retirement beneficiaries are covered by the Medicare health insurance program.

The RRB estimates that it will pay the following in retirement and survivor benefits through fiscal year 2023: $13.2 billion to 517,000 persons in fiscal year 2021, $13.3 billion to 515,000 persons in fiscal year 2022, and $13.7 billion to 507,000 persons in fiscal year 2023.

Legislative history

The RRB was created in the 1930s by legislation establishing a retirement benefit program for the nation's railroad workers. Private industrial pension plans had been pioneered in the railroad industry and, by the 1930s, pension plans were far more developed in the rail industry than in most other businesses or industries. These plans, however, had serious defects, which were magnified by the Great Depression. While the social security system was in the planning stage, railroad workers sought a separate railroad retirement system, which would continue and broaden the existing railroad programs under a uniform national plan. The proposed social security system was not scheduled to begin monthly benefit payments for several years and would not give credit for service performed before 1937, while conditions in the railroad industry called for immediate benefit payments based on prior service.

Legislation was enacted in 1934, 1935 and 1937 to establish a railroad retirement system separate from the social security program legislated in 1935. Such legislation, taking into account the particular circumstances of the railroad industry, was not without precedent. Numerous laws pertaining to railroad operations and safety had already been enacted since the Interstate Commerce Act of 1887. Since passage of the Railroad Retirement Acts of the 1930s, numerous other railroad laws have subsequently been enacted.

Railroad Retirement and Survivors' Improvement Act of 2001

The Railroad Retirement and Survivors' Improvement Act of 2001, Public Law 107-90, liberalized early retirement benefits for 30-year employees, eliminated a cap on monthly retirement and disability benefits, lowered the minimum service requirement from 10 years to 5 years of service if performed after 1995, and provided for increased benefits for some widow(er)s. The financing sections of the legislation repealed the supplemental annuity work-hour tax, and provided for adjustments in the payroll tax rates paid by employers and employees.

Public Law 107-90 also provides for the transfer of railroad retirement funds from the Railroad Retirement Accounts to the National Railroad Retirement Investment Trust (NRRIT), whose Board of seven trustees is empowered to invest NRRIT assets in non-governmental assets, such as equities and debt, as well as in governmental securities. Public Law 107-90 discontinued the separate Railroad Retirement Supplemental Account. While supplemental benefits provided by the Railroad Retirement Act continue to be due and payable, they are now funded through the Railroad Retirement Account.

Coordination with Social Security

While the railroad retirement system has remained separate from the social security system, the two systems are closely coordinated with regard to earnings credits, benefit payments, and taxes. Following the recommendations of the Federal Commission on Railroad Retirement, legislation enacted in 1974 restructured railroad retirement benefits into tiers, in order to coordinate them more fully with social security credits, using social security benefit formulas. Tier I benefits are generally the equivalent of social security benefits. Tier II benefits are based on railroad service only and are comparable to industrial pensions.

Jurisdiction over the payment of retirement and survivor benefits is shared by the RRB and SSA. The RRB has jurisdiction over the payment of retirement benefits if the employee had at least 10 years of railroad service, or 5 years of service if performed after 1995. For survivor benefits, there is an additional requirement that the employee's last regular employment before retirement or death was in the railroad industry. If a railroad employee or his/her survivor(s) do not qualify for railroad retirement benefits, the RRB transfers the employee's railroad retirement credits to SSA, where they are treated as social security credits.

Sources of income for the retirement/survivor benefit program

The primary source of income for the railroad retirement/survivor benefit program is payroll taxes paid by railroad employees and employers. By law, railroad retirement taxes are coordinated with social security taxes.

Employees and employers pay tier I taxes at the same rate as social security taxes. In addition, both employees and employers pay tier II taxes which are used to finance railroad retirement benefit payments over and above social security levels. Historically, railroad retirement taxes have been considerably higher than social security taxes.

Another source of income is the financial interchange with the social security trust funds. Under the financial interchange, in effect, the portion of railroad retirement annuities that is equivalent to social security benefits is reinsured through the social security system. The purpose of this financial coordination is to place the social security trust funds in the same position they would be in if railroad service were covered by the social security program instead of the railroad retirement program.

Other current sources of income are returns on investments, and appropriations from general revenues provided after 1974 as part of a phase-out of certain vested dual benefits. The Railroad Retirement Account and Social Security Equivalent Benefit Account also receive credit for Federal income taxes paid on benefits from these accounts.

Unemployment/Sickness Insurance Program

Under the Railroad Unemployment Insurance Act, the RRB pays (1) unemployment insurance benefits to railroad workers who are unemployed but ready, willing, and able to work and (2) sickness insurance benefits to railroad workers who are unable to work because of illness, injury, or pregnancy.

In the benefit year that ended June 30, 2021, the RRB paid $130,200,000 in unemployment insurance benefits from the Railroad Unemployment Insurance (RUI) Account, and recovered $8,676,215 resulting in net payments of $121,523,785 to a total of 23,700 unemployment insurance claimants. During the same period, the RRB paid $90,000,000 in sickness insurance benefits from the RUI Account, and recovered $11,588,733, resulting in net payments of $78,411,267 to a total of 24,100 sickness insurance claimants. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts reflect a reduction of 6.2% under sequestration for days of unemployment and sickness after September 30, 2018, 5.9% for days after September 30, 2019, and 5.7% for days after September 30, 2020 and before January 3, 2021. Beginning January 3, 2021, the Continued Assistance to Rail Workers Act of 2020 temporarily suspended sequestration until 30 days after a Presidential declaration of an end to the national emergency concerning the COVID-19 pandemic.

Provisions for benefits

A new unemployment and sickness insurance benefit year begins every July 1, with eligibility generally based on railroad service and earnings in the preceding calendar year. Up to 26 weeks of normal unemployment insurance benefits and 26 weeks of normal sickness insurance benefits are payable to an individual in a benefit year. Extended benefits may also be payable for up to 13 weeks to persons with 10 or more years of service. Additional extended unemployment benefits, enhanced unemployment benefits, and waiting period waiver unemployment and sickness benefits are also now payable to some railroad workers under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (P.L. 116-136), the Continued Assistance to Rail Workers Act of 2020 (P.L. 116-260), and the American Rescue Plan Act of 2021 (P.L. 117-2), as amended. These benefits are funded separately.

Legislative history

The railroad unemployment insurance system was established by legislation enacted in the 1930s. While State unemployment programs generally covered railroad workers, railroad operations which crossed State lines caused special problems. Unemployed railroad workers were denied compensation by one State because they became unemployed in another State or because their employers had paid unemployment taxes in another State. Although there were cases where employees appeared to be covered in more than one State, they often did not qualify in any.

The Federal study commission, which reported on the nationwide State plans for unemployment insurance, recommended that railroad workers be covered by a separate plan because of the complications their coverage had caused the State plans. The Congress subsequently enacted the Railroad Unemployment Insurance Act in 1938. Railroad unemployment insurance benefits became payable in July 1939. Sickness insurance benefits were added by amendments enacted in 1946. Subsequent amendments over the years revised eligibility requirements and adjusted benefit amounts and tax rates.

The railroad unemployment and sickness insurance system is financed by contributions from railroad employers. By law, a portion of the contributions is deposited in the Railroad Unemployment Insurance Administration Fund for the RRB's administrative expenses. The contributions are permanently appropriated for benefit payments and administrative expenses.

Large scale railroad layoffs during the economic recession in the early 1980s increased unemployment insurance payments to record levels, far exceeding unemployment contributions. By the end of July 1983, the account had a deficit of $550 million.

The Railroad Retirement Solvency Act, enacted August 12, 1983, increased railroad unemployment and sickness insurance taxes by increasing the limit on compensation subject to

the tax from $400 to $600 a month. The act also imposed a temporary repayment tax on railroad employers to help repay loans from the Railroad Retirement Account.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272), enacted April 7, 1986, increased the repayment tax. It also restored the authority of the Railroad Unemployment Insurance Account to borrow from the Railroad Retirement Account; this authority had been removed by the Railroad Retirement Solvency Act. The law also provided for surtax on railroad employers in the event that further borrowing after September 30, 1985, from the Railroad Retirement Account became necessary.

In November 1988, the Congress enacted the Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (P.L. 100-647) to resolve the system's long-term financing problems. In brief, the legislation improved the program's financing by (1) indexing the tax base to increased wage levels, (2) determining employers' tax rates by using an experience rating formula, (3) establishing a variable surcharge geared to the balance in the Railroad Unemployment Insurance Account, and (4) ensuring repayment of the debt to the Railroad Retirement Account by extending the repayment tax until the debt was fully repaid, with interest. The loan was repaid in full with a transfer of funds from the Railroad Unemployment Insurance Account to the Railroad Retirement Account on June 29, 1993.

The Railroad Unemployment Insurance Amendments Act of 1996 (P.L. 104-251), enacted October 9, 1996, increased the railroad unemployment and sickness insurance daily benefit rate and revised the formula for indexing future benefit rates. It also reduced the waiting period for initial benefit payments and eliminated duplicate waiting periods in continuing periods of unemployment and sickness. In addition, the legislation applied an earnings test to claims for unemployment and reduced the duration of extended benefit periods for long-service employees. The provisions of the legislation were based on joint recommendations to the Congress negotiated by rail labor and management in order to update the railroad unemployment insurance system along the lines of State unemployment insurance systems.

RAILROAD RETIREMENT BOARD

Administrative Appropriation Request for Fiscal Year 2023

Limitation on Administration (60-8237-0-7-601)

Budget Level	FTEs [2/]	Amount [1/]
		($ thousands)
OMB Guidance 7% Reduction	641	$119,040
OMB Guidance 2% Add Back	718	$130,560
Agency Request Level	880	$154,661

[1/] Dollar amounts do not include reimbursements and transfers.

[2/] FTEs includes reimbsurements.

OMB A-11 Reference: Section 51.1 (August, 2021)

RAILROAD RETIREMENT BOARD
LIMITATION ON ADMINISTRATION
BUDGET BY APPROPRIATION AND OBJECT CLASS
(in thousands of dollars)

	FY 2021 (A)	AMOUNT OF CHANGE (B)	FY 2022 House Mark (C)	AMOUNT OF CHANGE (D)	FY 2023 OMB Guidance 7% Reduction (E)	AMOUNT OF CHANGE (F)	FY 2023 OMB Guidance 2% Add Back (G)	AMOUNT OF CHANGE (H)	FY 2023 AGENCY REQUEST (I)
TOTAL FTEs (INCLUDING REIMBURSABLE)	774	55	829	(188)	641	77	718	162	880
TOTAL RRB DIRECT PROGRAM OBLIGATIONS									
11.1 FULL-TIME PERMANENT	64,793	6,603	71,396	(15,340)	56,056	7,871	63,927	16,673	80,600
11.3 OTHER THAN FULL-TIME PERMANENT	819	(138)	681	(122)	559	78	638	166	804
11.5 OTHER PERSONNEL COMPENSATION	1,703	461	2,164	(137)	2,027	159	2,186	337	2,523
11.9 TOTAL PERSONNEL COMPENSATION	67,316	6,926	74,242	(15,599)	58,642	8,108	66,751	17,176	83,927
12.1 PERSONNEL BENEFITS: CIVILIAN	24,334	3,303	27,637	(6,193)	21,444	2,962	24,406	6,275	30,681
13.0 BENEFITS FOR FORMER PERSONNEL	113	18	131	(1)	130	0	130	0	130
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	174	26	200	50	250	100	350	200	550
22.0 TRANSPORTATION OF THINGS	81	1	82	(50)	33	0	33	0	33
23.1 RENTAL PAYMENTS TO GSA	3,500	200	3,700	0	3,700	0	3,700	0	3,700
23.3 COMMUNICATIONS, UTILITIES, & MISCELLANEOUS CHARGES	6,620	139	6,759	(172)	6,587	0	6,587	0	6,587
24.0 PRINTING AND REPRODUCTION	230	50	281	9	290	0	290	0	290
25.0 OTHER SERVICES	11,545	4,632	16,177	9,539	25,716	350	26,066	450	26,516
26.0 SUPPLIES AND MATERIALS	487	154	641	12	653	0	653	0	653
31.0 EQUIPMENT	101	99	200	1,396	1,596	0	1,596	0	1,596
TOTAL RRB DIRECT OBLIGATIONS	114,500	15,549	130,049	(11,009)	119,040	11,520	130,560	24,101	154,661
REIMBURSABLE AND TRANSFER OBLIGATIONS	33,206	(115)	33,092	484	33,576	0	33,576	0	33,576
PLUS: NO-YEAR FUNDING FOR IT INITIATIVES	9,000	(9,000)	0	0	0	0	0	0	0
TOTAL RRB OBLIGATIONS	156,706	6,434	163,141	(10,525)	152,615	11,520	164,136	24,101	188,236
DIRECT OBLIGATIONS AND NO YEAR	123,500	6,549	130,049	(11,009)	119,040	11,520	130,560	24,101	154,661

1. Salary and benefit estimates reflect a 2.7% pay increase in January 2022 and 3.0% in January 2023 along with a FERS benefit increase of 1.1% in fiscal year 2022 and 0.0% in fiscal year 2023.
2. The average FTE cost for fiscal year 2021 is $130,874, fiscal year 2022 average FTE cost of $136,582, and fiscal year 2023 average FTE cost of $142,284.
3. The agency would need to evaluate the cost of all available options to include attrition, buyouts, furloughs, and reduction in force to reach OMB guidance levels.
4. This budget submission does not reflect anticipated cost of implementation of significant FTE reductions.
5. Column (A): Fiscal year 2021 amounts reflect allocations as of June 24, 2021 for Railroad Retirement Board funding of the Limitation on Administration provided by P.L. 116-260.
6. Column (E) amount is based on Office of Management and Budget guidance level as included in the President's fiscal year 2022 budget for fiscal year 2023 of $128 million less 7%. Please note that actuarial estimates as of March 2021 indicate a $2 million decrease in Vested Dual Benefits from $11 for fiscal year 2022 to $9 million for fiscal year 2023.
7. Column (G) amount is based on Office of Management and Budget guidance level as included in the President's fiscal year 2022 budget for fiscal year 2023 of $128 million plus 2%.
8. Fiscal year 2021 CMS Reimbursable and Transfer consists of $12,431,632 for Medicare Parts B and C, $792,720 for Medicare Part D, $19,660,397 for SMAC Transfer and $514,306 miscellaneous.
   Fiscal year 2022 CMS Reimbursable and Transfer consists of $12,422,434 for Medicare Parts B and C, $791,767 for Medicare Part D, $19,365,948 for SMAC Transfer and $511,306 miscellaneous.
   Fiscal year 2023 CMS Reimbursable and Transfer consists of $12,422,434 for Medicare Parts B and C, $791,767 for Medicare Part D, $19,850,000 for SMAC Transfer and $511,306 miscellaneous.
   BOC 25.0 does not include SMAC transfer.
9. Details may not add to totals due to rounding.

Explanation of Changes Between the Estimated Budget for Fiscal Year 2022, and Budget Levels for Fiscal Year 2023

Limitation of Administration, Direct Obligations (Dollars in Thousands)

Category	FY 2022 House Mark to FY 2023 OMB Guidance 7% Reduction	FY 2023 OMB Guidance 7% Reduction to FY 2023 OMB Guidance 2% Add Back	FY 2023 OMB Guidance 2% Add Back to FY 2023 Agency Request
	(11,009)[1/]	11,520[2/]	24,101[3/]
1. Personnel Compensation	**(15,599)**	**8,108**	**17,176**
Changes reflect variations in RRB staffing at each of the budget levels. The OMB Guidance 7% Reduction level provides funding for 641 FTEs, 188 FTEs less than projected for fiscal year 2022 House Mark (and 133 FTEs less than fiscal year 2021). If the RRB were able to achieve the FTE level for fiscal year 2022 of 829, then the agency would need to swiftly and significantly reduce FTEs to reflect the projected 641 level for fiscal year 2023. The accelerated and substantial reduction of FTEs needed to reach 641 FTEs would put the agency critically close to or could result in mission failure. The OMB Guidance 2% Add Back provides funding for 718 FTEs, 56 FTE's less then fiscal year 2021 and 111 FTEs less than projected for fiscal year 2022 (providing action is taken to meet the FTE level of 718 for fiscal year 2023). If the RRB were able to achieve the FTE level for fiscal year 2022 of 829, then the agency would need to swiftly and significantly reduce FTEs to reflect the projected 718 level for fiscal year 2023. The agency certainly would need to evaluate the cost of all available options to include attrition, buyouts, furloughs, and reduction in force to reach either the 641 or 718 FTE levels. This budget submission does not reflect anticipated cost of implementation of significant FTE reductions. The Agency Request Level provides funding for 880 FTEs, 51 FTEs more than projected for fiscal year 2022 (and 106 FTEs more than fiscal year 2021).			
Projected compensation costs reflect an estimated pay increase of 2.7 % in January 2022 and 3.0% in January 2023. At all funding levels, overtime is estimated at $687,440.			

Explanation of Changes Between the Estimated Budget for Fiscal Year 2022, and Budget Levels for Fiscal Year 2023

Limitation of Administration, Direct Obligations (Dollars in Thousands)

Category	FY 2022 House Mark to FY 2023 OMB Guidance 7% Reduction	FY 2023 OMB Guidance 7% Reduction to FY 2023 OMB Guidance 2% Add Back	FY 2023 OMB Guidance 2% Add Back to FY 2023 Agency Request
	(11,009)[1/]	11,520[2/]	24,101[3/]
2. Civilian Personnel Benefits	**(6,193)**	**2,962**	**6,275**
Employee benefits are estimated to total approximately 27% of salary costs in 2023, a 1% increase from FY 2022.			
At all funding levels, the cost for change-of-station is $180,000.			
3. Benefits for Former Personnel	**(1)**	**0**	**0**
A total of $130,000 is included at each of the three budget levels for fiscal year 2023 for worker's compensation benefits to be billed by the Department of Labor in fiscal year 2023.			
4. Travel and Transportation of Persons	**50**	**100**	**200**
At the OMB Guidance 7% reduction level, Travel for fiscal year 2023 is $250,000, $50,000 more than fiscal year 2022. The agency should be able to accomplish training, development, and customer out-reach programs at this amount.			
5. Transportation of Things	**(50)**	**0**	**0**
At the OMB Guidance 7% reduction level, Transportation of things for fiscal year 2023 is $32,500 a decrease of $49,600 from fiscal year 2022.			
6. Rental Payments to the General Services Administration (GSA)	**0**	**0**	**0**
At all funding levels, a total of $3,700,000 is requested for GSA rent in fiscal year 2023. This budget request is based upon GSA's estimate of RRB's annual rent of $3,595,642 and includes $104,358 contingency. The total is the same as the planned amount for fiscal year 2022.			

Explanation of Changes Between the Estimated Budget for Fiscal Year 2022, and Budget Levels for Fiscal Year 2023

Limitation of Administration, Direct Obligations (Dollars in Thousands)

Category	FY 2022 House Mark to FY 2023 OMB Guidance 7% Reduction	FY 2023 OMB Guidance 7% Reduction to FY 2023 OMB Guidance 2% Add Back	FY 2023 OMB Guidance 2% Add Back to FY 2023 Agency Request
	(11,009)[1/]	11,520[2/]	24,101[3/]
7. Communications, Utilities, and Miscellaneous Charges[4/]	**(172)**	**0**	**0**
At the OMB Guidance 7% reduction level FY 2023 Communications, utilities, and miscellaneous charges total $6,587,000, $356,000 less than fiscal year 2022. The fiscal year 2023 details are shown below. (Amounts have been rounded to thousands.) RRB anticipates a slight increase of $78K to communications estimates in FY 2023. The decreased miscellaneous estimated costs of $648K relates to the absence of mainframe costs, as the RRB anticipates decommissioning the mainframe in FY 2022, offset by normal costs for the Microsoft Azure Cloud Nodes and SAS Software. Further, utilities cost for FY 2021 and FY 2022 were at reduced levels due to pandemic conditions and have been increased as the RRB anticipates greater occupancy in FY 2023.			
FY 2023 Funding at the OMB Guidance 7% Reduction Level			
Miscellaneous charges - $352	(648)	0	0
Postage - $1,450	186	0	0
Utilities - $612	212	0	0
Communications - $4,172	78	0	0

**Explanation of Changes Between the Estimated Budget for Fiscal Year 2022, and Budget
Levels for Fiscal Year 2023**

Limitation of Administration, Direct Obligations (Dollars in Thousands)

Category	*FY 2022 House Mark to FY 2023 OMB Guidance 7% Reduction*	*FY 2023 OMB Guidance 7% Reduction to FY 2023 OMB Guidance 2% Add Back*	*FY 2023 OMB Guidance 2% Add Back to FY 2023 Agency Request*
	(11,009)[1/]	*11,520[2/]*	*24,101[3/]*
8. Printing and Reproduction	9	0	0
At the OMB Guidance 7% reduction level Printing and reproduction for FY 2023 is $290,000. This category reflects a slight increase in costs for printing benefit rate letters, tax statements, and earnings information for railroad retirement and unemployment/sickness insurance beneficiaries. The category also includes costs for official publication of agency information in the Federal Register and Code of Federal Regulations.			
9. Other Services[4/]	9,539	350	450
At the OMB Guidance 7% reduction level the planned spending for FY2023 is $25,716,000, 9,546,000 more than 2022; details are shown below. (Amounts have been rounded to thousands.) There is an estimated slight decrease to consulting services of $48,000 and slight increase to training of $50,000. Other services non-federal are increasing by $6,235,000 due to $3,400,000 for IBM zCloud Information System Continuous Monitoring, Risk Management Framework, and Incident Response capabilities; $1,700,000 for the True up for Microsoft Enterprise Agreement (MSEA); $600,000 for the Azure Managed Engineer Services; and, $600,000 for the MS Premier Services. Government contracts estimated increase of $1,080,000 due to increases in the Homeland Security/Federal Protective Service (FPS), increased cost to GSA for use of payroll services, HR Links, licenses for EOPF. Maintenance of Facilities – Anticipated increase of $1,595,000 for operating and maintenance costs under the delegated authority for RRB's HQ building. Operation and Maintenance of Equipment increases by an estimated $633,000 associated with Financial Management Integrated System (FMIS) contract cost.			

Explanation of Changes Between the Estimated Budget for Fiscal Year 2022, and Budget Levels for Fiscal Year 2023

Limitation of Administration, Direct Obligations (Dollars in Thousands

Category	FY 2022 House Mark to FY 2023 OMB Guidance 7% Reduction	FY 2023 OMB Guidance 7% Reduction to FY 2023 OMB Guidance 2% Add Back	FY 2023 OMB Guidance 2% Add Back to FY 2023 Agency Request
	(11,009)[1]	11,520[2]	24,101[3]
FY 2023 Funding at OMB Guidance 7% Reduction Level			
Consulting services - $355	(48)	0	0
Government contracts - $4,700	1,072	0	0
Other services non-fed'l[1] - $12,197	6,235	0	0
Operation & Maintenance of equipment - $4,534	633	0	0
Medical fees - $760	0	0	0
Training - $250	50	100	200
Maintenance of facilities[2] - $2,920	1,597	250	250
[1] At all budget levels, the SMAC reimbursement contract in the amount of $19,850,000 is not included in the totals. [2] Funding for operation & maintenance of facilities in fiscal year 2023 may be partly offset by "no-year" money brought forward from prior fiscal years pursuant to P.L. 107-217.			
10. Supplies and Materials	**12**	**0**	**0**
At the OMB Guidance 7% reduction level Supplies and Materials for FY 2023 total $653,000. The amount represents a decrease of $12,000 from fiscal year 2022.			
11. Equipment	**1,396**	**0**	**0**
At the OMB Guidance 7% reduction level Equipment totals $1,596,000 for fiscal year 2023, an increase of $1,396,000 from fiscal year 2022. The funding is for replacement of IT software, parts, devices and other miscellaneous equipment needed by the bureaus and offices.			
Total Increase/Decrease[4]	**(11,009)**	**11,520**	**24,101**

[1] See page 19, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column C from the amount in column E.

[2] See page 19, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column E from the amount in column G.

[3] See page 19, line TOTAL RRB DIRECT OBLIGATIONS. Difference is computed by subtracting the amount in column G from the amount in column I.

[4] Details may not add to totals due to rounding.

RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment [a/]

Series	Rank	FY 2021 Estimate	FY 2022 [b/] House Mark	FY 2023 OMB Guidance 7% Reduction	FY 2023 OMB Guidance 2% Add Back	FY 2023 Agency Request
Executive	Level III	1	1	1	1	1
	Level IV	2	2	2	2	2
	Subtotal	**3**	**3**	**3**	**3**	**3**
Senior Executive Service	ES-00	7	7	7	7	7
	Subtotal	**7**	**7**	**7**	**7**	**7**
General Schedule/Management	GS/GM-15	40	38	33	36	39
	GS/GM-14	74	67	61	67	73
	GS/GM-13	86	101	71	78	104
	GS-12	187	208	154	188	218
	GS-11	112	112	93	103	115
	GS-10	101	131	84	113	137
	GS-9	28	28	23	25	46
	GS-8	46	55	38	42	52
	GS-7	45	24	37	24	26
	GS-6	9	7	7	5	7
	GS-5	30	39	25	21	30
	GS-4	6	9	5	6	23
	GS-3	0	0	0	0	0
	GS-2	0	0	0	0	0
	Subtotal	**764**	**819**	**631**	**708**	**870**
Combined	**Total**	**774**	**829**	**641**	**718**	**880**

Positions in the Office of Inspector General are excluded.

[a/] Amounts for each year include staffing reimbursed by the Centers for Medicare & Medicaid Services.
[b/] FTEs reflect estimates in the budget for fiscal year 2022.

OMB A-11 Reference: Section 51.1 (August, 2021)

RAILROAD RETIREMENT BOARD

Full-Time Equivalent Employees by Organization

Organization	FY 2021[1/]	FY 2022 House Mark[2/]	FY 2023 OMB Guidance 7% Reduction	FY 2023 OMB Guidance 2% Add Back	FY 2023 Agency Request
Chairman	6	--	--	--	--
Labor	7	--	--	--	--
Management	4	--	--	--	--
Subtotal, Board	**17**	--	--	--	--
General Counsel/Law	14	--	--	--	--
Hearings and Appeals	7	--	--	--	--
Legislative Affairs	3	--	--	--	--
Secretary to the Board	2	--	--	--	--
Subtotal, General Counsel	**26**	--	--	--	--
Office of Equal Opportunity	2	--	--	--	--
Office of Programs	287	--	--	--	--
CFO/Fiscal Operations	54	--	--	--	--
Actuary Research	20	--	--	--	--
Office of Administration	59	--	--	--	--
Field Service	202	--	--	--	--
Information Services	107	--	--	--	--
Total	**774**	**829**	**641**	**718**	**880**

[1/] Amounts are rounded to the nearest FTE and reflect projected use through end of fiscal year PP 12 as of June 5, 2021. The RRB's fiscal year 2021 budget includes funding for 774 FTEs. Amounts may not add to total due to rounding.

[2/] Reflects projected total FTE staffing at the House Mark (H.R. 4502) of $130.049 million for agency operations.

OMB A-11 Reference: Section 51.1 (August, 2021)

RAILROAD RETIREMENT BOARD

Narrative Description of Strategic Goals

The RRB's budget request for ongoing operations is distributed between three areas that match the goals stated in the agency's Strategic Plan for Fiscal Years 2022 through 2026.

Strategic Goal I.   Modernize Information Technology (IT) Operations to Sustain Mission Essential Services.

Strategic Goal II.   Provide excellent customer service.

Strategic Goal III.   Serve as responsible stewards for our customers' trust funds and agency resources.

Amounts requested by the RRB represent the resources needed to achieve the performance goals stated in the RRB's Performance Plan for Fiscal Year 2023. Activities in each area are described in the following sections. The Performance Plan contains additional information concerning performance measures for each goal.

I. Modernize Information Technology (IT) Operations to Sustain Mission Essential Services.

Regarding the RRB's Strategic goal of modernizing information technology operations, strategic objectives and supporting initiatives in the RRB's Performance Plan includes the following:

I-A.   Legacy Systems Modernization.

➢ Prepare to consolidate and rationalize applications to improve the effectiveness and efficiency of mission essential functions.
➢ Evaluative the results of the customer surveys obtained through the LSMS re-engineering assessment contract deliverable to identify and deliver a broader range of online citizen centric services that will specifically address our customer's expectations and improve overall customer service.
➢ Transition Mission Essential Programs from the End-of-Life Mainframe hardware.
➢ Evaluate the re-engineering assessment contract deliverable and determine a modernization path forward consistent with agency priorities and within available funding to address mission critical functions.
➢ Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.

➢ Complete the development of business rules strategy and data layer components of the modernization.
➢ Deliver citizen-centric services and applications to railroad employees through mobile and web-ready interfaces.
➢ Complete the streamlining of core business processes and modernize key applications, which support these processes.
➢ Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.
➢ Evaluate the re-engineering assessment deliverables to determine a cost effective path forward to application rationalization and streamline business processes.

II. Provide Excellent Customer Service.

Regarding the RRB's strategic goal of providing excellent customer service, strategic objectives and supporting initiatives in the RRB's Performance Plan includes the following:

II-A.   <u>Pay benefits timely</u>.

➢ Inform our customer about the actions they can take to ensure that they receive payments in a correct, timely manner when eligible for benefits.
➢ Periodically, provide our customers clear guidance regarding their responsibilities to provide accurate, complete information and notify us of changes in status.
➢ Continue to inform employers of their responsibilities for providing timely, accurate, and efficient reports of railroad service and compensation and provide support as necessary.
➢ Continue work with employers to inform and improve modernization efforts that expand and enhance the use of available electronic reporting methods.
➢ Continue to expand paperless processing to increase efficiency and productivity in a virtual environment, to include the secure exchange of forms and medical evidence with third parties relative to administering the disability program.

II-B.   <u>Provide a range of choices in service delivery methods</u>.

➢ Increase customer self-service options via the Internet, including the ability to send and transmit benefit-related data in a secure manner.
➢ Continue to expand the functionality and services offered through the toll-free number (877-772-5772 or 877-RRB-5RRB) to achieve faster customer response times and to promote effective workload distribution across field office locations.
➢ Continue to make improvements to its Employer Reporting System (ERS) to increase the amount of information relative to railroad compensation, employment and service that employers can exchange with the agency through the Internet.

III. Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.

Regarding the RRB's strategic goal of safeguarding our customers' trust funds through prudent stewardship, strategic objectives and supporting initiatives in the RRB's Performance includes the following:

III-A. <u>Ensure that trust fund assets are protected, collected, recorded and reported appropriately</u>.
   ➢ Continue to issue annual audited financial statements.
   ➢ Monitor the solvency of the trust funds through a sound program of actuarial valuations and financial projections.
   ➢ Correctly estimate the amounts needed for future benefit payments.
   ➢ Verify that payroll taxes are fully collected and properly recorded.
   ➢ Issue accurate, timely determinations and notices of contribution rates required under the unemployment and sickness insurance program.
   ➢ Continue to carry out the RRB's debt management policy.

III-B. <u>Ensure the accuracy and integrity of benefit programs</u>.
   ➢ Monitor payment accuracy and the levels of improper payments, and identify problems.
   ➢ Provide feedback and take additional preventive actions as appropriate.
   ➢ Maintain established matching programs.
   ➢ Continue our program integrity reviews.

III-C. <u>Ensure effectiveness, efficiency and security of operations</u>.
   ➢ Continue to use a management control review process for critical agency programs to provide reasonable assurance of their effectiveness, efficiency and security, with corrective action taken to address any identified weaknesses.
   ➢ Continue to perform a variety of quality assurance activities to ensure that benefit programs comply with established policies, standards and procedures.
   ➢ Continual to make notable progress in strengthening and improving computer security by following the Federal Information System Management Act (FISMA) guidelines.
   ➢ Continue to develop risk assessments, perform management control reviews, conduct periodic vulnerability assessments on informational assets, and enhance staff training on IT security, while deploying advanced security technologies to protect against physical and cyber-security threats.
   ➢ Continue to comply with security directives that require enhanced identity verification of Federal employees, including the use of a more sophisticated identification card containing a chip with biometric data (i.e., fingerprints) common to all Federal agencies.

III-D. <u>Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust</u>.

OMB A-11 Reference: Section 51.1 (August, 2021)

RAILROAD RETIREMENT BOARD

Appropriation Request by Strategic Goal

The RRB Performance Budget for Fiscal Year 2023 contains a discussion of the administration of the railroad retirement/survivor and unemployment/sickness insurance benefit programs. The tables on the following pages identify the estimated costs of administering these programs in terms of the following strategic goals:

> I. Modernize Information Technology (IT) Operations
> II. Customer service
> III. Stewardship

These goals are consistent with the RRB's Strategic Plan for Fiscal Years 2022-2026.

Projections for the fiscal year 2023 budget reflect three funding levels, as follows:

- The OMB Guidance level 7% Reduction of the budget provides $119,040,000[1] for fiscal year 2023. This level would fund 641 FTEs to administer the benefit programs and provides no funding for agency or information technology initiatives. To get to the 641 FTE level, the RRB would have to evaluate all available options to include attrition, buyouts, furloughs, and reduction in force.

- The OMB Guidance 2% Add Back level provides $130,560,000[2] for fiscal year 2023. This level would fund 718 FTEs. Again, the RRB would have to evaluate all available options to include attrition, buyouts, furloughs, and reduction in force to get to the 718 FTE level.

- The agency request level totals $154,661,000 for fiscal year 2023. This level would fund 880 FTEs to sustain the agency's mission essential functions.

[1] Amount is based upon the OMB guidance level as included in the President's fiscal year 2022 budget for 2023 of $128 million less a 7% reduction. Please note that actuarial estimates as of March 2021 indicate a $2 million decrease in Vested Dual Benefits (VDB) from $11 million for fiscal year 2022 to $9 million for fiscal year 2023.

[2] Amount is based upon the OMB guidance level as included in the President's fiscal year 2022 budget for 2023 of $128 million plus a 2% add back.

Summary of Strategic Goal Amounts
Budget Account - Limitation on Administration (60-8237-0-7-601)

Analysis of Resources
(in thousands of dollars)

Fiscal Year/Level	2021	House Mark 2022	2023 OMB Guidance 7% Reduction	OMB Guidance 2% Add Back	Agency Request
Budget authority:	123,500	130,049	119,040[1/]	130,560[2/]	154,661
Outlays:	123,500	130,049	119,040	130,560	154,661
Full-time equivalent employment:	774	829	641	718	880

Fiscal Year	2024	2025	2026	2027	2028	2029
Budget authority:						
OMB Guidance (7%) Reduction	119,040	119,040	119,040	119,040	119,040	119,040
OMB Guidance 2% Add Back	130,560	130,560	130,560	130,560	130,560	130,560
Request level	*	*	*	*	*	*
Outlays:						
OMB Guidance (7%) Reduction	119,040	119,040	119,040	119,040	119,040	119,040
OMB Guidance 2% Add Back	130,560	130,560	130,560	130,560	130,560	130,560
Request level	*	*	*	*	*	*

* Amounts for these years are to be determined.

[1/] Amount is based upon the OMB guidance level as included in the President's fiscal year 2022 budget for 2023 of $128 million less a 7% reduction.

[2/] Amount is based upon the OMB guidance level as included in the President's fiscal year 2022 budget for 2023 of $128 million plus a 2% add back.

Strategic Goal – <u>Modernization IT Operations</u>
Budget Account - Limitation on Administration (60-8237-0-7-601)

<u>Analysis of Resources</u>
(in thousands of dollars)

Fiscal Year/Level	2021	House Mark 2022	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	Agency Request
Budget authority:	30,723	25,521	24,103	26,509	31,542
Outlays:	30,723	25,521	24,103	26,509	31,542
Full-time equivalent employment:	129	124	96	107	131

Fiscal Year	2024	2025	2026	2027	2028	2029
Budget authority:						
OMB Guidance (7%) Reduction	24,103	24,103	24,103	24,103	24,103	24,103
OMB Guidance 2% Add Back	26,509	26,509	26,509	26,509	26,509	26,509
Request level	*	*	*	*	*	*
Outlays:						
OMB Guidance (7%) Reduction	24,103	24,103	24,103	24,103	24,103	24,103
OMB Guidance 2% Add Back	26,509	26,509	26,509	26,509	26,509	26,209
Request level	*	*	*	*	*	*

* Amounts for these years are to be determined.

Strategic Goal - <u>Customer Service</u>
Budget Account - Limitation on Administration (60-8237-0-7-601)

<u>Analysis of Resources</u>
(in thousands of dollars)

Fiscal Year/Level	2021	House Mark 2022	2023		Agency Request
			OMB Guidance 7% Reduction	OMB Guidance 2% Add Back	
Budget authority:	64,575	66,035	61,594	67,429	79,636
Outlays:	64,575	66,035	61,594	67,429	79,636
Full-time equivalent employment:	470	497	390	437	535

Fiscal Year	2024	2025	2026	2027	2028	2029
Budget authority:						
OMB Guidance (7%) Reduction	61,594	61,594	61,594	61,594	61,594	61,594
OMB Guidance 2% Add Back	67,429	67,429	67,429	67,429	67,429	67,429
Request level	*	*	*	*	*	*
Outlays:						
OMB Guidance (7%) Reduction	61,594	61,594	61,594	61,594	61,594	61,594
OMB Guidance 2% Add Back	67,429	67,429	67,429	67,429	67,429	67,429
Request level	*	*	*	*	*	*

* Amounts for these years are to be determined.

Strategic Goal - <u>Stewardship</u>
Budget Account - Limitation on Administration (60-8237-0-7-601)

<u>Analysis of Resources</u>
(in thousands of dollars)

Fiscal Year/Level	2021	House Mark 2022	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	Agency Request
Budget authority:	28,203	38,493	33,343	36,622	43,483
Outlays:	28,203	38,493	33,343	36,622	43,483
Full-time equivalent employment:	175	208	155	174	213

Fiscal Year	2024	2025	2026	2027	2028	2029
Budget authority:						
OMB Guidance (7%) Reduction	33,343	33,343	33,343	33,343	33,343	33,343
OMB Guidance 2% Add Back	36,622	36,622	36,622	36,622	36,622	36,622
Request level	*	*	*	*	*	*
Outlays:						
OMB Guidance (7%) Reduction	33,343	33,343	33,343	33,343	33,343	33,343
OMB Guidance 2% Add Back	36,622	36,622	36,622	36,622	36,622	36,622
Request level	*	*	*	*	*	*

* Amounts for these years are to be determined.

OMB A-11 Reference: Section 51.1 (August, 2021)

Retirement/Survivor Benefit Program

Summary Processing Workload Table

Fiscal years	Average number of annuitants	New applications	Supplemental annuity applications	Social Security initial awards [1]	Post-payment adjustments	Number of payments	Medicare enrollments [2]
2010	549,154	37,384	9,581	12,563	120,102	7,055,426	5,204
2011	544,256	37,231	9,743	9,275	93,425	7,011,155	5,803
2012	540,080	35,856	9,341	9,342	85,206	6,967,676	6,522
2013	534,982	36,041	9,075	3,116	80,786	6,921,034	6,306
2014	530,367	35,368	8,802	3,124	76,440	6,864,029	6,270
2015	526,487	34,234	8,145	3,417	66,316	6,825,427	6,851
2016	522,839	33,019	7,497	3,739	74,056	6,779,413	6,573
2017	518,416	31,479	6,520	4,526	79,221	6,752,770	7,379
2018	513,732	33,879	4,464	3,393	80,201	6,686,481	7,840
2019	508,774	27,957	1,425	3,617	75,984	6,620,447	7,446
2020	502,553	26,540	890	3,681	63,173	6,547,246	7,339
2021 (est)	492,000	29,000	3,000	4,000	87,000	6,460,000	7,000
2022 (est)	489,000	28,000	2,000	4,000	86,000	6,370,000	6,000
2023 (est)	482,000	27,000	2,000	4,000	85,000	6,270,000	6,000

[1] Beginning in fiscal year 2013, Social Security initial awards no longer include mechanical adjustments.

[2] Excludes attainments.

OMB A-11 Reference: Section 51.1 (August, 2021)

Railroad Unemployment/Sickness Insurance Program

Summary Processing Workload Table

Fiscal Years	Railroad employment [1]	Unemployment insurance			Sickness insurance		
		Applications	Claims	Payments	Applications	Claims	Payments
2010	221,000	18,721	210,965 [2]	190,152 [2]	21,476	139,653	119,426
2011	229,000	12,756	93,598 [3]	83,144 [3]	20,797	136,014	115,705
2012	234,000	12,914	83,120 [4]	72,776 [4]	20,240	129,318	110,154
2013	237,000	14,944	96,871 [5]	84,365 [5]	19,110	119,364	100,951
2014	242,000	11,982	77,580 [5]	64,864 [5]	19,335	120,838	102,020
2015	247,000	14,177	67,643	55,368	19,467	121,271	102,540
2016	231,000	24,371	145,605	120,134	20,219	131,575	111,933
2017	225,000	14,372	96,777	80,748	20,087	132,557	113,163
2018	224,000	11,294	71,119	59,696	18,660	131,320	112,940
2019	217,000	14,900	70,065	57,475	17,915	118,894	101,699
2020	197,000 (est)	51,089	234,441 [6]	345,914 [6]	22,907	133,212	135,639 [6]
2021 (est)	191,000	35,000	184,000 [7]	271,000 [7]	26,000	131,000	134,000 [7]
2022 (est)	193,000	21,000	89,000	74,000	18,000	113,000	96,000
2023 (est)	190,000	19,000	82,000	68,000	17,000	107,000	91,000

[1]   Average annual railroad employment is based on mid-month counts and presented on a calendar year basis.

[2]   Includes unemployment insurance claims and payments under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5), benefits had to begin by December 31, 2009, and the Worker, Homeownership, and Business Assistance Act of 2009 (P.L. 111-92).

[3]   Includes unemployment insurance claims and payments under P.L. 111-5, P.L. 111-92, and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312).

[4]   Includes unemployment insurance claims and payments under P.L. 111-92, P.L. 111-312, the Temporary Payroll Tax Cut Continuation Act of 2011 (P.L. 112-78), and the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96).

[5]   Includes unemployment insurance claims and payments under P.L. 111-92, P.L. 111-312, P.L. 112-78, P.L. 112-96, and the American Taxpayer Relief Act of 2012 (P.L. 112-240). Benefits had to begin by December 31, 2013.

[6]   Includes unemployment and sickness insurance claims and payments under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (P.L. 116-136).

[7]   Includes unemployment and sickness insurance claims and payments under P.L. 116-136, the Continued Assistance to Rail Workers Act of 2020 (P.L. 116-260), and the American Rescue Plan Act of 2021 (P.L. 117-2).

PERFORMANCE PLAN

Fiscal Year 2023

Railroad Retirement Board

Railroad Retirement Board   -   Fiscal Year 2023 Initial Performance Plan

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Railroad Retirement Board   -   Fiscal Year 2023 Initial Performance Plan

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2023 to support our mission (see mission statement on the following page) and to communicate our intentions for meeting challenges and seeking opportunities. We will use the plan to hold managers accountable for achieving program results and to improve program effectiveness and public accountability by promoting a continued focus on results, service quality, and customer satisfaction. We will also use the plan to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality.

This plan is closely linked to our **Strategic Plan for Fiscal Years 2022 - 2026** and can be easily cross-referenced to that plan. The performance budget provides detailed performance goals, performance indicators and target levels to guide agency managers as they implement our Strategic Plan. It also communicates our plans to our stakeholders, including the railroad community, the Administration, the Congress, and other government agencies. It is one part of a comprehensive set of interlocking plans that cover all major aspects of agency operations. In this plan, we have established specific performance goals (with performance indicators and projected performance levels) to be achieved in fiscal year 2023. Additionally, it supports our other functional plans required to manage the agency. These functional plans include the **Customer Service Plan** and the **Information Technology Capital Plan**. These plans support the annual submission of the agency budget to the Office of Management and Budget (OMB) and the Congress.

The RRB's strategic and performance goals are presented in the sections following our mission statement. Information on anticipated performance in fiscal year 2023 for each performance goal is provided at the OMB Guidance 7% Reduction Level, the OMB Guidance 2% Add Back Level and the Agency Request Level. To provide for ongoing improvement in performance and accountability, we will continue to set programmatic goals which are aggressive, realistic and accurately measured. We will also ensure that planned improvements are transparent and result in meaningful outcomes, and that agency managers are accountable for achieving performance goals.

We will also prepare and submit to the President and the Congress a report on program performance for fiscal year 2023, as part of our Performance and Accountability Report. The report will be reviewed by the RRB's Office of Inspector General (OIG) to help ensure the reliability and utility of our performance information. The reported information will be derived from agency systems and will compare the performance goals and indicators to actual program performance for the fiscal year. This performance budget meets the requirements of the GPRA Modernization Act and was prepared by RRB employees.

RAILROAD RETIREMENT BOARD
MISSION STATEMENT

The RRB's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment and sickness. The RRB also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the RRB will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The RRB will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

Strategic Goal I: *Modernize Information Technology (IT) Operations to sustain mission essential services.* At the OMB Guidance 7% Reduction level, we would plan to allocate $24,103,000 and 96 full-time equivalent employees (FTE's) to this strategic goal. At the OMB Guidance 2% Add Back level we would plan to allocate $26,509,000 and 107 FTE's to this strategic goal. At the Agency Request level, we would plan to allocate $31,542,000 and 131 FTE's to this strategic goal.

Today, our mission essential programs are straining under the burden of being maintained by legacy computer systems built 40 years ago. Our workforce is rapidly aging, with the average employee serving 30 years at retirement. Institutional knowledge diminishes as this workforce retires and it is increasingly difficult to find the legacy skills needed to maintain these systems. To continue providing the excellent service to our beneficiaries, we need to transform these legacy systems through automation and build modern digital services while safeguarding information anywhere, anytime, in all ways throughout the information life cycle. Our strategy to modernize encompasses multiple iterations over various phases in a new environment to minimize impact to the current legacy environment.

I-A. Strategic Objective: Legacy Systems Modernization. The primary focus is to complete the transformation to the new platform and simplify core business processes to improve the effectiveness and efficiency of mission-critical applications and services. The RRB will continuously monitor, measure, and perform value driven services to ensure the predictable outcome of a successful modernization for IT operations to sustain essential services. To achieve this goal we are deploying agile principles such as breaking up multi-yearlong projects into a series of short releases focused on the most critical or Key Performance Indicators to increase the opportunity for success. Additionally we are implementing frequent standup meetings, or daily scrums, as an effective mean to convey information, and to facilitate quick resolution of identified risks and issues.

The performance indicators that we will utilize to assess our progress toward our strategic objective are as follows:

- *Prepare to consolidate and rationalize applications to improve the effectiveness and efficiency of mission essential functions.*
- *Evaluate the results of the customer surveys obtained through the LSMS re-engineering assessment contract deliverable to identify and deliver a broader range of online citizen centric services that will specifically address our customer's expectations and improve overall customer service.*
- *Transition Mission Essential Programs from the End-of-Life Mainframe hardware.*
- *Evaluate the re-engineering assessment contract deliverable and determine a modernization path forward consistent with agency priorities and within available funding to address mission critical functions.*

- *Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.*
- *Complete the development of business rules strategy and data layer components of the modernization.*
- *Deliver citizen-centric services and applications to railroad employees through mobile and web-ready interfaces.*
- *Complete the streamlining of core business processes and modernize key applications that support these processes.*
- *Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.*
- *Evaluate the re-engineering assessment deliverables to determine a cost effective path forward to application rationalization and streamline business processes.*

Strategic Goal II: *Provide Excellent Customer Service.*

We aim to satisfy our customers' expectations for quality service in terms of service delivery options and levels and manner of performance. At the OMB Guidance 7% Reduction level, we would plan to allocate $61,594,000 and 390 FTE's to customer service. At the OMB Guidance 2% Add Back level we would plan to allocate $67,429,000 and 437 full-time equivalent employees (FTE's) to customer service. At the Agency Request level, we would plan to allocate $79,636,000 and 535 FTE's to customer service. We have established two performance goals that focus on the specifics of achieving this strategic goal.

II-A. Strategic Objective: Pay benefits timely.

The RRB is committed to ensuring that we pay benefits in a timely manner. We have nine annually assessed performance measures in place to track our timely administration of both Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs. In addition to the performance measures, and to further promote timely benefits payments, we will:

- *Inform our customer about the actions they can take to ensure that they receive payments in a correct, timely manner when eligible for benefits.*
- *Periodically, provide our customers clear guidance regarding their responsibilities to provide accurate, complete information and notify us of changes in status.*
- *Continue to inform employers of their responsibilities for providing timely, accurate, and efficient reports of railroad service and compensation and provide support as necessary.*
- *Continue work with employers to inform and improve modernization efforts that expand and enhance the use of available electronic reporting methods.*
- *Continue to expand paperless processing to increase efficiency and productivity in a virtual environment, to include the secure exchange of forms and medical evidence with third parties relative to administering the disability program.*

Our Customer Service Plan includes customer service timeliness standards for paying benefits. Through March 31, 2021 the overall actual performance was 99.1 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for more than 99 percent of the 233,132 service transactions for which timeliness was measured.

The inset at the right shows composite results in four combined categories of services.

> **Overall Timeliness Performance**
> **Fiscal Year 2021 (through 3/31/2021)**
>
> - Retirement applications: 95.3%
>   (target: 94.0%)
>
> - Survivor applications: 93.5%
>   (target: 94.4%)
>
> - Disability applications/payments: 55.4%
>   (target: 81.7%)
>
> - RUIA applications/claims: 99.8%
>   (target: 98.6%)

II-B. Strategic Objective: Provide a range of choices in service delivery methods.

To fulfill customers' needs, we must provide high quality, accurate services on a timely basis, and in ways that are accessible and convenient to all our customers, including the elderly and those with impairments. Consistent with our vision statement, we strive to provide a broad range of choices for customer service. We have two primary measures to assess our performance toward this objective: (1) how many electronic services we can provide in each program at a reasonable cost and (2) employer usage of the available services. Further, our goal is to expand customer choice by offering alternative access to our major services. In addition to our primary performance measures, we plan to:

- *Increase customer self-service options via the Internet, including the ability to send and transmit benefit-related data in a secure manner.*
- *Continue to expand the functionality and services offered through the toll-free number (877-772-5772 or 877-RRB-5RRB) to achieve faster customer response times and to promote effective workload distribution across field office locations.*
- *Continue to make improvements to its Employer Reporting System (ERS) to increase the amount of information relative to railroad compensation, employment and service that employers can exchange with the agency through the Internet.*

The RRB will continue to pursue enhancements during fiscal year 2022 with the development and implementation of the Form G-117a, Designation of Contact Officials. This service will give employers the ability to make timely updates and changes to the responsible officials in their organizations. This will add one more service to the system bringing the total number of available services to 31 in the ERSNet system.

The RRB will utilize fiscal year 2023 to focus on improvements and enhancements to the existing 31 services an expected to develop 2 more services by the end of fiscal year 2023. These services include development of on-line ERSNet processes for the Form RL-13g, Notice to Employer of Relinquishment of Rights of Disability Annuitant Who Attained Age 65, and the AESOP, Employee Retirement Estimate File.

Strategic Goal III: *Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources.*

The RRB is committed to fulfilling its fiduciary responsibilities to the rail community. At the OMB Guidance 7% Reduction level, we would plan to allocate $33,343,000 and 155 FTE's to stewardship. At the OMB Guidance 2% Add Back level we would plan to allocate $36,622,000 and 174 full-time equivalent employees FTE's to stewardship. At the Agency Request level, we would plan to allocate $43,483,000 and 213 FTE's to stewardship.

We have established four objectives that focus on the specifics of achieving this strategic goal.

III-A. Strategic Objective: Ensure that trust fund assets are protected, collected, recorded and reported appropriately.

The RRB is committed to prudent management of its trust funds. Our success in this objective is reflected through annual audited financial statements, actuarial valuations, financial projections, benefit payment accuracy, debt collection, experience-based contribution rates, and payroll tax and railroad employee compensation reconciliations. We also have responsibilities with regard to the National Railroad Retirement Investment Trust, which are addressed separately under performance goal III-D.

In addition to the primary performance measure that we are tracking to assess progress toward this object, we will continue to:

- *Continue to issue annual audited financial statements.*
- *Monitor the solvency of the trust funds through a sound program of actuarial valuations and financial projections.*
- *Correctly estimate the amounts needed for future benefit payments.*
- *Verify that payroll taxes are fully collected and properly recorded.*
- *Issue accurate, timely determinations and notices of contribution rates required under the unemployment and sickness insurance program.*
- *Continue to carry out the RRB's debt collection policy.*

In November 2020, we released our Performance and Accountability Report for fiscal year 2020. The RRB's OIG did not express an opinion (disclaimer) on the RRB's 2020 financial

statements, which were included in that report. For fiscal year 2020, the OIG cited lack of access to the National Railroad Retirement Investment Trust (NRRIT) auditors pursuant to the American Institute of Certified Public Accountants (AICPA) Professional Standards in AU-C section 600, *Special Considerations – Audits of Group Financial Statements* as both the basis for the disclaimer of opinion and as one of the two components of the financial reporting material weakness. The second portion of the financial reporting weakness for fiscal year 2020, related to RRB not changing its social insurance valuation methodology performed in accordance with Actuarial Standards of Practice for Social Insurance Systems to a methodology preferred by the OIG's actuarial consultants. The OIG classified deficient internal controls at the agency wide level as a second material weakness due to implementation of GAO and OMB standards for internal of control; information technology security and financial reporting controls; compliance with indirect laws, regulations, contracts, treaties, and international agreements; compliance with Railroad Retirement Act benefit payments provisions; and controls over railroad service compensation. The RRB continues to disagree that these matters rise to the level of material weakness and with the basis the OIG cited for the disclaimer.

III-B. Strategic Objective: **Ensure the accuracy and integrity of benefit programs.**

The principal indicators of accuracy are the benefit payment accuracy rates in each program. Our performance goal is to ensure that we can continue to meet or exceed 99 percent payment accuracy in the payments we initiate or manually adjust in a given year. To accomplish this goal, we will:

- *Monitor payment accuracy and the levels of improper payments, and identify problems.*
- *Provide feedback and take additional preventive actions as appropriate.*
- *Maintain established matching programs.*
- *Continue our program integrity reviews.*

Under the Improper Payments Information Act (IPIA) of 2002, and the Improper Payments Elimination and Recovery Act (IPERA) of 2010, the RRB reviews and reports on the amount of erroneous payments and engages in activities to reduce them. Since improper payment reporting began, the amounts attributable to the RRB's two benefit programs (the RRA and the RUIA) have been below the definition of "significant" improper payments identified in the law and related guidance issued by OMB.

As part of our fiduciary responsibilities to the rail community, we must ensure that the correct benefit amounts are being paid to the right people. We match our benefit payments against the Social Security Administration's earnings and benefits database, the Centers for Medicare & Medicaid Services' death records, the Office of Personnel Management's benefit records, and State wage reports, exclusively via secure electronic transmissions. We also administer other benefit monitoring programs to identify and prevent erroneous payments, and refer

some cases to the RRB's OIG for investigation. After investigation, the Inspector General may pursue more aggressive actions, which include civil and criminal prosecution.

We measure the effectiveness of the program integrity efforts each year by comparing the dollars identified as improper payments and saved through these initiatives to their cost. Based on the most recent information available, for example, in fiscal year 2020, the RRB invested the equivalent of about 17 full-time employees, at a cost of approximately $1.98 million, in program integrity efforts. This resulted in about $9.90 million in recoverables, $2.06 million in benefits saved, and the referral of 25 cases to the OIG for investigation. This is approximately $6.03 in savings for each $1.00 invested in these activities.

III-C. Strategic Objective: Ensure effectiveness, efficiency, and security of operations.

Information Security Program
Information security is a critical consideration for government agencies where maintaining the public's trust is essential. The RRB relies extensively on computerized systems to support its mission operations and store the sensitive information that it collects. The RRB's information security program is established and maintained to reasonably protect systems data and resources against internal failures, human errors, attacks and natural catastrophes that might cause improper disclosure, modification, destruction, or denial of services.

We continue to make progress towards a compliant Information Security program to improve the RRB's security posture. RRB has implemented an Information Security Continuous Monitoring (ISCM) Strategy as outlined in OMB Memorandum M-20-04, Fiscal Year 2019-2020 Guidance on Federal Information Security and Privacy Management Requirements. This strategy addressed the gaps in the Information Security program. We partnered with the Department of Homeland Security (DHS) in the Continuous Diagnostic and Mitigation (CDM) program and continue by participating the CDM Dynamic and Evolving Federal Enterprise Network Defense (DEFEND) program. This partnership with DHS will further improve our Information Security continuous monitoring compliance towards vulnerability assessment, hardware and software management, configuration management, and privileged account management. The RRB continues to employ the DHS EINSTEIN-3 Accelerated (E3A) toolset that ensures all of the Domain Name System (DNS) and Simple Mail Transfer Protocol (SMTP) are monitored by these services.

We continue to manage the risk of the critical infrastructure considering asset management, remote access, identity management, and network protection. Specifically:

- *Assessment Management – we have enrolled in the DHS CDM DEFEND program to provide better visibility of current hardware and software and to automatically detect unauthorized hardware and software.*
  - *The RRB has implemented two phases of the CDM program and is forwarding RRB data to the CDM Federal Dashboard:*

- ▪ *Hardware Asset Management "HWAM" to provide visibility into all hardware devices on the RRB Network.*
  - o *Vulnerability Management "VULN" to provide visibility to known vulnerabilities present on the network.*
  - o *The RRB will implement these two phases of CDM DEFEND during fiscal year 2021:*
    - ▪ *Software Asset Management "SWAM" to provide visibility into all software installed on the RRB network.*
    - ▪ *Configuration Settings Management "CSM" to manage configuration settings of assets on the RRB network.*
- *Identity Management – The RRB enforces multi-factor authentication for general users and have installed a privileged access management system (i.e. CyberArk) for system administrators.*
- *Remote Access – We deployed managed services for hardware encryption and have upgraded our firewalls to strengthen information security controls for remote access. Note: Enforcement of PIV is instrumental for remote access.*

Internal Operations

The RRB is committed to effective, efficient and secure internal operations. Many factors and programs contribute to this goal. We use our management control review process as a means of reviewing critical agency processes in order to provide reasonable assurance of the effectiveness and efficiency of our programs and operations. If material weaknesses are detected, we take corrective action. In addition, we perform a variety of quality assurance activities to ensure that our benefit programs comply with established policies, standards and procedures. We consider the findings from these reviews as we plan our information technology initiatives.

In support of the Administration's direction to agencies to assess the effectiveness of current information technology (IT) management practices and address opportunities to improve management of IT resources we added measurements based on the PorfoliStat categories Deliver, Innovate and Protect. The measurements ensure that the agency engages in proactive performance management of its IT.

- *Deliver – Deliver on Budget Percent of IT Projects costs within 10% of budgeted cost*
- *Deliver – Meet Customer Expectations. WWW.RRB.GOV Internet Services (Mainline and Employer Reporting System) Continuous availability experienced by end users.*
- *Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.*
- *Protect – Email Data Loss Prevention. Percentage of externally bound emails and their attachments automatically encrypted that contain personally identifiable or credit card information.*
- *Protect –Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate*

The measurements ensure that the agency engages in proactive performance management of information technology by ensuring effectiveness, efficiency and security of operations. The use of performance measures and management processes allows the RRB to monitor actual versus expected results, while also providing appropriate oversight and quality control. The status of each measure is captured and evaluated monthly by those responsible for overseeing the measure, evaluated quarterly by the Office of the Chief Information Officer to ensure that the activity is meeting the expected measure, and reported annually in the agency's fiscal year performance plan.

In addition to our ongoing activities, during the planning period we will continue to emphasize key areas related to strategic management of human capital, improving program performance and accountability, and systems security.

Strategic Management of Human Capital

Like many agencies, the RRB has an aging workforce. Nearly 40 percent of our employees have 20 or more years of service and 35 percent of the current workforce will be eligible for retirement by fiscal year 2023. The Bureau of Human Resources has shifted to a strategic approach in managing its human capital through such efforts as workforce and succession planning, alignment of the mission with employee performance to ensure efficient and effective accomplishment of RRB operations, and evaluating job-fit and recruitment efforts to ensure a developed, diverse, inclusive, engaged and accountable workforce. We continue to automate and streamline antiquated and outdated personnel policies and procedures and educate, develop, and train our employees and supervisors both in technical and soft skills in alignment with our agency mission, values and goals. We strive to bring the methods of the Bureau of Human Resources in strategic alignment with the RRB's mission and best human resources management practices within the Federal government.

The Workforce Organization Management Section (WOMS) continues to refine recruitment efforts to ensure we receive applications from a talented, diverse and inclusive pool of applicants. Through USAJOBS, we have been able to reach candidates from across the country. In fiscal year 2020, we received over 1,800 outside applications for 27 job postings. We also utilize different recruitment strategies, like resume mining and targeted advertising, hiring flexibilities such as the Pathways Intern and Recent Graduate programs and direct hiring authorities to attract a diverse and quality applicant pool.

The Human Services/Labor Relations Section (HS/LR) is in the process of re-negotiating the Nationwide Collective Bargaining Agreement (CBA), which was last negotiated in 1985. In addition to rewriting the CBA, the HS/LR section has taken on the task of updating a number of Human Resources policies and negotiating those policies, where appropriate, with the Union. This includes creating new policies, and updating antiquated and outdated policies on Telework, Performance Management, Incentive Awards, Hours of Work, etc. The revisions

of both the policies and the CBA are forward thinking and afford employees a number of flexibilities, are reflective of our Agency's emerging culture, encompass the importance of employee engagement as well as employee accountability and define a commitment to organizational responsibility.

The Training and Development Section within the Bureau of Human Resources utilizes the results from training needs assessments, workforce planning, and surveys to assist in prioritizing the RRB's training needs. We also utilize available technology and low-cost training options and use innovative and best practices in training and development in order to deliver varied training modalities for all agency employees, whether the training is mandatory or developmental in nature. We continue to update and automate training modules available to our entry-level and mission critical claims and benefit training classes to ensure a successful training environment for new employees and the successful accomplishment of our mission.

III-D. **Strategic Objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.**

Although the RRB no longer has primary responsibility for the investment of the trust fund monies, it continues to have responsibilities in ensuring that the National Railroad Retirement Investment Trust (NRRIT), and its seven-member Board of Trustees, comply with the provisions of the Railroad Retirement Act. This responsibility will be fulfilled through review of the monthly, quarterly, and annually submitted reports by the NRRIT, and its auditors' reports. In addition, the RRB's Board Members and General Counsel meet twice annually with the Trustees and receive detailed briefings during periodic telephone conferences.

The RRB has authority to bring civil action should it detect any violation of the Railroad Retirement Act or non-compliance with any provisions of that Act.

To facilitate coordination among the NRRIT and Federal Government organizations, the Department of the Treasury, OMB, NRRIT and RRB have entered into a voluntary memorandum of understanding concerning budgetary, accounting and financial reporting responsibilities. Additionally, the NRRIT and the Government Accountability Office (GAO) have entered into a voluntary memorandum of understanding to facilitate GAO's access to information supporting NRRIT's annual financial statements and related financial statement audits for purposes of conducting GAO's audits of the U.S. government's consolidated financial statements.

Railroad Retirement Board - Fiscal Year 2023 Initial Performance Plan

RRB FY 2023 Initial Performance Plan	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL I: *Modernize Information Technology (IT) Operations to sustain mission essential services*								
Strategic Objective: *Legacy Systems Modernization* - Goal Leader: Terryne F. Murphy, Chief Information Officer								
I-A-1. Prepare to consolidate and rationalize applications to improve the effectiveness and efficiency of mission essential functions.	New Goal for FY 2021	New Goal for FY 2021	New Goal for FY 2021	50%	100%	Goal Complete	Goal Complete	Goal Complete
I-A-2. Evaluate the results of the customer surveys obtained through the LSMS re-engineering assessment contract deliverable to identify and deliver a broader range of online citizen centric services that will specifically address our customer's expectations and improve overall customer service.	New Goal for FY 2021	New Goal for FY 2021	New Goal for FY 2021	100%	Goal Complete	Goal Complete	Goal Complete	Goal Complete
I-A-3. Transition Mission Essential Programs from the End-of-Life Mainframe hardware.	New Goal for FY 2019	10%	50%	50%	100%	Goal Complete	Goal Complete	Goal Complete
I-A-4. Evaluate the re-engineering assessment contract deliverable and determine a modernization path forward consistent with agency priorities and within available funding to address mission critical functions.	New Goal for FY 2021	New Goal for FY 2021	New Goal for FY 2021	100%	Goal Complete	Goal Complete	Goal Complete	Goal Complete

Railroad Retirement Board   -   Fiscal Year 2023 Initial Performance Plan

RRB FY 2023 Initial Performance Plan	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL I: Modernize Information Technology (IT) Operations to sustain mission essential services								
Strategic Objective: Legacy Systems Modernization. - Goal Leader: Terryne F. Murphy, Chief Information Officer								
I-A-5. Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.	New Goal for FY 2021	New Goal for FY 2021	New Goal for FY 2021	0%	100%	Goal Complete	Goal Complete	Goal Complete
I-A-6. Complete the development of business rules strategy and data layer components of the modernization.	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	75%	100%	100%	100%
I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	50%	75%	75%	75%
I-A-8. Complete the streamlining of core business processes and modernize key applications, which support these processes.	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	25%	50%	50%	50%
I-A-9. Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	100%	Goal Complete	Goal Complete	Goal Complete
I-A-10. Evaluate the re-engineering assessment deliverables to determine a cost effective path forward to application rationalization and streamline business processes.	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	New Goal for FY 2022	25%	30%	40%	50%

RRB FY 2023 Initial Performance Plan	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL II: *Provide Excellent Customer Service*								
Strategic Objective: Pay benefits timely. Goal Leader for performance goals II-A-1 through II-A-5; II-A-7 and II-A-8: Arturo Cardenas, Director of Programs Goal Leader for performance goal II-A-6: Mark Blythe, Director of Field Service Goal Leader for performance goal II-A-9: Spiridoula Mavrothalasitis, Director of Hearings and Appeals								
II-A-1. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 35 days of the annuity beginning date, if advanced filed. (Measure: % ≤ 35 days)	94.9%	95.4%	96.4%	94.8%	94.0%	93.0%	94.0%	94.0%
II-A-2. RRB makes a decision to pay or deny a railroad retirement employee or spouse initial annuity application within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	96.5%	96.5%	97.5%	96.4%	94.0%	93.0%	94.0%	94.0%
II-A-3. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor not already receiving a benefit within 60 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 days)	96.2%	96.0%	95.0%	91.2%	94.0%	93.0%	94.0%	94.0%
II-A-4. RRB makes a decision to pay, deny or transfer to SSA an initial annuity application for a railroad retirement survivor already receiving the benefits as a spouse within 30 days of the RRB's receipt of first notice of the employee's death. (Measure: % ≤ 30 days)	96.5%	96.6%	95.2%	93.6%	94.0%	93.0%	94.0%	94.0%

Railroad Retirement Board   -   Fiscal Year 2023 Initial Performance Plan

RRB FY 2023 Initial Performance Plan	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL II: Provide Excellent Customer Service								

Strategic Objective: Pay benefits timely.
  Goal Leader for performance goals II-A-1 through II-A-5; II-A-7 and II-A-8: Arturo Cardenas, Director of Programs
  Goal Leader for performance goal II-A-6: Mark Blythe, Director of Field Service
  Goal Leader for performance goal II-A-9: Spiridoula Mavrothalasitis, Director of Hearings and Appeals								

II-A-5. RRB makes a decision to pay or deny a lump sum death benefit within 60 days of the date the application was filed. (Measure: % ≤ 60 days)	98.2%	97.3%	97.3%	94.9%	96.0%	94.0%	95.0%	95.0%
II-A-6. RRB certifies a payment or releases a letter of denial of UI or SI benefits within 10 days of the date RRB receives the claim. (Measure: % < 10 days)	99.9%	99.9%	99.9%	99.9%	98.5%	98.5%	98.5%	98.5%
II-A-7. RRB makes a decision to pay or deny a benefit for a disabled applicant or family member within 100 days of the date the application is filed. (Measure: % ≤ 100 days)	11.3%	12.5%	13.5%	18.7%	70.0%	68%	70%	70%
II-A-8. RRB makes a payment to a disabled applicant within 25 days of the date of decision or earliest payment date, whichever is later. (Measure: % < 25 days)	91.5%	85.2%	88.5%	87.8%	92.0%	90.0%	91.0%	91.0%
II-A-9. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. (Measure: average elapsed days)	217	207	205	218[6/]	210	218	218	218

Railroad Retirement Board - Fiscal Year 2023 Initial Performance Plan

RRB FY 2023 Initial Performance Plan		2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL II: Provide Excellent Customer Service									
Strategic Objective: Provide a range of choices in service delivery methods. Goal leader: Arturo Cardenas, Director of Programs									
II-B-1. Offer electronic options to our customers, allowing them alternative ways to perform primary services via the Internet or interactive voice response systems. (Measure: Number of services available through electronic media)		19 services available	19 services available	19 services available	19 services available	23 services available	23 services available	23 services available	23 services available
II-B-2. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measures: percentage of employers who use the on-line Employer Reporting System (ERS); number of services available through electronic media)	a) Employers using ERS:	99.3%	99.2%	98.9%	99.3%	99.0%	99.0%	99.0%	99.0%
	b) Internet Services:	30 Internet services available	30 Internet services available	30 Internet services available	30 Internet services available	31 Internet services available	33 Internet services available	33 Internet services available	33 Internet services available

RRB FY 2023 Initial Performance Plan	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources								
Strategic Objective: Ensure that trust fund assets are protected, collected, recorded, and reported appropriately. Goal leader: Shawna R. Weekley, Chief Financial Officer								
III-A-1. Debts will be collected through billing, offset, reclamation, referral to outside collection programs, and a variety of other collection efforts. (Measure: total overpayments recovered in the fiscal year/total overpayments established in the fiscal year)	91.70%	91.70%	95.18%	90.68%	85.00%	85.00%	85.00%	85.00%

Railroad Retirement Board - Fiscal Year 2023 Initial Performance Plan

RRB FY 2023 Initial Performance Plan		2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources									
Strategic Objective: Ensure the accuracy and integrity of benefit programs. Goal leader III-B-1 (a)(b) and III-B 3, 4 and 5: Arturo Cardenas, Director of Programs Goal leader III-B-2 (a): Mark Blythe, Director of Field Service Goal leader III-B-2 (b): Micheal Pawlak, Director of Unemployment Payment Support Division									
III-B-1. Achieve a railroad retirement benefit payment accuracy rate $^{5/}$ of at least 99%. (Measure: percent accuracy rate)	a) Initial payments	99.87%	99.83%	99.57%	Not Available	99.50%	99.50%	99.75%	99.75%
	b) Sample post recurring payments	99.56%	99.97%	Not Applicable Post Study Canceled	Not Available	99.50%	99.50%	99.75%	99.75%
III-B-2. Achieve a railroad unemployment/ sickness insurance benefit payment accuracy rate $^{5/}$ of at least 99%. (Measure: percent accuracy rate)	a) Unemployment	96.09%	96.23%	96.62%	98.85%	95.50%	95.50%	95.50%	95.50%
	b) Sickness	100.00%	97.93%	97.88%	97.32%	95.00%	95.00%	95.00%	95.00%
III-B-3. Overall Initial Disability Determination Accuracy (Measure: % of Case Accuracy)		94.40%	73.60%	Not Available	Not Available	95.00%	94.00%	95.00%	95.00%

Railroad Retirement Board   -   Fiscal Year 2023 Initial Performance Plan

RRB FY 2023 Initial Performance Plan	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
STRATEGIC GOAL III: Serve as Responsible Stewards for Our Customers' Trust Funds and Agency Resources								
Strategic Objective: Ensure the accuracy and integrity of benefit programs. Goal leader III-B-1 (a)(b) and III-B 3, 4 and 5: Arturo Cardenas, Director of Programs Goal leader III-B-2 (a): Mark Blythe, Director of Field Service Goal leader III-B-2 (b): Micheal Pawlak, Director of Unemployment Payment Support Division								
III-B-4. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: Beginning FY14, below 1.5%)	Not Applicable – Reporting Relief	Not Applicable – Reporting Relief	Not Applicable – Reporting Relief	Not Applicable – Reporting Relief	Not Applicable – Reporting Relief	N/A - Program Below Thresholds for Significant IP's.	N/A - Program Below Thresholds for Significant IP's.	N/A - Program Below Thresholds for Significant IP's.
III-B-5. Achieve a return of at least $3.60 for each dollar spent on program integrity activities. (Measure recoverable and savings per dollar spent)	$3.44: $1.00	$6.66: $1.00	$6.03: $1.00	Not Available	$3.85: $1.00	$4.00: $1.00	$4.00: $1.00	$4.00: $1.00
Strategic Objective: Ensure effectiveness, efficiency, and security of operations. Goal leader: Terryne F. Murphy, Chief Information Officer								
III-C-1. Complete modernization of RRB processing systems in accordance with long-range planning goals. (Measure: Meet target dates for the project. Yes/No)	Project complete	Project complete	Project complete	Project complete	Project complete	Project complete	Project complete	Project complete

Railroad Retirement Board   -   Fiscal Year 2023 Initial Performance Plan

RRB FY 2023 Initial Performance Plan		2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
III-C-2. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost.		85%	100%	100%	100%	85%	85%	85%	85%
III-C-3. Deliver – Meet Customer Expectations. WWW.RRB. GOV Internet Services (Mainline and employer Reporting System) Continuous availability experienced by end users.	a) Continuous availability target	98.92%	98.99%	99.31%	99.03%	99%	99%	99%	99%
	b) Hours of outage allowed per month	7.77 hours	7.38 hours	4.83 hours	7.16 hours	7 hours	7 hours	7 hours	7 hours
III-C-4. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.		Completed applying HTTPS-only standard to www.rrb.gov	Cloud based enterprise test lab: No	Cloud based enterprise test lab: No	Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes	Microsoft Azure Cloud: Yes
III-C-5. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.		99.93%	100%	100%	100%	100%	100%	100%	100%
III-C-6. Protect – Email Data Loss Prevention. Percentage of externally bound emails and their attachments automatically encrypted that contain personally identifiable or credit card information.		99.93%	100%	100%	100%	100%	100%	100%	100%

RRB FY 2023 Initial Performance Plan	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Estimate	2023 OMB Guidance 7% Reduction	2023 OMB Guidance 2% Add Back	2023 Agency Request
III-C-7. Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.	77%	73%	Unprivileged Network Users > 66% Privileged Network Users ≥ 63%	Unprivileged Network Users > 58% Privileged Network Users ≥ 75%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%	Unprivileged Network Users > 85% Privileged Network Users ≥ 100%
Strategic objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust. Goal leader: Ana M. Kocur, General Counsel								
III-D-1. Timely review information reported by the National Railroad Retirement Investment Trust to carry out RRB's oversight responsibility under section 15(j) (5) (F) of the Railroad Retirement Act. Reports are to be reviewed within 30 days of receipt. (Measure: Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Footnotes:

[1] Fiscal year 2021 actual results represents status as of March 31, 2021, unless otherwise noted.

[2] Planned amounts reflect the fiscal year 2022 performance targets shown in the RRB's Congressional Justification of Budget Estimates, released May 28, 2021.

[3] Fiscal year 2021 amount includes $114,500,000 for Limitation on Administration account and $9,000,000 for Information Technology Modernization.

[4] Fiscal year 2022 amount includes $130,049,000 for Limitation on Administration account.

[5] The payment accuracy rate is the percentage of dollars paid correctly as a result of adjudication actions performed.

[6] Fiscal year 2021 actual results represents status as of June 30, 2021.

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RAILROAD RETIREMENT BOARD

INFORMATION TECHNOLOGY (IT) UPDATE

Phase	Specific IT Initiatives	Planned Spending Public Laws 115-141, 115-245, 116-94, 116-260, 116-136, & 117-2
Stabilize	• Establish a Cloud Presence • Infrastructure Modernization • Improve Security Posture • Preparation for Legacy Application Rationalization	$19,559,374
Modernize	• Mainframe Modernization • Collaboration Tools • Business Rules Implementation • Data Model Implementation • Adjudication Application / Customer Views • Citizen-Centric Services / Online Forms and Portals • Paperless Processing and Secure Document Management • Payment Application	$19,440,626
Perform	Post Implementation Monitoring as Applications and Systems Modernize	
	Subtotal -- IT Modernization Funds (Annual Appropriations)	**$39,000,000**
CARES Act P.L. 116-136	CARES Act funding accelerated efforts to increase workforce mobility in light of the COVID-19 Pandemic: • M365 – Cloud Email • M365 – Collaboration Tools • Modernization Strategy Roadmap Development – (GSA/18F Engagement) • SOW – Data Layer and Business Rules Extraction	$5,000,000
ARPA P.L. 117-2	The American Rescue Plan Act funding authorized to prevent, prepare for, and respond to coronavirus will be used primarily to issue several key contracts: • Phase IV of the Mainframe Migration to IBM zCloud (including extracting business rules from the mainframe applications to centralize in the cloud). • Application Services contract to modernize legacy applications in our cloud environments, starting with the unemployment and sickness benefits. • Program Administrative Support Services to support establishing the IT Modernization Program Management Office contract and executive governance of the IT modernization spending against the Strategic Roadmap. • Engineering Services contract to support the transition and sustainment of RRB infrastructure within selected cloud environments. • Security Services to support the modernization and ultimate improvement of the RRB's security posture as it modernizes its systems and applications in cloud environments.	$21,175,000
	TOTAL -- IT Modernization & Related Supplemental Funds	**$65,175,000**

RAILROAD RETIREMENT BOARD

IT Modernization Initiatives

FY 2023 Top Priorities – Modernize Phase As of August 2021

Today customers expect IT organizations to be nimble and agile in providing solutions. They also expect the solutions developed provide a similar experience they are used to getting in the commercial world. Our current environment is ill equipped to meet these expectations. The reengineering and modernizing effort will put us in a better position to meet these goals.

Beyond the normal budget process, which has provided $39M for RRB's IT Modernization program, there have been two other significant funding increases that support our modernization efforts to prevent, prepare for and respond to coronavirus. Specifically, RRB's IT Modernization Program received an additional $5M provided under P.L.116-136 CARES Act and an additional $21.175M provided under P.L. 117-2, the American Rescue Plan Act of 2021 (ARPA).

At this time, the RRB's IT Modernization Program has been fully funded and therefore, the RRB is not submitting a budget request for additional IT funds. The following is the status of the RRB's current IT initiatives as well as the planned projects we anticipate to work on in FY 2023.

Priority 1 – Mainframe Modernization

The RRB continues its effort to establish its cloud presence. A goal is to transition the computer mainframe operations located at RRB's data center and disaster recovery site to IBM operations on the IBM zCloud for Government. The transition provides RRB optimization of mainframe operations and enables Information Technology Modernization and Application Modernization. The project has six phases: Phases I-III include transition and migration and Phases IV-VI include long-term cloud steady state, decommissioning of legacy equipment, optimization and modernization in the zCloud. The RRB completed the migration in FY 2021 to IBM's zCloud environment. Decommissioning of the legacy mainframe will occur in FY 2022.

Additionally, we continue working toward establishing cloud presence for RRB's open system applications, which were previously housed on premise in RRB's data center. To this end, eighty-eight applications have been successfully migrated to the Microsoft Azure Government Cloud.

Priority 2 – Collaboration Tools

The RRB will implement collaboration tools such as Microsoft's M365 to address the agency's need to shift to a modern cloud-based platform for shared access, interaction, and collaboration. Microsoft's M365 is a comprehensive productivity and collaboration solution that offers a suite of tools to support the agency workforce. The RRB anticipates implementing M365 for email (Outlook), sharing documents and data (SharePoint on-line) and workspace chat and videoconferencing, file storage, and application integration (Teams) by mid FY2022. With these collaboration tools and functionalities in place, we plan to begin to focus in FY 2022 on implementing the M365 business intelligence platform that provides nontechnical agency employees with tools for aggregating, analyzing, visualizing and sharing data (Power BI). M365

allows the RRB to implement a unified endpoint management solution for mobile device and operating system management in a way that protects the RRB's data.

The RRB continues to make significant progress on this project and anticipates enterprise email will migrate to the Microsoft 365 Cloud by the beginning of FY 2022. Following the email migration, the other collaborative tools mentioned above will be enabled and in use by mid FY 2022.

Priority 3 – Business Rules Implementation

The RRB will implement a business rule solution to further support automation. A business rule is a condition that must be satisfied to perform a business activity. A rule can enforce a business policy, make a decision, or infer new data from existing data. A business rules management system provides process execution engines expressed as simple rules necessary for work-routing decisions in accordance with relevant legislation. Once those rules go beyond simple Boolean logic, externalizing these rules simplifies processes.

Given the impact of the pandemic, the RRB is focusing its efforts to modernize the administration of its unemployment and sickness benefit programs and, therefore has prioritized extracting business rules from the relevant Railroad Unemployment Insurance Act (RUIA) applications for centralization in a cloud environment. The RRB expects to embark upon this effort in FY 2023, following its transition of the mainframe to the zCloud and after achieving stable state operations. Centralization of the business rules provides a platform to build upon expansion of the business rules in other areas of benefits administration.

Priority 4 – Data Model Implementation

The RRB will implement the design and architecture blueprint of a unified data model with focus on streamlining business processes. This unified data model will form the foundation of RRB's future modernization efforts. The RRB expects to begin efforts to design and develop a data model that supports the application modernization in FY 2023. The RRB expects this effort to adhere to the iterative process of development. As with the business rules extraction, we will begin with unemployment and sickness benefits and then expand to retirement, survivor and disability benefits.

Priority 5 – Adjudication Application/Customer Views

The focus of this priority is to implement online applications forms and integrate them with a customer relationship management (CRM) system to provide a holistic view of the customer to RRB staff throughout the adjudication process. The CRM will allow Field Service staff to easily access information about a customer's application status throughout the adjudication process, allowing them to provide accurate and timely information to our customers. Use of the CRM will also will increase the RRB's ability to provide its customers access to self-service options and additional interaction channels such as a virtual agent chatbot and mobile application.

The RRB believes it will be able to make significant progress and deliver its first iteration of this priority in FY 2023. The RRB will seek to put in place application services

contracts that will empower the RRB to outsource the development and expansion of these capabilities in FY 2023. The applications that address the adjudication function of the core business process at the RRB will be a part of the application services contract as well.

Priority 6 – Citizen-Centric Services/Online Forms and Portals

The RRB will continue to implement self-service digital solutions to our customers and end users. We will enable secure self-service access to personal account statements and individualized information about the status of claims and benefits, as well as allowing access to industry standard features such as the online benefit estimates. These enhancements will assist railroad workers and their families in the completion and tracking of online applications as well as claims, payments, and other documentation.

As stated above, many of these capabilities will be part of the FY 2022 and FY 2023 focus to improve the customer's experience interacting with the RRB. The RRB anticipates being able to effect improvements in this area while establishing the foundational components of application modernization, namely the establishment of consolidated business rules and a unified data model.

Priority 7 – Paperless Processing and Secure Document Management

The RRB will initiate planning to address the capabilities of imaging and document management in FY 2022 and FY 2023. Specifically, the RRB proposes to modernize its existing electronic imaging and records system to a more robust document management system, which will eliminate a significant portion of its paper-based processing. Some of the potential enhancements include, but are not limited to, electronic export a variety of internal documents and electronic import of a variety of external documents.

Priority 8 – Payment Application

The RRB will reduce the separate front-end payment systems and corresponding back-end databases to a payment system that incorporates logic to cover a variety of payment scenarios and will access a streamlined data layer.

This integrated payment system will ease identifying overpayments and collecting the resulting debts during this release using existing financial systems. This initiative would also include activities related to Medicare withholding and premiums and as well as interactions with the Center for Medicare and Medicaid Services.

The benefit of this new system will be that all financial transactions relevant to benefits administration will be integrated and allow for enhanced reporting, automated correspondence, and more accurate calculations of overpayment balances.

Payment, like adjudication, is a function of the RRB's core benefits administration process. The RRB expects to build upon its progress in FY 2022 and FY 2023 toward improving the customer's experience, by targeting payment as one of the primary set of applications to modernize. The RRB also expects to establish application services contracts to design, develop, and implement these modernized applications.

Priority 9 – Cybersecurity

The Agency understands the increased cyber threats and increased attacks occurring in the world and we are committed to promoting and developing solutions to address all the cyber-related challenges we face. Securing and improving the RRB through effective cybersecurity practices by providing a framework for identification, detection, protection, response, and recovery from threats is the RRB's mission. The RRB will be a leader in cybersecurity best practices through collaboration and innovation so to meet the challenges of the future and protect the Agency from cybersecurity threats by creating a consistent, safe, and security technology environment. As directed by the Presidential Executive Order on Improving the Nation's Cybersecurity signed in May 2021, the RRB will implement a secure environment based on the National Institute Standards and Technology (NIST) Cyber Security Framework that improves the RRB's cyber resilience against threats (Identify, Protect, Detect, Respond, and Recover).

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RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2023

1. **Amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize various hiring authorities available to other Federal agencies.**

   Section 7(b)(9) of the Railroad Retirement Act contains language requiring that all employees of the Railroad Retirement Board, except for one assistant for each Board Member, must be hired under the competitive civil service.

   Elimination of this requirement would enable the Railroad Retirement Board to use various hiring authorities offered by the Office of Personnel Management.

2. **Amend the Railroad Retirement Act to allow the Railroad Retirement Board to utilize student and recent graduate hiring authorities available to other Federal agencies.**

   The Railroad Retirement Board (RRB) is not permitted to use the excepted service hiring authorities established by the Office of Personnel Management (OPM) for student and recent graduate hiring due to language in the Railroad Retirement Act's establishing legislation. Such language was included in the FY 2021 Appropriations Act and we request that the language proposed below be included in our FY 2023 Appropriations Bill, in order that the RRB may continue to use current OPM student and recent graduate hiring authorities to support succession planning efforts.

   > *Provided, that notwithstanding section 7(b)(9) of the Railroad Retirement Act, this limitation may be used to hire students attending qualifying educational institutions or individuals who have recently completed qualifying educational programs using current excepted hiring authorities established by the Office of Personnel Management.*

3. **Amend the Railroad Retirement Act and the Railroad Unemployment Insurance Act to include a felony charge for individuals committing fraud against the Agency.**

   Section 13 of the Railroad Retirement Act and Section 9 of the Railroad Unemployment Insurance Act contain misdemeanor charges for individuals committing fraud against the Railroad Retirement Board.

   The Railroad Retirement Board proposes to amend the Railroad Retirement and Railroad Unemployment Insurance Acts to include a felony charge for individuals committing fraud against the Agency.

   Under this proposal, both the Railroad Retirement Act and the Railroad Unemployment Insurance Act would be amended to include a felony charge similar to violations under 42 U.S.C. § 408, 18 U.S.C. § 1001, or 18 U.S.C. § 287.

RAILROAD RETIREMENT BOARD

Proposed Legislative Program for Fiscal Year 2023

4.   **Amend the Balanced Budget and Emergency Deficit Control Act of 1985 and the Statutory Pay-As-You-Go Act of 2010 to include the Railroad Unemployment Insurance Trust Fund in the list of accounts which are exempt from sequestration.**

Unemployment and short-term sickness benefits for covered railroad workers payable under the Railroad Unemployment Insurance Act (RUIA) are currently subject to sequestration. However, these unemployment and sickness benefits are fully funded by railroad employer contributions in the same manner as state unemployment compensation systems under the Federal Unemployment Tax Act (26 U.S.C 3301 et seq.) and do not require appropriations from general revenues. The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) as amended (P.L. 99-177) exempts from sequestration any amount paid as regular unemployment compensation by a state from its account in the Unemployment Trust Fund, any advance made to a state from the Federal Unemployment Trust Fund, and any payment made from the Federal Employees Compensation Account for unemployment benefits to former federal employees and former military service members. This leaves unemployment benefits payable to railroad workers as the only type of unemployment benefit subject to reduction as a result of sequestration under the BBEDCA or the Statutory Pay-As-You-Go Act of 2010 (P.L. 111-139).

This proposal would amend the (BBEDCA) to exempt from sequestration unemployment benefits paid under the Railroad Unemployment Insurance Act (RUIA) [45 U.S.C. § 351 et seq.]. Section 255(a) of the BBEDCA currently exempts Tier I railroad retirement benefits from sequester; section 255(g)(1)(A) exempts the Dual Benefits Payments Accounts and Federal Payments to the Railroad Retirement Accounts; and section 255(g)(1)(B) exempts the National Railroad Retirement Investment Trust and the Railroad Industry Pension Fund. All other benefits administered by the Railroad Retirement Board on behalf of covered railroad workers (disability, spouse and survivor) are exempt from sequestration by BBEDCA section 255. It is therefore appropriate to exempt the RUIA Trust Fund from reduction or sequestration under the BBEDCA or the Statutory Pay-As-You-Go Act of 2010.

> *Section 255 of the Balanced Budget and Emergency Deficit Control Act of 1985 is hereby amended in subsection (g)(1)(A), by inserting "Railroad Unemployment Insurance Trust Fund (60-8051-0-603.)" after the Radiation Exposure Compensation Trust Fund (15-8116-0-1-054).*

RAILROAD RETIREMENT BOARD

<u>Evidence and Evaluation</u>

As in the past, the following report is in accordance with OMB Circular A-11, Section 51.9. The discussion serves to document the agency's progress thus far towards meeting requirements of the Foundations for Evidence-Based Policymaking Act of 2018 ("Evidence Act") (Public Law 115-435), OMB memos M-19-23 and M-20-12, the recently issued Presidential Memorandum entitled "Restoring Trust in Government Through Scientific Integrity and Evidence-Based Policymaking" (1/27/2021), and OMB M-21-27. Further, this discussion will reference evidence-building proposals accounted for in their budget request.

It is important to note that the Railroad Retirement Board is a non-CFO Act agency. In that regard, the RRB is only required to address, and discuss herein, certain elements as detailed in OMB Memorandum M-19-23, *Phase 1 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance.* Per the further guidance contained in OMB M-21-27, *Evidence-Based Policymaking: Learning Agendas and Annual Evaluation Plans,* the RRB, as a small agency, is "undertaking the activities outlined in [the] guidance to the extent practicable. As such, certain sections of the "Evidence Template" are not required for RRB or other non-CFO Act agencies and therefore are not addressed herein.

- The RRB established the role of a Chief Data Officer (CDO), who operates under the Chief Information Officer's purview.
- The RRB formed a Data Governance Body (DGB) with membership representing each RRB Executive Committee member. The DGB members provide coordination and act as the spokesperson for their respective bureau/office.
- The RRB appointed a Scientific Integrity Official (SIO) who is working with the CDO toward finding ways to implement the goals and guidance of the Presidential Memorandum regarding Evidence-Based Policymaking.
- The RRB has formed a Scientific Integrity Compliance Team (SICT) to review OMB guidance on Evidence-Based Policymaking, which consists of the CDO, SIO, and a Senior Management Official with previous experience coordinating agency-wide Executive Order compliance initiatives.
- The SICT, in consultation with the Chief Learning Officer, has already identified a suite of online classes available to RRB employees through the RRB's own Learning Management System, which will be rolled out to management officials in an early effort to build RRB's own Learning Agenda to assist RRB leadership to identify potential evidence gaps and evidence needs as RRB leadership develops its internal Evaluation Plan.

Prior to the Presidential Memorandum of January 27, 2021, the RRB's DGB conducted a data maturity assessment to identify the agency's current state and set a baseline for future initiatives.

- The assessment supports the agency's continuous improvement by identifying areas that are most mature and areas to consider providing further attention and development.

Evidence and Evaluation

- The DGB utilized Gartner's enterprise maturity model to perform the assessment, a five-stage maturity model spanning across seven building blocks of enterprise information management.

The assessment sets the current baseline of the "as is" state and provides direction for where to head next strategically when developing data governance and management processes to inform investment decisions and to prioritize subsequent actions.

The RRB recognizes the importance of evidence and evaluation to understand and improve the efficiency and effectiveness of its programs and operations in pursuit of the agency's mission. As an independent, small agency, the RRB will continue to use scientific-based evidence in policymaking and looks forward to leveraging the newly appointed SIO and the newly formed SICT to further the goals of the evidence-based policymaking memoranda and guidance documents to the extent practical given the RRB's limited staff and budget. The RRB will continue to update OMB on progress in the annual budget submission.

RAILROAD RETIREMENT BOARD
Relationship of Programs to Account Structure
(in thousands of dollars)

	2023 Estimates	
	Budget Authority	Outlays
60-0111-0-1-601		
Dual Benefits Payments Account...	9,000	9,000
60-0113-0-1-601		
Federal Payments to the Railroad Retirement Accounts.....................	1,916,740	1,916,740
60-8010-0-7-601		
Social Security Equivalent Benefit Account......................................	8,084,600	7,826,500
60-8011-0-7-601		
Railroad Retirement Account...	5,779,300	5,719,200
60-8118-0-7-601		
National Railroad Retirement Investment Trust................................	2,212,500	2,212,500
60-8237-0-7-601		
Limitation on Administration		
OMB Guidance 7% Reduction level……………………….………	119,040	119,040
Agency Baseline w/2% Add Back level [1] ……..………..	130,560	130,560
Agency Request level…….……………….………………….....	154,661	154,661

	2023 Estimates	
Summary	Budget Authority	Outlays
Federal funds [2]/..	1,925,740	1,925,740
Trust funds [3]/..	16,076,400	15,696,700
Deductions for offsetting receipts:		
Intrafund transactions (Advances) [4]/...	(4,911,200)	(4,911,200)
Intrafund transactions (NRRIT transfers) [4]/………..……………….....	(2,151,000)	(2,151,000)
Proprietary receipts from the public [5]/……………………………..	(157,559)	(157,559)
Interfund transactions [6]/………………………………….……………	(1,916,740)	(1,916,740)
TOTAL	8,865,641	8,485,941

[1]/ Represents the Office of Management and Budget guidance level as included in the President's fiscal year 2022 budget for fiscal year 2023 of $128 million plus 2%. Actuarial estimates indicate a $2 million decrease in Vested Dual Benefits from $11 to $9 million, based on Bureau of Actuary and Research February/March Review, revised July 2021.

[2]/ Represents budget authority and outlays for the Dual Benefits Payments Account and the Federal Payments to the Railroad Retirement Accounts.

[3]/ Represents budget authority and outlays for the Social Security Equivalent Benefit Account, the Railroad Retirement Account, and the National Railroad Retirement Investment Trust (NRRIT). Excludes the Limitation on Administration.

[4]/ Represents the estimated advances RRB plans to borrow from Treasury in anticipation of the annual financial interchange transfer from the Social Security Administration's Old Age and Survivors Insurance and Disability Insurance (OASDI) Funds of $4,911,200 and a transfer of $2,151,000 from the NRRIT to the Railroad Retirement Account.

[5]/ Estimate of interest and dividends on non-Federal securities earned by the NRRIT.

[6]/ Represents budget authority and outlays for the Federal Payments to the Railroad Retirement Accounts.

A-11 Reference - Section 51.4 (August 2021)