



RRB News

U.S. Railroad Retirement Board

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Railroad Retirement Benefits to See Significant Rise in 2023

Most railroad retirement annuities, like social security benefits, will increase in January 2023 due to a rise in the Consumer Price Index (CPI) from the third quarter of 2021 to the corresponding period of the current year.

Cost-of-living increases are calculated in both the tier I and tier II portion of a railroad retirement annuity. Tier I benefits, like social security benefits, will increase by 8.7 percent, which is the percentage of the CPI rise. This is the largest increase since 1981, when it was 11.2 percent.

Tier II benefits will go up by 2.8 percent, which is 32.5 percent of the CPI increase. Vested dual benefit payments and supplemental annuities also paid by the Railroad Retirement Board (RRB) are not adjusted for the CPI change.

In January 2023, the average regular railroad retirement employee annuity will increase \$215 a month to \$3,344 and the average of combined benefits for an employee and spouse will increase \$304 a month to \$4,838. For those aged widow(er)s eligible for an increase, the average annuity will increase \$120 a month to \$1,691.

Widow(er)s whose annuities are being paid under the Railroad Retirement and Survivors' Improvement Act of 2001 will not receive annual cost-of-living adjustments until their annuity amount is exceeded by the amount that would have been paid under prior law, counting all interim cost-of-living increases otherwise payable. Some 49 percent of the widow(er)s on the RRB's rolls are being paid under the 2001 law.

If a railroad retirement or survivor annuitant also receives a social security or other government benefit, such as a public service pension, any cost-of-living increase in that benefit will offset the increased tier I benefit. However, tier II cost-of-living increases are not reduced by increases in other government benefits. If a widow(er) whose annuity is being paid under the 2001

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law is also entitled to an increased government benefit, her or his railroad retirement survivor annuity may decrease.

In late December the RRB will mail notices to all annuitants providing a breakdown of the annuity rates payable to them in January 2023.

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