



“At a Glance”

Why are our Railroad Retirement withholdings in two “tiers?”

Many American workers pay into Social Security, either through payroll deductions or self-employed contributions, as part of their retirement savings. However, as railroad workers, our industry does not participate in the Social Security program, but has a government-administered retirement program run by the **Railroad Retirement Board** under the authority of the **Railroad Retirement Act**.

Railroad retirement is set up differently from Social Security. On your pay stub, you will see two “tiers” of withholdings, each of which match one of the tiers of benefits you may be eligible to receive upon retirement.

Tier I withholdings are comparable to Social Security. If you were working at a job that participate in Social Security, your withholdings would be the same as you see in your Tier I payments. Likewise, once you retire your Tier I benefits match Social Security benefits that most Americans receive.

Tier II withholdings are what fund your railroad retirement benefits above Social Security. Tier II benefits come from the Tier II withholdings both you and your employer pay into the railroad retirement system.

SOCIAL SECURITY

FY 2022 Average Monthly Benefit

\$1,650.00

RAILROAD RETIREMENT

FY 2022 Average **Tier I** Monthly Benefit

\$1,650.00

FY 2022 Average **Tier II** Monthly Benefit

\$2,370.00

FY 2022 Avg Monthly Benefits for Spouses

Social Security \$810

Railroad Retirement \$1,160

FY 2022 Average Monthly Benefit for career rail employees

(Tier I + Tier II)

\$4,020.00

We pay two tiers of withholdings as rail workers, since we receive a greater amount of benefits from the railroad retirement system. Tier I “matches” Social Security, while Tier II is comparable to a private pension plan offered in some other industries. For rail workers who may have Social Security wage credits from other employment, those credits are factored into their Tier I after they have “vested” in the railroad retirement system.

Learn more about your railroad retirement, disability, sickness, unemployment, or other benefits by contacting your Field Office staff at the Railroad Retirement Board. Call **(877) 772-5772** or visit **rrb.gov**.

Learn More: (877) 772-5772 or rrb.gov