
RAILROAD RETIREMENT BOARD

JUSTIFICATION OF BUDGET ESTIMATES



FISCAL YEAR 2022



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:

In compliance with the Office of Management and Budget (OMB) Circular No. A-11, enclosed is our Congressional Justification of Budget Estimates for Fiscal Year 2022, which includes our Performance Plan for the year. This budget complies with OMB guidance and is in accordance with the President's proposals. The President's proposed budget provides for \$125,049,000 for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2022. We estimate that the proposed funding will provide for a staffing level of 801 full-time equivalents (FTEs).

We are grateful to the Congress for providing annual and supplemental appropriations that have fully funded RRB's IT Modernization program. Even though we are progressing with our modernization efforts, we continue to operate in a transitional state that requires sufficient staffing investment to sustain benefit determination and payment operations, which still rely heavily on manual processing, while ensuring that the agency retains the knowledge of our laws and systems critical to modernizing benefit payment systems. At present, the RRB is operating at 12 percent below its minimum staffing level, where over 231 agency employees (31 percent) are retirement eligible within the next year, approximately 23 percent are retirement eligible now. The RRB requests direct funding of \$148,371,000 to support 880 FTEs, which will allow the RRB to better manage workloads and the impact of significant anticipated attrition. The RRB believes that an increase in staffing is critical to the success of the agency over the next few years. The agency may be able to operate with reduced staff as a result of attrition, once IT modernization efforts are fully integrated into agency processing.

In addition to the requests for administrative expenses, the President's budget includes \$11,000,000 to fund the continuing phase-out costs for vested dual benefits. An additional amount, not to exceed 2 percent, would also become available if projected dual benefit payments for the year exceed the amount available for payments.

Also, presented in the budget is a request for \$150,000 for interest related to uncashed railroad retirement checks. The \$150,000 is being requested for a 2-year period, and would be available through September 30, 2023. All of the amounts presented in this letter exclude funding for the RRB's Office of Inspector General, which submits separate budget and performance information.

Thank you for your support of this proposed budget.

Sincerely,

Original signed
FOR THE BOARD
Ana M. Kocur
General Counsel
May 28, 2021

Enclosure

cc: The Honorable Shalanda D. Young
Acting Director, Office of Management and Budget



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:

In compliance with the Office of Management and Budget (OMB) Circular No. A-11, enclosed is our Congressional Justification of Budget Estimates for Fiscal Year 2022, which includes our Performance Plan for the year. This budget complies with OMB guidance and is in accordance with the President's proposals. The President's proposed budget provides for \$125,049,000 for the Railroad Retirement Board's (RRB) administrative expenses in fiscal year 2022. We estimate that the proposed funding will provide for a staffing level of 801 full-time equivalents (FTEs).

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In addition to the requests for administrative expenses, the President's budget includes \$11,000,000 to fund the continuing phase-out costs for vested dual benefits. An additional amount, not to exceed 2 percent, would also become available if projected dual benefit payments for the year exceed the amount available for payments.

Also, presented in the budget is a request for \$150,000 for interest related to uncashed railroad retirement checks. The \$150,000 is being requested for a 2-year period, and would be available through September 30, 2023. All of the amounts presented in this letter exclude funding for the RRB's Office of Inspector General, which submits separate budget and performance information.

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JUSTIFICATION OF BUDGET ESTIMATES
FISCAL YEAR 2022

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RAILROAD RETIREMENT BOARD

SUMMARY OF APPROPRIATION ESTIMATES
FOR FISCAL YEARS 2021 and 2022

Account	Fiscal Year 2021 Enacted		Fiscal Year 2022 President's Budget		Page	
	FTEs	Amount	FTEs	Amount		
Limitation on Administration	781	\$114,500,000	<u>a/</u>	801	\$125,049,000	<u>b/</u> 9
<i>IT Modernization</i>		\$9,000,000			\$0	
Total		\$123,500,000			\$125,049,000	
Dual Benefits Payments Account	—	\$13,000,000	<u>a/</u>	—	\$11,000,000	<u>c/</u> 55
Federal Payments to the Railroad Retirement Accounts	—	\$150,000	<u>a/</u>	—	\$150,000	<u>d/</u> 63
Limitation on the Office of Inspector General	52	\$11,500,000	<u>a/</u>	58	\$12,650,000	<u>e/</u> —

a/ A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the Consolidated Appropriations Act, 2021 (P.L. 116-260).

b/ This amount reflects the President's proposed budget amount. The Agency's Limitation on Administration request level for Fiscal Year 2022 is \$148,371,000 which would support 880 FTEs as well as \$32,601,000 estimated for reimbursable and transfer funding. Direct obligations funding requested is \$148,371,000 at the Agency Request level.

c/ The proposed appropriation language provides for \$11,000,000 to fund vested dual benefits from general revenues of which \$1,000,000 is expected from income taxes on vested dual benefits. An additional 2 percent reserve will become available only if the product of recipients and the average benefit received exceeds the amount available to pay vested dual benefits.

d/ This amount reflects our latest estimate for interest related to uncashed railroad retirement checks and will remain available through September 30, 2023.

e/ This limitation is for the Railroad Retirement Board's Office of Inspector General, which submits a separate budget justification document and annual performance plan.

AGENCY OVERVIEW

The Railroad Retirement Board (RRB) is an independent agency in the executive branch of the Federal Government. The RRB's primary function is to administer comprehensive retirement/survivor and unemployment/sickness insurance benefit programs for the nation's railroad workers and their families under the Railroad Retirement and Railroad Unemployment Insurance Acts. In connection with the retirement program, the RRB has administrative responsibilities under the Social Security Act for certain benefit payments and railroad workers' Medicare coverage. It also assists in the administration of the Internal Revenue Code.

The RRB is headed by three Board Members appointed by the President of the United States with the advice and consent of the Senate. By law, one member is appointed upon recommendations made by railroad labor organizations and one upon recommendations of railroad employers. The third member, the Chairman, represents the public interest. The Board Members' terms of office are 5 years and expire in different years. The President also appoints an independent statutory Inspector General for the RRB (who functions outside the control of the Board Members, but who reports directly to the Chairman for administrative purposes) who is to prevent and detect waste, fraud, and abuse in RRB programs and operations.

During fiscal year 2020, the benefit payments totaled \$13.6 billion, net of recoveries and offsetting collections. Of this amount, payments for the retirement and survivor benefits program totaled \$13.2 billion to about 528,000 beneficiaries. The RRB also paid benefits on behalf of the Social Security Administration (for which the RRB is reimbursed) amounting to \$2.0 billion to about 127,200^{a/} beneficiaries. The RRB also paid unemployment-sickness benefits totaling \$198.9 million, CARES Act benefits totaling \$154.8 million, and vested dual benefits totaling \$14.1 million, net of recoveries and offsetting collections. About 25,500 railroad workers received unemployment insurance benefits, and approximately 17,600 received sickness insurance benefits.^{a/} The unemployment and sickness beneficiaries were also paid under the Coronavirus Aid, Relief, and Economic Security Act of 2020.

a/ Reflects updated data not available for use in the 2020 Performance and Accountability Report.

Programs Administered by the RRB

Railroad Retirement Act

Under the Railroad Retirement Act, the RRB makes monthly benefit payments to qualified railroad employees who retire because of age or disability, to eligible spouses of such employees, and to survivors of deceased employees. Total and permanent disability annuities are payable to employees unable to work at any job, and occupational disability annuities are payable to career railroad employees unable to work at their regular railroad jobs. Supplemental annuities are payable to career railroad employees with service prior to October 1981. There are also provisions for lump-sum payments.

The Railroad Retirement and Survivors' Improvement Act of 2001 (P.L. 107-90), enacted on December 21, 2001, made a number of major changes to the Railroad Retirement Act. The legislation provided for full early retirement eligibility at age 60 for railroad employees with 30 or more years of service; eliminated the provision that had previously capped some employee and spouse railroad retirement benefits; reduced the basic eligibility requirement for an employee annuity from 10 to 5 years if performed after 1995; and provided increased benefits for some widow(er)s. The Act also authorized the National Railroad Retirement Investment Trust to manage and invest the assets of the railroad retirement system in the same array of investment alternatives available to private sector pension plans.

The RRB also administers certain vested dual benefits financed by annual appropriations from general funds. As of September 30, 2020, about 7,000 beneficiaries received vested dual benefits.

Railroad Unemployment Insurance Act

Under the Railroad Unemployment Insurance Act, the RRB pays unemployment insurance benefits to railroad workers who are unemployed but ready, willing, and able to work, and sickness insurance benefits to railroad workers who are unable to work because of illness, injury, or pregnancy. The RRB also assists unemployed railroad workers in securing employment.

Financing of Railroad Retirement Benefits

The primary source of income for the railroad retirement/survivor benefit program is payroll taxes paid by covered employers and their employees. 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 benefit levels.

Other sources of income currently include Federal income taxes on railroad retirement annuities, appropriations from general funds of the Department of the Treasury (Treasury) provided to phase-out vested dual benefits, interest on investments, and the financial interchange with the social security trust funds. The financial interchange places 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. In effect, through the financial interchange, the portion of railroad retirement annuities that is equivalent to social security benefits is reinsured

through the social security system, thereby extending social security protection to railroad workers. The Social Security Equivalent Benefit Account is charged with railroad retirement benefit payments equivalent to social security benefits, and credited with taxes and transfers associated with those benefits.

Vested dual benefits are funded by annual appropriations from general funds of the Treasury and paid from a separate account, the Dual Benefits Payments Account. Since October 1, 1988, revenue from income taxes on these benefits has also been credited to the Dual Benefits Payments Account. If the appropriation in a fiscal year does not cover total benefits, individual payments must be reduced by proration.

Amounts needed to administer these programs are authorized by the Congress in annual appropriation acts. In addition, the Centers for Medicare and Medicaid Services and others transfer and reimburse the RRB for certain activities. Beginning in fiscal year 2013, a contractor provides Specialty Medicare Administrative Contractor (SMAC) Services to the RRB and Railroad Medicare beneficiaries and their medical services providers, nationwide, for Part B Medical Services. In fiscal year 2022, it is estimated that the RRB will be transferred and reimbursed about \$32.1 million for such costs. The estimate includes \$19.4 million for SMAC.

Financing Provisions of the Railroad Retirement and Survivors' Improvement Act of 2001

Investment changes. The Railroad Retirement and Survivors' Improvement Act of 2001 (RRSIA) provides for the transfer of railroad retirement funds from the Railroad Retirement Accounts to the National Railroad Retirement Investment Trust, whose Board of Trustees is empowered to invest Trust assets in nongovernmental assets, such as equities and debt, as well as in governmental securities. The Railroad Retirement Board also receives transfers from the Trust, as needed, to pay railroad retirement and survivor benefits.

The Trust is not an agency or instrumentality of the Federal Government. Its Board of Trustees is comprised of seven members: three members selected by rail labor to represent the interests of labor; three members selected by rail management to represent management interests; and one independent member selected by a majority of the other six members. The Trustees are appointed only from persons who have experience and expertise in the management of financial investments and pension plans. The Trustees are subject to reporting and fiduciary standards similar to those under the Employee Retirement Income Security Act.

The RRB transferred \$1.502 billion, \$19.188 billion, and \$586 million to the Trust in fiscal years 2002, 2003, and 2004, respectively. The Trust has invested the transferred funds and the results of these investments are reported to the RRB and posted periodically on the RRB's website. The net asset value of Trust-managed assets on September 30, 2020, was approximately \$24.8 billion. From its inception through September 30, 2020, the Trust transferred approximately \$26.936 billion to the RRB to pay railroad benefits, including approximately \$2.280 billion in fiscal year 2020.

Payroll taxes. Under the RRSIA, Tier II taxes on both employers and employees are based on the ratio of certain asset balances to the sum of benefits and administrative expenses (the average account benefits ratio). Depending on the average account benefits ratio, Tier II taxes for employers can range between 8.2 percent and 22.1 percent, while the Tier II tax rate for

employees can be between 0 percent and 4.9 percent. The calendar year 2021 Tier II tax rates are 13.1 percent and 4.9 percent for rail employers and employees, respectively. The maximum amount of earnings subject to Tier II taxes is \$106,200.00 in 2021.

The RRSIA does not affect Tier I social security equivalent tax rates, which are the same as for social security covered employers and employees. The Tier I payroll tax rate for the year 2021 on covered rail employees and employers is 7.65 percent.

For withholding and reporting purposes, the employer tax rate is divided into 6.20 percent for retirement and 1.45 percent for Medicare hospital insurance. The maximum amount of an employee's earnings subject to the 6.20 percent rate is \$142,800.00 in 2021, but there is no maximum on earnings subject to the Medicare tax rate.

Supplemental annuities. The RRSIA also repealed the railroad retirement supplemental annuity tax paid by covered 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 from the Railroad Retirement Account.

Financing of Unemployment and Sickness Insurance Benefits

The railroad unemployment and sickness insurance program is financed by payroll taxes paid by covered employers. The Railroad Unemployment Insurance and Retirement Improvement Act of 1988 (Public Law 100-647) amended the Railroad Unemployment Insurance Act to provide for an experience-rated employer contribution system responsive to fluctuations in railroad employment and benefit usage.

For calendar year 2021, the minimum employer contribution rate is 3.15 percent. New employers in 2021 will pay a tax of 3.15 percent, which represents the average rate paid by all employers in the period 2017 - 2019. For 87 percent of covered employers, the unemployment insurance rate assessed will be 3.15 percent in 2021, while 5 percent of employers will pay the maximum of 12 percent.

The 2021 rate is applied to the first \$1,710 earned monthly by each employee. In accordance with Public Law 100-647, the wage base is indexed each year to approximately two-thirds of the cumulative growth in average national wages since 1984. An employer's overall rate under the system cannot exceed 12 percent, or 12.5 percent if the maximum surcharge described below is in effect. These rates include a component to cover costs shared by all employers and 0.65 percent of the employers' taxable payroll is permanently appropriated to the RRB for administrative expenses. In addition, a surcharge is added to employers' unemployment contributions for any calendar year when the balance in the Railroad Unemployment Insurance Account on the previous June 30 is less than a certain amount. Depending on the account balance, the surcharge rate may be 1.5, 2.5, or 3.5 percent of the wage base.

Description of Appropriation Requests

Limitation on Administration

This is the single administrative account for the RRB, which provides funding for the administration of both the railroad retirement/survivor and the unemployment/sickness insurance benefit programs. Amounts needed for this limitation are derived from the Railroad Retirement Account, the Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Administration Fund.

Dual Benefits Payments Account

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.

Federal Payments to the Railroad Retirement Accounts

This account was established in conjunction with the implementation of the Railroad Retirement Solvency Act of 1983. Section 417 of the act amended the Railroad Retirement Act to provide for the reimbursement of unnegotiated benefit checks to the extent that such reimbursements are provided for, in advance, in appropriations acts. This account is the vehicle through which such appropriations are made.

Under provisions of the Competitive Equality Banking Act of 1987, funds for the principal amount of uncashed checks are appropriated to the Treasury and then transferred directly to the appropriate RRB accounts. As a result, in fiscal year 1991, the RRB began receiving credits to this account for only the interest portion of the uncashed check transfers. This account also acts as a conduit for transferring income taxes on benefits to the other railroad retirement accounts.

Limitation on the Office of the Inspector General

This appropriation request, which is described in a separate justification document, is for the Office of the Inspector General. The 1988 amendments to the Inspector General Act of 1978 (Public Law 100-504) included the RRB as an "establishment" covered by the Inspector General Act and specified the Chairman of the RRB as the head of the establishment for purposes of the act. Previously, the Railroad Retirement Solvency Act of 1983 had amended the Railroad Retirement Act of 1974 to provide for an Office of Inspector General at the RRB.

The Board Members

Incumbent's name <u>(Title)</u>	Term expiration <u>Date</u>	<u>Compensation</u>
Erhard R. Chorlé (Chairman)	08-28-22	\$168,400
John Bragg (Labor Member)	08-28-24	\$158,500
Thomas Jayne (Management Member)	08-28-23	\$158,500

RAILROAD RETIREMENT BOARD



CHIEF ACTUARY *
 BUREAU OF THE ACTUARY AND RESEARCH
 Keith T. Sartain

OFFICE OF INSPECTOR GENERAL
 Martin J. Dickman

OFFICE OF EQUAL OPPORTUNITY
 Pamela M. Tate

EXECUTIVE COMMITTEE

MEMBER Shawna R. Weekley	MEMBER Ana M. Kocur	SENIOR EXECUTIVE OFFICER Daniel J. Fadden	MEMBER VACANT	MEMBER VACANT	MEMBER Terryne F. Murphy
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CHIEF FINANCIAL OFFICER
 BUREAU OF FISCAL OPERATIONS
 Shawna R. Weekley

OFFICE OF GENERAL COUNSEL
 Ana M. Kocur

OFFICE OF LEGISLATIVE AFFAIRS
 Beverly Britton Fraser

BUREAU OF HEARINGS AND APPEALS
 Spirodoula Mavrothalasitis

SECRETARY TO THE BOARD
 Stephanie Hillyard

OFFICE OF ADMINISTRATION
 Daniel J. Fadden

ACQUISITION MANAGEMENT
 Paul T. Ahern

BUILDING AND SUPPORT OPERATIONS
 Scott Rush

BUREAU OF HUMAN RESOURCES
 Nancy L. Bitzer

PUBLIC AFFAIRS
 Michael P. Freeman

OFFICE OF PROGRAMS
 VACANT

POLICY AND SYSTEMS
 Kimberly A. Price

PROGRAM EVALUATION AND MANAGEMENT SERVICES
 Janet M. Hallman

RETIREMENT/ SURVIVOR BENEFITS
 Valerie F. Allen

DISABILITY BENEFITS
 Sherita Boots

UNEMPLOYMENT AND PROGRAMS SUPPORT
 Micheal T. Pawlak

BUREAU OF FIELD SERVICE
 VACANT

CHIEF INFORMATION OFFICER
 BUREAU OF INFORMATION SERVICES
 Terryne F. Murphy

-----The Inspector General reports administratively to the Chairman.

* Non-voting member of the Executive Committee

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board ("Board") for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, [\$123,500,000] \$125,049,000, to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund: *Provided*, That notwithstanding section 7(b)(9) of the Railroad Retirement Act this limitation may be used to hire attorneys only through the excepted service: *Provided further*, That the previous proviso shall not change the status under Federal employment laws of any attorney hired by the Railroad Retirement Board prior to January 1, 2013: *Provided further*, 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.

Notes: A full year 2021 appropriation was enacted on December 27, 2020, the Consolidated Appropriations Act, 2021 (P.L. 116-260).

Explanation of Proposed Appropriation Language

<u>Appropriation language</u>	<u>Explanation</u>
<p>For necessary expenses for the Railroad Retirement Board ("Board") for administration of the Railroad Retirement Act and the Railroad Unemployment Insurance Act, [\$123,500,000] \$125,049,000 to be derived in such amounts as determined by the Board from the railroad retirement accounts and from moneys credited to the railroad unemployment insurance administration fund: <i>Provided</i>, That notwithstanding section 7(b)(9) of the Railroad Retirement Act this limitation may be used to hire attorneys only through the excepted service: <i>Provided further</i>, That the previous proviso shall not change the status under Federal employment laws of any attorney hired by the Railroad Retirement Board prior to January 1, 2013: <i>Provided further</i>, 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.</p> <p><i>Notes: A full year 2021 appropriation was enacted on December 27, 2020, the Consolidated Appropriations Act, 2021 (P.L. 116-260).</i></p>	<p>This budget request is for funds to administer the railroad retirement/survivor and unemployment/sickness insurance benefit programs under a single administrative account. The Limitation on Administration Account draws on the following trust fund accounts for funding: Railroad Retirement Account, Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Administration Fund.</p>

Legislation

Legislation	Fiscal Year 2021		Fiscal Year 2022		
	Authorized	Enacted	Authorized	President's Appropriation Request	Agency's Appropriation Request
<u>AUTHORIZING</u>	Indefinite	\$123,500,000.00 ^{a/}	Indefinite	\$125,049,000	\$148,371,000 ^{b/}
Railroad Retirement Act: Section 15(a), and 15A(c)					

Railroad Unemployment Insurance Act:
Section 11(a)

BYPASS AUTHORITY
Railroad Retirement Act:
Section 7(f)

^{a/} A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the *Further Consolidated Appropriations Act, 2021* (P.L. 116-260).

^{b/} Includes direct and no-year funding requested only. Excludes, amounts associated with reimbursements and transfers, estimated at \$32,601,000 for fiscal year 2022.

Section 15(a) of the Railroad Retirement Act:

"The Railroad Retirement Account established by section 15(a) of the Railroad Retirement Act of 1937 shall continue to be maintained in the Treasury of the United States. There is hereby appropriated to such Account for each fiscal year, beginning with the fiscal year ending June 30, 1975, to provide for the payment of benefits to be made from such Account in accordance with the provisions of section 7(c)(1) of this Act, and to provide for expenses necessary for the Board in the administration of all provisions of this Act, an amount equal to amounts covered into the Treasury (minus refunds) during each fiscal year under the Railroad Retirement Tax Act."

Section 15A(c) (1) of the Railroad Retirement Act:

"Except as otherwise provided in this section, amounts in the Social Security Equivalent Benefit Account shall be available only for purposes of paying social security equivalent benefits under this Act and to provide for the administrative expenses of the Board allocable to social security equivalent benefits."

Section 11(a) of the Railroad Unemployment Insurance Act:

"The Secretary of the Treasury shall maintain in the unemployment trust fund established pursuant to section 904 of the Social Security Act an account to be known as the railroad unemployment insurance administration fund. This unemployment insurance administration fund shall consist of (i) such part of all contributions collected pursuant to section 8 of this Act as equals 0.65 per centum of the total compensation on which such contributions are based; (ii) all amounts advanced to the fund by the Secretary of the Treasury pursuant to this section; (iii) all amounts appropriated by subsection (b) of this section; and (iv) such additional amounts as Congress may appropriate for expenses necessary or incidental to administering this Act. Such additional amounts are hereby authorized to be appropriated."

Legislation

Section 7(f) of the Railroad Retirement Act:

“Whenever the Board submits or transmits any budget estimate, budget request, supplemental budget estimate, or other budget information, legislative recommendation, prepared testimony for congressional hearings, or comment on legislation to the President or to the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Board to submit its budget requests or estimates, legislative recommendations, prepared testimony for congressional hearings, or comments on legislation to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.”

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

	FY 2020 (A)	CHANGE (B)	FY 2021 ESTIMATE (C)	CHANGE (D)	PRESIDENT'S BUDGET (E)	CHANGE (F)	FY 2022 AGENCY REQUEST (G)
TOTAL FTEs (INCLUDING REIMBURSABLE)	794	(13)	781	20	801	79	880
TOTAL RRB DIRECT PROGRAM OBLIGATIONS							
11.1 FULL-TIME PERMANENT	64,343	656	64,999	4,210	69,209	7,805	77,014
11.3 OTHER THAN FULL-TIME PERMANENT	668	(49)	619	84	703	82	785
11.5 OTHER PERSONNEL COMPENSATION	1,686	(16)	1,669	1,216	2,885	234	3,119
11.9 TOTAL PERSONNEL COMPENSATION	66,696	590	67,287	5,510	72,797	8,121	80,918
12.1 PERSONNEL BENEFITS: CIVILIAN	22,743	1,590	24,333	1,808	26,141	2,890	29,030
13.0 BENEFITS FOR FORMER PERSONNEL	172	(59)	113	18	131	0	131
21.0 TRAVEL AND TRANSPORTATION OF PERSONS	181	(13)	169	32	200	610	810
22.0 TRANSPORTATION OF THINGS	39	42	81	1	82	0	82
23.1 RENTAL PAYMENTS TO GSA	3,500	0	3,500	200	3,700	0	3,700
23.3 COMMUNICATIONS, UTILITIES, & MISC. CHARGES	5,352	1,268	6,620	323	6,943	1,487	8,430
24.0 PRINTING AND REPRODUCTION	234	(4)	230	50	281	0	281
25.0 OTHER SERVICES	12,905	(1,310)	11,594	2,315	13,909	8,874	22,783
26.0 SUPPLIES AND MATERIALS	616	(143)	473	193	666	0	666
31.0 EQUIPMENT	1,063	(962)	101	99	200	1,340	1,540
TOTAL RRB DIRECT OBLIGATIONS	113,500	1,000	114,500	10,549	125,049	23,322	148,371
REIMBURSABLE AND TRANSFER OBLIGATIONS	32,595	(314)	32,281	320	32,601	0	32,601
PLUS: NO-YEAR FUNDING FOR IT INITIATIVES (TRUST FUND)	10,000	(1,000)	9,000	(9,000)	0	0	0
TOTAL RRB OBLIGATIONS AND NO YEAR	156,095	(314)	155,781	1,869	157,650	23,322	180,972
DIRECT OBLIGATIONS AND NO YEAR	123,500	0	123,500	1,549	125,049	23,322	148,371

Details may not add to totals due to rounding.

- 1/ In a separate justification document, the Office of Inspector General is requesting \$12,650,000 for administrative expenses in fiscal year (FY) 2022.
- 2/ Salary and benefit estimates for FY 2022 President's Budget and FY 2022 Agency Request reflect a 1.0 percent pay increase in January 2021 and 2.7 percent pay increase in January 2022.
- 3/ FTE cost for FY 2020 is \$126,479. FY 2021 Estimate FTE cost is \$130,964, and FY 2022 President's Budget and FY 2022 Agency Request FTE cost is \$136,182.
- 4/ Other Personnel Compensations represents 1.97% of salary costs in FY 2020 and 2.97% of salary costs in FY 2022, in accordance with OMB Circular A-11 Section 32.1 (March 2021).
- 5/ The amounts included for 2021 reflect the annualized level authorized by the Consolidated Appropriations Act, 2021 P. L. 116-260 from the Trust Funds for RRB operations.
- 6/ The 2020 CMS Reimbursable and Transfer includes \$12,738,565 for Medicare Parts B, C, and D, \$19,856,224 for SMAC Transfer and \$514,306 miscellaneous; SMAC transfer is not included in BOC 25.0.
- 7/ The 2021 CMS Reimbursable and Transfer includes \$12,779,788 for Medicare Parts B, C, and D, \$18,986,745 for SMAC Transfer and \$514,306 miscellaneous; SMAC transfer is not included in BOC 25.0.
- 8/ The 2022 CMS Reimbursable and Transfer includes \$12,720,302 for Medicare Parts B, C, and D, \$19,365,948 for SMAC Transfer and \$514,306 miscellaneous; SMAC transfer is not included in BOC 25.0.
- 9/ In FY 2020 the RRB received General Funds (GF) of \$5,000,000 to expire at the end of FY 2021 from P. L. 116-136 (CARES Act). In FY 2021, the RRB received GF no-year funding from P. L. 117-2 (ARP Act) of \$21,175,000 for IT Investment Initiatives and \$6,800,000 for staffing. Also, for FY 2021 the RRB received GF funding of \$8,300 from P. L. 116-260.
- 10/ The \$6,800,000 of no-year funding from P. L. 117-2 (ARP Act) provided for additional staffing to administer the Railroad Unemployment Insurance Act. This would provide an estimated 26 FTEs in FY 2021 at an average cost of \$74,438 and an estimated 60 FTEs in FY 2022 at an average cost of \$81,077.

JUSTIFICATION FOR STAFFING INVESTMENT

Supplemental Appropriations Provide Temporary Staffing and IT Modernization Funds

The Railroad Retirement Board (RRB) greatly appreciates the support provided under Public Laws (P.L.) 116-136, *CARES Act*, P.L. 116-260, *Consolidated Appropriations Act, 2021* and P.L. 117-2, *American Rescue Plan Act of 2021* (ARPA), which provided a total of \$32,983,300 in supplemental appropriations to assist RRB in its effort to manage the tremendous impact of the novel Coronavirus Disease 2019 (COVID-19).

In particular, the ARPA provided a total of \$27.975M, of which \$6.8M will temporarily allow the RRB to increase staffing levels in the Bureau of Field Service (BFS) and the Sickness and Unemployment Benefits Section (SUBS) of the Office of Programs in order to manage the increased workloads resulting from the pandemic. With a priority on unemployment and sickness benefits administration, the remaining \$21.175M provided under ARPA will allow the RRB to fund the contracts needed to accelerate RRB's modernization of applications that will sustain streamlined mission-critical and mission-support business processes, including, but not limited to, benefits applications, adjudication, payment and disposition. Additionally, the RRB will be able to obtain contractor support to implement modern customer-centric services (e.g., front-end user/customer portal, customer view, online forms, self-service, mobile-ready access for customers, etc.).

Further, of the total supplemental appropriations provided, \$5M provided from the CARES Act allowed the agency to invest in technology that will, once fully implemented, improve the mobility of the RRB workforce. The Consolidated Appropriations Act, 2021 provided \$8,300 to carry out rebates and address COVID-related tax administration issues.

Continued Need for Staffing Investment

The RRB needs a minimum of 880 full-time equivalent (FTE) employees to sustain its critical benefits administration operations, until it is able to realize the benefits of IT modernization. The RRB administers benefits under the Railroad Retirement Act (RRA) and the Railroad Unemployment Insurance Act (RUIA). Under these laws, the RRB provides a wide range of benefits including retirement, survivor, disability, unemployment, sickness and vested dual benefits, to rail workers and their families. The resulting administrative workload does not directly correlate to rail employment levels or to the average number of annuitants.

Unlike some industries, for which a decline in employment is indicative of future employment numbers, a decline in rail employment has not necessarily been an indicator of future employment numbers. Railroad employment levels tend to fluctuate from year to year based upon market demands. For example, after years of falling numbers, rail employment steadily rose to over 250,000 in 2015. Nevertheless, even if rail employment does decline, we believe that the need for 880 FTEs will remain critical for the RRB to meet its mission. However, we may be able to operate with fewer FTEs, when we are able to implement system enhancements, modernize applications, and automate business processes as well as provide customer-centric on-line services through RRB's IT Modernization program for which the Congress has appropriated funding.

In addition to active employees, non-active employees vested in RRB benefits and their eligible family members will ultimately apply to the RRB for benefits. Furthermore, when rail employment

is down, RRB workloads often increase. For example, in 2010, railroad employment averaged 221,000 employees and there were 18,721 unemployment applications filed for the year under the RUIA. In 2020, rail employment fell to an average of 197,000 employees and there were 30,000 unemployment applications filed but fewer staff to process them due to the Bureau of Field Services (BFS) and Sickness and Unemployment Benefit Section (SUBS) operating with staffing levels 16 percent and 23 percent below optimal, respectively.

Likewise, while the average number of RRA annuitants has declined from 544,256 in 2011 to an estimated 490,800 for 2022, the corresponding estimated administrative workload in 2022, including the backlogs discussed below, is comparable to 2011 levels at about 151,000 (excluding payment counts and Medicare enrollments), where with 786 FTEs (RRA only) RRB processed a workload of 149,674.¹ For fiscal year 2022 and considering FTEs attributable only to RRA, the President's Budget would provide 679, which is 95 fewer than RRB's 2011 level and 75 fewer than the RRA component of the RRB's request level.² Please note that the RRB's agency request level is 880 FTEs, where consistent with historical trends, 87 percent relates to the RRA and 13 percent to RUIA.

While ARPA will provide temporary staffing to meet the anticipated sustained above average RUIA workload, we continue to experience severe understaffing for our RRA benefits program and anticipate significant attrition throughout the agency over the next few years. The following discussion provides RRB's critical and high priority staffing needs as well as retirement eligibility information for mission support areas.

Critical Priority Staffing Needs

While we are progressing with our modernization efforts, we are operating in a transitional state that requires a sufficient investment in staffing to sustain benefit determination and payment operations, which still rely heavily on manual processing, while ensuring that the agency retains the knowledge of our laws and systems critical to modernizing benefit payment systems. At present, the RRB is operating at 12 percent below its minimum staffing level, while over 231 agency employees (31 percent) are retirement eligible within the next year, approximately 23 percent are retirement eligible now.³ The RRB believes that an increase in staffing is critical to the success of the agency over the next few years. The agency may be able to operate with reduced staff as a result of attrition once IT modernization efforts are fully integrated into agency processing. Acknowledging the temporary staffing investment gained under the ARPA that will primarily focus on RUIA benefits administration, RRB continues to operate in a staffing deficit across all organizations in the agency, but most notably within the Office of Programs (Programs).

Programs is responsible for carrying out provisions of the RRA and RUIA. Historically RRA comprises approximately 87 percent of the RRB's workload and RUIA about 13 percent. Over the past five years Programs has been operating at reduced capacity as near flat funding has resulted in an inability to backfill positions lost to attrition. Continuing to operate with fewer staff necessary to properly administer the RRA and RUIA, has introduced a timeliness risk to the RRB's Modernization efforts, resulted in backlogs for retirement, survivor, and disability cases as well as hindered program integrity activities. The RRB's prioritized hiring needs and planned allocation is

¹ Total (RRA & RUIA) FTE counts for fiscal year 2011 were 903. The numbers referenced equate to RRA only or 87% of the total FTE.

² The FY 2022 President's Budget supports 801 total FTE; RRB requested 880. The numbers referenced include the RRA portion only.

³ Retirement eligibility information presented in this section is based upon data as of April 15, 2021, excluding the OIG.

included below, should the Congress authorize the RRB's FY 2022 Request Level of \$148.371M to support 880 FTEs.

Priority 1: Policy and Systems (P&S) Division

P&S staff is critical to the continued success of the RRB's IT modernization program. P&S is responsible for developing, maintaining and overseeing policy and procedures for effective benefits administration, which includes determining business requirements for RRB's systems and leading user system testing to ensure proper calculation and payment of RRA and RUIA benefits. Over the past few years, the RRB has been unable to fill critical losses in P&S due to budget constraints. P&S is currently operating under a 14 percent staffing deficit, where 30 percent of its employees are retirement eligible now and another 22 percent will become eligible within the next 3 years. An investment in staffing is critical to fill those positions which are needed to support RRB's Modernization efforts to avoid delays or undue complications.

Priority 2: Retirement and Survivor Benefits Division (RSBD)

RSBD is responsible for the adjudication and payment of retirement and survivor claims under the RRA. RSBD is also responsible for the payment of disability benefits and serves as a customer liaison to the Bureau of Field Service. Insufficient staffing levels and inability to manage attrition, due to budget constraints has led to a backlog of cases requiring post award adjustments. Specifically, after a retirement annuity is awarded, there are still many complicated adjustments, such as adding or removing garnishments or work deductions, which at this time must be done manually. Operating under a 24 percent staffing deficit has led to a backlog of over 28,000 annuities that RSBD staff needs to evaluate for such possible manual adjustments. Currently, 14 percent of RSBD staff is eligible to retire and another 17 percent will be eligible to retire within the next 3 years. The RRB's IT modernization efforts, once successfully completed, will automate these adjustments. Until then the RRB needs increased staffing, and to carefully manage attrition in RSBD to ensure timely processing of post award adjustments that support payment accuracy.

Priority 3: Disability Benefits Division (DBD)

DBD is responsible for the adjudication of disability claims under the Railroad Retirement Act (RRA). The agency has a customer service goal of adjudicating 70 percent of cases within 100 days but for fiscal year 2020 only processed 13.5 percent of initial disability decisions within that period. Due to insufficient staffing levels, on average for fiscal year 2020, applicants waited approximately 331 days for determinations. In addition, to a lengthy wait time for processing disability applications, DBD has a backlog of approximately 1,000 Continuing Disability Reviews that determine an individual's continued entitlement to disability payments.

DBD also has a backlog of 2,000 pending early Medicare decisions. Under the RRA, every application for a disability annuity is also an application for early Medicare under the Social Security Act based on a period of disability, commonly termed a "freeze." The freeze portion of the Social Security Act protects disabled workers and their families against the loss of, or reduction in, benefits because of the worker's disability. When a freeze is established, the worker's wage record is frozen, and the period during which he is disabled and not likely to have earnings is excluded to the worker's advantage when determining the insured and benefits amounts. The freeze provision in retirement cases may potentially increase the benefit amount, make a portion of the benefit taxable like a security benefit, and establish early Medicare. Understaffing has led to backlog in freeze

decisions, which has caused the annuitants to experience delays in receiving Medicare benefits as well as potentially inaccurate benefit payments.

Overall, DBD has been operating under a 15 percent staffing deficit, which has led to significant workload delays in initial disability determinations, a backlog in freeze decisions and Continuing Disability Reviews. Specifically, DBD has 50 percent fewer Post Examiners needed to timely authorize the work of Initial Examiners and conduct Continuing Disability Reviews. Currently, 17 percent retirement eligible now and an additional 9 percent will become eligible to retire within the next 3 years. Increased staff is needed so that RRB can work toward meeting its timeliness goals for disability decisions as well as reviews necessary to ensure payment accuracy.

Priority 4: Program Evaluation and Management Services Division (PEMS)

PEMS leads the RRB's program integrity efforts through evaluating and measuring the quality level of the agency's benefit payments and processes used in administering benefits under the RRA and RUIA to ensure their accuracy, efficiency and integrity. PEMS provides expert monitoring, analysis and reporting to assure the railroad community, the Congress, the Office of Inspector General (OIG), and other stakeholders that we are actively taking measures to safeguard the Railroad Retirement trust fund system. PEMS' reviews are key for assessing the RRB's annual performance against its benefits administration goals and objectives. Additionally, the OIG relies on the quality assurance reviews that PEMS conducts in their financial statement audit fieldwork to assess RRB's compliance with the RRA and RUIA. In Audit Report No. 21-01, the OIG recommended that the RRB "...acquire additional staffing and resources for its quality assurance reviews to ensure timely completion of its compliance determinations during each fiscal year..." RRB agrees with the OIG, and recognizes that losses in this unit over the past few years has made timely performance of these program integrity and quality review functions extremely difficult.

In fiscal year 2021 the RRB centralized two key program integrity activities in PEMS, previously managed by geographically dispersed Field Service representatives, in order to improve the effectiveness and efficiency for monitoring Earnings and Last Pre-Retirement Non-Railroad Employment as well as Representative Payees. Annually, the RRB obtains annuitant earnings information for comparison to the threshold amount that requires maximum benefit withholding to remain in place for the current year, which may result in refunds of work deductions to ensure accurate benefit payments. In addition, the PEMS will be responsible for annually monitoring the representative payees to determine if the annuitants' rights are being protected. In addition, to the annual review, PEMS will select at least 500 random cases for representative payee verification. Lastly, PEMS will select and verify all high-risk representative payees annually. RRB defines a high risk representative payee as anyone who has previously been identified as using annuitant funds for their own expense, been convicted of a felony or misdemeanor, or anyone who was previously required to complete a *Representative Payee Evaluation Report*, in a monitoring effort. Centralizing these functions within PEMS, reduces our improper payment risk and improves our ability to identify fraud risk factors.

PEMS is operating under a 23 percent staffing deficit. Currently 26 percent of PEMS staff is eligible to retire, and an additional 32 percent will become eligible within the next 3 years. Increased funding for staffing in this area is necessary to facilitate timely completion of evaluation and quality assurance activities that ensure RRB's compliance with RRA and RUIA as well as to sustain the new program integrity monitoring activities.

Priority 5: Unemployment & Program Support Division (UPSD)

UPSD adjudicates claims and payments under the RUIA, including the payment of unemployment and sickness claims filed by railroad workers. In addition to its responsibilities to administer benefits under the RUIA, in fiscal year 2021 the Board decided to centralize two components of its program integrity activities, previously managed by geographically dispersed Field Service representatives, to UPSD in order to improve the effectiveness and efficiency of State Wage Match and National Change of Address monitoring activities.

Under RRB's State Wage Match program, UPSD staff will screen records of unemployment and sickness benefits payments against earnings records maintained by state agencies for possible employment on claimed days. This monitoring activity is crucial to ensure that the RRB pays benefits in the correct amounts to eligible and entitled beneficiaries and to detect potential fraud and abuse. The State Wage Match programs generates the majority of RRB's case referrals to the OIG for issues of potential fraud. Additionally, National Change of Address monitoring ensures that RRB's address file remains current and annuitants will receive all RRB correspondence such as notices of cost-of-living increases, Medicare information, new annual earnings exempt amounts, and tax statements.

The Congress provided funding under ARPA that will temporarily support approximately 15 Claims Examiners and help manage the unemployment and sickness applications and claims processing workload. Even so, increased staffing is needed to manage attrition and sustain the additional program integrity workload, after the ARPA funding has been expended. This is especially true since, 15 percent of UPSD staff, excluding the Medicare section, is eligible to retire now, and another 15 percent will become eligible to retire within the next 3 years.

High Priority Staffing Need

Bureau of Field Services (BFS)

The BFS consists of 53 field offices with Claims Representatives who provide customer service in-person (prior to COVID-19 maximum telework posture) and by phone. BFS staff handles all customer inquiries covering retirement benefits (Age & Service and Disability), survivor benefits, Medicare, Social Security benefits for railroad workers and their families, tax withholding and statements, and sickness and unemployment benefits. Additionally, BFS has primary responsibility for handling unemployment application claims. While, the ARPA funding will support a temporary increase in Claim Representatives to assist with the surge of unemployment claims due to the COVID-19 pandemic, limited funding for RRB's base operations over the years presented challenges with staffing and keeping pace with attrition well before the pandemic and as a result, weakened our customer service capability, and overall effectiveness.

BFS has been well below staffing levels necessary to handle the increased call volumes resulting from delays in processing both disability annuities and in making adjustments to retirement and survivor annuities. The cycle of attrition followed by an inability to fill positions in BFS due to limited funding have led to current BFS staff being overwhelmed by increased call volumes. In fiscal year 2015, BFS answered 54 percent of the total number of calls received; however, by fiscal year 2020 the percentage of calls answered declined to 35 percent, while annual call volume remained near constant ranging 1.2-1.3 million during the same period. Operating under a 27 percent staffing deficit has led to a failure to provide adequate customer service. In addition to

current understaffing, 18 percent of BFS staff is eligible to retire currently, and another 11 percent will become eligible to retire within the next 3 years. While, ARPA funds will temporarily provide increased staffing, the BFS has a continued need for increased staffing to address deficiencies in our customer service that have existed before and have been exacerbated by the pandemic and to manage anticipated attrition.

Retirement Eligibility for Mission Support Functions

In addition, to the staffing investment needed for the RRB's organizations that accomplish RRB's core mission functions, RRB's mission support organizations are also at risk of significant attrition within the next 3 years and also need funding to ensure continuity of operations.

- **Bureau of Actuary and Research (BAR)** – Currently 30 percent of BAR staff can retire and another 10 percent will become retirement eligible within the next 3 years. BAR is responsible for periodically determining the actuarial soundness of the benefit systems and recommending changes in tax rates as needed, as well as calculating the amount of the financial interchange with the social security system.
- **Bureau of Fiscal Operations (BFO)** – Currently 26 percent of BFO staff can retire and another 20 percent will become retirement eligible within the next 3 years. The BFO is responsible for RRB's budget, financial and cost accounting, cash management, financial management systems, railroad unemployment insurance contributions collection actions, debt recovery program, accounts payable, oversee the RRB's management control program, and conducts audits of Railroads and Rail Labor organizations to assess the accuracy of reported Tier I and Tier II creditable service and compensation.
- **Bureau of Information Services (BIS)** – Currently 34 percent of BIS staff can retire and another 16 percent will become retirement eligible within the next 3 years. BIS is responsible for Records Management, Risk Management, Privacy Management, and Project Management; Systems Engineering, Networks Engineering, System and Networks Operations, and Data Management; Payment Services, Adjudication Services, Business Solutions, Document & Content Management Services, and Application Re-engineering Services; and Enterprise Architecture, Customer Support, and Administrative Services.
- **Office of Administration (OA)** – Currently 34 percent of OA staff can retire, and another 8 percent will become retirement eligible within the next 3 years. The OA supports the RRB mission through human resources, public affairs, procurement as well as managing the operation and maintenance of RRB's headquarters facility.
- **Office of General Counsel (OGC)** – Currently 27 percent of OGC staff can retire and another 27 percent will become retirement eligible within the next 3 years. The OGC supports the RRB mission through providing legal, legislative and library services, liaison services to the Administration and members of Congress, and reviews appeals and conducts hearings for individuals who disagree with the decisions reached in their case, as well as maintains the office record of proceeding and actions by the three-member Board.

ADMINISTRATIVE EXPENSES

Budget Authority by Strategic Goal

Limitation on Administration	Fiscal Year 2020			Fiscal Year 2021			Fiscal Year 2022			Fiscal Year 2022			
	Actual			Estimate			President's Budget			Agency's Request			
	FTEs	%	Amounts (\$)	FTEs	%	Amounts (\$)	FTEs	%	Amounts (\$)	FTEs	%	Amounts (\$)	%
Program by strategic goal													
Strategic goal:													
1. Modernize information technology	114	14	\$17,335,426	130	17	\$21,723,459	80	11	\$14,003,721	131	15	\$29,216,953	19
2. Customer service	488	62	67,697,654	475	60	64,572,999	544	59	73,355,182	528	60	75,141,824	51
3. Stewardship	192	24	28,466,920	176	23	28,203,542	177	30	37,690,097	221	25	44,012,223	30
Total, direct program obligations	794		113,500,000	781		114,500,000	801		125,049,000	880		148,371,000	
No Year Funding for IT Initiatives			3,314,001			9,000,000			0			0	
Unobligated balance			6,685,999			0			0			0	
Total budget authority	794		\$123,500,000	781		\$123,500,000	801		\$125,049,000	880		\$148,371,000	

The Railroad Retirement Board's Strategic Plan includes these strategic goals.

1. Modernize information technology (IT) operations to sustain mission essential services.
2. Provide excellent customer service.
3. Serve as responsible stewards for our customers' trust funds and agency resources.

Notes: 1/ Average FTE Costs: \$126,479 for FY 2020 and \$130,954 for FY 2021.

2/ The \$6,685,999 represents the unobligated balance from \$10,000,000 provided for the Board's Information Technology Investment Initiatives, provided pursuant to P.L. 116-94
Further Consolidated Appropriations Act, 2020.

STAFFING HISTORY

Actual Full-time Equivalent Employment

Fiscal year	Total FTEs	a/ b/	Change from previous year	Percent change from previous year	Cumulative FTE Reduction	Cumulative percent change since fiscal year 1993
1993	1,698	b/	---	---	---	---
1994	1,615	b/	-83	-4.9%	83	-4.9%
1995	1,483	b/	-132	-8.2%	215	-4.9%
1996	1,401	b/	-82	-5.5%	297	-17.5%
1997	1,297		-104	-7.4%	401	-23.6%
1998	1,227		-70	-5.4%	471	-27.7%
1999	1,196		-31	-2.5%	502	-29.6%
2000	1,136		-60	-5.0%	562	-33.1%
2001	1,101		-35	-3.1%	597	-35.2%
2002	1,099		-2	-0.2%	599	-35.3%
2003	1,079		-20	-1.8%	619	-36.5%
2004	1,048		-31	-2.9%	650	-38.3%
2005	957		-91	-8.7%	741	-43.6%
2006	940		-17	-1.8%	758	-44.6%
2007	927		-13	-1.4%	771	-45.4%
2008	918		-9	-1.0%	780	-45.9%
2009	897		-21	-2.3%	801	-47.2%
2010	908		11	1.2%	790	-46.5%
2011	903		-5	-0.6%	795	-46.8%
2012	884		-19	-2.1%	814	-47.9%
2013	865		-19	-2.1%	833	-49.1%
2014	825		-40	-4.6%	873	-51.4%
2015	835		10	1.2%	863	-50.8%
2016	824		-11	-1.3%	874	-51.5%
2017	853		29	3.5%	845	-49.8%
2018	816		-37	-4.3%	882	-51.9%
2019	799		-17	-2.1%	899	-52.9%
2020	794		-5	-0.6%	904	-53.2%
2021	781	c/	-13	-1.6%	917	-54.0%
2022	801	d/	20	2.6%	897	-52.8%

a/ Excludes staffing for the Office of Inspector General.

b/ Includes Special Management Improvement Fund FTEs for fiscal years 1993-1996 of 80, 58, 30 and 10, respectively.

c/ Reflects an adjusted projection as of January 2021. Reflects the estimated staffing allowable, pursuant to the Consolidated Appropriations Act, 2021 (P.L. 116-260).

d/ The estimated 801 FTEs is 79 FTEs less than what is needed to sustain the agency's mission essential functions.

Funding for Major Contracts

This chart shows contracts of \$100,000 and over that are planned for fiscal year 2022 in the following Budget Object Class (BOC) categories: consulting services (BOC 251), government contracts (BOC 253), medical fees (BOC 256), maintenance of facilities (BOC 254), contractual services (BOC 252), and equipment and equipment maintenance (BOC 310/257).

The major contracts are represented in the FY2022 President's Budget Level.

<u>BOC</u>	<u>Title and description</u>	<u>Estimated FY 2022 Funding (\$)</u>
<u>Information Technology</u>		
252	• <u>IT Operations Support and Memberships</u> . Requested funding includes Core research services for CIO, and IT Research Services.	300,000
252	• <u>Help Desk Contract</u> . Funding for help desk staff to augment RRB staff, and to move PC Equipment	646,603
252	• <u>Cloud Services</u> . Cloud Hosting Services.	1,874,178
252/253	• <u>License Agreement</u> . Funds are required to maintain the RRB's Microsoft Enterprise Service Agreement (MESA) and true-up charges, and Adobe EA, Login.gov (associated with IT Modernization), Blackberry UEM devices, Global 360, Service contract for PC equipment, printers, tap cartridge subsystems equipment at headquarters and the field; including the field PC's and Servers.	2,197,415
252/257	• <u>IT Security</u> . Security authorization and continuous monitoring of RRB information systems, and records management and the CDM Security Group.	482,000
252/257	• <u>Services and Installations</u> . Funding for agency Infrastructure and security operations IT services, and SCCM Implementation Services, MS Premier Services, and risk management framework, HQ and NITC, and Case Workload Management System.	3,571,185
253	• <u>IAA</u> . IAA for Nurse Services.	110,000 <u>a/</u>
310	• <u>IT End of Life Replacement Equipment</u> . Replace 400 laptops, wireless infrastructure, malware analysis, 7 IT security laptops, 265 network printers, 4 firewalls, IPSwitch moveIT DMS software licenses, work station peripherals to support enterprise mobility, and miscellaneous replacements.	2,649,747
257	• <u>IT Software & Maintenance Renewals</u> . AZURE Managed Engineer Services. Security Services Modernization and mobility Support Services, TMAX, Cisco, Misc. PAY.GOV, SAP Business Objects, CA Software, Nutanix: DMZ, O365, Skype, SharePoint, Webservers and disaster recovery, IPS and document imaging software. IBM Z12 Processor, M365 Records Management System, Managed Mainframe Services, and hardware/software packages.	4,547,691
Total		<u>16,378,819</u>

<u>BOC</u>	<u>Title and description</u>	<u>Estimated FY 2022 Funding (\$)</u>
<u>Support of Benefit Program Activities</u>		
256	• <u>Medical Fees</u> . Funding is required for medical services and hospital transcripts used to make disability determinations.	1,700,000
251	• <u>Consultative Medical Services</u> . Funding will be used for medical evidence reviews concerning benefit and claim matters and preparation of advisory medical opinions.	336,000
252	• <u>Other Services (NON-Federal)</u> . Funding is needed CGI Accounting Support.	100,000
	Total	<u>2,136,000</u>
<u>Financial Management</u>		
252	• <u>Payroll Costs</u> . Funding is for payroll costs related to PAR and labor distribution.	365,000
257	• <u>Financial Systems</u> . Funding will be used to support FMIS Annual O&M.	1,842,348
	Total	<u>2,207,348</u>
<u>Administrative Support</u>		
253	• <u>File Management Services</u> . Fees will be paid to the National Archives and Records Administration (NARA) for services by the Federal Records Center (FRC) to maintain the RRB claim files. This cost includes \$24,000 for shuttle service to transport files between RRB headquarters and the FRC.	270,000 <u>a/</u>
252	• <u>Photocopiers</u> . Funding is required to continue contractual services for photocopiers in the RRB's headquarters building, including high speed copiers that are used to prepare program related booklets, pamphlets, and other informational material.	425,000
253	• <u>Field Office Support Services</u> . Funding is required for field office alterations, miscellaneous and administrative support services. RWA Services.	125,000 <u>a/</u>

<u>BOC</u>	<u>Title and description</u>	<u>Estimated FY 2022 Funding (\$)</u>
<u>Administrative Support, Continued</u>		
253	• <u>OPM Background Investigations</u> . Funding is required to obtain background investigations for agency employees and contractors.	125,000 <u>a/</u>
253	• <u>Payroll and Coordinating Administrative Services</u> . Funding is required for GSA's Payroll System: HRLINKS.	400,000 <u>a/</u>
252	• <u>Learning Management System</u> . Funding is for the RRB's in-house online educational/training courses and programs.	179,400
	Total	<u>1,524,400</u>
<u>Facility Management Services</u>		
253	• <u>Federal Protective Service Costs</u> . Funding is required for protective services, billed by the Department of Homeland Security, Federal Protective Service.	1,472,000 <u>a/</u>
254	• <u>Janitorial Services</u> . Funding is needed for janitorial services for the RRB headquarters building.	795,000
254	• <u>Delegation of Authority</u> . Labor in excess of those allowed under Delegation of Authority.	180,700
254/257	• <u>Miscellaneous Building Contracts</u> . Various miscellaneous maintenance, facilities maintenance, maintain UPS for data center and telephones, replacement of galvanized pipe supply lines, exterior repairs, various recurring interior repairs, and construction of fitness center in basement due to planned HQ space realignment.	2,135,700
	Total	<u>4,583,400</u>
	Agency total	<u>26,929,967</u>

a/ Contractual services provided by Federal Government agencies comprise \$2,636,000 of the agency program total.

BUDGET AUTHORITY BY FUND

	<u>Fiscal Year 2020 Actual Amounts</u>	<u>Fiscal Year 2021 Estimated</u>	<u>Fiscal Year 2022 President's Budget</u>	<u>Fiscal Year 2022 Agency's Request</u>
<u>Railroad Retirement Program</u>				
<u>Direct Program:</u>				
Railroad Retirement Account	\$76,466,538	\$83,266,564	\$84,824,000	\$100,643,921
Social Security Equivalent Benefit Account	<u>25,377,749</u>	<u>24,303,171</u>	<u>24,200,000</u>	<u>28,713,370</u>
Total, direct railroad retirement program obligations	101,844,287	107,569,735	109,024,001	129,357,290
<u>Railroad Unemployment and Sickness Insurance Program</u>				
<u>Direct Program:</u>				
Railroad Unemployment Insurance Administration Fund	<u>14,969,714</u>	<u>15,930,265</u>	<u>16,025,000</u>	<u>19,013,709</u>
Total, direct railroad retirement, unemployment and sickness insurance obligations	116,814,001	123,500,000	125,049,000	148,371,000
Unobligated balance	<u>6,685,999</u>	<u>---</u>	<u>---</u>	<u>---</u>
Total, direct railroad retirement, unemployment and sickness insurance budget authority	<u><u>\$123,500,000</u></u>	<u><u>\$123,500,000</u></u>	<u><u>\$125,049,000</u></u>	<u><u>\$148,371,000</u></u>

Notes: A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the Further Consolidated Appropriations Act, 2021 (P.L. 116-260).

The \$6,685,999 represents the unobligated balance from \$10,000,000 provided for the Board's Information.

Technology Investment Initiatives, provided, pursuant to P.L.116-94, Further Consolidated Appropriations Act, 2020.

The source of funds for the unobligated balance from FY 2020 is as follows: (1) Railroad Retirement Account \$1,452,528, (2) Social Security Benefit Account \$4,376,660, (3) Railroad Unemployment Insurance Administration Fund \$856,811.

LIMITATION ON ADMINISTRATION

Financing

	Fiscal Year 2020 Actual	Fiscal Year 2021 Enacted	Fiscal Year 2022 President's Budget	Fiscal Year 2022 Agency's Request
<u>Financing</u>				
Total, direct program obligations	\$113,500,000	\$114,500,000	\$125,049,000	\$148,371,000
No Year Funding for IT Initiatives	3,314,001	9,000,000	---	---
Unobligated balance	6,685,999	---	---	---
Limitation	<u>\$123,500,000</u>	<u>\$123,500,000</u>	<u>\$125,049,000</u>	<u>\$148,371,000</u>

Relation of direct program obligations to outlays

Obligations incurred, net	\$123,500,000	\$123,500,000	\$125,049,000	\$148,371,000
Obligated balance, start of year	0	27,002,345	27,002,345	27,002,345
Obligated balance, end of year	<u>(27,002,345)</u>	<u>(27,002,345)</u>	<u>(27,002,345)</u>	<u>(27,002,345)</u>
Outlays from limitation	<u>\$96,497,655</u>	<u>\$123,500,000</u>	<u>\$125,049,000</u>	<u>\$148,371,000</u>

Notes: Funds to administer the Railroad Retirement Act and the Railroad Unemployment Insurance Act are combined into a single administrative account. Funds to administer the Railroad Retirement Act are transferred from the Railroad Retirement Account and the Social Security Equivalent Benefit Account to the Limitation on Administration. Funds required to administer the Railroad Unemployment Insurance Act are transferred from the Railroad Unemployment Insurance Administration Fund to the Limitation on Administration.

A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the *Further Consolidated Appropriations Act, 2021* (P.L. 116-260).

The \$6,685,999 represents the unobligated balance from \$10,000,000 provided for the Board's Information Technology Investment Initiatives, provided, pursuant to P.L. 116-94, *Further Consolidated Appropriations Act, 2020*.

The financial operations of the Limitation on Administration can also be expressed in a sources and uses of funds table as shown below.

Sources and Uses of Funds

	Fiscal Year 2020 Actual	Fiscal Year 2021 Enacted	Fiscal Year 2022 President's Budget	Fiscal Year 2022 Agency's Request
<u>Direct program sources</u>				
Appropriation	\$113,500,000	\$114,500,000	\$125,049,000	\$148,371,000
No-Year Funding for IT Initiatives	10,000,000	9,000,000	---	---
Available from benefit trust funds by Congressional appropriation	\$123,500,000	\$123,500,000	\$125,049,000	\$148,371,000
<u>Direct program uses</u>				
Administrative expenses	\$113,500,000	\$114,500,000	\$125,049,000	\$148,371,000
No-Year Funding for IT Initiatives	3,314,001	9,000,000	---	---
Unobligated balance	6,685,999	---	---	---
Total uses:	\$123,500,000	\$123,500,000	\$125,049,000	\$148,371,000

Notes: A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the *Further Consolidated Appropriations Act, 2021* (P.L.116-260).

The \$6,685,999 represents the unobligated balance from \$10,000,000 provided for the Board's Information Technology Investment Initiatives, provided, pursuant to P.L. 116-94, *Further Consolidated Appropriations Act, 2020*.

LIMITATION ON ADMINISTRATION

Amounts Available for Obligation

	<u>Fiscal Year 2020 Actual</u>	<u>Fiscal Year 2021 Enacted</u>	<u>Fiscal Year 2022 President's Budget</u>	<u>Fiscal Year 2022 Agency's Request</u>
Appropriation	\$113,500,000	\$114,500,000	\$125,049,000	\$148,371,000
No-Year Funding for IT Initiatives	3,314,001	9,000,000	---	---
Unobligated balance	6,685,999	---	---	---
Total direct obligations a/	<u>\$123,500,000</u>	<u>\$123,500,000</u>	<u>\$125,049,000</u>	<u>\$148,371,000</u>

a/ The RRB also received reimbursements and transfers totaling \$32.5 million in fiscal year 2020 and expects to receive \$32.2 million in fiscal year 2021, and \$32.6 million in fiscal year 2022 from CMS and others.

Notes: A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the Further Consolidated Appropriations Act, 2021 (P.L. 116-260).

The \$6,685,999 represents the unobligated balance from \$10,000,000 provided for the Board's Information Technology Investment Initiatives, provided, pursuant to P.L. 116-94, Further Consolidated Appropriations Act, 2020.

APPROPRIATIONS HISTORY TABLE

<u>Year</u>	<u>Agency's Request Level</u>	<u>President's Budget Estimate to the Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation/ Continuing Resolution</u>
2013	117,719,000	112,415,000	---	---	108,734,464 <u>a/</u>
2014	119,158,000	111,739,000	---	---	110,300,000 <u>b/</u>
2015	119,743,000	112,150,000	---	---	111,225,000 <u>c/</u>
2016	141,431,197	119,918,000	---	---	111,225,000 <u>d/</u>
2017	139,649,040	122,499,000	---	---	113,500,000 <u>e/</u>
2018	147,841,000	111,225,000	113,500,000	114,500,000	123,500,000 <u>f/</u>
2019	142,506,000	115,225,000	126,000,000	123,500,000	123,500,000 <u>g/</u>
2020	137,216,000	116,225,000	135,500,000	123,500,000	123,500,000 <u>h/</u>
2021	155,824,000	120,225,000	126,500,000	120,225,000	123,500,000 <u>i/</u>
2022	148,371,000 <u>j/</u>	125,049,000			

a/ Reflects the appropriation of \$111,149,000, less a rescission of \$222,298, and a sequester of \$2,192,238, under the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6).

b/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2014 (P.L. 113-76).

c/ Reflects the appropriation made available by the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235).

d/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2016 (P.L. 114-113).

e/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2017 (P.L. 115-31).

f/ Reflects the appropriation made available by the Consolidated Appropriations Act, 2018 (P.L. 115-141).

g/ Reflects the appropriation made available by the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245).

h/ Reflects the appropriation made available by the Further Consolidated Appropriations Act, 2020 (P.L. 116-94).

i/ The Agency's request level amount has been revised from \$152,896,000 to \$155,824,000 as reported in the RRB's Fiscal Year 2021 Budget Submission and includes direct obligations \$141,974,000 and no-year funding of \$13,850,000. In addition, the Agency's final appropriations is made available by the Consolidated Appropriations Act, 2021 (P.L. 116-260).

j/ The Agency's request level amount has been revised from \$166,859,000 to \$148,371,000 as reported in the RRB's Fiscal Year 2022 Budget Submission and includes direct obligations \$148,371,000.

Retirement/Survivor Benefit Program
Summary Processing Workload Table

<u>Fiscal Years</u>	<u>Average number of annuitants</u>	<u>New applications</u>	<u>Supplemental annuity applications</u>	<u>Social Security initial awards ^{1/}</u>	<u>Post-payment adjustments</u>	<u>Number of payments</u>	<u>Medicare enrollments ^{2/}</u>
2009	554,124	37,248	9,725	8,128	110,534	7,104,066	5,235
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	4526	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)	497,100	29,000	3,000	4,000	87,000	6,460,000	7,000
2022 (est)	490,800	28,000	2,000	4,000	86,000	6,370,000	6,000

^{1/} Beginning in fiscal year 2013, Social Security initial awards no longer include mechanical adjustments.

^{2/} Excludes attainments.

Railroad Unemployment/Sickness Insurance Program
Summary Processing Workload Table

Fiscal Years	Railroad employment ^{1/}	Unemployment Insurance			Sickness Insurance		
		Applications	Claims	Payments	Applications	Claims	Payments
2009	223,000	39,509	230,476 ^{2/}	198,230 ^{2/}	21,466	138,993	118,770
2010	221,000	18,721	210,965 ^{3/}	190,152 ^{3/}	21,476	139,653	119,426
2011	229,000	12,756	93,598 ^{4/}	83,144 ^{4/}	20,797	136,014	115,705
2012	234,000	12,914	83,120 ^{5/}	72,776 ^{5/}	20,240	129,318	110,154
2013	237,000	14,944	96,871 ^{6/}	84,365 ^{6/}	19,110	119,364	100,951
2014	242,000	11,982	77,580 ^{6/}	64,864 ^{6/}	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 ^{7/}	345,914 ^{7/}	22,907	133,212 ^{7/}	135,639 ^{7/}
2021 (est)	193,000	48,000	229,000 ^{8/}	338,000 ^{8/}	23,000	125,000 ^{8/}	128,000 ^{8/}
2022 (est)	190,000	21,000	89,000	74,000	18,000	113,000	96,000

^{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.

^{3/} Includes unemployment insurance claims and payments under P.L. 111-5 and the Worker, Homeownership, and Business Assistance Act of 2009 (P.L. 111-92).

^{4/} 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 (PL. 111-312).

^{5/} 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).

^{6/} 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.

^{7/} Includes unemployment and sickness insurance claims and payments under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (P.L. 116-136).

^{8/} Includes unemployment and sickness insurance claims and payments under P.L. 116-136 and the Continued Assistance to Rail Workers Act of 2020 (P.L. 116-260).

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PERFORMANCE PLAN



Fiscal Year 2022

Railroad Retirement Board

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

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Railroad Retirement Board – Fiscal Year 2022 Performance Plan

Introduction

The Railroad Retirement Board (RRB) has developed this performance budget for fiscal year 2022 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 2018 - 2022** 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 2022. 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 2022 for each performance goal, is at the Agency's proposed request level of \$148,371,000, which would support 880 FTEs. 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 2022, 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.

Note: The \$6,800,000 of no-year funding from P.L. 117-2 (ARP Act) provided for additional staffing to administer the Railroad Unemployment Insurance Act provides an estimated 26 FTEs in FY 2021 at an average cost of \$74,438 and an estimated 60 FTEs in FY 2022 at an average cost of \$81,077.

***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.

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

Strategic Goal I: *Modernize Information Technology (IT) Operations to sustain mission essential services.* At the Agency’s request level for fiscal year 2022, we plan to allocate \$29,216,953 and 131 full-time equivalent employees (FTEs) 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 three-phased approach allows the Agency to leverage the opportunity to not only **modernize** its IT systems, but also to more importantly **transform** its core business processes and customer service capabilities.

Through this phased approach, the Agency will **transform** both the technologies and business processes to make the RRB more efficient and effective. From an IT perspective, the RRB plans to target the 70+ legacy applications and transition its platforms to support continuous delivery of capability enhancements securely and reliably. From a business perspective, the core process modernizations will span the continuum, to include streamlining the Agency’s core training program for claims examiner as well as infusing greater flexibility and efficiency into benefit calculations and/or adjustments.

Strategic Objective: *RRB’s Transformation (formerly Legacy Systems Modernization)*
The Transformation consists of three phases – Stabilize, Modernize, and Perform.

- To stabilize the enterprise means the RRB must ensure that the components of its information systems and the ecosystem in which they reside must use current, sustainable technologies that will allow the RRB to secure and maintain the systems in today’s world.
- The modernize phase consists of the activities the RRB will undertake to optimize mission-essential functions across people, process, and technology areas.
- The performance phase ensures successful integration and transition of applications and systems capabilities as they become ready to sustain operations.

Currently, we have established five performance goals that focus on the specifics of achieving this strategic objective.

- *Prepare to consolidate and rationalize applications to improve the effectiveness and efficiency of mission essential functions. (Stabilize Phase)*

This performance goal includes, but is not limited to: Developing and implementing the data strategy and plan; Establishing of the business rules strategy and plan; and Fortifying change management processes that play an integral part of the rationalization such as program management, change management, configuration management, and systems management, etc.

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

- *Identify and deliver a broader range of online citizen centric services that will specifically address our customer's expectations and improve overall customer service. (Modernize phase)*

The RRB continues to evaluate the results of the customer surveys obtained through the LSMS re-engineering assessment contract deliverable to identify and deliver digital solutions that target our customer's expectations. Key outcomes of the survey include the need for a customer relationship management (CRM) capability that will support internal RRB employees and external customers. Additionally, the RRB needs to enhance its document management capability.

- *Transition Mission Essential Programs from the End-of-Life Mainframe hardware. (Stabilize Phase)*

RRB Data Center Mainframe Migration to the IBM Cloud

- The 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 is organized into six phases: Phases 1 - 3 Transition and Migration, Phases 4 - 6 long term Cloud Steady State, Decommissioning of legacy equipment, Optimization and Modernization in the zCloud. Phase 1 (Assessment) is complete, Phase 2 (current phase-Migration to zCloud) concentrates on planning, creating a detailed transition and migration plan. The project consists of 6 Phases:
 - Phase 1 – One Mainframe Operations Technical Services (MOTS), i.e. full time engineering support by IBM staff and Assessment (Complete/Funded).
 - Phase 2 – Development of migration plan - concentration on creating a detailed transition and migration plan. Estimated duration for Phase 2 is 14-16 weeks (In-Progress/Funded).
 - Phase 3 – Execution of migration to IBM Government zCloud. Estimated duration for Phase 3 is 14-16 weeks (Not Started/Funded).
 - Phase 4 – IBM Government zCloud Steady State Operations.
 - Phase 5 – Decommissioning of RRB Mainframe Equipment.
 - Phase 6 – Modernization Services (Optional).
- *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. (Modernize Phase)*

Evaluation of the roadmap and blueprint contract deliverables offered several recommendations for the RRB to consider going forward. Mission and service delivery offices will collaborate to develop the technical environment for application rationalization and streamline business processes. Through a collaborative approach and consideration of Accenture's recommendations, the RRB will develop a path forward that will improve program integrity, enhance customer experience, streamline the core-training program, and secure the enterprise.

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

- *Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase. (Stabilize Phase)*

Specifically, the key components of the infrastructure modernization include:

- The wide area network (WAN) and unified communications (UC) implementation, through the EIS transition;
- The modernization of the server footprint and enterprise storage solution to Azure;
- The update of the desktop computing environment to Windows 10; and
- The development of a functioning development and test environment, which best positions the RRB for future continuous delivery.

Strategic Goal II: *Provide Excellent Customer Service.* We strive to satisfy our customers' expectations for quality service in terms of service delivery options and levels and manner of performance. At the Agency's request level for fiscal year 2022, we plan to allocate \$75,141,824 and 528 full-time equivalent employees (FTEs) to this strategic goal. We have established two strategic objectives that focus on the specifics of achieving this strategic goal.

Strategic Objective: *Pay benefits timely.* The RRB is committed to ensuring that we pay benefits in a timely manner. We have nine objectives in place to track the timeliness of the actions we take in a year regarding both Railroad Retirement Act (RRA) and Railroad Unemployment Insurance Act (RUIA) programs. In addition, we will:

- *Ensure accurate, up-to-date, accessible instructions to support our front-line employees as they provide customer support.*
- *Inform our customers about their responsibilities.*
- *Ensure that the Customer Service Plan is comprehensive and is revised when appropriate.*
- *Promote direct deposit for benefit payments.*
- *Monitor key payment workloads.*
- *Allocate resources effectively.*

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

Our Customer Service Plan includes customer service timeliness standards for paying benefits. Through September 30, 2020, the overall actual performance was 99.0 percent. This means that customers received benefit services within the timeframes promised in the Customer Service Plan for 99 percent of the 371,806 service transactions for which timeliness was measured.

Overall disability performance is based on the two standards that apply to disability work:

- Decisions within 100 days
- Payment within 25 days of decision or earliest payment date

Overall Timeliness Performance Fiscal Year 2020 (through 9/30/2020)

- Retirement applications: 96.7% (target: 94.0%)
- Survivor applications: 95.7% (target: 94.7%)
- Disability applications/payments: 52.4% (target: 82.4%)
- RUIA applications/claims: 99.7% (target: 98.6%)

Performance was lower than expected due to priority given to focusing on the initial adjudication of claims with older filing dates resulting in achieving a significant reduction in the on-hand balances of these cases as well as a combination of inexperienced staff in the retirement and survivor payment units and understaffing in the legal partition/garnishment payment unit.

The inset above shows composite results in four combined categories of services.

Communications with RRB customers

In addition to making payments, we provide a variety of information to our customers. We provide general information through our website, publications, and our toll-free number. We also provide information to individuals through annual statements of wages and compensation, annuity estimates, notices of annuity and benefit awards and changes, annual income tax statements, and answers to questions regarding benefits. In addition, we use an on-line presentation facility called *RRBVision* to provide information and training to the public and rail employers.

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 mission statement, we strive to provide a broad range of choices for customer service. Our level of performance will be measured by how well we succeed in providing the level of service our customers expect, and by the number of new electronic services we can provide in each program at a reasonable cost. Our goal is to expand customer choice by offering alternative access to our major services. To achieve our goals in this area, we plan to:

- *Increase opportunities for our customers to conduct business in a secure manner over the Internet.*
- *Continue to develop electronic services that enable the employer to conduct daily business transactions and file required reports in an efficient, effective and secure manner.*

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

The RRB will utilize the time left in the fiscal year 2021 to focus on maintenance, improvements and enhancements of the 30 services that we have made available to employers.

The RRB will continue to pursue enhancements in 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 and expect 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 Agency’s request level for fiscal year 2022, we plan to allocate \$44,012,223 and 221 FTEs to this strategic goal. We have established four strategic objectives that focus on the specifics of achieving this strategic goal.

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 under performance goal II-D. To accomplish this objective, we will:

- *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.*

In November 2020, we released our Performance and Accountability Report for fiscal year 2020. The RRB’s Office of Inspector General (OIG) did not express an opinion (disclaimer) on the RRB’s 2020 financial statements, which were included in that report. The OIG continues to report material weaknesses in the RRB’s financial reporting and control environment. The RRB rejects the material weaknesses identified and continues to disagree that a disclaimer of opinion on the RRB’s financial statement is necessary. While the RRB

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

continues to be dismayed by the fluidity of the OIG’s rationale for the disclaimer of opinion and material weaknesses, the RRB continues to work in good faith with the OIG throughout the audit process.

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. For example, in fiscal year 2019, the RRB invested the equivalent of about 19 full-time employees, at a cost of approximately \$2.07 million, in program integrity efforts. This resulted in over \$12.85 million in recoverables, \$919,016 in benefits saved, and the referral of 52 cases to the OIG for investigation. This is approximately \$6.66 in savings for each \$1.00 invested in these activities.

Strategic Objective: *Ensure effectiveness, efficiency and security of operations.* How we do our business is a critical component of good stewardship. 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.

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

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 PortfolioStat 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 percent of budgeted costs.*
- *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.

Maximizing Employee Performance

Like many agencies, the RRB has an aging workforce. Nearly 42 percent of our employees have 20 or more years of service and almost 35 percent of the current workforce will be eligible for retirement by fiscal year 2022. To prepare for the expected turnover, the agency is placing increased emphasis on strategic management of human capital. We have a draft succession plan, which includes a workforce analysis that identifies historical data, trends and projected attrition to evaluate and prioritize future needs and vacancies in our workforce. The results from the workforce analysis form the basis for formulating specific strategies, hiring plans and initiatives that support the agency's draft succession plan. A methodology for measuring skill gaps continues to be developed. Once final, RRB will utilize our Learning Management System (LMS) to implement the methodology. We have developed a job analysis procedure and outputs to identify critical competencies for every agency position. Competencies will be organized using a newly developed competency model framework that identifies RRB core, technical/position, supervisor/leadership, and executive competencies,

Railroad Retirement Board – Fiscal Year 2022 Performance Plan

and proficiency levels for incumbent job performer success. This process will allow the RRB to continuously and accurately identify skill gaps at the individual level and take the necessary training and development steps to address skill deficiencies.

The Training and Development Section within the Bureau of Human Resources continues to utilize the results from training needs assessments and surveys to assist in prioritizing the RRB's training needs. We are also making use of technology in this area, utilizing the LMS, an internet-based program which effectively formalizes many aspects of training for all agency employees, while also providing self-assessments to the student and feedback to supervisors on their progress. In addition, our Field Service supervisors/managers have access to the latest webinar technology to facilitate the remote training of new employees, as well as the ongoing training of experienced field staff.

The Workforce Organization Management Section (WOMS) identifies appropriate target markets for our recruitment efforts to ensure we receive applications from a talented and diverse pool of applicants. Through USAJOBS, we have been able to reach candidates from many sectors. We also utilize different recruitment strategies, like resume mining and targeted advertising, to ensure we are attracting quality candidates.

Strengthening Information Security Program

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.
 - Vulnerability Management “VULN” to provide visibility to known vulnerabilities present on the network.

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- 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.

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.

Railroad Retirement Board FY 2022 Performance Plan	2017 Actual \$113.5m	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Enacted \$123.5m	2022 Request \$148.4m
STRATEGIC GOAL I: <i>Modernize Information Technology (IT) operations to sustain mission essential services.</i>						
<i>Strategic Objective: RRB's Transformation (formerly Legacy Systems Modernization).</i> 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 Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	100%	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 Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	100%	Goal Complete
I-A-3. Transition Mission Essential Programs from the End-of-Life Mainframe hardware.	New Performance Goal for FY 2019	New Performance Goal for FY 2019	10%	50%	75%	100%
I-A-4. Evaluate the re-engineering assessment contract deliverable and determine a modernization pathforward consistent with agency priorities and within available funding to address mission critical functions.	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	75%	100%
I-A-5. Enhance infrastructure components to stabilize the information systems and the related ecosystems to prepare for the modernize phase.	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	New Performance Goal for FY 2021	75%	100%

FY 2022 Performance Goals:

The RRB reviews and makes modification to its performance goals in accordance with its strategic roadmap for modernization and transformation. For fiscal year 2022, we have added five performance goals that focus on the specifics of achieving this strategic objective.

The new FY 2022 performance goals follow:

I-A-6. Complete the development of business rules strategy and data layer components of the modernization.

The establishment of the business rules strategy in FY21 lays the foundation for the evolution of rationalizing all business rules to a singular location and part of the new enterprise. This performance goal completes the development of this mission-critical component to future applications due to be developed in FY22.

I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.

The RRB will continue to build upon foundational components of the new applications and systems to implement self-service digital solutions for our customers and end users. The online employee retirement application (Form AA-1) along with the companion spouse retirement application (Form AA-3) will be implemented using strong Identity Proofing and Multi-Factor Authentication.

I-A-8. Complete the streamlining of core business processes and modernize key applications that support these processes.

This performance goal identifies and focuses the cross-agency modernization team on the core business processes and lays the foundation for the modernization of key applications that will support the intake, adjudication, calculation, and payment processing of claims and applications. Specific applications will be identified as a part of this goal when known.

I-A-9. Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.

In order for the modernization to be successful, BIS will require robust, repeatable management processes and standards to be in place. This performance goal identifies key management processes to be refined and fortified to improve the efficiency of the modernization team throughout the Modernize and Perform Phases.

Railroad Retirement Board FY 2022 Performance Plan	2017 Actual \$113.5m	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Enacted \$123.5	2022 Request \$148.4m
STRATEGIC GOAL I: <i>Modernize Information Technology (IT) operations to sustain mission essential services.</i>						
Strategic Objective: <i>RRB's Transformation (formerly Legacy Systems Modernization).</i> Goal Leader: Terryne F. Murphy, Chief Information Officer						
I-A-6. Complete the development of business rules strategy and data layer components of the modernization.	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	75%
I-A-7. Deliver citizen-centric services and applications to railroad employees through mobile- and web-ready interfaces.	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	50%
I-A-8. Complete the streamlining of core business processes and modernize key applications, which support these processes.	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	25%
I-A-9. Refine critical management processes in the following areas within the IT organization: change, project, program, and configuration.	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	New Performance Goal for FY 2022	100%

Railroad Retirement Board	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Enacted	2022 Request
FY 2022 Performance Plan	\$113.5m	\$123.5m	\$123.5m	\$123.5m	\$123.5	\$148.4m
STRATEGIC GOAL II: <i>Provide Excellent Customer Service.</i>						
<i>Strategic Objective: Pay benefits timely.</i>						
Goal leader for objectives II-A-1 through II-A-5; II-A-7 and II-A-8: Micheal Pawlak, Deputy Director of Programs						
Goal leader for objective II-A-6: Dan Fadden, Acting Director of Field Service						
Goal leader for objective 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)	95.0%	94.9%	95.4%	96.4%	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)	95.5%	96.5%	96.5%	97.5%	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)	96.9%	96.2%	96.0%	95.0%	94.0%	94.0%

Railroad Retirement Board FY 2022 Performance Plan	2017 Actual \$113.5m	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Enacted \$123.5m	2022 Request \$148.4m
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)	96.1%	96.5%	96.6%	95.2%	94.0%	94.0%
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)	97.5%	98.2%	97.3%	97.3%	96.0%	96.0%
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%
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)	14.7%	11.3%	12.5%	13.5%	70.0% ^{4/}	70.0% ^{4/}
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)	92.5%	91.5%	85.2%	88.5%	92.0%	92.0%
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	217	207	205	210	210

Railroad Retirement Board		2017	2018	2019	2020	2021	2022
FY 2022 Performance Plan		Actual	Actual	Actual	Actual	Enacted	Request
		\$113.5m	\$123.5m	\$123.5m	\$123.5m	\$123.5m	\$148.4m
Strategic Objective: Provide a range of choices in service delivery methods.							
Goal leader: Micheal Pawlak, Deputy 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 ^{5/} services available	19 ^{5/} services available	19 ^{5/} 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	99.0%	99.3%	99.2%	98.9%	99.0%	99.0%
	b) Internet services	29 Internet services available	30 Internet services available	30 Internet services available	30 Internet services available	30 ^{6/} Internet services available	31 ^{6/} Internet services available
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.)		90.73%	92.14%	91.70%	95.18%	85.00%	85.00%

Railroad Retirement Board	2017	2018	2019	2020	2021	2022	
FY 2022 Performance Plan	Actual	Actual	Actual	Actual	Enacted	Request	
	\$113.5m	\$123.5m	\$123.5m	\$123.5m	\$123.5m	\$148.4m	
Strategic Objective: Ensure the accuracy and integrity of benefit programs.							
Goal leader III-B-1(a)(b) and III-B-3, 4, and 5: Micheal Pawlak, Deputy Director of Programs							
Goal leader III-B-2(a): Dan Fadden, Acting 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 ^{7/} of at least 99%. (Measure: Percent accuracy rate)	a) Initial payments	98.89%	99.87%	99.83%	99.94% ^{8/}	99.50%	99.50%
	b) Sample post recurring payments	99.94%	99.56%	99.97%	Not Applicable Post Study Canceled	99.50%	99.50%
III-B-2. Achieve a railroad unemployment/ sickness insurance benefit payment accuracy rate ^{7/} of at least 99%. (Measure: Percent accuracy rate)	a) Unemployment	97.24%	96.09%	96.23%	96.62%	95.00%	95.50%
	b) Sickness	99.08%	100.00%	97.93%	97.88%	96.00%	95.00%
III-B-3. Overall Initial Disability Determination Accuracy. (Measure: % of Case Accuracy)		94.40%	94.40%	73.60%	Not Available	95.00%	95.00%
III-B-4. Maintain the level of Railroad Retirement Act (RRA) improper payments below the OMB threshold. (Measure: Below 1.5%)		0.44%	N/A ^{9/}	N/A ^{9/}	N/A ^{9/}	N/A ^{9/}	N/A ^{9/}
III-B-5. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure: Recoverables and savings per dollar spent)		\$3.70: \$1.00	\$3.44: \$1.00	\$6.66: \$1.00	Not Available	\$3.70: \$1.00	\$3.85: \$1.00

Railroad Retirement Board FY 2022 Performance Plan	2017 Actual \$113.5m	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Enacted \$123.5m	2022 Request \$148.4m	
<i>Strategic Objective: Ensure effectiveness, efficiency, and security of operations.</i> 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	
III-C-2. Deliver – Deliver on Budget. Percent of IT Projects costs within 10% of budgeted cost.	100%	85%	100%	100%	85%	85%	
III-C-3. Deliver – Meet Customer Expectations. <u>WWW.RRB.GOV</u> Internet Services (Mainline and employer Reporting System) Continuous availability experienced by end users	a) Continuous availability target	99.2%	98.92%	98.99%	99.31%	99.00%	99.00%
	b) Hours of outage allowed per month	6.52 hours	7.77 hours	7.38 hours	4.83 hours	7 hours	7 hours
III-C-4. Innovate – Design for Modularity. Strategy for Continuity of Operations Improvements.	No	Completed applying HTTPS-only standard to www.rrb.gov	Cloud-based enterprise test lab: No	Cloud-based enterprise test lab: No	Cloud-based enterprise test lab: Yes	Microsoft Azure Cloud Implementation: Yes	
III-C-5. Innovate – Adopt New Technologies. Percentage of investments that evaluated cloud alternatives.	50%	99.93%	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.	99.82%	99.93%	100%	100%	99%	99%	
III-C-7. Protect – Percentage of agency employees required to use a Personal Identity Verification (PIV) card to authenticate.	74%	77%	73%	Unprivileged Network Users > 66% Privileged Network Users ≥ 63%	Unprivileged Network Users ≥ 85% Privileged Network Users 100%	Unprivileged Network Users ≥ 85% Privileged Network Users 100%	

Railroad Retirement Board FY 2022 Performance Plan	2017 Actual \$113.5m	2018 Actual \$123.5m	2019 Actual \$123.5m	2020 Actual \$123.5m	2021 Enacted \$123.5m	2022 Request \$148.4m
<i>Strategic objective: Effectively carry out responsibilities with respect to the National Railroad Retirement Investment Trust.</i> 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

Notes:

^{1/} 2020 Actual results represent status as of September 30, 2020, unless otherwise noted.

^{2/} 2021 Enacted includes \$114,500,000 for the Limitation on Administration account and \$9,000,000 for Information Technology Modernization.

^{3/} 2022 Request includes \$148,371,000 for the Limitation on Administration account and \$0 for Information Technology Modernization.

^{4/} The RRB continues to evaluate the impact of process changes on performance. Recent progress has been made in reducing workload balances; however, a revised metric has not been established.

^{5/} The actual number of services available for goal II-B-1 is currently 19. Previously, this was incorrectly reported as 20 services available for FY 2018 and FY 2019 actual performance. The Retirement Application form AA-1 pilot program went into production in late FY 2018; however, full implementation of this new service is presently on-hold.

^{6/} The goals for FY 2021 and FY 2022 were lowered in response to the onset of the international pandemic and in order to make time for the implementation of the CARES Act legislation.

^{7/} The payment accuracy rate is the percentage of the dollars paid correctly as a result of adjudication actions performed.

^{8/} The actual results represent status as of March 31, 2020.

^{9/} OMB granted reporting relief for the RRA improper payment program in July 2018. Therefore, goals and reporting of RRA improper payment analysis results were not applicable for FY 2017, FY 2018 and FY 2019 data. A Risk Assessment was conducted in FY 2020 (FY 2019 data). The assessment demonstrated that the program continues to be under the threshold of 'significant improper payments' as defined by law. As a result, goals and reporting results for FY 2020, FY 2021, and FY 2022 data are not applicable. The next RRA Risk Assessment will be conducted in FY 2023, utilizing FY 2022 data.

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, [\$13,000,000] *\$11,000,000*, which shall include amounts becoming available in fiscal year [2021] *2022* pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: *Provided*, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.

Note: A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the Consolidated Appropriations Act, 2021 (P.L.116-260).

Explanation of Proposed Appropriation Language

<u>Appropriation Language</u>	<u>Explanation</u>
<p>For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, [13,000,000] <i>\$11,000,000</i>, which shall include amounts becoming available in fiscal year [2021] <i>2022</i> pursuant to section 224(c)(1)(B) of Public Law 98-76; and in addition, an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits: <i>Provided</i>, That the total amount provided herein shall be credited in 12 approximately equal amounts on the first day of each month in the fiscal year.</p> <p><i>Note: A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the Consolidated Appropriations Act, 2021 (P.L. 116-260).</i></p>	<p>The proposed appropriation language provides \$11,000,000 to the Dual Benefits Payments Account for payment of vested dual benefits. Of the \$11,000,000, it is estimated that \$1 million will be derived from income tax revenues as provided by Section 224(c) (1) (B) of Public Law 98-76. Also, an additional reserve amount, not to exceed 2 percent, will be made available only if the product of recipients and the average benefit received exceeds the amount available. The monies provided to the Dual Benefits Payments Account are to be made available to the account on a monthly basis in 12 approximately equal amounts.</p>

Authorizing Legislation

Legislation	<u>Fiscal Year 2021</u>		<u>Fiscal Year 2022</u>	
	Authorized	Enacted	Authorized	President's Budget
Railroad Retirement Act of 1974 as amended: Sections 15(d)(1), 7(c)(1), and 15(i)(2)				
Dual Benefits Payments	Indefinite	\$13,000,000 <u>a/</u>	Indefinite	\$11,000,000

a/ A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the *Consolidated Appropriations Act, 2021* (P.L. 116-260).

Section 15(d) (1):

"There is hereby created an account in the Treasury of the United States to be known as the Dual Benefits Payments Account. There is hereby authorized to be appropriated to such account for each fiscal year beginning with the fiscal year ending September 30, 1982, such sums as are necessary to pay during such fiscal year the amounts of annuities estimated by the Board to be paid under sections 3(h), 4(e), and 4(h) of this Act and under sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445."

Section 7(c) (1):

"In any fiscal year, the total amounts paid under such sections shall not exceed the total sums appropriated to the Dual Benefits Payments Account for that fiscal year."

Section 15(i) (2):

"The Secretary of the Treasury shall, on a monthly basis, credit each account established in the Treasury for the payment of benefits under this Act for the proportionate amount of benefit checks (including interest thereon) drawn on each such Account more than six months previously but not presented for payment and not previously credited to such Account, to the extent provided in advance in appropriation Acts."

Appropriations History Table

Dual Benefits Payments Account a/

<u>Year</u>	<u>President's Budget Estimate to the Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation/ Continuing Resolution</u>	
2013	45,000,000	---	---	50,914,950	b/
2014	39,000,000	---	---	39,000,000	c/
2015	34,000,000	---	---	34,000,000	d/
2016	29,000,000	---	---	29,000,000	e/
2017	25,000,000	---	---	25,000,000	f/
2018	22,000,000	22,000,000	22,000,000	22,000,000	g/
2019	19,000,000	19,000,000	19,000,000	19,000,000	h/
2020	16,000,000	16,000,000	16,000,000	16,000,000	i/
2021	13,000,000	13,000,000	13,000,000	13,000,000	j/
2022	11,000,000				

a/ For all amounts on the following table, the appropriation language provides that an additional amount, not to exceed 2 percent of the appropriation amount, shall become available under certain conditions to provide for full payment of vested dual benefits. The appropriation language also specifies that the amount made available will be credited to the account on a monthly basis in 12 approximately equal amounts.

b/ Amount reflects an appropriation of \$50,914,950 provided by the *Consolidated and Further Continuing Appropriation Act, 2013* (P.L. 113-6).

c/ Amount reflects an appropriation of \$39,000,000 provided by the *Consolidated Appropriation Act, 2014* (P.L. 113-76).

d/ Amount reflects an appropriation of \$34,000,000 provided by the *Consolidated and Further Appropriation Act, 2015* (P.L. 113-235).

e/ Amount reflects an appropriation of \$29,000,000 provided by the *Consolidated Appropriations Act, 2016* (P.L. 114-113).

f/ The *Consolidated Appropriations Act, 2017* (P.L. 115-31) provided \$25,000,000 for the Dual Benefits Payments Account.

g/ The *Consolidated Appropriations Act, 2018* (P.L. 115-141) provided \$22,000,000 for the Dual Benefits Payments Account.

h/ Amount reflects an appropriation of \$19,000,000 provided by the *Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019* (P.L. 115-245).

i/ Amount reflects an appropriation of \$16,000,000 a full year 2020 appropriation was enacted on December 20, 2019, pursuant to the *Further Consolidated Appropriations Act, 2020* (P.L. 116-94).

j/ Amount reflects an appropriation of \$13,000,000 a full year 2021 appropriation was enacted on December 27, 2020, pursuant to the *Consolidated Appropriations Act, 2021* (P.L. 116-260).

Funding Sources

The proposed fiscal year 2022 appropriation language calls for funding from the following source.

<u>Funding Sources</u>	<u>Budget Authority <u>a/</u></u>
<u>General revenue</u>	<u>\$11,000,000</u>

[Of the \$11,000,000 to be funded from general revenue, \$1,000,000 is expected from income taxes on vested dual benefits.]

- a/ The proposed appropriation language provides that "... an amount, not to exceed 2 percent of the amount provided herein, shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits"

Dual Benefits Payments Account

Amounts Available for Obligation

	<u>Fiscal Year 2020 Actual</u>	<u>Fiscal Year 2021 Enacted</u>	<u>Fiscal Year 2022 President's Budget</u>
Appropriation, excluding 2% contingency reserve (general funds of the Treasury)	\$16,000,000	\$13,000,000	\$11,000,000
Transfer from other accounts (Federal Payments to the Railroad Retirement Accounts)	<u>897</u> a/	<u>2,000</u> a/	<u>2,000</u> a/
Subtotal:	\$16,000,897	\$13,002,000	\$11,002,000
Less:			
Unobligated balance	<u>\$2,032,987</u>	<u>---</u>	<u>---</u>
Total obligations (payments to beneficiaries)	<u>\$13,967,910</u>	<u>\$13,002,000</u>	<u>\$11,002,000</u>

a/ This amount represents this account's share of interest on uncashed checks.

Note: A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the *Consolidated Appropriations Act, 2021* (P.L. 116-260).

Explanation of 2022 Request

This is the 47th request for appropriations authorized by the Railroad Retirement Act of 1974 to fund vested dual benefits received by railroad retirees who, under prior law, would have become covered by both the railroad retirement system and the social security system because railroad retirement was not fully coordinated with social security from 1937 to 1974.

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 benefitted 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 1976-2000. 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.

The fiscal year 2022 appropriation language provides for 12 monthly payments to this account from general revenues and specifies that \$11,000,000 be appropriated for benefits. In addition, the proposed language provides that an additional amount not to exceed 2 percent of the \$11,000,000 appropriated shall be available proportional to the amount by which the product of recipients and the average benefit received exceeds the amount available for payment of vested dual benefits.

JUSTIFICATION OF ESTIMATES

The Administration's Proposed Appropriation Language

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, \$150,000, to remain available through September 30, [2022] 2023, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76.

Note: A full-year 2021 appropriation for this account was enacted on December 27, 2020, pursuant to the Consolidated Appropriations Act, 2021 (P.L. 116-260).

Explanation of Proposed Appropriation Language

<u>Appropriation Language</u>	<u>Explanation</u>
<p>For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, \$150,000, to remain available through September 30, [2022] 2023, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98–76.</p> <p><i>Note: A full year 2021 appropriation was enacted on December 27, 2020, pursuant to the Consolidated Appropriations Act, 2021 (P.L. 116-260).</i></p>	<p>Section 417 of Public Law 98-76 (Railroad Retirement Solvency Act of 1983) amended the Railroad Retirement Act of 1974 to provide for monthly transfers from the Treasury of amounts for benefit checks drawn 6 months earlier and not presented for payment.</p> <p>Since fiscal year 1991, the RRB does not receive credits to this account for the principal amount of uncashed railroad retirement checks under provisions of the Competitive Equality Banking Act of 1987. Instead, such funds, which are appropriated to the Treasury, are transferred directly to the railroad retirement accounts and the Dual Benefits Payments Account. Interest on uncashed railroad retirement checks, however, must still be appropriated in advance to this account.</p>

Authorizing Legislation

Legislation	Fiscal Year 2021		Fiscal Year 2022	
	Authorized	Current Estimate	Authorized	President's Budget
Railroad Retirement Solvency Act of 1983, Section 417	Indefinite	\$150,000 <u>a/</u>	Indefinite	\$150,000
Competitive Equality Banking Act of 1987, Section 1003				
Railroad Retirement Act of 1974, as amended, Section 15(i)(2)				

"The Secretary of the Treasury shall, on a monthly basis, credit each account established in the Treasury for the payment of benefits under this Act for the proportionate amount of benefit checks (including interest thereon) drawn on each such Account more than six months previously but not presented for payment and not previously credited to such Account, to the extent provided in advance in appropriation Acts."

a/ A full-year 2021 appropriation for this account was enacted on December 27, 2020, pursuant to the *Consolidated Appropriations Act, 2021* (P.L. 116-260).

Appropriations History Table

<u>Fiscal Year</u>	<u>President's Budget Estimate to the Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation/ Continuing Resolution</u>
2013	150,000	---	---	150,000
2014	150,000	---	---	150,000
2015	150,000	---	---	150,000
2016	150,000	---	---	150,000
2017	150,000	---	---	150,000
2018	150,000	150,000	150,000	150,000
2019	150,000	150,000	150,000	150,000
2020	150,000	150,000	150,000	150,000
2021	150,000	150,000	150,000	150,000 <u>a/</u>
2022	150,000			

a/ Reflects the appropriation made available by the *Consolidated Appropriations Act, 2021* (P.L. 116-260).

Note: Amounts appropriated are available for 2 years.

Federal Payments to the Railroad Retirement Accounts
(Appropriations for Uncashed Checks)

Amounts Available for Obligation

	<u>Fiscal Year</u> <u>2020 Actual</u>	<u>Fiscal Year</u> <u>2021 Enacted</u>	<u>Fiscal Year</u> <u>2022</u> <u>President's</u> <u>Budget</u>
Appropriation	\$150,000	\$150,000	\$150,000
Plus:			
Unobligated balance, start of year	<u>150,000</u> a/	<u>150,000</u> a/	<u>150,000</u> a/
Subtotal:	\$300,000	\$300,000	\$300,000
Less:			
Unobligated balance, end of year	<u>291,135</u>	<u>250,000</u>	<u>250,000</u>
Total obligations	<u>\$ 8,865</u>	<u>\$50,000</u>	<u>\$50,000</u>

a/ Of the total end of year unobligated balance, only the \$150,000 appropriated in the previous fiscal year is brought forward into the subsequent fiscal year.

Explanation of 2022 Request

Prior to enactment of Section 417 of the Railroad Retirement Solvency Act of 1983, amounts for uncashed benefit checks were not credited to the Railroad Retirement Accounts. Section 417 provided a two-part process for recovering unnegotiated benefit check amounts. The first part, represented by the 1985 appropriation request, was a catch-up mechanism to credit the accounts with the amount of all uncashed checks issued prior to May 1985 that the Treasury and the RRB could jointly identify from accounting records. The amount agreed upon and appropriated in 1985 was \$15 million and was to remain available through September 30, 1986.

The second part of the process went into effect for checks issued on and after May 1, 1985. From that date, on a monthly basis, the Treasury transferred to the account amounts represented by checks drawn 6 months earlier and not presented for payment. These amounts were provided for, in advance, in appropriation acts. For fiscal year 1991 and thereafter, the RRB is to seek appropriation authority only for the interest earned on unnegotiated checks. Under provisions of the Competitive Equality Banking Act of 1987, the principal amount of uncashed railroad retirement checks is to be appropriated to the Treasury, which in turn shall transfer such amounts directly to the appropriate RRB accounts.

The appropriation proposed for fiscal year 2022 provides that funds would be available for 2 years, through September 30, 2023.

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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	<ul style="list-style-type: none"> • Establish a Cloud Presence • Infrastructure Modernization • Improve Security Posture • Preparation for Legacy Application Rationalization 	\$19,559,374
Modernize	<ul style="list-style-type: none"> • 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	
<i>Subtotal -- IT Modernization Funds (Annual Appropriations)</i>		\$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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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
<i>TOTAL -- IT Modernization & Related Supplemental Funds</i>		\$65,175,000

IT Modernization Initiatives
FY 2022 Top Priorities – Modernize Phase
As of May 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 2022.

Priority 1 – Mainframe Modernization

The RRB continues its effort to establish its cloud presence. The Agency originally had plans to complete the re-platform of its mainframe into the Microsoft Azure Cloud OpenFrame Environment in FY 2020. Due to the realization of schedule and quality risks, the RRB issued a stop work order on the contract supporting this effort. The RRB then initiated an in-depth analysis of the current project deliverables as well as other potential alternatives that would mitigate the schedule and quality risks the RRB had incurred during the then current contract over several months. The RRB finished analysis in FY 2020 and began the migration in FY 2021 to IBM’s zCloud environment. We anticipate completion of the mainframe’s transition to the zCloud by the end of FY 2021. Decommissioning of the legacy mainframe will occur during Q1 FY 2022.

Additionally, we are 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 the end of FY2021. With these collaboration tools and functionalities in place, we plan 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 mid Q4, FY 2021. Following the email migration, the other collaborative tools mentioned above will be enabled and in use by early 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 by the end of FY 2022 or early 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 by the end of FY 2022 or early 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 late FY 2022 or early 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 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. 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 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.

RAILROAD RETIREMENT BOARD

Summary of Full-Time Equivalent Employment

Series	Rank	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Executive	Level III	1	1	1
	Level IV	2	2	2
Senior Executive Service	ES-00	6	7	7
General Schedule/Management	GS/GM-15	40	41	41
	GS/GM-14	73	74	75
	GS/GM-13	88	82	88
	GS-12	190	189	192
	GS-11	112	114	112
	GS-10	107	107	107
	GS-9	45	41	45
	GS-8	34	42	35
	GS-7	48	38	48
	GS-6	7	6	7
	GS-5	35	31	35
	GS-4	6	6	6
	GS-3	0	0	0
	GS-2	0	0	0
All Levels Combined	Total	794	781	801

Positions in the Office of Inspector General are excluded.

Note: The estimated 801 FTEs, provided by the President's proposed budget, is 79 FTEs less than what is needed to sustain the agency's mission essential functions.

**AVERAGE ES/SES AND GS/GM SALARIES AND BENEFITS
AND GS/GM GRADES**

	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Average ES/SES salary	\$182,548	\$184,164	\$189,136
Average ES/SES benefits	55,868	63,367	65,794
Total, ES/SES	\$238,416	\$247,531	\$254,930
Average GS/GM salary	\$93,671	\$95,207	\$98,543
Average GS/GM benefits	32,348	34,339	36,144
Total, GS/GM	\$126,019	\$129,546	\$134,687
Average GS/GM grade	12.4	12.4	12.4

**RAILROAD RETIREMENT BOARD
EMPLOYEE RELOCATION EXPENSES**

	Past Year FY 2020	Current Year FY 2021	Budget Year FY 2022
Total	<u>\$220,000</u>	<u>\$304,000</u>	<u>\$228,000</u>

Energy Conservation Measures

No funds were requested in FY 2022 Budget Submission for energy conservation measures.

Acquisition Training For Fiscal Year 2022

The RRB Acquisition Workforce (AWF) consists of contracting and purchasing staff in the 1102 and 1105 series, as well as Program/Project Managers (P/PMs) and Contracting Officer Representatives (CORs) across various disciplines and job series, as set forth in OFPP policy letters. The RRB has identified budgetary resources for FY 2022 to ensure that the agency's AWF have training and development that (1) facilitates their ability to adapt to fundamental changes in the nature of Federal Government acquisition of property and services associated with the changing roles of the Federal Government; and (2) enables them to acquire new skills and a new perspective to enable the agency AWF to contribute effectively in the changing environment of the 21st century. The AWF training budget for FY 2022 will support the RRB AWF staff to both complete their required training for attaining certification levels, appropriate to their position and AWF duties, as well as to sustain their acquisition acumen by completing appropriate targeted continuous education courses that further their competencies and enable them to execute their roles in the agency's acquisition mission. Notably the AWF training plan, supported by this budget request, will maximize the use of instructor-led virtual classroom training, where available and best suited to enable the learning objectives and competency development in the RRB AWF.

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RAILROAD RETIREMENT BOARD

GOOD ACCOUNTING OBLIGATION IN GOVERNMENT ACT REPORTING

Executive Summary

In accordance with the Good Accounting Obligation in Government Act or the GAO–IG Act, the Railroad Retirement Board (RRB or Agency) provides the following report. The report describes the RRB’s actions on outstanding public recommendations of the Government Accountability Office (GAO) and the RRB’s Office of the Inspector General (OIG) as of February 1, 2021.

The Appendix 1 of this report provides information on the status of implementing GAO public recommendations designated by the GAO as *Open*. The RRB, did not have any public recommendations designated by the GAO as *Closed, Unimplemented*, as such this topic is not addressed within the report. The Appendix 2 of this report provides implementation status of public OIG recommendations for which the RRB has not completed final action. The Appendix 3 of this report provides implementation status of OIG public recommendations designated by the OIG as *Closed, Unimplemented*.

In accordance with the Act, all three sections provide the required reporting elements for recommendations published not less than 1 year before the date on which the annual budget justification is submitted.⁴ The GAO–IG Act also requires the agency to include a statement describing the status of implementing public recommendations open less than 1 year. With the exception of the recommendations included in Appendix 4, for the GAO and OIG recommendations meeting this parameter, as of February 1, 2021, the agency was in the process of implementing the recommendations, awaiting closure of the recommendations by the GAO or OIG, or awaiting discussions with the GAO or OIG on further action to be implemented, if any, to close the recommendations. Appendix 4, provides information on OIG public recommendations for which the Agency non-concurred that the OIG has designated as either “*Open*” or “*Closed, Unimplemented*.”

The GAO–IG Act requires the Agency to disclose discrepancies between its report and reports issued by the GAO and OIG. The Agency is not aware of any discrepancy between this report and public reports issued by the GAO relating to public recommendations designated by the GAO as *Open* or *Closed, Unimplemented*. Further, the Agency is not aware of any discrepancy between this report and semiannual reports submitted by the OIG under Section 5 of the Inspector General Act of 1978 (5 U.S.C. App.).

⁴ For consistency the RRB used the February 1 date for the reporting period, which corresponds to the usual due date for the Justification of Budget Estimates and for the FY 2021 reporting period. Therefore, the reporting details in Appendices 1 through 3 provide information on public recommendations in GAO and OIG reports issued on or before February 1, 2021.

1. GAO PUBLIC RECOMMENDATIONS:

Appendix 1: Includes the reporting details on the implementation status of GAO public recommendations designated by the GAO as *Open*. As required by the GAO-IG Act, the details include the implementation status of each public recommendation, to include a timeline for full implementation, as applicable; e.g., for several recommendations, the Agency believes it has completed final action and is awaiting GAO concurrence and closure of the recommendations.

2. OIG PUBLIC RECOMMENDATIONS:

- a. **Appendix 2:** Includes the reporting details for implementation status of OIG public recommendations for which final action has not been completed. As required by the GAO-IG Act, the details include the implementation status of each public recommendation, to include a timeline for implementation, as applicable. For several recommendations the Agency believes it has completed final action and is awaiting OIG concurrence and closure of the recommendations. Appendix 2, also provides information for OIG public recommendation for the OIG has designated as *Open*, for which the Agency has non-concurred and further action will not be taken.
- b. **Appendix 3:** Includes reporting details for recommendations designated by the OIG as *Closed, Unimplemented* (or *Closed without Implementation*) for report issued on or before February 1, 2021. As required by the GAO-IG Act, the reporting details include the Agency's justification for the decision not to implement the recommendations.
- c. **Appendix 4:** Includes reporting details for public recommendations that are less than 12 months old, for which the Agency has decided not to implement or has issued a "non-concur" management response that the OIG has designated as either *Open* or *Closed, Unimplemented* (or *Closed without Implementation*). As required by the GAO-IG Act, the reporting details include the justification for the decision not to implement each public recommendation.

Appendix 1:

**Implementation Status Of GAO Public Recommendations
Designated By The GAO As *Open***

GAO Status	Report No.	GAO Audit Title	Report date	Rec No.	Responsible Organization	Recommendations	Timeline for Full Implementation	Justification for Decision Not to Implement	Comments
OPEN	GAO-18-287	Railroad Retirement Board Continuing Disability Reviews	2/21/2018	3	Programs	To enhance RRB's ability to manage and oversee its CDR program, RRB should routinely compile and analyze CDR program data, such as the number of cases selected for review, the number of beneficiaries in each medical improvement category, outcomes, and the costs and benefits of conducting CDRs, to improve program oversight.	FY 2022	Not applicable. Implementation is in progress.	
OPEN	GAO-18-323	Railroad Retirement Board Financial Interchange with the Social Security Administration and Department of Health and Human Services	4/19/2018	1	Actuary	The Board should work with SSA to explore options for obtaining data electronically and limiting the reliance of the financial interchange process on manual data entry.	FY 2021	Other. See related comments.	SSA has agreed to RRB proposal to implement an electronic data exchange to calculate financial interchange benefits and limit manual data entry. SSA has provided RRB with a cost estimate and is drafting a memorandum of understanding.
OPEN	GAO-18-323	Railroad Retirement Board Financial Interchange with the Social Security Administration and Department of Health and Human Services	4/19/2018	2	Actuary	The Board should produce written documentation on the financial interchange process such that a knowledgeable third party could carry out and replicate its process consistently without further explanation.	FY 2022	Not applicable. Implementation is in progress.	
OPEN	GAO-18-323	Railroad Retirement Board Financial Interchange with the Social Security Administration and Department of Health and Human Services	4/19/2018	5	Actuary	The Board should produce formal policies on how the work of staff performing the financial interchange is reviewed.	FY 2022	Not applicable. Implementation is in progress.	
Total							4		

Appendix 2:

**Implementation Status of OIG Public Recommendations for Which
Final Action Has Not Been Completed**

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Fiscal Year 2007 Evaluation of Information Security at the Railroad Retirement Board	07-08	9/27/2007	7	The Bureau of Information Services should perform a physical inventory of information technology hardware and update the agency's official fixed asset inventory system.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Fiscal Year 2008 Evaluation of Information Security at the Railroad Retirement Board	08-05	9/30/2008	3	The Bureau of Information Services should develop a comprehensive plan for the testing and evaluation of the agency's contractor operations.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Medicare Integrity Program at Palmetto Government Benefits Administration	09-04	9/25/2009	2	RRB Officials should request that Palmetto officials identify and monitor the specific benefit integrity cost components either through revised Contractor Administrative Budget and Financial Management System II activity reporting or independently of the Contractor Administrative Budget and Financial Management System II process.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Review of Statistical Methods Employed in the Financial Interchange Determination	10-06	5/4/2010	1	KPMG recommends that the RRB Bureau of Actuary improve its documentation of the sampling employed in the Financial Interchange process by: Creating a single document that explains the process used to create the sampling frame and sample, including source database(s) used, the variables of interest, and the programs/media used to execute the process steps. The documentation should be written such that a person with the requisite skills, but without knowledge of the Financial Interchange calculations, could understand and replicate the sampling process.	FY 2022	Actuary	Concur	Not applicable. Implementation is in progress.	
OPEN	Review of Statistical Methods Employed in the Financial Interchange Determination	10-06	5/4/2010	5	KPMG recommends that the RRB Bureau of Actuary: Test more than one post-stratification method, and employ the method that minimizes the sampling error.	FY 2022	Actuary	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Unilateral Disability Freeze Determinations	10-11	8/12/2010	5	The Office of Programs should develop a mechanism and procedures to update the unilateral freeze codes in the Payment Rate and Entitlement History system when the RRB obtains new information that changes the status of the freeze.	On-Going	Programs	Concur	Other. See related comments.	The RRB began a multi-phased IT initiative that will incorporate this recommendation as part of the larger re-engineering effort. Given the multitude of process updates, it is difficult for the Office of Programs to provide direct estimates as to when this recommendation can be addressed.
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	1	RRB Officials should review the total costs of \$3.1 million and \$3.7 million incurred by the Customer Service Unit and Medical Review Unit during fiscal years 2008 and 2009 and determine if they are allowable.	FY 2021	Administration	Concur	Not applicable. Awaiting OIG closure of recommendation.	
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	4	RRB officials should review the Optical Character Recognition Unit's total questioned costs of \$168,539 and determine if they are allowable.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	10	RRB officials should work with Palmetto to identify the cause of the inconsistencies and initiate corrective actions.	FY 2021	Administration	Concur	Not applicable. Awaiting OIG closure of recommendation.	
OPEN	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	11	RRB officials should require Palmetto to establish controls and procedures that will timely and effectively identify significant differences impacting Railroad Medicare contract performance and the integrity of claims volume, hours charged, and costs billed.	FY 2021	Administration	Concur	Not applicable. Awaiting OIG closure of recommendation.	
OPEN	Audit of Railroad Retirement Act Benefit Overpayment and Internal Controls	11-07	6/29/2011	9	The Office of Programs should work with the management control review committee to revise management control documentation to be consistent with Government Accountability Office guidance for internal controls.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Fiscal Year 2011 Financial Statement Audit Letter to Management	12-04	1/31/2012	5	Bureau of Actuary should modify their procedure for updating the Policies and Procedures for Actuarial Projections to include a comprehensive review of all sections and checklists, and ensure timely and full compliance with the new requirements.	FY 2022	Actuary	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	1	The Office of Programs should modify occupational disability procedures to comply with the CFR and ensure that every reasonable effort is made by the District Office staff and/or the Disability staff to obtain the Job Information Form from the railroad employer during the established response period.	FY 2022	Programs	Concur	Other. See related comments.	Revisions to the Job Information Form (G-251A), along with related procedures and instructions for employers were agreed upon by the three-member Board as part of the agency's Disability Process Improvement Plan (DPIP). The DPIP was submitted to the OIG to close numerous recommendations. The Board and the Office of Programs continue to work with the OIG to satisfy the intent of recommendations related to topics addressed by the DPIP.
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	3	The Office of Programs should send or route the Job Information Forms to the applicant's direct supervisor, and require the direct supervisor to certify the information given in the space provided on the appropriate Job Information Form.	FY 2022	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 13-02, Recommendation 1 above.
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	4	The Office of Programs should consider extending the employer response period to forward the Job Information Forms and related documentation to the RRB.	FY 2022	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 13-02, Recommendation 1 above.
OPEN	Audit of Job Duty Verification Procedures for Lon Island Rail Road Occupational Disability Applicants	13-02	1/15/2013	5	The Office of Programs should perform a study to determine the reasons for the railroad employers' failure to return the Job Information Forms, and take corrective action to elicit better responses based on their findings.	FY 2022	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 13-02, Recommendation 1 above.

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of the Railroad Retirement Board's Compliance with the Government Charge Card Abuse Prevention Act of 2012	13-10	9/19/2013	1	The Office of Administration should update management control review documentation for the Procurement Assessable Unit to include a control for periodic continuing need reviews of charge card holders.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Compliance with the Government Charge Card Abuse Prevention Act of 2012	13-10	9/19/2013	2	The Office of Administration should develop written procedures for continuing need reviews, to include when and how often the review should be performed.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	1	The Bureau of Information Services should work with the Office of Administration, Division of Acquisition Management, and the agency's contracting officer's representatives to maintain the Contractor Security Control Log, ensure that it is continually updated to reflect all contractors and their staff that work at the RRB, and indicate whether the contractor staff will have access to personally identifiable information or a system of records.	FY 2021	BIS	Concur	Not applicable. Awaiting OIG closure of recommendation.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/19/2013	5	The Office of Administration, Bureau of Human Resources, should update the materials that are provided to new employees with the updated privacy and security awareness training documents.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	6	The Bureau of Information Services should revise Administrative Circulars IRM-2 and IRM-15 to reflect current security and privacy documents and procedures.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	8	The Bureau of Information Services should develop a strategic organizational privacy plan that is multi-organizational and represents the RRB as a whole.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	9	The Bureau of Information Services should develop a policy for the validation of personally identifiable information.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	10	The Bureau of Information Services should develop a policy on communication between bureaus regarding changes in personally identifiable information.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Railroad Retirement Board's Privacy Program	13-11	9/20/2013	11	The Bureau of Information Services should develop a policy on the use and protection of personally identifiable information in testing, training, and research.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of Railroad Retirement Act Dual Spouse Annuity Adjustments	14-04	3/20/2014	3	The Office of Programs should take action to correct the amount of the spouse annuities for the five error cases cited, and to establish overpayments as appropriate.	N/A	Programs	Concur	Other: See related comments.	On October 31, 2014, Programs submitted implementation documentation to the OIG who subsequently determined that legal authority in 20 CFR §261.11 (discretion of the three-member Board to reopen or not to reopen a final decision) to correct errors has not been utilized to correct known overpayments. Consequently, on the advice of the Office of General Counsel, OP will take no further action (refer cases to the Board for a reopening decision) based on a parallel handling at SSA (reference L-2004-12).
OPEN	The Railroad Retirement Board Lacks Adequate Controls Over Creditable Compensation Related to Injury Settlements	15-03	1/29/2015	1	Office of Programs should track creditable compensation related to injury settlements and the effect on benefit eligibility.	N/A	Programs	Non-concur	Select Comment	Employers covered under the RRA are required by law to accurately report service and compensation paid to their employees for services rendered. The service and compensation agreed to in an injury settlement is reported on Form BA-3 (Annual Report) or Form BA-4 (Adjustment Report). The agency performs routine audits of employer's earnings reports that include injury settlements as part of the audit process and provides periodic training and written material on how to report settlements to employers. The Office of Programs maintains that the audits, backed by law, provide sufficient tracking of creditable compensation and compliance with agency regulations for reporting of compensation.
OPEN	The Railroad Retirement Board Lacks Adequate Controls Over Creditable Compensation Related to Injury Settlements	15-03	1/29/2015	2	Office of Programs should implement controls to ensure compliance with agency regulations related to service months credited from an injury settlement. At a minimum, the agency should require railroad employers to submit supporting documentation for any service and compensation reported as part of an injury settlement. The documentation should include both the legal settlement and an allocation worksheet. This documentation should be readily available for examination and periodically reviewed.	N/A	Programs	Non-concur	Other: See related comments.	See comments to Audit Report No. 15-03, Recommendation 1 above.
OPEN	Fiscal Year 2014 Financial Statement Audit Letter to Management	15-05	3/31/2015	8	The Board should establish an independent committee that will work to identify a functional solution that will enable communication between the OIG and the NRRIT's component auditor and achieve compliance with the AICPA's standards.	N/A	Board	Non-concur	Other: See related comments.	The Agency will continue to cooperate with the OIG and provide all NRRIT related information within its possession and control which the OIG requests. The Agency does not have the authority to compel the NRRIT auditors to provide their work papers to, or speak with the OIG. Effective for the review of NRRIT's FY 2018 financial statements, the NRRIT and the United States Government Accountability Office (GAO) entered into an MOU dated October 31, 2018 that gave GAO access to information supporting NRRIT's financial information included in the government-wide financial statements.

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	1	The Executive Committee should take all of the necessary steps to prepare and submit the required plans within the 90 day reporting requirement.	N/A	EC	Concur	Other. See related comments.	The RRB provided documentation to the OIG that demonstrated that on July 28, 2015 the former Chief Financial Officer submitted to the Office of Management and Budget (OMB) a Risk Assessment Plan for Payment Programs ("Plan") that described the Agency's strategy to be in compliance with OMB memorandum 15-02, Appendix C to Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments. Additionally, the RRB provided documentation which demonstrated that on August 20, 2015, the Board released the Plan to the Congress. The RRB management has taken all appropriate steps related to the recommendation and considers this matter closed.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	2	The Executive Committee should ensure that the necessary policies and procedures are developed and documented for the agency's use for the preparation of a risk assessment process that meets Improper Payments Elimination and Recovery Act of 2010 requirements.	N/A	EC	Concur	Other. See related comments.	The RRB provided documentation to the OIG that demonstrated incorporation of its Risk Assessment Plan for Payment Programs (Plan) into Exhibit-4D of the Management Control Guide (MCG). The Management Control Review Committee updates the MCG regularly and posts it to SharePoint. The most recent update was June 2019 and was provided to the OIG. Further, Exhibit 3C of the MCR, described the risk assessment requirements for each assessable unit to support the Agency's compliance with the Federal Manager's Financial Integrity Act and OMB Circular A-123. Furthermore, on July 19, 2018 the OMB approved the Agency's request for IPERA reporting relief for RRA and RUIA programs (attached). Finally, the RRB published risk assessments for the non-benefit payment programs in its FY 2017 Performance and Accountability Report, which the OIG found to be compliant with OMB guidance. The RRB management has taken all appropriate steps related to the recommendation and considers this matter closed.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	6	The Office of Programs should revise and document their definitions of improper underpayments for the Railroad Retirement Act program in compliance with Improper Payments Elimination Act of 2010 guidance, and if similar definitions are used for other programs, revise them accordingly.	N/A	Programs	Concur	Other. See related comments.	Based on RRB OGC legal opinion, we took corrective actions to re-classify all recomputations and all mass adjustment rejects from proper to improper and continue to classify application or adjustment of all temporary or permanent work deductions and underpayments resulting from initial supplemental annuities as proper payments.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	9	The Office of Programs should develop and document the necessary policies and procedures for the review and validation of the Railroad Unemployment Insurance Act improper payment data to be reported in the Performance and Accountability Report.	N/A	Programs	Non-concur	Other. See related comments.	This recommendation was the result of calculation discrepancies by the Bureau of the Actuary (BAR). BAR agreed that Office of Programs could not validate Actuarial values or calculations. RRB is working with the OIG to transfer Report 15-06; Recommendations #9 and #10 to BAR.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	10	The Office of Programs should ensure that the proper controls are in place to make sure that the policies and procedures are followed to properly support the improper payment data reported for Railroad Unemployment Insurance Act program.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-06, Recommendation 9 above.

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiropractic Risks	15-07	6/4/2015	7	The Office of Programs should ensure that Palmetto applies statistical analysis and stratified random sampling where practical to the high volume risk categories.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiropractic Risks	15-07	6/4/2015	9	The Office of Programs should work with Palmetto and the Centers for Medicare and Medicaid Services to conduct a thorough cost benefit analysis that will identify the resources needed to maximize timely and efficient recovery of improper payments for chiropractic services over the five year recovery period.	N/A	Programs	Non-concur	Other. See related comments.	The RRB did perform a preliminary cost benefit analysis which determined that implementation of this recommendation would not result in a positive return on the dollars invested. The RRB does not believe additional input by CMS would add to the analysis, and therefore seeks closure of this recommendation.
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiropractic Risks	15-07	6/4/2015	10	The Office of Programs should work with Palmetto and the Centers for Medicare and Medicaid Services to recover the improper chiropractic service payments for the five year period, where determined to be cost effective based on an accurate cost benefit analysis.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 15-07, Recommendation 9 above.
OPEN	Railroad Retirement Board Medicare Contract Oversight Did not Effectively Mitigate Chiropractic Risks	15-07	6/4/2015	11	The Office of Programs should work with Palmetto and the Centers for Medicare and Medicaid Services to share information identified during the post-payment reviews as appropriate with the Recovery Audit Contractors and Zone Program Integrity Contractors where it can be used to identify improper or fraudulent non-Railroad Medicare chiropractic service payments.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	1	The Office of Administration should strengthen internal controls to ensure that purchase card training is completed by each purchase card holder within the timeframes required by Office of Management and Budget and agency guidance.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	3	The Office of Administration, in collaboration with other agency management, should develop and document formal agency procedure for changes made to authorized approvers in the travel system.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	4	The Office of Administration, in collaboration with other agency management, should review and revise approval privileges in the RRB's travel system to ensure that the principles for segregation of duties and proper execution of transactions are observed.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	6	The Office of Programs should increase the quantity of cases during its quality assurance review for medical examinations and consultative opinions to ensure that the cases reviewed are representative of the number of cases processed each quarter.	N/A	Programs	Non-concur	Other: See related comments.	In response to a similar Recommendation No. 6 in Audit Report No. 16-02, we increased the sampling size of disability decisions with completed exams and opinions to a statistically representative size. The OIG accepted our request for closure of Recommendation No. 6, Audit Report No. 16-02. Therefore, the Agency considers Recommendation No. 6, Audit Report No. 15-08 to be obsolete.
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	9	The Bureau of Fiscal Operations should strengthen internal control by establishing a due date for formal responses from all organizations with open obligations to ensure better management of these funds prior to the period of expiration.	N/A	BFO	Non-concur	Other: See related comments.	The RRB's Basic Board Order (BBO) 4, assigns responsibility for liquidation of obligations to each RRB component. The Bureau of Fiscal Operations (BFO) role in the liquidation of obligations process, is to provide up-to-date balance information to each of the RRB components throughout the fiscal year to facilitate liquidation activities. As such, BFO issues 3 separate notices to RRB component entities instructing each to work with Acquisition Management (AM) to de-obligate state balances. AM, specifically the Contracting Officer, has sole authority to obligate or de-obligate funds. Therefore, the recommended action directed at the BFO is outside the scope of BFO's authority and would not result in cost effective or efficient improvements to the process for liquidating obligations.
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	10	The Bureau of Fiscal Operations should establish a follow-up process when responses are not provided within the designated timeframe from all organizations with open obligations.	N/A	BFO	Non-concur	Other: See related comments.	See comments to Audit Report No. 15-08, Recommendation 9 above.
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	11	The Office of Administration should revise agency administrative circulars OA-14 and OA-21 and control activities when agency systems are replaced, or as needed.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	12	The Office of Administration should ensure that the effectiveness of controls are tested and documented in a timely manner when new systems become operational, regardless of when the management control review is scheduled.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the Internal Controls Over Obligations at the Railroad Retirement Board	15-08	8/14/2015	16	The Office of Administration, in collaboration with other agency management, should develop policies and procedures to ensure that travel accounts in the RRB's travel system are deactivated in a timely manner when employees leave RRB employment.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	8	The Bureau of Fiscal Operations should implement procedures for regularly recurring reviews of the error override log to better assure strong controls and appropriate business practices.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	9	The Office of Administration should implement a control to ensure program integrity of the Financial Management Integrated System key vendor data files on an ongoing basis.	FY 2022	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	10	The Office of Administration should correct the discrepant vendor information identified during the ongoing program integrity reviews.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Select Financial Management Integrated System Business Process Controls Need Improvement	16-02	11/30/2015	11	The Bureau of Fiscal Operations should implement updated Accounts Payable procedures to coincide with the deployment of the Financial Management Integrated System enhancements for the Invoice Processing Platform.	FY 2021	BFO	Concur	Other. See related comments.	RRB is collaborating with the U.S. Department of the Treasury to implement its Invoice Processing Platform (IPP) with deployment expected by the end of FY 2021.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	1	The Office of Programs should modify the medical opinion form to require the doctor to provide a documented conclusion on the medical severity of the claimant's medical ailments.	N/A	Programs	Non-concur	Other. See related comments.	The overall RFC is an administrative determination made by examiners, not medical sources. Per CFR 220.112 examiners consider age, education and past work experience which is not within the expertise of medical sources.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	3	The Office of Programs should ensure that medical opinions resolve all conflicting medical evidence.	N/A	Programs	Non-concur	Other. See related comments.	Medical opinions are used to resolve significant differences in medical findings per DCM 13.10.1.3. Examiners resolve conflicting medical evidence for the primary impairment.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	5	The Office of Programs should modify the medical opinion form to elicit required information from the medical doctors	N/A	Programs	Non-concur	Other. See related comments.	Part IIA of Form G-1375UP captures the information. In addition, the current contractor has been instructed and reminded to ensure that doctors are including documentation throughout the form of where detailed information can be found.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	7	The Office of Programs should update procedures for RRB claims examiners to ensure that all current applicable medical evidence, that has been received in support of the disability based claim, is referenced by the doctor in the medical opinion, before they accept the medical opinion for payment.	N/A	Programs	Non-concur	Other. See related comments.	The contract specifications for medical opinions state the specifics need to resolve conflicting evidence. In addition, examiners are trained to agree, accept, pay and use opinions that appropriately address relevant medical evidence for the primary impairment.

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OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	8	The Office of Programs should update RRB procedures to instruct the RRB claims examiner to meet with the doctor when onsite if the RRB claims examiner is not certain that enough medical evidence is in file.	N/A	Programs	Non-concur	Other. See related comments.	Procedure-DCM 4.11.2 states that examiners can request advice by contacting onsite medical doctor. In addition, CFR 220.12 explains that doctors do not make the decision of disabled, but examiners.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	12	The Office of Programs should take action to recover amounts improperly paid for medical opinions that did not meet the contract requirements for the term of the medical services contract.	N/A	Programs	Non-concur	Other. See related comments.	The claims cited in the audit were processed in calendar year 2014. The current contractor providing medical opinions began December 1, 2015. The prior opinions were used in the adjudication and determined adequate.
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	13	The Office of Administration should develop controls to ensure that contract requirements concerning initial license and insurance specifications are met prior to awarding the contract.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	14	The Office of Administration should develop controls to ensure that current licenses are maintained by the medical services provider.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	15	The Office of Administration should develop controls to ensure that proper insurance is maintained.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Control Weaknesses Diminish the Value of the Medical Opinions in the Railroad Retirement Board Disability Determination Process	16-05	3/9/2016	18	The Office of Administration should develop effective contract ramifications for instances where timeliness standards are not met.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	16-07	5/13/2016	1	The Office of Programs should revise its overall process for the Railroad Retirement Act program that supports improper payment reporting requirements to ensure the accuracy of the data.	N/A	Programs	Non-concur	Other. See related comments.	The RRB routinely reviews and refines the processes for improper payment reporting. OMB has approved the overall methodology which has been in place since 2002. OMB continues to approve the RRB process; therefore, it appears the OIG can close this recommendation given the ongoing cooperation between OMB and the RRB.

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OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	16-07	5/13/2016	2	The Office of Programs should document policies and procedures to ensure that entire receivable balances are recorded in the agency's receivable system.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	The RRB OIG legal opinion determined that our classification of RUIA underpayments is proper and in accordance with the legal definition of Improper Payments under IPERA.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2015 PAR	16-07	5/13/2016	3	The Office of Programs should revise its definitions of improper underpayments in the methodology used for the Railroad Unemployment Insurance Act program to ensure that it is in compliance with Improper Payment Elimination and Recovery Act of 2010 guidance.	N/A	Programs	Non-concur	Other. See related comments.	The RRB OIG legal opinion determined that our classification of RUIA underpayments is proper and in accordance with the legal definition of Improper Payments under IPERA.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	1	The Executive Committee should perform a time study of Medicare work performed by all agency staff.	FY 2022	EC	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	2	The Executive Committee should establish an OMB Circular A-87 compliant and Centers for Medicare and Medicaid Services approved personnel activity report based system that will ensure the capture and reporting of actual Medicare work performed.	N/A	EC	Non-concur	Other. See related comments.	The RRB is compliant with the terms and conditions of the interagency agreement with the Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) formerly known as the Health Care Financing Administration, dated April 16, 1991 and its Addendum dated July 30, 2004. The RRB continues to cooperate and collaborate with CMS. Since issuance of this audit report and through ongoing dialogue with CMS, the Bureau of Fiscal Operations (BFO) streamlined the cost allocation plan (CAP) report format, clarified the RRB's methodology, and addressed CMS' inquiries. Consequently, the RRB submitted the subsequent CAP reporting covering actual costs for fiscal years 2015 through 2019 and estimated costs for fiscal year 2020. CMS continues to accept the RRB's streamlined CAP.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	3	The Executive Committee should update the Railroad Retirement Board employee direct labor profiles to represent actual work performed based on an OMB Circular A-87 compliant system methodology.	N/A	EC	Non-concur	Other. See related comments.	The RRB is compliant with OMB Circular A-87 and uses a Multiple Allocation Base method for cost. See also comments associated with Audit Report No. 16-10, Recommendation No. 2.

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OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	4	The Bureau of Fiscal Operations should adopt and implement OMB Circular A-87 as an agency requirement.	N/A	BFO	Non-concur	Other. See related comments.	The RRB is compliant with the terms and conditions of the interagency agreement with the Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) formerly known as the Health Care Financing Administration, dated April 16, 1991, and its Addendum dated July 30, 2004. The RRB continues to cooperate and collaborate with CMS. Since issuance of this audit report and through ongoing dialogue with CMS, the Bureau of Fiscal Operations (BFO) streamlined the cost allocation plan (CAP) report format, clarified the RRB's methodology, and addressed CMS' inquiries. Consequently, the RRB submitted the subsequent CAP reporting covering actual costs for fiscal years 2015 through 2019 and estimated costs for fiscal year 2020. CMS continues to accept the RRB's streamlined CAP.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	5	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to update the Medicare interagency agreement and establish procedures for maintaining and updating the agreement.		BFO	Concur	Other. See related comments.	The RRB continues to cooperate and collaborate with the Centers for Medicare and Medicaid Services; however, the act of updating the referenced Interagency Agreement is dependent upon activities outside of RRB's control; as such, it is difficult to estimate a time for when this recommendation will be resolved.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	6	The Bureau of Fiscal Operations should re-evaluate the RRB's cost allocation plan and implement an OMB Circular A-87 compliant methodology for future Medicare direct labor costs using appropriate specialists and expertise.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	7	The Bureau of Fiscal Operations should utilize and maintain OMB Circular A-87 compliant personnel activity reports and employee certifications through authorization by the Railroad Retirement Board's Executive Committee to ensure that reimbursed Medicare direct labor costs represent costs for actual and allowable Medicare work performed.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	8	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to determine, adjust, and correct any erroneous reimbursement of Medicare direct labor costs beginning with fiscal year 2010 to current based on actual work performed.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.

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OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	9	The Bureau of Fiscal Operations should develop and certify an indirect cost methodology and rate that complies with OMB Circular A-87 using appropriate specialists and expertise.	N/A	BFO	Non-concur	Other. See related comments. Please see comments to Audit Report No. 16-10, Recommendation No. 4.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	10	The Bureau of Fiscal Operations should obtain Centers of Medicare and Medicaid Services approval for the indirect cost methodology and rate developed based on the recommendations in this report.	N/A	BFO	Non-concur	Other. See related comments. Please see comments to Audit Report No. 16-10, Recommendation No. 4.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	11	The Bureau of Fiscal Operations should determine the correct Medicare indirect cost reimbursement amount for fiscal years 2010 to current using the compliant indirect cost rate for the period.	N/A	BFO	Non-concur	Other. See related comments. Please see comments to Audit Report No. 16-10, Recommendation No. 4.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	12	The Bureau of Fiscal Operations should establish procedures requiring annual certification of the cost allocation plan and indirect cost rate prior to reimbursement that complies with OMB Circular A-87.	N/A	BFO	Non-concur	Other. See related comments. Please see comments to Audit Report No. 16-10, Recommendation No. 4.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	13	The Bureau of Fiscal Operations should establish a variance analysis control process that will help to identify indirect cost reimbursement miscalculations and ensure timely corrective action.	N/A	BFO	Non-concur	Other. See related comments. Please see comments to Audit Report No. 16-10, Recommendation No. 4.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	14	The Bureau of Fiscal Operations should submit a detailed indirect cost rate proposal in support of its allowable and allocable indirect labor costs to Centers for Medicare and Medicaid Services for approval prior to reimbursement.	N/A	BFO	Non-concur	Other. See related comments. Please see comments to Audit Report No. 16-10, Recommendation No. 4.	
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	15	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to determine, adjust, and correct any erroneous reimbursements resulting from the allocation of all of the Railroad Retirement Board's indirect labor and non-labor costs beginning with fiscal year 2010 to current.	N/A	BFO	Non-concur	Other. See related comments. Please see comments to Audit Report No. 16-10, Recommendation No. 4.	

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OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	16	The Executive Committee should conduct a thorough investigation and determine if the Purpose Statute and/or Antideficiency Act was violated as a result of the RRB's Medicare reimbursement process and report violations in accordance with OMB Circular A-11.	N/A	EC	Non-concur	Other. See related comments. No. 2.	Refer to comments associated with Audit Report No. 16-10, Recommendation No. 2.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	23	The Bureau of Fiscal Operations should determine the correct Medicare direct labor reimbursement amount using the compliant employee profiles.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance with Federal Requirements	16-10	8/22/2016	24	The Bureau of Fiscal Operations should work with the Centers for Medicare and Medicaid Services to determine, adjust, and correct any erroneous reimbursement of Medicare management costs beginning with fiscal year 2010 to current.	N/A	BFO	Non-concur	Other. See related comments.	Please see comments to Audit Report No. 16-10, Recommendation No. 4.
OPEN	Fiscal Year 2016 Financial Statement Audit Letter to Management	17-03	2/16/2017	2	The Executive Committee should direct RRB management to elevate RRB OIG auditor concerns regarding application of authoritative guidance and laws and regulations for Executive Committee determinations when RRB management disagrees with RRB OIG auditor assessments.	N/A	EC	Non-concur	Other. See related comments.	The Agency does not agree that elevation of OIG audit findings or recommendations to the full Executive Committee is warranted; the Agency's individual Executive Committee members have authority to agree or disagree with an OIG position.
OPEN	Fiscal Year 2016 Financial Statement Audit Letter to Management	17-03	2/16/2017	3	The Executive Committee should develop and implement Executive Committee procedures for enforcement of RRB management responsibilities when RRB management does not take appropriate corrective actions in regard to the application of authoritative guidance and laws and regulations.	N/A	EC	Non-concur	Other. See related comments.	Each Executive Committee member is responsible for ensuring proper application of authoritative guidance, laws, and regulations. Each Executive Committee member reports directly to the Board and is held accountable through the Agency's SES Performance Management Systems/Executive Performance Agreement" process. The Agency does not agree that it would be cost effective or efficient for the Executive Committee to develop procedures for enforcement of RRB management responsibilities.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	5	We recommend the Bureau of Fiscal Operations improve training provided for travelers and designate travel approvers to ensure understanding of the FTR and E2.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	6	We recommend the Bureau of Fiscal Operations strengthen and enforce travel policies and procedures to ensure that all travel by RRB staff, including the Board Members and their staff, is in compliance with the FTR.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.

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OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	9	We recommend that Bureau of Fiscal Operations revise RRB travel policies and procedures to require that temporary duty travel approvers verify that the travel card was used by the traveler, if applicable.	FY 2021	Administration	Concur	Not applicable. Recommendation is in progress. Office of Administration.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	10	We recommend that Bureau of Fiscal Operations revise RRB travel policies and procedures to require the non usage of a travel card be justified and documented.	FY 2021	Administration	Concur	Not applicable. Recommendation is in progress. Office of Administration.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	11	We recommend that Office of Administration conduct refresher training on required travel card usage requirements for travel cardholders and approvers to ensure compliance with the FTR.	FY 2021	Administration	Concur	Not applicable. Recommendation is in progress.	
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	12	We recommend the Office of Administration update their process for the issuance and deactivation of travel cards to ensure compliance with Federal law and RRB travel policies and procedures.	FY 2021	Administration	Concur	Not applicable. Recommendation is in progress.	
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	13	We recommend the Office of Administration strengthen controls to ensure that all travel costs over per diem be properly approved by the bureau head, prior to travel, and documented in E2.	N/A	Administration	Non-concur	Other. See related comments.	Carlson Wagonlit Travel and General Services Administration (GSA) have designed E2 Solutions to comply with the requirements of the FTR. All Federal agencies are utilizing this system or a similar configured and FTR compliant system from the other E-Travel system contractor. The current drop down menu feature is determined by the GSA E-Travel Office (the designated Government-wide manager of E-Travel) as sufficient to meet the requirements of the FTR to document travel costs over per diem.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	14	We recommend the Office of Administration establish controls to ensure that "after-the-fact" lodging reimbursements above per diem are properly approved by the bureau head and documented in E2 with support beyond the predefined justifications.	N/A	Administration	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-04, Recommendation No. 13.
OPEN	Railroad Retirement Board Did Not Always Comply with Federal Travel Regulations	17-04	4/11/2017	19	We recommend the Bureau of Fiscal Operations conduct refresher training for travelers and travel approvers on the FTR and RRB travel policies and procedures to ensure that travel documentation is properly uploaded and maintained in E2.	FY 2021	Administration	Concur	Not applicable. Recommendation is in progress. Office of Administration.	Recommendation was transferred from the Bureau of Fiscal Operations to the Office of Administration.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	1	We recommend that the Bureau of Fiscal Operations take the actions as required by OMB guidance in regard to noncompliance for third consecutive year for the same program to ensure that RRB programs for vendor payments and employee payments are brought into compliance.	N/A	BFO	Non-concur	Other. See related comments.	The RRB disagrees that it was noncompliant with OMB IPERA reporting guidance for vendor and employee payments. Revisions to the referenced risk assessments were completed in accordance with OMB guidance prior to issuance of Audit Report No. 17-05 and that fact confirmed in Audit Report No. 18-05.

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OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	2	We recommend that the Office of Programs revise its computation for application of improper payment percentages for the RRA program associated with initial and post underpayments to ensure that they are separately applied to the applicable components in RRB calculations of the total improper payments.	N/A	Programs	Non-concur	Other. See related comments.	For the purpose of determining a percentage of RRA improper payments made in the Non-Categorized Payments' of underpayment accruals, we currently apply improper payment percentages developed from both our initial and post adjudication quality assurance reviews. It is a tool that we consider to be the most accurate methodology to calculate an estimation of initial and post underpayment accruals.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	1	We recommend that the Office of Programs increase the frequency in which data is extracted from RRB systems for the universe identification of Railroad Retirement Act initial cases for the Program Evaluation Section's quality assurance sample review to increase the completeness of initial award identification.	N/A	Programs	Non-concur	Other. See related comments.	The RRB's current monthly process of extracting initial claims data is efficient, statistically valid, and creates an accurate universe of all initial approvals and denials in the fiscal year. All initial actions (both awards and denials) have an equal chance of being selected. The Office of Programs has reviewed the cycle for extracting data from claims in order to provide quality assurance reviews and finds that the current monthly cycle provides efficient and satisfactory data.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	2	We recommend that the Office of Programs revise the sample selection process for Railroad Retirement Act initial cases to ensure that the proper award actions are identified to achieve its intended purpose to assess the accuracy of the recurring payment amount at the annuity beginning date.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	3	We recommend that the Office of Programs revise and implement its quality assurance policies and procedures to ensure the statistical validity of sample results.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	4	We recommend that the Office of Programs provide training to Program Evaluation Section staff related to statistical sampling to ensure that individual case results and overall results are statistically valid.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	5	We recommend that the Office of Programs document the complete sampling methodology in its quality assurance reports and quality assurance policies and procedures.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 1 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	7	We recommend that the Office of Programs revise Program Evaluation Section's documented policies and procedures to ensure that they are complete.	N/A	Programs	Concur	Not applicable. Awaiting OIG	We completed the necessary internal documentation of the procedures for our quality review processes.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	8	We recommend that the Office of Programs formally develop and document Program Evaluation Sections' internal controls needed to ensure the integrity and accuracy of its operation and related results.	N/A	Programs	Concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 7 above.

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OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	9	We recommend that the Office of Programs periodically test Program Evaluation Sections' internal controls.	N/A	Programs	Concur	Other: See related comments.	See comments to Audit Report No. 17-07, Recommendation 7 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	10	We recommend that the Office of Programs design and implement an annual sample of benefit payments without recent adjudicative activity to provide a more complete payment accuracy rate and to help further protect trust funds.	N/A	Programs	Non-concur	Other: See related comments.	The Office of Programs has conducted an annual quality assurance review of initial and post awards since 1985. Each award activity is eligible for study selection during the fiscal year in which the events occurred. Study results are statistically valid and represent the universe of initial and post award activities; therefore, the Office of Programs believes that current activities satisfy the intent of recommendation.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	11	We recommend that the Office of Programs revise its process for documenting benefit payment amounts used to compute its payment accuracy rates to ensure its accuracy.	N/A	Programs	Non-concur	Other: See related comments.	Our review is an evaluation of the complete initial award process and our methodology ensures an accurate measurement. Adjustments by a third reviewer are critical to ensure accuracy. Therefore, we currently utilize the appropriate benefit payment amounts in our Q/A review computations.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	12	We recommend that the Office of Programs revise its quality assurance policies and procedures to ensure that the three required reviews are all conducted and documented for the same award action.	N/A	Programs	Non-concur	Other: See related comments.	See comments to Audit Report No. 17-07, Recommendation 11 above.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	15	We recommend that the Office of Programs improve internal controls for quality assurance cases to ensure that corrective actions are initiated and completed in accordance with its policies and procedures.	N/A	Programs	Non-concur	Other: See related comments.	OP's responsibility is to identify and disseminate findings of errors and patterns of errors. We initiate the establishment of corrective actions and completion timeframes with the responsible managers. We maintain a full historical inventory of all pending corrective actions and, on an annual basis, update our inventory with current status.
OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	17	We recommend that the Office of Programs revise its policies to obtain greater assurance of accuracy and integrity by independently validating Railroad Retirement Act performance results provided by other RRB organizational units.	N/A	Programs	Non-concur	Other: See related comments.	RRB Administrative Circular RRB-2 stipulates that reporting managers and their staffs are responsible and accountable for collecting, validating, and reporting accurate data. In addition, through the Management Control Review (MCR) process, each manager certifies to the validity of their data on a periodic basis.

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OPEN	Improvements Needed for the Program Evaluation Process at the Railroad Retirement Board	17-07	8/1/2017	18	We recommend that the Office of Programs revise the applicable quality assurance checklist used for segregation of duties compensating control to include verification that the annuitant's name matches the name on the examination order.	N/A	Programs	Non-concur	Other. See related comments.	The Office of Programs believes that the omission of the 'name' field on the exam checklist had no impact on the validity of reports. Each exam reviewed in the quality assurance sampling was checked against the claim number for verification, providing assurance that the exam ordered was for the specific RRB annuitant. Since FY 2017, Office of Programs ensures the annuitant's name is appropriately recorded for each exam and opinion case reviewed in order to perform the verification check. Since name-match verification is already performed, the Office of Programs believes 17-07 #18 and #19 may be closed.
OPEN	Improvements Needed for Process at the Railroad Retirement Board	17-07	8/1/2017	19	We recommend that the Office of Programs conduct the name match assessment for fiscal year 2014 through the current period to determine accuracy of the reported results. If reported results were erroneous, update as appropriate.	N/A	Programs	Non-concur	Other. See related comments.	See comments to Audit Report No. 17-07, Recommendation 18 above.
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	1	The Bureau of Information Services should allocate sufficient resources to develop or complete the required updates of comprehensive records management policies and procedures that incorporate applicable OMB and NARA guidance.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	2	The Bureau of Information Services should develop and implement policies and procedures requiring records management training for new and existing employees and contractors, as well as employees with specialized records management roles and responsibilities. Ensure training for existing employees and contractors is administered annually.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	3	The Bureau of Information Services should develop and implement records management policies and procedures required for separating employees, including the detailed roles and responsibilities of the separating employee and other RRB officials. Work with the Office of Administration in implementing the policies and procedures agencywide.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	4	The Bureau of Information Services should update existing policies and procedures to include explicit notification of criminal penalties that may be charged to employees for unlawful removal or destruction of agency records.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	5	The Bureau of Information Services should develop and implement policies and procedures for managing and preserving records created or received using electronic messaging systems.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	

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OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	6	The Bureau of Information Services should develop and implement policies and procedures for metadata, enterprise rights management, and encryption considerations when transferring electronic records to NARA.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	7	The Bureau of Information Services should develop supplemental records management training materials that are specific to RRB's vision, including RRB specific requirements and initiatives, and ensure the RRB records management training curriculum includes this additional content.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	8	The Bureau of Information Services should work with the Office of Administration to ensure that all newly hired contractors are required to complete the full records management training course within 30 days of their hire date.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	9	The Bureau of Information Services should develop and implement roles-based training for senior officials (as defined by NARA) to ensure full understanding of their responsibilities under the RRB's records management program. This training should also include content on actions to be taken when the senior official separates from RRB employment.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	10	The Bureau of Information Services should prepare and disseminate additional training content to records liaisons on their responsibilities under the Capstone program. The training content should include practical examples of what actions the records liaisons should take to fulfill their responsibilities.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	11	The Bureau of Information Services should develop specific records management performance goals with target completion dates and performance measures for significant OMB and NARA requirements.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	12	The Bureau of Information Services should ensure a comprehensive inventory of non electronic records, including paper and other forms of media, is performed and used to prepare or update RRB records disposition schedules. Resulting records schedules should be approved by NARA in accordance with OMB Circular A-130.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	

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OPEN	Railroad Retirement Board Must Take Further Action to be Compliant with Federal Records Management Directives	17-08	9/28/2017	13	The Bureau of Information Services should perform a comprehensive review and update of Administrative Circular IRM-4 to ensure the roles and responsibilities of agency employees involved in records management are complete and include accurate timeframes for performing their respective duties.	FY 2021	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Fiscal Year 2017 Financial Statement Audit Letter to Management	18-04	2/8/2018	6	We recommend that the Bureau of Fiscal Operations revise and document manual and automated internal controls to ensure prevention of Antideficiency Act violations.	N/A	BFO	Non-concur	Other: See related comments.	The Bureau of Fiscal Operations has policies and procedures in place to prevent Antideficiency Act violations. The audit results discussed a recording issue related to a year end adjustment; at no time did expenditures exceed appropriations. Additionally, the audit results did not identify an actual violation of the Antideficiency Act.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2017 PAR	18-05	5/9/2018	2	The Bureau of Fiscal Operations should identify and post all existing unposted returned payments.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	BFO has implemented procedures as appropriate and anticipates closure of this recommendation by the end of FY 2021/early FY 2022.
OPEN	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2017 PAR	18-05	5/9/2018	3	The Bureau of Fiscal Operations should identify the cause for unposted returned payments and take the necessary corrective actions to ensure the accuracy of future reported recaptured amounts.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	BFO has implemented procedures as appropriate and anticipates closure of this recommendation by the end of FY 2021/early FY 2022.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	1	The Management Control Review Committee should establish an internal control evaluation based on the requirements provided in the revised Office of Management and Budget Circular A-123.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	The Agency has made substantial progress with implementing ERM; however, achieving a fully integrated and effective ERM program is a multi-year effort.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	2	The Management Control Review Committee should implement formal internal control activities in the Current Risk Response portion of their risk profile.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	3	Executive Committee should implement an agencywide enterprise risk management program.	FY 2024	EC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	6	Management Control Review Committee should document and maintain current support for Risk Profile determinations.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	7	Management Control Review Committee should include assessable units in risk profile that are critical to the RRB's strategic goals.	FY 2024	MCRC	Concur	Not applicable. Implementation is in progress.	Please see comments to Audit Report No. 18-07, Recommendation No. 1.

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OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	8	Management Control Review Committees should acknowledge material weaknesses and revise assessments accordingly in the next risk profile.	N/A	MCRC	Non-concur	Other: See related comments.	The Agency has disagreed with the OIG's cited material weaknesses.
OPEN	Enterprise Risk Management Process At the Railroad Retirement Board Was Not Fully Effective	18-07	7/9/2018	10	Management Control Review Committees should monitor audit recommendations on a regular basis and take action to ensure they are closed in the required timeframe.	N/A	MCRC	Concur	Other: See related comments.	Each audit finding and related recommendation is addressed to the respective Executive Committee member. Each Executive Committee member reports directly to the Board and is held accountable through the Agency's "SES Performance Management Systems/Executive Performance Agreement" process. The MCRC has taken action to monitor all open recommendations on a regular basis and provided such notifications to the respective Executive Committee member; however, the MCRC does not have the authority to ensure that each is closed in the required timeframe. No further action will be taken associated with this recommendation.
OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	1	We recommend the Bureau of Fiscal Operations develop or update, and implement comprehensive written policies and step by step procedures for all write-off and waiver processes, to include day to day operations, documentation and approvals, roles and responsibilities	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	2	We recommend the Bureau of Fiscal Operations develop and implement controls to ensure debt balances that can be collected are not forfeited due to automatic \$25 write-off or \$100 waiver thresholds.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	3	We recommend the Bureau of Fiscal Operations conduct training on new policies and procedures to ensure that decision making is consistent.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board Write-off and Waiver Processes were not Fully Efficient, Effective, or Adequate	19-05	2/20/2019	4	We recommend the Bureau of Fiscal Operations update Management Control Review documentation to reflect the new policies and procedures and changes in write-off and waiver processing which resulted from the migration to Financial Management Integrated System	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	

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OPEN	Fiscal Year 2018 Financial Statement Audit Letter to Management	19-06	2/20/2019	1	We recommend that the Bureau of Fiscal Operations conduct additional training or implement other control procedures to ensure the accuracy of the preparation and review of the Performance and Accountability Report, financial statements and related notes, and the closing package.	N/A	BFO	Non-Concur	Other. See related comments.	The finding and related recommendation focused on errors identified in various draft documents, which were mischaracterized as reporting errors. The draft documents reviewed during the course of the audit were concurrently flowing through the Agency's compilation, update, and review process. As such, the discrepancies identified in the various draft versions of the documents were corrected prior to publishing the Fiscal Year (FY 18) Performance and Accountability Report (PAR), therefore, there were no reporting errors.
OPEN	Fiscal Year 2018 Financial Statement Audit Letter to Management	19-06	2/20/2019	2	We recommend the Bureau of Fiscal Operations work with the Financial Management Integrated System contractor to create procedures to ensure the general ledger accounts are properly mapped to the financial statement lines in the Financial Management Integrated System (FMIS).	N/A	BFO	Non-Concur	Other. See related comments.	The finding and related recommendation focused on the submission of FY18 FMIS generated Combined Statement of Budgetary Resources (SBR) was delayed during the audit due to the issuance of Office of Management and Budget (OMB) Circular A-136, on July 30, 2018 that required significant changes to the SBR. When the Agency received the new guidance, it immediately began work with the FMIS contractor to implement the changes. Also, Agency representatives had identified mapping errors and been working with the FMIS contractor to implement the programming changes on the Consolidated Balance Sheet (BS), which delayed its submission to the OIG. The FMIS is contractor operated and maintained. The Agency has an operations and maintenance contract that includes a process to address necessary financial reporting changes. Therefore, the intent of the recommendation has already been met.
OPEN	Fiscal Year 2018 Financial Statement Audit Letter to Management	19-06	2/20/2019	3	We recommend the Bureau of Fiscal Operations work with the Financial Management Integrated System contractor to conduct periodic testing to ensure proper mapping of general ledger accounts to the financial statement lines in Financial Management Integrated System.	N/A	BFO	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-06, Recommendation No. 2.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	1	The Executive Committee should develop a comprehensive agency-wide process for maintaining, monitoring and reporting on unapplied cash to ensure that all unapplied cash items are properly identified, recorded, monitored, reconciled, investigated, and resolved.	N/A	EC	Non-Concur	Other. See related comments.	The audit report states that "unapplied cash is not material to the RRB's financial statements. . ." The agency's Executive Committee (EC) is already engaged in monitoring unapplied cash and two EC members, the Chief Financial Officer and the Director for the Office of Programs (OP), have said responsibility. A comprehensive agency-wide process, monitored by the Senior Executive Officer on behalf of the Board, is not an effective or efficient use of agency resources.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	6	The Bureau of Fiscal Operations should work with the Railroad Retirement Board's Financial Management Integrated System contracted service provider to implement Financial Management Integrated System modifications to ensure that all unapplied cash transactions (unapplied cash receipts received, carried over from prior year, and receipts disposed of (applied to debt)) are maintained going forward, for completeness and accountability.	N/A	BFO	Non-Concur	Other. See related comments.	The Agency coordinated with CGI to implement posting logic fixes in fiscal year 2018. As a result of this completed corrective effort, the intent of the recommendation had been met. The agency provided the OIG evidence of the corrective efforts (i.e. posting logic fixes) during the course of audit fieldwork. The agency considers the corrective action taken sufficient to address this recommendation.

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OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	8	The Bureau of Fiscal Operations should work with the Railroad Retirement Board's Financial Management Integrated System contracted service provider to correct Financial Management Integrated System posting logic for unapplied cash to ensure that unapplied cash transactions are properly recorded.	N/A	BFO	Non-Concur	Other. See related comments.	Corrective action was completed and evidence of such action was provided to the auditors during the course of audit fieldwork. The Agency considers the corrective action taken sufficient.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	9	The Bureau of Fiscal Operations should establish internal controls over accounting adjustments for unapplied cash to ensure that the adjustments are proper and that balances are accurate	N/A	BFO	Non-Concur	Other. See related comments.	The Agency determined that the adjustment to unapplied cash was proper and recorded appropriately in accordance with established internal control procedures.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	10	The Bureau of Fiscal Operations should develop and maintain an unapplied cash aging report to ensure proper monitoring and timely processing of unapplied cash receipts.	N/A	BFO	Non-Concur	Other. See related comments.	The FMIS system in its current capabilities met the intent of the recommendation, as such, the Agency determined that further action would not be cost effective.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	11	The Office of Programs should work with the Railroad Retirement Board's Bureau of Information Services to implement Overpayment Recovery Correspondence System modifications to ensure that unapplied cash historical files (carried over from prior years, and receipts disposed of (applied to debt) are maintained for completeness and accountability	N/A	Programs	Non-Concur	Other. See related comments.	In light and in the context of the Agency's significant re-engineering/IT modernization efforts the Agency will assess the viability of the Unapplied Cash application and future archiving capabilities and take appropriate action.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	12	The Bureau of Fiscal Operations should establish and implement unapplied cash control activities to ensure that a qualified person is assigned a key role for the overall responsibility of coordinating and overseeing all control activities for the unapplied cash process across organizations and assessable units.	N/A	BFO	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-08, Recommendation No. 1.
OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	13	The Office of Programs should work with the Bureau of Fiscal Operations to establish and implement control activities to ensure that the Overpayment Recovery Correspondence System Unapplied Cash Application is fully interfaced with the Financial Management Integrated System so that all unapplied cash transactions are properly processed and recorded in the Overpayment Recovery Correspondence System Unapplied Cash Application.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit Report No. 19-08, Recommendation No. 11.

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OPEN	Improvements Needed for the Unapplied Cash Process at the Railroad Retirement Board	19-08	5/16/2019	14	The Bureau of Fiscal Operations should establish and implement control activities to ensure that the Financial Management Integrated System is fully interfaced with the Overpayment Recovery Correspondence System Unapplied Cash Application so that all unapplied cash transactions are properly processed and recorded in the Financial Management Integrated System.	N/A	BFO	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-08, Recommendation No. 11.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	1	The Office of Programs submit a plan, within 90 days, to the Senate Committee on Homeland Security and Governmental Affairs, the House Committee on Oversight and Government Reform, and the Office of Management and Budget, describing the actions that the agency will take to become compliant.	N/A	Programs	Non-Concur	Other. See related comments. The RRB's reporting of Medicare improper payment data is redundant to Medicare improper payment reporting completed by the United States Department of Health and Human Services (HHS) and resulted in overstated improper payments at the Government-wide level. Therefore, and in agreement, with the Centers for Medicare and Medicaid Services (a component of HHS) and with notification to the Office of Management and Budget, effective with fiscal year 2019 the RRB no longer reports on Medicare improper payments in its Performance and Accountability Report (PAR). The Agency is compliant with IPERA reporting.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	2	The Office of Programs achieve a gross improper payment rate of less than 10 percent for Railroad Medicare. The Office of Programs through the Railroad Retirement Board's Specialty Medicare Administrative Contractor should continue to work with Medicare providers to communicate the documentation requirements and monitor the adherence to such requirements throughout the year.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	4	The Office of Programs obtain and maintain the applicable Railroad Medicare sampling and estimation plan agency certification. It must be a Centers for Medicare and Medicaid Services' certification, Railroad Retirement Board Chief Financial Officer's certification, or other Railroad Retirement Board program official's certification.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	5	The Office of Programs obtain the Railroad Medicare sampling and estimation plan for the fiscal year 2019 payment integrity reporting cycle.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	

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OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	6	The Office of Programs establish a written policy to ensure subsequent Railroad Medicare sampling and estimation plans are obtained and readily available for review so that a qualified statistician would be able to replicate what was done or so that Office of Management and Budget, agency Inspector General, or Government Accountability Office personnel can evaluate the design.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	7	The Office of Programs submit the Railroad Medicare sampling and estimation plan for fiscal year 2019 to the Office of Management and Budget by the June 30th deadline.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	8	The Office of Programs obtain the Office of Management and Budget approval for Railroad Medicare's overall reduction target rate.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	9	The Office of Programs and the Office of Administration work together to update the Memorandum of Understanding (MOU 3-61) to describe the applicable agency responsibilities as they pertain to Improper Payments Elimination and Recovery Act laws and Office of Management and Budget guidance for payment integrity reporting.	N/A	Programs	Non-Concur	Other. See related comments. The RRB remains committed to having the most current Memorandum of Understanding (MOU) in place with the Center for Medicare and Medicaid Services (CMS). However, the updating of the MOU requires collaboration of both CMS and the RRB and is not within the sole control of RRB.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	10	The Office of Programs include a brief narrative of the reduction in improper payments that is attributable to the Do Not Pay Initiative for Railroad Medicare and associated systems.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	11	The Office of Programs identify, publish, and provide a justification for Railroad Medicare uncollectible amounts.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	15	The Office of Programs adopt the Office of Management and Budget's recommended best practice and describe statutory or regulatory barriers in the fiscal year 2019 Performance and Accountability Report.	N/A	Programs	Non-Concur	Other. See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	

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OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	16	The Office of Programs update applicable performance appraisals with specific criteria for meeting applicable improper payment reduction targets and establish and maintain sufficient internal controls to reduce improper payments in accordance with Office of Management and Budget Circular A 136	N/A	Programs	Non-Concur	Other: See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	17	The Office of Programs develop and implement an internal control process (e.g. a checklist) to ensure all updates to Appendix C and Office of Management and Budget Circular A 136 relating to improper payments are sufficiently addressed for payment integrity reporting.	N/A	Programs	Non-Concur	The Agency has an established internal control process in place to maintain ongoing awareness of revisions to OMB Circular A-123, Appendix C and A-136. Other: See related comments.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	18	The Office of Programs work with the Centers for Medicare and Medicaid Services to meet the needs of Railroad Retirement Board's payment integrity reporting. If the Railroad Retirement Board is not able to obtain claims data that coincides with the fiscal year being reported, obtain Office of Management and Budget's approval for the delayed reporting timeframe.	N/A	Programs	Non-Concur	Other: See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	Audit of RRB's Compliance with Improper Payments Elimination and Recovery Act in Fiscal Year 2018 PAR	19-09	5/30/2019	19	The Office of Programs and the Office of Administration work together to update the Memorandum of Understanding (MOU) 3-61) dated April 12, 2013 to ensure it reflects the applicable agency responsibilities as they pertain to improper payment reporting sampling and estimation plans.	N/A	Programs	Non-Concur	Other: See related comments. See comments related to Audit Report No. 19-09, Recommendation No. 1.	
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	7	We recommend that the Office of Administration/Division of Acquisition Management obtain the signed copies of the contracting officer's representative designation letter for the identified contracts and include them in the contract files.	N/A	Administration	Non-Concur	Other: See related comments. The Federal Acquisition Regulations Subpart 1.602-2(d), RRB Basic Board Order 5, and Office of Administrative Circular No. 14 (OA-14) are silent on any requirement to obtain a countersignature from the designated Contracting Officer's Representative and maintain such in the contract file.	
OPEN	The Acquisition Management Function at the Railroad Retirement Board Was Not Fully Adequate or Effective	19-14	9/27/2019	8	We recommend that the Office of Administration/Division of Acquisition Management include obtaining the signed contracting officer's representative designation letter as part of standard checklist guidance to be included in the contract file listing required award and administration documentation, identifying if the documentation was applicable to the award, and indicating the section in which supporting documents are located.	N/A	Administration	Non-Concur	Other: See related comments. See comments to Audit Report No. 19-14, Recommendation No. 7.	

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OPEN	The RRB Disability Programs Do Not Effectively Consider Fraud Risk Indicators in the Disability Decision Process	19-16	9/27/2019	1	DP George recommended that the Office of Programs/Disability Benefits Division define definitive fraud risks within the disability programs based on a comprehensive fraud risk assessment.	N/A	Programs	Non-Concur	Other. See related comments.	The Code of Federal Regulations and established Agency policy meet the intent of the recommendation, by providing potential fraud risk indicated, best practices to for examining disability claims.
OPEN	The RRB Disability Programs Do Not Effectively Consider Fraud Risk Indicators in the Disability Decision Process	19-16	9/27/2019	2	DP George recommended that the Office of Programs/Disability Benefits Division use the fraud risks identified to establish a scoring or other process for determining those applications where a higher risk of fraud or abuse occurring exists.	N/A	Programs	Non-Concur	Other. See related comments.	The Code of Federal Regulations and established Agency policy meet the intent of the recommendation, by providing detailed guidance on the adjudication of disability claims. Additionally, the Agency requires employees including disability examiners to complete fraud awareness training regularly.
OPEN	The RRB Disability Programs Do Not Effectively Consider Fraud Risk Indicators in the Disability Decision Process	19-16	9/27/2019	3	DP George recommended that the Office of Programs/Disability Benefits Division establish additional supervisory review and documentation protocols to ensure that decisions for higher risk applications are sufficiently reviewed and consistently documented to reflect the basis for the decision.	N/A	Programs	Non-Concur	Other. See related comments.	The Agency's current process and procedures meet the intent of the recommendation by requiring all initial disability applications to be reviewed by a post examiner prior to authorization. Further, examiners must refer cases to managers for guidance where they have questions, concerns, or identify suspicious patterns that may indicate fraud potential fraud.
OPEN	The Use of Medical Experts During Disability Determinations at the Railroad Retirement Board Can Be Improved	19-17	9/27/2019	1	DP George recommended that the Office of Programs establish procedures specifying how differences in medical assessments between medical experts, including the disability claims examiner, should be documented and reviewed to ensure the basis for the final decision is clearly evident in the disability case file.	N/A	Programs	Non-Concur	Other. See related comments.	The Code of Federal Regulations (CFR) and established Agency policy meet the intent of the recommendation. The CFR explains how medical opinions are to be weighted in the determination of a disability and states that greater weight is given to opinions from treating sources. Agency procedures instruct examiners on how to view medical evidence, discuss significant differences in medical findings and how to approach residual functional capacity, and provides instructions on how to complete the final determination which describes how the examiner handled conflicting medical evidence.
OPEN	The Use of Medical Experts During Disability Determinations at the Railroad Retirement Board Can Be Improved	19-17	9/27/2019	2	DP George recommended that the Office of Programs gather details about areas where a lack of objective findings to support medical assessments are observed in medical exam reports provided by contracted medical experts, and establish a process with the contracted medical experts for discussing and improving the consistency and quality of future medical exam reports.	N/A	Programs	Non-Concur	Other. See related comments.	The Agency has an established process that meets the intent of this recommendation and complies with the Federal Acquisition Regulations.
OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	8	The Bureau of Fiscal Operations develop a process to ensure the DATA Act Certifier provides the Railroad Retirement Board's DATA Act submission and certification on or before each quarterly due date.		BFO	Concur	Not applicable. Awaiting OIG closure of recommendation.	

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	9	The Bureau of Actuary and Research ensure financial assistance awards containing personally identifiable information are reported in accordance with Office of Management and Budget Memorandum M-17-04.		BAR	Concur		
OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	10	The Bureau of Actuary and Research ensure DATA Act file assistance award preparers obtain training over the reporting of financial assistance awards containing personally identifiable information. For example, financial assistance award should be reported at the most granular level practicable while protecting personally identifiable information. The RRB and Bureau of Actuary and Research should consider the different available Record Types as described in Appendix V.		BAR	Concur		
OPEN	Audit of RRB's First Quarter of Fiscal Year 2019 DATA Act Submission	20-01	11/6/2019	11	The Bureau of Fiscal Operations develop a plan to obtain an automated interface between the RRB's benefit paying systems and the RRB's financial system that would ensure the RRB is in compliance with Office of Management and Budget Management Performance.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	1	We recommend that the Bureau of the Actuary and Research implement the recommendation of the actuarial auditor and utilize a 7 percent long term present value assumption to strengthen the accuracy of the RRB's social insurance program valuation and reporting.	N/A	BAR	Non-Concur	Other. See related comments.	The RRB disagrees with the OIG and notes that the OIG's contractor stated in the 2019 report that the RRB's "[g] actuarial assumptions are within accepted actuarial practice and are consistent with the RRB's experience. The actuarial method is in accordance with Actuarial Standards of Practice for Social Insurance Systems." The contractor's report further stated, "[i]n the extent that we have identified areas to be considered, these recommendations should be treated as professional opinions to be evaluated and considered by the Bureau of the Actuary and Research." The contractor's recommended method would overstate the surplus when actual return is less than their assumption and understate the surplus when actual return exceeds their assumption. The methodology chosen by the Bureau of Actuary and Research provides a more accurate position of a surplus than would result from adopting the OIG contractor's methodology.

OLG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments	
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	2	We recommend that the Executive Committee establish policies and procedures for ensuring agency compliance with indirect laws, regulations, and contracts.	N/A	EC	Non-Concur	Other. See related comments.	In its findings, the OIG states that "RRB management has not established effective policies and procedures for preventing agency noncompliance with indirect laws, regulations and contracts..." We disagree with this statement and have previously communicated to the OIG that compliance with laws and regulations is intertwined throughout various agency policy and procedure documents, such as our administrative circulars and others, as well as throughout the extensive documentation compiled with the Federal Manager's Financial Integrity Act of 1982 (FMFIA). The Agency's Management Control Review (MCR) program directly fulfills the requirements of FMFIA and is an example of a well-established policy and procedure to help ensure compliance with indirect laws, regulations, and contracts.	
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	3	We recommend that the Executive Committee establish policies and procedures for identifying treaties and international agreements impacting the Railroad Retirement Board or its component, the National Railroad Retirement Investment Trust.		EC	Non-Concur		In its findings, the OIG states that "RRB management has not established effective policies and procedures ... for identifying treaties and international agreements impacting the RRB or its component NRRIT." We first note that the OIG has not cited any specific instance of our failure to identify a treaty or international agreement impacting the RRB or NRRIT. Both treaties and international agreements are either entered into with the advice and consent of the Senate or reported to Congress by the State Department. Accordingly, any policies and procedures that provide for regular monitoring and reporting of actions in Congress would necessarily result in the identification of either type of agreement. As noted in the FY 2019 Financial Statement Audit, Laws and Regulations, Cycle Synopsis that was provided to the OIG, the RRB monitors for changes in laws through the Office of Legislative Affairs, which "monitors legislation and notifies RRB officials of new developments." Such monitoring specifically serves to notify the General Counsel of any treaties and/or international agreements involving and/or affecting the RRB or NRRIT. It is then within the General Counsel's regular duties to review, analyze, interpret, and provide relevant guidance relating to any law, regulation, or policy, to include treaties and international agreements, which impacts the RRB or NRRIT. We therefore find that our current policies and procedures are effective and further find it unnecessary to establish, as noted by the OIG, a "policy or procedure to obtain Department of State assurance" regarding the impact of any treaty or international agreement on the RRB or NRRIT as the OIG did not provide any explanation as to why such assurance would be necessary in light of the above.	
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2019	20-02	11/15/2019	4	We recommend that the Bureau of Fiscal Operations acquire additional staff and funding to increase the Audit and Compliance Section's coverage of railroad employer compensation reporting to ensure that a sufficient quantity of railroad audits, including Class I railroads, are conducted to establish and maintain a level of control effectiveness.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	We share the OIG's concerns and take our responsibility for ensuring the accuracy of reported Tier I and Tier II creditable service and taxable compensation very seriously. To that end, we have made significant strides to add staff resources and increase audit coverage during fiscal years 2019 and 2020. As previously reported, we retained and transitioned an existing employee into an audit role in fiscal year 2019. Additionally, in fiscal years 2019 and 2020 we were able to hire four seasoned auditors from outside of the Agency. These actions increased the audit staff from one to six. Finally, with increased staffing levels we have several audits in progress and plan to include a Class I railroad in our fiscal year 2021 audit activity.	
Total											179

Appendix 3:

**Implementation Status for Recommendations
Designated by the OIG as *Closed, Unimplemented*
(or *Closed without Implementation*)**

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Evaluation of the Railroad Retirement Board's Privacy Program	07-06	7/30/2007	4	Revise the Work-At-Home policy to ensure its consistency with the recently adopted Rules of Behavior policy.	Administration	The current Work-At-Home (WAH) policy already accomplishes the suggested recommendation. The Program includes an Agreement which each WAH participant signs and clearly states the following: Standards of Conduct "Employee agrees he or she is bound by agency standards of conduct which performing official duties at the home work site." We believe this statement covers any and all policies that the agency currently has or will have concerning employee conduct which working at home.
Closed without implementation	Railroad Medicare Services Billed with Dates of Service after the Beneficiaries' Dates of Death	10-13	9/30/2010	7	Palmetto officials should improve the controls over the annual deceased beneficiary post-payment review process to ensure the review is adequately coordinated, timely completed, sufficiently documented and readily maintained.	Administration	Recommendation directed to Palmetto officials. Palmetto mgmt. stated that in accordance with the Centers for Medicare and Medicaid Services (CMS) Internet Only Manual Publication 100-18, Section 4.27, the Benefit Integrity Unit (BIU) Investigator in coordination with its Technical Support staff will initiate a request for the annual deceased beneficiary file during February of each year. Palmetto revised its internal procedures to include coordination of the activity and added the requirement to its internal metrics report. Palmetto will compare the CMS report to previous year and to identify any billing discrepancies or fraudulent activities. Any discrepancies or other findings will be reported to Palmetto's Accounting Supervisor for payment recovery. The BIU will investigate any reported findings involving fraudulent activity.
Closed without implementation	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	1	RRB Officials should review the total costs of \$3.1 million and \$3.7 million incurred by the Customer Service Unit and Medical Review Unit during fiscal years 2008 and 2009 and determine if they are allowable.	Administration	RRB had provided an additional spreadsheet detailing invoiced costs. OIG reviewed the information and determined that part of their inquiry had been addressed and the spreadsheet supported the invoiced costs discussed in our 1/28/18 response. No further action will be taken by RRB. OIG has closed this recommendation.
Closed without implementation	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	10	RRB officials should work with Palmetto to identify the cause of the inconsistencies and initiate corrective actions.	Administration	The records in question are more than 10 years old and involve the previous, now closed, Palmetto Medicare contract. The OIG has closed this recommendation.
Closed without implementation	Audit of Controls Over Railroad Medicare Contract Costs	11-06	4/20/2011	11	RRB officials should require Palmetto to establish controls and procedures that will timely and effectively identify significant differences impacting Railroad Medicare contract performance and the integrity of claims volume, hours charged, and costs billed.	Administration	The recommendation was neither specific nor measurable and the RRB will not take any further action pursuant to this recommendation. OIG has closed this recommendation.
Closed without implementation	Management Information Report - Railroad Medicare Progress and Challenges	14-09	7/25/2014	4	Office of Programs should request that Palmetto apply CERT national error rates of comparable claim types during the medical review and benefit integrity process, to identify additional improper payments.	Programs	The Office of Programs (OP) did not concur with this recommendation; however, OP instructed Palmetto to use the National CERT report for analysis, and if applicable, incorporate those findings into their Medical Review Strategy. The OIG determined that although Programs did not concur, their planned action addresses the intent of the recommendation.
Closed without implementation	Audit of the Data Management Application Controls and Selected General Controls in the Financial Management Integrated System	14-12	9/30/2014	5	The Bureau of Fiscal Operations should request a contract modification to include the preparation and annual update of the Financial Management Integrated System Security Plan as part of the procured services and deliverables.	BFO	The agency did not issue a contract modification, but instead the agency incorporated FMIS into the agency's Financial Management System Security Plan. This action was acceptable to the OIG.

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	7	The Office of Programs should review the RRA underpayment cases again using IPERA guidance and revise the calculation of improper underpayments and its overall computation of improper payments for fiscal year 2013.	Programs	OIG Response 1/12/16: We have reviewed your responses for closure of OIG audit report 15-06 recommendations 7 and 8. These recommendations called for the recomputation of improper payments and publication of the revised improper payment data for fiscal year 2013. The legal opinion that was obtained for these recommendations was dated November 20, 2015. As a result of the date of the legal opinion, the timeframe to recompute and publish the revised improper payments amounts for fiscal year 2013 in the RRB's Fiscal Year 2015 Performance and Accountability Report (P&AR) had passed. These two recommendations will be closed without implementation.
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2014 PAR	15-06	5/15/2015	8	The Office of Programs should publish the revised RRA improper payment rate data for fiscal year 2013 in the fiscal year 2015 PAR.	Programs	See comments to Audit Report No. 15-06, Recommendation 7 above.
Closed without implementation	Fiscal Year 2015 Financial Statement Audit Letter to Management	16-04	2/2/2016	4	The Bureau of Fiscal Operations should design and implement new controls, policies, and/or procedures for the reconciliation of the statement of net cost to budget note to ensure that amounts are fully supported.	BFO	The agency is adopted the Budget and Accrual Reconciliation (BAR) note effective for the third quarter fiscal year 2018 financial statements. Pursuant to Statement of Federal Financial Accounting Standards (SFFAS) 53 promulgated by the Federal Accounting Standards Advisory Board (FASAB), the BAR is replaced the Reconciliation of Net Cost of Operations to Budget (RNCOB) note used in previous reporting periods. Therefore the recommendation was considered obsolete.
Closed without implementation	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance With Federal Requirements	16-10	8/22/2016	18	The Bureau of Fiscal Operations should conduct training to ensure the cost allocation plan is reviewed and approved by the RRB's Board members as required.	BFO	Audit Report No. 16-10, did not clearly identify the policy that supported this audit recommendation; however, in subsequent discussions the RRB learned that the OIG relied on Administrative Circular BFO-7 (BFO-7). However, BFO-7 does not apply to the cost allocation plan that RRB submits to CMS per the Interagency Agreement; therefore, the OIG close recommendation 18 without implementation.
Closed without implementation	Railroad Retirement Board Did Not Calculate Reimbursed Medicare Costs In Accordance With Federal Requirements	16-10	8/22/2016	19	The Bureau of Fiscal Operations should obtain all necessary training on the requirements of federal interagency agreements and OMB Circular A-87 in order to properly prepare and submit its Medicare cost allocation plan.	BFO	OMB Circular A-87 was superseded on December 26, 2013 by 2 Code of Federal Regulations (CFR), Part 200 (Title 2: Grants and Agreements, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards). Because OMB Circular A-87 was superseded by 2 CFR 200 prior to making the recommendations, A-87 training was not available when corrective action was taken. However, BFO obtained training on 2 CFR 200 and provided proof of attendance to the OIG. Relative to training on the requirements of federal interagency agreements, it was not practical, or cost effective, for BFO personnel to obtain training on subject matter outside the scope of normal bureau operations and mission requirements. The RRB's Acquisition Management Division guides its customers through contractual matters to include interagency agreements. As such, BFO personnel did not obtain training on the requirements of federal interagency agreements and the OIG closed the recommendation without implementation.

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	4	We recommend that the Office of Programs develop and implement "Do Not Pay" validation guidelines for the RRA program to ensure that the reported data complies with current OMB guidance.	Programs	OIG Response 9/29/17 - We reviewed your request for closure of OIG audit report 17-05 recommendations 4, 5, and 6. We agree that OMB recently revised its guidance (in August 2017) for the "Do Not Pay" portion of the program integrity (formerly IPERA) portion of the performance and accountability report. OMB's revisions (summarized on slides 52-54 of the attachment) no longer require the specific "Do Not Pay" reporting criteria that we used as the basis for our audit recommendations. These audit recommendations will be closed.
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	5	We recommend that the Office of Programs work with agency management to ensure that the internally established deadline to provide RRA program "Do Not Pay" data is set for a date that will allow data to be reported for the entire fiscal year.	Programs	See comments to Audit Report No. 17-05, Recommendation 4 above.
Closed without implementation	Audit of the RRB's Compliance with the Improper Payments Elimination and Recovery Act in the FY 2016 PAR	17-05	5/12/2017	6	We recommend that the Office of Programs develop and implement procedures to ensure that RRA program "Do Not Pay" data resulting from matches of non IPERIA databases include monetary values as required by OMB guidance.	Programs	See comments to Audit Report No. 17-05, Recommendation 4 above.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	1	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: maintaining copies of superseded policies and procedures so that changes and superseded elements can be identified and tracked so that the effective date for new and/or superseded elements in the document can be ascertained.	BFO	The BFO produced the SCCIB to provide awareness of RRB's cash and investment balances held by the Treasury, but were not required financial statements per OMB Circular A-136 or the Treasury Financial Manual. The audit results highlighted that it was not cost effective or an efficient use of government resources to continue producing and distributing the SCCIB. Therefore, the BFO no longer produces and distributes the SCCIB. The BFO provides cash information to internal RRB organizations on a case-by-case basis upon request.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	2	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: adding stipulations to the SCCIB policies and procedures covering all key elements including the IT adjustments (authorization, review and approval).	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	3	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: reviewing and/or updating the SQL codes underlying queries used to generate SCCIB data as necessary.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	4	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: reviewing and updating of USSGL accounts used in the SCCIB preparation for any changes done by Treasury.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	5	WAI recommended that RRB BFO updates its policies and procedures, so that it is comprehensive and covers all key elements in the SCCIB preparation and reporting process, including: adding description of thresholds for variances that require investigation.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	6	WAI recommended that RRB BFO ensures that the SCCIB be accompanied by adequate footnote disclosures that describe among others, the description of the general ledger accounts presented in the statements.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	7	WAI recommended that RRB BFO discloses periodic fluctuations or percentage increase or decrease during the month that are considered significant within established thresholds.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	8	WAI recommended that RRB BFO discloses the basis of accounting used in preparing the statements and a disclaimer that the SCCIBs are not cash flow statements consistent with GAAP.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	9	WAI recommended that RRB BFO discloses significant adjustments made, including the IT adjustments.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	10	WAI recommended that RRB BFO identifies, understands and defines the authoritative basis for preparing and reporting SCCIB and recommended using OMB Circular A-123, Management Responsibilities for Enterprise Risk Management and Internal Control, revised July 15, 2016, and its accompanying memo M-16-17, which states that management is "responsible for establishing and maintaining internal controls to achieve specific internal control objectives related to operations, reporting, and compliance" as a basis.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	11	WAI recommended that RRB BFO develops a specific APG to stipulate the requirements for the specific internal control reporting requirements surrounding the monthly SCCIB reporting.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	12	WAI recommended that RRB BFO identifies based on both the authoritative basis of the SCCIB, as well as inquiries of recipients on the use and reliance placed on the statements.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	13	WAI recommended that RRB BFO develop a specific APG that stipulates the user needs, the specific internal control reporting objective, and the requirement surrounding the monthly SCCIB reporting.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	14	WAI recommended that RRB BFO establish and document procedures for thresholds for variance investigation and require personnel to investigate significant variances prior to publishing SCCIB.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	15	WAI recommended that RRB BFO alternatively consider disclosing variances considered significant in the footnotes to the SCCIB if those variances could not be investigated timely before the statements are published.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.

OIG Designation	Report Title	Report No.	Report Date	Rec. No.	Recommendation	RRB Component	Justification for Decision Not to Implement	
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	16	WAI recommended that RRB BFO prepares and maintains reconciliation files that tie the transaction detail obtained from FMIS to the SCCIB, and related subsidiary ledgers, including a thorough description of any manipulations done.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.	
Closed without implementation	Audit of the Railroad Retirement Board's Statements of Changes in Cash and Investments Balances	19-13	9/27/2019	17	WAI recommended that RRB BFO after using SQL codes to split specific USSGL to various SCCIB lines, BFO should maintain readily available documentation that shows the flow of data from FMIS through the SQL splitting process and onto the SCCIB lines. That documentation may include, but not limited to, FMIS subsidiary ledgers for SCCIB lines as well as documentation on how the subsidiary ledger balances are further manipulated through SQL queries to arrive at the SCCIB balances.	BFO	See comments related to Audit Report No. 19-13, Recommendation No. 1.	
Total							32	

Appendix 4:

**Justification for Decision Not to Implement,
Public OIG Recommendations less than 12 Months,
Designated by the OIG as *Open or Closed without Implementation***

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	1	We recommend that the Bureau of Human Resources revise the Railroad Retirement Board's Work-At-Home Program policy to incorporate the telework managing officer definition, designation, roles, and responsibilities as required in the Telework Enhancement Act of 2010 and the Office of Personnel Management's Guide to Telework in the Federal Government. Once completed, obtain the Telework Managing Officer's written approval of the revised policy prior to issuance or publication.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	2	We recommend that the Bureau of Information Services update Administrative Circular Information Resources Management (IRM)-16 to ensure its accuracy and compliance with the National Institute of Standards and Technology Special Publication 800-53 Revision 4, Security and Privacy Controls for Federal Information Systems and Organizations.	FY 2022	BIS	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	3	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer develop controls to ensure telework training is completed prior to an employee entering a written telework agreement and obtain Board approval of said controls.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	4	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer develop controls to ensure supervisors complete telework training prior to managing teleworkers.	N/A	Administration	Non-Concur	Other. See related comments.	There is no requirement in either the Telework Enhancement Act or the Office of Personnel Management's (OPM) Guide to Telework in the Federal Government that requires supervisors to receive training prior to managing teleworkers.
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	5	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer develop controls to ensure written telework agreements are executed by the employee and supervisor prior to teleworking.	N/A	Administration	Non-Concur	Other. See related comments.	The RRB will continue through our policy and training, to reinforce the requirements of the Telework Enhancement Act that indicates, in part, a written agreement is executed by the employee and supervisor prior to teleworking.
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	6	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer perform an initial evaluation of the Railroad Retirement Board's telework program in accordance with the Office of Personnel Management's Guide to Telework in the Federal Government, the Government Accountability Office's Key Practices to Increasing Federal Telework, and the Railroad Retirement Board's Work-At-Home Program policy.	N/A	Administration	Non-Concur	Other. See related comments.	There is nothing in the Telework Enhancement Act that requires an Agency to evaluate the telework program. In addition, there are no OPM rules or regulations requiring program evaluation. Also the GAO information, from 2004, predates the Telework Enhancement Act of 2010. RRB revised our policy (draft as of April 2020) to clarify evaluation efforts for telework.

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	7	We recommend that the Bureau of Human Resources, in coordination with the Telework Managing Officer update the Railroad Retirement Board's Work-At-Home Program policy to include clear and specific requirements for evaluation of the telework program, both for the individual teleworker and for the Railroad Retirement Board as a whole, including frequency, documentation, and reporting requirements.	N/A	Administration	Non-Concur	Other. See related comments.	See comments to Audit Report No. 20-05, Recommendation No. 6.
OPEN	Railroad Retirement Board's Telework Program Needs Improvement	20-05	4/24/2020	8	We recommend that the Bureau of Human Resources in coordination with the Telework Managing Officer develop procedures to be included in the Railroad Retirement Board's Work-At-Home Program policy for collecting data, maintaining records, and reporting accurate telework data to the Office of Personnel Management.	FY 2021	Administration	Concur	Not applicable. Implementation is in progress.	
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	1	We recommend that the Office of Programs create and submit proposals to Office of Management and Budget during their next budget submission that will bring the agency into compliance. If the Director of Office of Management and Budget determines that additional funding would help the agency become compliant, the agency should obligate an amount of additional funding determined by the Director of Office of Management and Budget to intensify compliance efforts.	N/A	Programs	Non-Concur	Other. See related comments.	Through consultation between CMS and the RRB's General Counsel, we agree that CMS is responsible for reporting the Medicare (FFS) improper payment rate as determined through the CERT program. CMS and RRB agree that Medicare FFS should be treated as one program and the Medicare FFS program improper payment rate will continue to be reported in HHS's AFR.
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	2	We recommend that the Office of Programs update the corrective action plan that was published in the Railroad Retirement Board's fiscal year 2018 Performance and Accountability Report to reduce Railroad Medicare improper payments and publish it in the Railroad Retirement Board's fiscal year 2020 Performance and Accountability Report.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit 20-6, Recommendation 1.
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	3	We recommend that the Office of Programs publish Railroad Medicare overpayment recapture data in the Railroad Retirement Board's fiscal year 2020 Performance and Accountability Report.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit 20-6, Recommendation 1.
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	4	We recommend that the Bureau of Fiscal Operations perform a reconciliation of Railroad Retirement Act overpayments recapture source data to the Financial Management Integrated System when preparing the payment recapture data worksheet to ensure accurate information is published in the Railroad Retirement Board's Performance and Accountability Report's payment integrity section.	FY 2022	BFO	Concur	Not applicable. Implementation is in progress.	

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Audit of Railroad Retirement Board's Compliance with Improper Payments Reporting in the Fiscal Year 2019 PAR	20-06	5/12/2020	5	We recommend that the Office of Programs resume payment integrity reporting in the Railroad Retirement Board's performance and accountability report, as required by applicable improper payment laws, until official approval from Office of Management and Budget is obtained and updated governing documents between the Railroad Retirement Board and the Department of Health and Human Services have been signed to reflect the extended enterprise relationship between the two agencies.	N/A	Programs	Non-Concur	Other. See related comments.	See comments related to Audit 20-6, Recommendation 1.
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	1	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by designing, implementing, and maintaining a comprehensive Medicare premium penalty rate calculation worksheet addressing each enrollment and health plan coverage option, including disability enrollment, for use by headquarters and field office staff to document the preparation and review of penalty rates of 10 percent or greater.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	2	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by establishing a procedure to capture and maintain claims examiner decisions and explanations including relevant supporting documentation and screen prints with each penalty rate calculation worksheet to enable timely recollection and understanding of the penalty rate decision and calculation.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	3	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by establishing a procedure to track and/or log the notification of penalty and other beneficiary communication, and record the follow-up efforts made when a response to agency requests for employment and/or health plan coverage verification have not been received or are in error, where the penalty exceeds the established threshold.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	4	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by reevaluating the claims examiner staffing resources needed for the current Medicare premium penalty workload.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why No Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	5	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by evaluating the impact of planned system modernization efforts to determine if greater automation or other improvements can be made to the penalty rate calculation process.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	6	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by updating the RL-331, Notice of Change in Health Insurance Election to include a penalty calculation summary that explains how and why the penalty rate was calculated and includes the applicable calculation decision elements, such as the dates of employment, GHP coverage period, SBI Income Related Monthly Adjustment Amount, birthdate, retirement date, penalty period start and end dates, and the total monthly premium to enable the beneficiary to understand the reason for the penalty decision and how it was calculated, along with instruction on how to inquire when the beneficiary identifies a possible error.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	7	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by establishing a penalty and refund review process to include both the standard form worksheet and USTAR tracking. The worksheet and supporting calculation and documentation should be reviewed, authorized, and dated by a second claims examiner and/or supervisor (if over 100 percent) on the worksheet, and tracked within USTAR. The review authorization should attest to the accuracy and completeness of the penalty or refund calculation, electronic filing of supporting documents, and beneficiary notification and confirmation.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
OPEN	Controls over Medicare Premium Penalties and Refunds Can Be Improved	20-07	6/4/2020	8	We recommend that the Office of Programs strengthen its controls over the penalty calculation process and the accuracy of supporting data by strengthening the management control review process over Medicare premium penalty and refund authorizations by determining the reasons for the undetected errors identified during the audit and modifying the review process as needed to improve the detection and reporting of similar future errors.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	

OIG Status	Report Title	Report No.	Report date	Rec. No.	Recommendation	Timeline for Full Implementation	RRB Component	RRB Concur or Non-concur	Explanation why Final Action or Action Not Recommended Has Been Taken	Comments
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2020	21-01	11/16/2020	1	We recommend that the Bureau of the Actuary and Research use the Railroad Retirement Board's actual rate of return on combined assets for adjustment period calculations rather than the estimated Thrift Savings Plan rates of return, as the secondary default where the actuarial contractor's recommended assumed rate of return will not be used.	N/A	Actuary	Non-Concur	Other. See related comments.	The Actuary non-concurred with this recommendation believes the actuarial consultants' method to be technically flawed. The incorrect computations produced by the consultants' method do not provide reliable estimates and should not be relied upon by Congress, rail labor, or rail management. The fundamental difference between RRB's method and the consultants' method lies in the interest rate used to calculate the surplus position. Additionally, the OIG's consultants' report itself stated that RRB's "[a]ctuarial assumptions are within the accepted actuarial practice and are consistent with the RRB's Experience." The consultants' report further stated that "[t]he [RRB's] actuarial method is in accordance with Actuarial Standards of Practice for Social Insurance Systems."
OPEN	Report on the Railroad Retirement Board's Financial Statements Fiscal Year 2020	21-01	11/16/2020	2	We recommend that the Office of Programs acquire additional staffing and resources for its quality assurance reviews to ensure timely completion of its compliance determinations during each fiscal year, in accordance with financial statement audit requirements.	FY 2022	Programs	Concur	Not applicable. Implementation is in progress.	
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