



VIA ELECTRONIC MAIL

June 11, 2020

The Honorable Rob Portman
Chairman, Subcommittee on Social Security, Pensions, and Family Policy
United States Senate
448 Russell Senate Office Bldg.
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member, Committee on Banking, Housing & Urban Affairs
United States Senate
503 Hart Senate Office Bldg.
Washington, DC 20510

Re: Sequestration of Railroad Unemployment Insurance Act Benefits

Dear Senators,

On behalf of the Teamsters Rail Conference and the Transportation Trades Department, AFL–CIO, we applaud the House and the Senate for addressing the needs of railroad workers by making much needed changes to Railroad Unemployment Insurance Act (RUIA) coverage in the CARES Act.

Unlike the average U.S. worker, railroad employees do not receive unemployment benefits through state-administered unemployment insurance programs. Instead, unemployed railroaders receive these benefits through the RUIA program, which is administered by the United States Railroad Retirement Board (RRB). As a result of the Budget Control Act of 2011, RUIA are subject to sequestration. No state unemployment insurance benefits in the country are subject to this unfair treatment.

RUIA benefits are wholly funded by the railroads, and no taxpayer dollars are included in the RUIA Trust Fund. With zero taxpayer dollars going into the trust fund, elimination of the sequestration requirement has no effect whatsoever on either the National Deficit or the U.S. Budget.

At the present time, RUIA unemployment benefits are being sequestered at the rate of 5.9%, as are RUIA sickness benefits. In the past, these rates have been adjusted annually when the federal

The Hon. Rob Portman
The Hon. Sherrod Brown

(2)

June 11, 2020

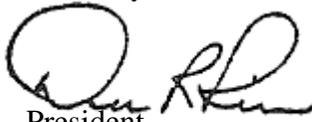
sequestration is recalculated. Our members have seen their benefits sequestered as high as 9.2% in the past. The requirement to recalculate expires in 2021 and, as a result, the rate for FY2021 has been established by the Office of Management and Budget (OMB) at 5.7%; this will be the rate for the remaining years of sequester. At the present time, sequestration has been extended through FY2030 pursuant to the CARES Act.

In these uncertain times, our members who are either laid-off or sick deserve the same fair treatment as all other workers across the country, who receive 100% of the unemployment benefits to which they are entitled by law. For these reasons, it is critical that the sequestration of RUIA be rescinded.

Rescission of the sequestration of RUIA benefits requires amending the Balanced Budget and Emergency Deficit Control Act of 1985 to include this program among the other various accounts and programs that are not subject to sequestration. We respectfully request that you jointly co-sponsor language consistent with the HEROES Act (H.R. 6800) regarding the Railroad Unemployment Insurance Act and sequestration. In this regard, we point out that the RRB made this same request in its FY2021 Budget Submission.¹

Thank you for your time and attention to this matter. As always, we are ready to help you support our efforts, or to answer any questions you may have.

Sincerely,



President
Teamsters Rail Conference



President
Transportation Trades Department, AFL-CIO

¹ See Railroad Retirement Board Fiscal Year 2021 Budget Submission at 73.