

**Railroad Retirement Board**

**§ 229.49**

(3) If the amount of each benefit from paragraph (d)(2) of this section is not a multiple of \$0.10, it is rounded to the next lower multiple of \$0.10. After determining the beneficiary's share (the amount after reduction for other benefits) the amount is rounded to the next lowest multiple of \$1.00, if it is not already a multiple of \$1.00.

(e) *Combined family maximum.* If a child is eligible to be included in the computation of the overall minimum on more than one railroad retirement annuity, a combined family maximum may apply, if it results in higher annuity rates. The combined family maximum is the smaller of:

- (1) The sum of the individual family maximums on each earnings record; or
- (2) 1.75 times the highest primary insurance amount possible in a year using average indexed monthly earnings equal to one-twelfth of the contribution and benefit base for that year. Average indexed monthly earnings and contribution and benefit base are explained in §229.2 of this part.

(f) This section may be illustrated by the following examples:

(1) An employee, age 62, applies for an age and service annuity under the Railroad Retirement Act (RRA). His annuity rate is \$700. The employee has a son who was disabled for all regular employment prior to his attaining age 18. The RRA does not provide an annuity for a disabled child of a living employee. If the employee had been covered under the Social Security Act he would have received a benefit of \$500 (the Overall Minimum PIA) and his child would have received a benefit of \$250 (50 percent of \$500), which produces a total family benefit of \$750. The family maximum is \$804.90. Under the O/M guarantee, the employee would receive \$750 since it is higher than his annuity rate of \$700. Since \$750 is less than the family maximum computed for this employee, there is no reduction for the family maximum.

(2) It is determined that a disabled employee is entitled to a DIB O/M computed as follows:

Overall Minimum PIA .....	\$ 600.00
Spouse (50% × 600) .....	300.00
Child (50% × 600) .....	300.00
	1200.00

However, the employee's family maximum is \$900 (150 percent of \$600). Consequently, the DIB O/M will be paid as follows:

Employee .....	\$ 600.00
Spouse .....	150.00
Child .....	150.00
	900.00

**§ 229.49 Adjustment of benefits under family maximum for change in family group.**

(a) *Increase in family group.* If an overall minimum rate is adjusted for the family maximum and an additional family member can be included, the benefits payable to previous auxiliary beneficiaries (spouse and children) are reduced to provide a share for the new family member. The difference between the Overall Minimum PIA (see §225.15 of this part) and the family maximum amount is divided by the increased number of auxiliary beneficiaries. If the amount of each benefit is not a multiple of \$0.10, it is rounded to the next lower multiple of \$0.10. After determining a beneficiary's share (the amount after reduction for other benefits) the amount is rounded to the next lowest multiple of \$1.00, if it is not already a multiple of \$1.00.

(b) *Decrease in family group.* If an overall minimum rate is adjusted for the family maximum and there is a decrease in the number of eligible family members, the benefits for the remaining auxiliary beneficiaries (spouse and children) are increased. If the family maximum still applies, the difference between the Overall Minimum PIA and the family maximum amount is divided by the number of remaining auxiliary beneficiaries. If the amount of each benefit is not a multiple of \$0.10, it is rounded to the next lower multiple of \$0.10. After determining the beneficiary's share (the amount after reduction for other benefits) the amount is rounded to the next lowest multiple of \$1.00, if it is not already a multiple of \$1.00.

(c) *Effective date of rate change.* The overall minimum rate changes described in paragraphs (a) and (b) of this section are effective the month in which the number of auxiliary beneficiaries changes.