



UNITED STATES OF AMERICA  
RAILROAD RETIREMENT BOARD  
844 NORTH RUSH STREET  
CHICAGO, ILLINOIS 60611-2092

GENERAL COUNSEL

This is in response to your recent inquiry wherein you expressed concern about the content of news stories suggesting that a possible merger between a rail labor union and the Teamsters might endanger the railroad retirement system. The news stories have suggested that the merger, if it were to occur, might make railroad retirement trust funds available to fund benefits under the Teamsters' pension program. It would not be appropriate for the Railroad Retirement Board to become involved in internal railroad labor matters, however, it should be understood that the railroad retirement system is a creature of Federal law and any change in the system or in the use of trust funds that pay for benefits under the railroad retirement system would require an amendment to the Railroad Retirement Act.

Benefits payable under the Railroad Retirement Act are Federal entitlements and benefits may be paid only to persons enumerated in the statute (railroad industry employees and their families). Moreover, funds in the railroad retirement trust funds may only be used to pay benefits specified in the Act and to meet administrative expenses of the Railroad Retirement Board and National Railroad Retirement Investment Trust.

A merger between any rail labor union and the Teamsters would not make railroad retirement funds available for payment of benefits under the Teamsters' pension plan. Historically, changes to the Railroad Retirement Act have been based on joint recommendations of rail labor and rail carriers. Rail labor and rail management have worked hard over the years to ensure that the railroad retirement system is financially sound. Moreover, Congress has required that changes in the Railroad Retirement Act be adequately funded. Given the history of the railroad retirement system and the close oversight of any amendments to the Railroad Retirement Act, any change in the system that would jeopardize the current and future payment of benefits under the Act must be seen as extremely unlikely.

I hope that the above information is of assistance to you in understanding the railroad retirement system and the benefits provided by the Railroad Retirement Act.

  
Sincerely,

Steven A.  
Bartholow  
General Counsel