

**§ 226.1**

**Subpart G—Recomputation To Include Additional Railroad Service and Compensation**

226.90 When recomputation applies.

226.91 How an employee annuity rate is recomputed.

226.92 Effect of recomputation on spouse and divorced spouse annuity.

AUTHORITY: 45 U.S.C. 231f(b)(5).

SOURCE: 60 FR 22262, May 5, 1995, unless otherwise noted.

**Subpart A—General**

**§ 226.1 Introduction.**

This part explains how employee, spouse, and divorced spouse annuities are computed. It describes how to determine the years of railroad service and average monthly compensation used in computing the employee annuity rate. The railroad retirement family maximum, cost-of-living increases, and the recomputation of an annuity to include additional railroad earnings are also explained in this part.

**§ 226.2 Definitions.**

Except as otherwise expressly noted, as used in this part—

*Annuity* means a payment due an entitled individual for a calendar month and payable to him or her on the first day of the following month.

*Eligible* means that an individual meets all the requirements for payment of an annuity but has not yet applied for one.

*Employee* means an individual who is or has been in the service of an employer as defined in part 202 of this chapter.

*Entitled* means that an individual has applied for and has established his or her rights to benefits.

*Railroad Retirement Act* means the Railroad Retirement Act of 1974, as amended.

*Retirement age* means, with respect to an employee, spouse or divorced spouse who attains age 62 before January 1, 2000, age 65. For an employee, spouse or divorced spouse who attains age 62 after December 31, 1999, retirement age means the age provided for in section 216(1) of the Social Security Act.

*Social Security Act* means the Social Security Act as amended.

**§ 226.3 Other regulations related to this part.**

This part is closely related to part 216 of this chapter, which describes when an employee, spouse, or divorced spouse is eligible for an annuity, part 225 of this chapter, which explains the primary insurance amounts (PIA's) used in computing the employee, spouse and divorced spouse annuity rates, and part 229 of this chapter, which describes when and how employee and spouse annuities can be increased under the social security overall minimum. The creditable service and compensation used in determining the years of service and average monthly compensation are explained in parts 210 and 211 of this chapter. The beginning and ending dates of annuities are explained in part 218 of this chapter.

**Subpart B—Computing an Employee Annuity**

**§ 226.10 Employee tier I.**

Tier I of an employee annuity is an amount similar to the social security benefit the employee would receive based on combined railroad and social security earnings. The tier I benefit is computed as follows:

(a) A tier I PIA is computed based on combined railroad and social security earnings, as shown in §225.11 of this chapter. This PIA is adjusted for any delayed retirement credits or cost-of-living increases, as shown in subparts D and E of part 225 of this chapter, and is reduced for receipt of a pension based upon non-covered service in accordance with section 215(a)(7) of the Social Security Act. The tier I of a disability annuity may also be adjusted for other benefits based on disability, as shown in §§226.70–226.74 of this part. Except in the case of an employee who retires at age 60 with 30 years of service, if the result is not a multiple of \$1, it is rounded to the next lower multiple of \$1. In the case of an employee who retires with an age reduced annuity based upon 30 years of service (see §216.31 of this chapter) the tier I is not rounded until all reductions have been made.