



A bold voice for transportation workers

MEETING THE NEEDS OF THE RAILROAD RETIREMENT BOARD

Whether moving freight across America's heartland or safely transporting people on intercity passenger or commuter rail, the skilled workers who operate and maintain our national rail system have played a vital role in moving our nation's economy for decades. Throughout the 20th century, the federal government enacted a series of laws that recognize the importance of rail to our country and addressed the unique needs of a workforce that performs difficult and often dangerous jobs. One such law, enacted in 1937, created the Railroad Retirement Board (RRB), which specifically addressed the post-career needs of railroad workers after decades of a haphazard private pension system. Wholly funded by railroad workers and the nation's railroads, RRB benefits play an important role in the lives of current and retired railroad workers and their families. Today, however, the agency is facing a crisis, as staffing shortages and insufficient resources have severely degraded service at a time when rail workers and their families need it most.

Authorized by the Railroad Retirement and Railroad Unemployment Insurance Acts, the RRB provides and administers disability, retirement-survivor and unemployment-sickness insurance benefits to over 564,000 current beneficiaries. Over 200,000 active railroad employees are currently paying into the system. The RRB's administrative budget comes solely from trust fund dollars collected from workers and the industry. Despite this, Congress must appropriate these funds every year and to date has failed to meet the significant and immediate needs identified by the agency.

Inadequate staffing levels have plagued the RRB in recent years and funding levels have simply not kept pace to address these shortfalls. Highly trained and experienced staff have left the agency and other employees often move to competing and better paying government agencies. The loss of institutional knowledge and an inability to quickly hire or train staff to fill vacancies has exacerbated the issue. By the end of 2020, the RRB expects 25% of its workforce to be eligible for retirement and that number climbs to 36% by 2022. These losses are particularly significant as much of the agency's work remains manual.

The effects of this staffing shortage are most acutely felt at the 53 RRB field offices across the country, which are a lifeline for beneficiaries who rely on these offices when making important decisions about if and when to retire. Since FY 2015, field agency staff have decreased by almost 18% while in-person visits and call volume has remained consistent. The agency has been forced to conduct temporary office closures at severely understaffed offices. As a result, wait times for beneficiaries to meet an RRB representative to discuss their claims has significantly increased and in some cases, offices cannot provide an in person meeting at all. Phone wait times have increased six-fold, with some wait times running upwards of an hour. Voicemail boxes are full in many offices, preventing callers from even leaving a message.

Furthermore, in an age when people can refinance a mortgage on their phone, the RRB remains stuck in a bygone technological era. Simple actions like creating or submitting online retirement-survivor applications, updating personal records, or tracking an application status are not available to RRB customers. This is not only inconvenient and inefficient; it is simply wasteful, as the agency spends \$1.9 million annually on postage and printing. Fortunately, Congress has recognized that this is unsustainable and has appropriated funds to overhaul the agency's outdated hardware and software systems. Since FY 2018, Congress has appropriated \$10 million per year to modernize the RRB's 1960s IT system. This will ultimately bring the RRB's IT system into the 21st century, better serve beneficiaries, and make the agency more cost-effective and efficient.

While modernizing the RRB's technological infrastructure will provide vast improvements, it is not a cure-all. With its staff shrinking, the RRB's casework backlog grows by the day. For instance, the process of evaluating a disability claim – which is done manually – takes an average of 349 days just to give an applicant an initial decision. As of January 2020, there was a 28,000 backlog on actions affecting retirement benefits such as application or removal of garnishments or work deductions.

These problems can only be solved by Congress fully funding the agency's budget requests, which have been supported every year by the rail workers and carriers who bankroll the trust fund. To date, Congress has failed to fully meet the RRB's request. In fact, the RRB has received a total increase of \$4.4 million over a 10 year period, and funding has remained stagnant for the last four years. The agency and its beneficiaries cannot withstand another year of flat funding. A significant boost to the RRB administrative budget is needed to address the growing needs of the men and women who depend on RRB benefits.

Nearly 6 million employees, spouses and survivors have been awarded retirement, survivor, unemployment, sickness and Medicare benefits since the inception of the Railroad Retirement Board. These benefits have been supported by payments made from active and retired railroaders after years of service on our nation's railroad system. They have earned a system that works and meets their needs. TTD calls on Congress to fully fund the Railroad Retirement Board's FY 2021 administrative budget and IT modernization needs. Our nation's railroaders deserve it.

Policy Statement No. W20-04
Adopted March 9, 2020