

Guide for Railroad Local Unions

Deducting, Paying, and Reporting Railroad Retirement Taxes

IBEW Railroad Department - March 2009

As a Railroad Local Union, if you pay salaries to your officers and employees and/or reimburse them for lost time, then you are required to withhold and pay Railroad Retirement taxes on them (this applies to all monthly salaries \$25 or more). The following is a brief guide for you to use when withholding, paying, and reporting these taxes. Much of the information in this guide is provided directly by the Railroad Retirement Board and can be found in their publication "Railroad Retirement Board Secretary Treasurer's Workshop." You may obtain a complete copy of this guide by contacting their Quality Reporting Service Center at 312-751-7190 and requesting a copy be sent to your Local Union.

We hope you find this guide helpful. If you have any questions pertaining to the information contained herein, please feel free to contact the IBEW Railroad Department for assistance at 202-728-6016, or via email at Bill_Bohne@IBEW.org. Additionally, you can also access information about Railroad Retirement taxes at the Railroad Retirement Board (RRB) website at www.rrb.gov. All forms mentioned in this guide may be found at the RRB website or the IRS website, www.irs.gov.

Deducting, Paying, and Reporting Railroad Retirement Taxes Synopsis

Deduction and Payment of Taxes

1. Railroad Retirement taxes and Medicare tax must be deducted from all salaries and lost time payments you make to Local Union officers and employees that are \$25 per month or more.
2. The Railroad Retirement withholding tax rates and the Medicare tax rate can be found in this guide as RRB form G-34 (page 7).
3. These taxes must be deducted when you pay your officers and employees and must be paid to the IRS on a monthly basis, due no later than the 15th of the month following the month in which the salaries were paid (see the OE-1a instructions for more information on this - pages 1 through 6). We are aware that all local bylaws provide for monthly salaries; however some locals only pay their officers quarterly for a 3 month period. As such, payment of the Railroad Retirement taxes should then be paid to the IRS no later than the 15th of the month following payment to the officers.
4. Payment of the Railroad Retirement taxes to the IRS may be done either with a "Federal Tax Deposit Coupon" (form 8109 - page 8) at your bank, or electronically or telephonically. To obtain these coupons, contact the IRS at 800-829-4933. You may also contact the IRS for additional information on electronic and telephonic payments. Your local must have a Federal Employer Identification Number (EIN) to make these payments (this number is the same as your Federal Tax Identification Number (TIN). If you don't have an EIN, you can call the above number to obtain one.
5. The Federal Tax Deposit Coupons come preprinted with your Local Union Number, address, and EIN. When filling this form out for the deposit of Railroad Retirement Taxes, you need to first fill in the amount of the deposit at the top of the form, and then in the box on the right fill in the space next to CT-1. As to the boxes labeled "1st Quarter through 4th Quarter," fill in the space corresponding to the appropriate quarter of the year, i.e. January, February or March - 1st Quarter, April, May or June - 2nd Quarter, and so forth.

Form OE-1a — Reporting Taxes to the IO

6. At the end of each quarter, and no later than the 30th of the month following the end of a quarter, you must file an **OE-1a form** (pages 26 and 27) with IBEW International Secretary-Treasurer at the International Office. Regardless of whether or not you pay your officers on a monthly or quarterly basis, the figures on this form must be input to reflect the monthly salaries, monthly lost time payments, and monthly taxes. This is important so that your officers actually receive credit from the Railroad Retirement Board for each month they render service to the union.

7. Instructions for filling out this form can be found in this guide (pages 1 to 6). There are two ways you can fill out this form. You can fill it out manually, in which case a blank form specifically for IBEW locals is attached for you to copy and use. However, the simplest way to complete this form is to use the "IBEW OE-1a Electronic Form." Once we send you this form via email, you can download it on to your computer and save it as a file. Then when you need to complete an OE-1a just pull it up and fill in the required fields. First fill in all boxes at the top of the form. Then fill in the compensation and tax amount fields on page 1. The "total" fields at the bottom of this page will self-populate when you fill in the amounts above. These "totals" then self-populate to their respective places on page 2. Also on page 2 are the corresponding "tax rates." Once the figures from page 1 populate to page 2, the calculations will automatically be done for you. It is pertinent to remember that, in addition to the employees' Railroad Retirement withholding taxes, the Local Union (employer) is also responsible for its own portion of taxes (rates also found on form G-34). Once you do this electronically and save it as a file on your computer, i.e. OE-1a 1st qtr. 2009, all you have to do for the next quarter is to open up your original form, input the new dates and figures, and do a "Save As" and save your 2nd quarter form, i.e. OE-1a 2nd qtr. 2009. The easiest way to use this form is to fill it out on a monthly basis when doing your payroll, and when you do your payroll for the 3rd month of the quarter your form will be complete. All you will need to do is print it and mail it to the International Office.

CT-1 Form — Reporting Taxes to the IRS

8. This is the last step in the Railroad Retirement tax process. A blank copy of this CT-1 Internal Revenue Service (IRS) form and instructions for filing it with the IRS are also attached for your ready use (pages 28 to 31). This form must be filled out and mailed to the IRS no later than February 28th following the year reporting for. Please mail the form to the following address:

Department of the Treasury
Internal Revenue Service Center
Cincinnati, OH 45999-0007

9. If your CT-1 calculation shows a "Balance Due" on line 15, then you must make an additional payment to the IRS in accordance with the instructions provided.
10. For additional copies of the form or for more detailed instructions, you may visit the IRS website at www.irs.gov. Once there, type in CT-1 in the search box and you will be able to access the necessary information.

Notes

1. Local Unions whose Railroad Retirement tax liability is less than \$2,500 per year may pay their Railroad Retirement Tax payments to the IRS on a yearly basis when filing the CT-1 form. OE-1a forms must still be filed with the International Office on a quarterly basis. However, due to the uncertainty of what your tax liability may be over the course of a year because of lost time, we believe it is wise to simply pay these taxes on a monthly basis:
2. Remember, if you have questions about specific Railroad Retirement tax and reporting issues, you may contact the Railroad Retirement Board Quality Reporting Service Center at 312-751-7190.
3. For questions specific to CT-1, you may contact IRS CT-1 Specialist Rose Kincaid at 859-669-2134.
4. A guide covering Federal income taxes will be prepared for distribution in the near future.

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INSTRUCTIONS for FORM OE-1A
U.S. RAILROAD RETIREMENT BOARD
Revised 2002



The following instructions are to assist system subordinate units in reporting creditable service and compensation and taxable earnings to the National Secretary-Treasurer or National Reporting Officer of your labor organization and in reporting and paying retirement taxes and unemployment contributions.

Form OE-1A is used to report creditable compensation and service for local units of national rail labor organizations covered under the Railroad Retirement Act (RRA). Local lodges, divisions, unions, and federations, along with district councils, should report only employees who were previously in an employment relation to a railroad carrier and whose earnings were \$25.00 or more per month.

Form OE-1A should be sent to your National Secretary-Treasurer or National Reporting Officer within 15 days after the end of the period covered by the report. ***DO NOT SEND FORM OE-1A TO THE RAILROAD RETIREMENT BOARD (RRB) OR TO THE INTERNAL REVENUE SERVICE (IRS).***

WHERE TO GO FOR ADDITIONAL INFORMATION

- For additional forms or questions about these instructions contact your national organization or contact a Compensation Reporting Specialist at the Railroad Retirement Board's Quality Reporting Service Center at (312) 751-4992 or e-mail at qrsc@rrb.gov.
- For questions about tax deposits, call the CT-1 Specialist at the IRS at (913) 345-5622.

Prepared by the Quality Reporting Service Center

A. INSTRUCTIONS FOR COMPLETING ITEMS 1-12

1. Name of your national organization.
2. Page number and the total number of pages included in this report. Example: Page 1 of 2.
3. Name and/or number of your reporting unit.
4. RRB code assigned to your type of unit. To obtain your unit code, contact your national organization.
5. Appropriate month or quarter and year. Example: Jan 2002 or 1st Q 2002.
6. Employee's last name followed by initials of first and middle names. Also, enter employee's nine-digit social security number.
7. Gross earnings and Tier I Medicare earnings both consist of all taxable compensation. Include only amounts earned for service to your unit.
8. Employee Medicare tax withheld from the employee's earnings. Instructions for calculating withholding amounts are in Part B of these instructions.
9. Tier I creditable retirement compensation.
10. Tier I taxes withheld from the employee's earnings.
11. Tier II creditable retirement compensation.
12. Tier II taxes withheld from the employee's earnings.

Sign and date the form. The box entitled "Date Received by NRO" is for use by the national organization.

RAIL LABOR LOCAL UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION								
1. Name of National Organization Workers United				2. Page <u>1</u> of <u>1</u> Pages		See Instructions On Separate Page		
3. Payroll Report of Reporting Unit (Name and/or Number) Local 100			4. RRB Unit No. 9999	5. For Month or Quarter Ending 1st Quarter 2002				
Compensation Should Not Be Reported In Excess of Applicable Yearly Maximums-				Tier I Maximum \$84,900		Tier II Maximum \$63,000		
6. EMPLOYEE IDENTIFICATION	7. Month of Qtr	8. Gross Earnings and Tier I Medicare Earnings	9. Employee Medicare Tax Withheld	10. Tier I Earnings	11. Tier I Employee Tax Withheld	12. Tier II Earnings	13. Tier II Employee Tax Withheld	
Name CARL CARMAN	1	50.00	.73	50.00	3.10	50.00	2.45	
	2	50.00	.73	50.00	3.10	50.00	2.45	
SSA Number 999-99-9999	3	40.00	.58	40.00	2.48	40.00	1.96	
Name ED ENGINEER	1	480.00	6.96	480.00	29.76	480.00	23.52	
	2	512.00	7.42	512.00	31.74	512.00	25.09	
SSA Number 888-88-8888	3	512.00	7.42	512.00	31.74	512.00	25.09	
Name DICK DISPATCHER	1	60.00	.87	60.00	3.72	60.00	2.94	
	2	60.00	.87	60.00	3.72	60.00	2.94	
SSA Number 777-77-7777	3	60.00	.87	60.00	3.72	60.00	2.94	
Name TOM TRAINMAN	1	25.00	.36	25.00	1.55	25.00	1.23	
	2	25.00	.36	25.00	1.55	25.00	1.23	
SSA Number 666-66-6666	3	25.00	.36	25.00	1.55	25.00	1.23	
Name	1							
	2							
SSA Number	3							
Name	1							
	2							
SSA Number	3							
Totals		1,899.00	27.53	1,899.00	117.73	1,899.00	93.07	
CAUTION: Railroad retirement (C1-1) taxes must be deposited in a Federal depository as directed by the Internal Revenue Service. Please read Form C1-1 Instructions for the proper depositing procedures. The frequency of your tax deposits is NOT determined by the completion of Form OE-1a. Deposits may be required more or less often.								
Name/Title PAM PAYROLL		Address CHICAGO, IL		Telephone Number (312) 555-5555		Date Completed 02/19/02		Date Received by NRO
ACCOUNTANT								

B. INSTRUCTIONS FOR CALCULATING WITHHOLDING AMOUNTS

In October of each year, the RRB sends to each National Reporting Officer or National Secretary-Treasurer, notices of the earnings maximums and the Tier I, Tier II, and Medicare tax rates for the following year.

Enter the annual compensation maximums in the corresponding boxes on the OE-1a. Compensation should not be taxed or reported in excess of the annual compensation maximums.

Tier I taxes are not assessed on earnings above the Tier I annual maximum limit and Tier II taxes are not assessed on earnings above the Tier II annual maximum limit. There is no compensation maximum for Medicare tax.

The employee pays three payroll taxes, Tier I, Tier II, and Medicare tax. The employee and employer tax rates are the same for Tier I and Medicare, but are different for Tier II. To calculate withholding, multiply the taxable earnings by:

1. The employee Tier I tax rate to obtain the Tier I tax;
2. The employee Tier II tax rate to obtain the Tier II tax; and
3. The Medicare tax rate to obtain the Medicare tax.

Following is the calculation of Carl Carman's withholding from **Section A**.

MEDICARE TAX WITHHOLDING	TIER I TAX WITHHOLDING	TIER II TAX WITHHOLDING
\$ 50.00	\$ 50.00	\$ 50.00
x .0145	x .062	x .049
<u> </u>	<u> </u>	<u> </u>
\$ 0.73	\$ 3.10	\$ 2.45

C. INSTRUCTIONS FOR USE OF FORM OE-1a IN COMPLETING FORM CT-1

Form CT-1 is the IRS form used to report railroad retirement taxes. Form CT-1 is filed annually for taxes imposed on earnings paid in a calendar year. If all employees' cumulative earnings are less than the Tier II maximum, the cumulative gross earnings will also be the cumulative Tier I and cumulative Tier II earnings.

Enter the cumulative earnings totals and withholding totals in the appropriate spaces in the **TAX CALCULATION WORKSHEET** on the back of Form OE-1a. The cumulative totals are the sums of the totals from all Forms OE-1a filed in the year. Enter the tax rates in Items A, B, and C on the worksheet and multiply by the earnings. The items from the **TAX CALCULATION WORKSHEET** are in the same order and directly correspond to items on Form CT-1. Transcribe the amounts from the worksheet to Form CT-1 using the "CT-1 references" column on the worksheet as a guide.

The cumulative yearly totals in the following example are four times the quarterly totals from **Section A**.

FORM OE-1a TAX CALCULATION WORKSHEET

TAX CALCULATION		CT-1 REFERENCES
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.		
A. $\frac{\$7,596.00}{\text{Column 9 Total}} \times \frac{.062}{\text{Tier I Employer Tax Rate}}$	\$ 470.95	Tier I Employer Tax
B. $\frac{\$7,596.00}{\text{Column 7 Total}} \times \frac{.0145}{\text{Medicare Tax Rate}}$	\$ 110.14	Employer Medicare Tax
C. $\frac{\$7,596.00}{\text{Column 11 Total}} \times \frac{.156}{\text{Tier II Employer Tax Rate}}$	\$ 1,184.98	Tier II Employer Tax
D. Column 10 Total	\$ 470.92	Tier I Employee Tax
E. Column 8 Total	\$ 110.12	Employee Medicare Tax
F. Column 12 Total	\$ 372.28	Tier II Employee Tax
G. Sum columns A through F CT-1 Railroad Retirement Tax Liability for period.	\$ 2,719.39	Total Railroad Retirement Taxes

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

D. INSTRUCTIONS FOR USE OF FORM OE-1a IN DETERMINING TAX LIABILITY

CT-1 taxes are paid monthly with two exceptions, 1) your tax liability is more than \$50,000, in which case taxes are paid more often than monthly, or 2) your tax liability is less than \$2,500, in which case taxes may be paid annually. Deposits are made with a Federal Reserve Bank using Form 8109, Federal Tax Deposit Coupon or electronically using RRBLINK. Contact the IRS for Form 8109 and deposit information.

The frequency, monthly or quarterly, for filing Form OE-1a is determined by your national organization. If you file Form OE-1a monthly, the form can be used to calculate your monthly tax liability by completing Items A through G on the **TAX CALCULATION WORKSHEET** that is on the back of Form OE-1a. If you file Form OE-1a quarterly, the form will not have the monthly totals needed to determine monthly tax liability. If you develop the monthly earnings and withholding totals, you can enter the monthly totals in the **TAX CALCULATION WORKSHEET** to calculate the monthly tax liability.

If all employees' earnings are less than the Tier II maximum, another option for determining monthly tax liability is to multiply the monthly gross earnings by the combined tax rate. The combined tax rate is the sum of the six tax rates: Employee and Employer-Medicare rates, Tier I rates, and Tier II rates. For example, the sum of the six tax rates for 2002 is 35.8%. Multiply the monthly 2002 gross earnings by .358 to obtain the monthly 2002 CT-1 tax liability. However, the tax rates are subject to change annually. (See Section B of these instructions).

The following example demonstrates the calculation of CT-1 tax liability for March 2002 using data from **Section A**. The totals in Items A through G were developed from the figures shown for the third month of the first quarter.

FORM OE-1a TAX CALCULATION WORKSHEET

TAX CALCULATION		CT-1 REFERENCES
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.		
A. $\frac{\$637.00}{\text{Column 9 Total}} \times \frac{.062}{\text{Tier I Employer Tax Rate}}$	\$ 39.49	Tier I Employer Tax
B. $\frac{\$637.00}{\text{Column 7 Total}} \times \frac{.0145}{\text{Medicare Tax Rate}}$	\$ 9.24	Employer Medicare Tax
C. $\frac{\$637.00}{\text{Column 11 Total}} \times \frac{.156}{\text{Tier II Employer Tax Rate}}$	\$ 99.37	Tier II Employer Tax
D. Column 10 Total	\$ 39.49	Tier I Employee Tax
E. Column 8 Total	\$ 9.23	Employee Medicare Tax
F. Column 12 Total	\$ 31.22	Tier II Employee Tax
G. Sum columns A through F CT-1 Railroad Retirement Tax Liability for period.	\$ 228.04	Total Railroad Retirement Taxes

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

Railroad Retirement Board Reminders for 2009

2009 Tier I Earnings Base and Tax Rate

\$106,800.00 - Annual Maximum
6.20% - Employee and Employer Tax Rate
\$6,621.60 - Maximum Employee and Employer Tax

2009 Tier II Earnings Base and Tax Rates

\$79,200.00 - Annual Maximum
3.90% - Employee Tax Rate
\$3,088.80 - Maximum Employee Tax
12.10% - Employer Tax Rate
\$9,583.20 - Maximum Employer Tax

2009 Medicare Hospital Insurance Earnings Base and Tax Rate

Annual Maximum - No Limit
1.45% - Employee and Employer Tax Rate

Total Tier I, Tier II, & Medicare Hospital Insurance Maximum Tax Based on Earnings of \$106,800.00

Employees - \$11,259.00
Employers - \$17,753.40
(Additional Taxes are 1.45% of Earnings in Excess of \$106,800.00)

Amount Needed for Quarter of Social Security Coverage

\$1,090.00 in 2009 (Up to 4)

2009 Employer RUIA Tax Rate

2.15% - 12% On First \$1,330.00 Per Month

Employee RUIA 2008 Qualifying Earnings

\$3,200.00 - For Benefit Year 2009 (Beginning July 1, 2009)

RUIA Daily Benefit Rate

\$64.00 - For Benefit Year 2009 (Beginning July 1, 2009)

Work Deduction Exempt Amounts

- Full Retirement Age (FRA)
(for months prior to FRA in calendar Year)
Annual - \$37,680.00
Monthly - \$3,140.00
(\$1.00 Deduction for Each \$3.00 of Excess Earnings)
- Under FRA Annual - \$14,160.00 Monthly - \$1,180.00
(\$1.00 Deduction for Each \$2.00 of Excess Earnings)

Basic Medicare Premium

\$96.40

Cost-Of-Living Increase, December 2008

Tier I – 5.8%
Tier II – 1.9%



TAX YEAR MONTH

Box for entering tax year and month.

AMOUNT OF DEPOSIT (Do NOT type, please print.)

DOLLARS

CENTS

Grid for entering the amount of deposit in dollars and cents.

EMPLOYER IDENTIFICATION NUMBER

Grid for entering the employer identification number.

Box for BANK NAME/DATE STAMP.

Name _____
Address _____
City _____
State _____ ZIP _____

IRS USE ONLY

Darken only one TYPE OF TAX		Darken only one TAX PERIOD
<input type="checkbox"/> 941	<input type="checkbox"/> 945	<input type="checkbox"/> 1st Quarter
<input type="checkbox"/> 990-C	<input type="checkbox"/> 1120	<input type="checkbox"/> 2nd Quarter
<input type="checkbox"/> 943	<input type="checkbox"/> 990-T	<input type="checkbox"/> 3rd Quarter
<input type="checkbox"/> 720	<input type="checkbox"/> 990-PF	<input type="checkbox"/> 4th Quarter
<input type="checkbox"/> CT-1	<input type="checkbox"/> 1042	
<input type="checkbox"/> 940		

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Telephone number () _____

FOR BANK USE IN MICR ENCODING

Federal Tax Deposit Coupon
Form 8109-B (Rev. 10-96)

Tax Questions?

IRS Website: www.irs.ustreas.gov

CT-1 Specialist

Rose Kincaid

1-859-669-2134

Year _____

Task Sheet for Monthly Tax Payers

Due Date	Task	Date Completed	Notes
January 15th	December Railroad Retirement Tax and Federal Income Tax payments due.		
January 31st	<ol style="list-style-type: none"> 1. Final day to mail W-2's to employees. 2. 4th quarter OE-1/1a due. Mail to International Union Office. 3. 4th quarter 941 due, if applicable. Mail to IRS. 		
February 15th	January Railroad Retirement Tax and Federal Income Tax payments due.		
February 28th	<ol style="list-style-type: none"> 1. CT-1 due, mail to IRS Service Center, Kansas City, MO 64999. 2. W-2's and W-3 due, mail to Social Security Administration, Data Operations Center, 1150 E. Mountain Drive, Wilkes-Barre, PA 18769-0001. 		
March 15th	February Railroad Retirement Tax and Federal Income Tax payments due.		
April 15th	March Railroad Retirement Tax and Federal Income Tax payments due.		
April 30th	<ol style="list-style-type: none"> 1. 1st quarter OE-1/1a due. Mail to International Union Office. 2. 1st quarter 941 due, if applicable. Mail to IRS. 		
May 15th	April Railroad Retirement Tax and Federal Income Tax payments due.		
June 15th	May Railroad Retirement Tax and Federal Income Tax payments due.		
July 15th	June Railroad Retirement Tax and Federal Income Tax payments due.		
July 31st	<ol style="list-style-type: none"> 1. 2nd quarter OE-1/1a due. Mail to International Union Office. 2. 2nd quarter 941 due, if applicable. Mail to IRS. 		

Due Date	Task	Date Completed	Notes
August 15th	July Railroad Retirement Tax and Federal Income Tax payments due.		
September 15th	August Railroad Retirement Tax and Federal Income Tax payments due.		
October 15th	September Railroad Retirement Tax and Federal Income Tax payments due.		
October 31st	1. 3 rd quarter OE-1/1a due. Mail to International Union Office. 2. 3 rd quarter 941 due, if applicable. Mail to IRS.		
November 15th	October Railroad Retirement Tax and Federal Income Tax payments due.		
December 15th	November Railroad Retirement Tax and Federal Income Tax payments due.		
December 31st	Obtain W-2's, W-3 and CT-1 if you have not received the forms.		

*** Please note if the due date is on the weekend or holiday, mail paperwork before the due date.**

Oops...

Making Corrections

What Needs to be Corrected?

The reports, payments, and/or deposits that will require correction, depend on whether the error resulted in erroneous reports, payments, and/or deposits.

How to Make Corrections

If the error was in:

Correct using form:

payment to an employee	next salary payment or special payment
tax deposit	next deposit
Form OE-1/1a	Form OE-1/1a marked 'adjustment' or whatever corrective action your National Reporting Officer or General Secretary-Treasurer prescribes.
Form CT-1	Amended CT-1 for error year, with an explanation, and if adjustment results in a decrease in tax, Form 843; <i>or</i> adjustment on CT-1 for current year with an explanation, both within 3 years
Forms W-2/W-3	Forms W-2C/W-3C, within 3 years
Form DC-1	Line 2 or 4 of next DC-1, with an explanation

Form CT-1 Corrections

Form CT-1 errors may be handled in two ways, an amended CT-1 for the error year, or an adjustment on CT-1 for current year. The choice is yours. The main difference is how the taxes will be handled as described below. To file an amended Form CT-1, you must obtain a form for the appropriate year. You cannot use a current-year form and write in a different year.

Amended CT-1, tax increased

Include your payment with the amended return and attach an explanation. Liability is incurred from the date you determined the error. Payment must be received according to your deposit schedule from that date.

Amended CT-1, tax decreased

File Form 843 to claim the credit and attach an explanation.

Adjustment included on current CT-1, tax increased

Include the payment for the adjustment in your next deposit. Include an explanation with your CT-1. Show the increased liability for the month the error was determined on Part II (back) of Form CT-1, or on Form 945A for semi-weekly depositors.

Adjustment included on current CT-1, tax decreased

Adjust your next deposit for the tax credit. Include an explanation with your CT-1. Show the decreased liability for the month the error was determined on Part II (back) of Form CT-1, or on Form 945A for semi-weekly depositors.

About the CT-1 Explanation

The explanation should explain what is being corrected, the year being corrected, the corrected compensation and applicable tax rates, and the date the error was determined. The error was determined when you had sufficient knowledge to report it. Also include the name and SSN for each employee for whom tax was over or under collected and how the withholding error was settled.

Form DC-1 Corrections

Corrections based on compensation adjustments are filed on line 2 of Form DC-1 for the same quarter the BA-4 adjustment was filed. Corrections to prior-year contributions that do not relate to compensation adjustments are filed on line 4.

Payment Error

An error in the amount of pay to an employee should require only a corrected payment because any reports would correctly reflect the payments as made. Payroll taxes are due based on the date of the payment, not when the pay was earned. If a correction to a pay error includes payment of interest to the employee, the interest is not creditable or taxable compensation.

Preventing Errors is the Goal

You are responsible for ensuring that the data on your reports is correct. Errors which are caught before the report is filed, are much easier to correct.

Helpful Hints

and common errors to avoid in tax and compensation reports

Form OE-1/1a, Rail Labor Report of Creditable Service and Compensation

- ▶ Make sure you are using the correct compensation maximums and tax rates. The supplemental work-hour tax may change quarterly.
- ▶ Make sure that Tier II compensation does not exceed Tier I for any employee.

Form CT-1, Employer's Annual Railroad Retirement Tax Return

- ▶ If you change S-T's mid-year, or for any reason are unsure of what has been deposited, call the IRS CT-1 Specialist and request a transcript of your deposits.
- ▶ Prior-year adjustments reported on current Form CT-1,
 - ▣ must also be reflected in the liability shown either in Part II (back of CT-1) or on Form 945A; and
 - ▣ must include a detailed explanation, including the date the error was determined, on a separate sheet.
- ▶ The sum of the gross compensation reported on OE-1a (line 8 total) should equal the amount on line 24 of your LM-3.
- ▶ Never cash a refund check from the IRS unless you know what it is for and agree with the amount. Otherwise, call the CT-1 Specialist at IRS for advice.
- ▶ Never mail a check with a current-year Form CT-1 unless your total liability for the year is less than \$1000. All other payments must be made by deposit to a Federal Reserve Bank.
- ▶ If you lack the funds to make a tax deposit, you still must timely file Form CT-1 and/or Form DC-1. There are separate penalties for failure to file and failure to deposit.

Form DC-1, Employer's Quarterly Report of Contributions under RUIA

- ▶ Make sure you update your RUIA earnings base at the beginning of each year.
- ▶ Adjustment to contributions, which are based on **adjustment to earnings**, should be made in the same quarter as the OE-1 earnings adjustment.
- ▶ The total RUIA compensation (Item 8 total) on Form OE-1 should equal the RUIA compensation reported in Item 1c on Form DC-1 for the same quarter.

Local 123

Employee	Earnings
1) Alice Adams SSN# 111-22-3333	\$400/month
2) Bob Bunn SSN# 222-33-4444	\$550/month
3) Carl Carter SSN# 333-44-5555	\$100/month in first three quarters; \$100 (Oct); \$200 (Nov); \$300 (Dec)
4) Diane Davis SSN# 444-55-6666	\$200/month in first three quarters; \$200 (Oct); \$250 (Nov); \$200 (Dec)

RAIL LABOR LOCAL UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION

1. Name of National Organization		2. Page <u>1</u> of <u> </u> Pages		See Instructions On Separate page
3. Payroll Report of Reporting Unit (Name and/or Number) <u>123</u>		4. RRB Unit No. <u>8999</u>	5. For Month or Quarter Ending <u>MARCH 20<u>05</u></u>	

COMPENSATION SHOULD NOT BE REPORTED IN EXCESS OF APPLICABLE YEARLY MAXIMUMS-- Tier I Maximum \$ 90,000 Tier II Maximum \$ 66,900

6. EMPLOYEE IDENTIFICATION	Month of Quarter	7. Gross Earnings and Tier I Medicare Earnings	8. Employee Medicare Tax Withheld	9. Tier I Retirement Earnings	10. Tier I Employee Tax Withheld	11. Tier II Earnings	12. Tier II Employee Tax Withheld
Name <u>ALICE ANDREWS</u> SSA Number <u>111-22-3333</u>	1	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
	2	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
	3	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
Name <u>Bob BUNN</u> SSA Number <u>222-33-4444</u>	1	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
	2	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
	3	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
Name <u>Carl Carter</u> SSA Number <u>333-44-5555</u>	1	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
	2	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
	3	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
Name <u>DANE DAVIS</u> SSA Number <u>444-55-6666</u>	1	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
	2	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
	3	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
Name SSA Number	1						
	2						
	3						
Name SSA Number	1						
	2						
	3						
Totals --		<u>3750.00</u>	<u>54.39</u>	<u>3750.00</u>	<u>232.50</u>	<u>3750.00</u>	<u>165.00</u>

CAUTION: Railroad retirement (CT-1) taxes must be deposited in a Federal depository as directed by the Internal Revenue Service. Please read Form CT-1 instructions for the proper depositing procedures. The frequency of your tax deposits is NOT determined by the completion of Form OE-1a. Deposits may be required more or less often.

Name/Title <u>Carl Carter</u> <u>Secretary/Treasurer</u>	Address <u>123 MAIN ROAD</u> <u>Solidarity, Wisc 11111</u>	Telephone Number <u>(999)234.5678</u>	Date Completed <u>4/15/05</u>	Date Received by NRO
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FORM OE-1a TAX CALCULATION WORKSHEET

TAX CALCULATION-I		CT-1 REFERENCES	
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.			
A.	$\frac{3750}{\text{Column 9 Total}} \times \frac{6.2\%}{\text{Tier I Employer Tax Rate}}$	\$ 232.50	Tier I Employer Tax
B.	$\frac{3750}{\text{Column 7 Total}} \times \frac{1.45\%}{\text{Medicare Tax Rate}}$	\$ 54.38	Employer Medicare Tax
C.	$\frac{3750}{\text{Column 11 Total}} \times \frac{12.60\%}{\text{Tier II Employer Tax Rate}}$	\$ 472.50	Tier II Employer Tax
D.	Column 10 Total	\$ 232.50	Tier I Employee Tax
E.	Column 8 Total	\$ 54.39	Employee Medicare Tax
F.	Column 12 Total	\$ 165.00	Tier II Employee Tax
G.	Sum columns A through F. CT-1 Railroad Retirement Tax Liability for period.	\$ 1,211.27	Total Railroad Retirement Taxes

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

PHOTOCOPY FOR YOUR RECORDS

RAIL LABOR LOCAL UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION

1. Name of National Organization	2. Page <u>1</u> of <u>1</u> Pages	See Instructions On Separate page
3. Payroll Report of Reporting Unit (Name and/or Number) <u>123</u>	4. RRB Unit No. <u>8999</u>	

COMPENSATION SHOULD NOT BE REPORTED IN EXCESS OF APPLICABLE YEARLY MAXIMUMS→				Tier I Maximum \$	Tier II Maximum \$		
6. EMPLOYEE IDENTIFICATION	Month of Quarter	7. Gross Earnings and Tier I Medicare Earnings	8. Employee Medicare Tax Withheld	9. Tier I Retirement Earnings	10. Tier I Employee Tax Withheld	11. Tier II Earnings	12. Tier II Employee Tax Withheld
Name <u>Alice Andrews</u> SSA Number <u>111-22-3333</u>	1	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
	2	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
	3	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
Name <u>Bob BUNIV</u> SSA Number <u>222-33-4444</u>	1	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
	2	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
	3	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
Name <u>Carl Carter</u> SSA Number <u>333-44-5555</u>	1	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
	2	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
	3	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
Name <u>Diane Davis</u> SSA Number <u>444-55-6666</u>	1	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
	2	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
	3	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
Name SSA Number	1						
	2						
	3						
Name SSA Number	1						
	2						
	3						
Totals →		<u>3750.00</u>	<u>54.39.</u>	<u>3750.00</u>	<u>232.50</u>	<u>3750.00</u>	<u>165.00</u>

CAUTION: Railroad retirement (CT-1) taxes must be deposited in a Federal depository as directed by the Internal Revenue Service. Please read Form CT-1 instructions for the proper depositing procedures. The frequency of your tax deposits is NOT determined by the completion of Form OE-1a. Deposits may be required more or less often.

Name/Title <u>Carl Carter</u> <u>Secretary/Treasurer</u>	Address <u>123 MAIN ROAD</u> <u>Solidarity, Wise 11111</u>	Telephone Number <u>(999) 234-5678</u>	Date Completed <u>7/15/05</u>	Date Received by NRO
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FORM OE-1a TAX CALCULATION WORKSHEET

TAX CALCULATION-I		CT-1 REFERENCES	
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.			
A.	$\frac{3750}{\text{Column 9 Total}} \times \frac{6.2\%}{\text{Tier I Employer Tax Rate}}$	\$ 232.50	Tier I Employer Tax
B.	$\frac{3750}{\text{Column 7 Total}} \times \frac{1.45\%}{\text{Medicare Tax Rate}}$	\$ 54.38	Employer Medicare Tax
C.	$\frac{3750}{\text{Column 11 Total}} \times \frac{12.60\%}{\text{Tier II Employer Tax Rate}}$	\$ 472.50	Tier II Employer Tax
D.	Column 10 Total	\$ 232.50	Tier I Employee Tax
E.	Column 8 Total	\$ 54.39	Employee Medicare Tax
F.	Column 12 Total	\$ 165.00	Tier II Employee Tax
G.	Sum columns A through F. CT-1 Railroad Retirement Tax Liability for period.	\$ 1,211.27	Total Railroad Retirement Taxes

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

PHOTOCOPY FOR YOUR RECORDS

RAIL LABOR LOCAL UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION

1. Name of National Organization	2. Page <u>1</u> of <u>1</u> Pages	See Instructions On Separate page
3. Payroll Report of Reporting Unit (Name and/or Number) <u>123</u>	4. RRB Unit No. <u>8999</u>	

COMPENSATION SHOULD NOT BE REPORTED IN EXCESS OF APPLICABLE YEARLY MAXIMUMS→ Tier I Maximum \$ 90,000 Tier II Maximum \$ 66,900

6. EMPLOYEE IDENTIFICATION	Month of Quarter	7. Gross Earnings and Tier I Medicare Earnings	8. Employee Medicare Tax Withheld	9. Tier I Retirement Earnings	10. Tier I Employee Tax Withheld	11. Tier II Earnings	12. Tier II Employee Tax Withheld
Name <u>Alice Andrews</u> SSA Number <u>111-22-3333</u>	1	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
	2	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
	3	<u>400</u>	<u>5.80</u>	<u>400</u>	<u>24.80</u>	<u>400</u>	<u>17.60</u>
Name <u>Bob Bunn</u> SSA Number <u>222-33-4444</u>	1	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
	2	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
	3	<u>550</u>	<u>7.98</u>	<u>550</u>	<u>34.10</u>	<u>550</u>	<u>24.20</u>
Name <u>Carl Carter</u> SSA Number <u>333-44-5555</u>	1	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
	2	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
	3	<u>100</u>	<u>1.45</u>	<u>100</u>	<u>6.20</u>	<u>100</u>	<u>4.40</u>
Name <u>Diane Davis</u> SSA Number <u>444-55-6666</u>	1	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
	2	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
	3	<u>200</u>	<u>2.90</u>	<u>200</u>	<u>12.40</u>	<u>200</u>	<u>8.80</u>
Name SSA Number	1						
	2						
	3						
Name SSA Number	1						
	2						
	3						
Totals →		<u>3750.00</u>	<u>54.39</u>	<u>3750.00</u>	<u>232.50</u>	<u>3750</u>	<u>165.00</u>

CAUTION: Railroad retirement (CT-1) taxes must be deposited in a Federal depository as directed by the Internal Revenue Service. Please read Form CT-1 instructions for the proper depositing procedures. The frequency of your tax deposits is NOT determined by the completion of Form OE-1a. Deposits may be required more or less often.

Name/Title <u>Carl Carter</u> <u>Secretary/Treasurer</u>	Address <u>123 MAIN RD</u> <u>Solidarity, Wisc 11111</u>	Telephone Number <u>(999)234-5678</u>	Date Completed <u>10/15/05</u>	Date Received by NRO
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FORM OE-1a TAX CALCULATION WORKSHEET

TAX CALCULATION-I		CT-1 REFERENCES
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.		
A. $\frac{3750}{\text{Column 9 Total}} \times \frac{6.290}{\text{Tier I Employer Tax Rate}}$	\$ 232.50	Tier I Employer Tax
B. $\frac{3750}{\text{Column 7 Total}} \times \frac{1.4590}{\text{Medicare Tax Rate}}$	\$ 54.38	Employer Medicare Tax
C. $\frac{3750}{\text{Column 11 Total}} \times \frac{12.6090}{\text{Tier II Employer Tax Rate}}$	\$ 472.50	Tier II Employer Tax
D. Column 10 Total	\$ 232.50	Tier I Employee Tax
E. Column 8 Total	\$ 54.39	Employee Medicare Tax
F. Column 12 Total	\$ 165.00	Tier II Employee Tax
G. Sum columns A through F. CT-1 Railroad Retirement Tax Liability for period.	\$ 1211.27	Total Railroad Retirement Taxes

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

PHOTOCOPY FOR YOUR RECORDS

RAIL LABOR LOCAL UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION

1. Name of National Organization				2. Page <u>1</u> of <u>1</u> Pages		See Instructions On Separate page	
3. Payroll Report of Reporting Unit (Name and/or Number) <p style="text-align: center; font-size: 1.2em;">123</p>			4. RRB Unit No. <p style="text-align: center; font-size: 1.2em;">8999</p>	5. For Month or Quarter Ending <p style="text-align: center; font-size: 1.2em;">Dec 20 <u>05</u></p>			

COM.PENSATION SHOULD NOT BE REPORTED IN EXCESS OF APPLICABLE YEARLY MAXIMUMS--				Tier I Maximum \$ <u>90,000</u>		Tier II Maximum \$ <u>66,900</u>	
6. EMPLOYEE IDENTIFICATION	Month of Quarter	7. Gross Earnings and Tier I Medicare Earnings	8. Employee Medicare Tax Withheld	9. Tier I Retirement Earnings	10. Tier I Employee Tax Withheld	11. Tier II Earnings	12. Tier II Employee Tax Withheld
Name <u>Alice Andrews</u> SSA Number <u>111-22-3333</u>	1	400	5.80	400	24.80	400	17.60
	2	400	5.80	400	24.80	400	17.60
	3	400	5.80	400	24.80	400	17.60
Name <u>Bob BUNN</u> SSA Number <u>222-33-4444</u>	1	550	7.98	550	34.10	550	24.20
	2	550	7.98	550	34.10	550	24.20
	3	550	7.98	550	34.10	550	24.20
Name <u>Carl Carter</u> SSA Number <u>333-44-5555</u>	1	100	1.45	100	6.20	100	4.40
	2	200	2.90	200	12.40	200	8.80
	3	300	4.35	300	18.60	300	13.20
Name <u>Diane Davis</u> SSA Number <u>444-55-6666</u>	1	200	2.90	200	12.40	200	8.80
	2	250	3.63	250	15.50	250	11.00
	3	200	2.90	200	12.40	200	8.80
Name SSA Number	1						
	2						
	3						
Name SSA Number	1						
	2						
	3						
Totals --		4100	59.47	4100	254.20	4100	180.40

CAUTION: Railroad retirement (CT-1) taxes must be deposited in a Federal depository as directed by the Internal Revenue Service. Please read Form CT-1 instructions for the proper depositing procedures. The frequency of your tax deposits is NOT determined by the completion of Form OE-1a. Deposits may be required more or less often.

Name/Title <u>Carl Carter</u> <u>Secretary / Treasurer</u>	Address <u>123 Main Road</u> <u>Solidarity, Wisc 11111</u>	Telephone Number <u>(999) 234-5678</u>	Date Completed <u>11/15/05</u>	Date Received by NRO
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FORM OE-1a TAX CALCULATION WORKSHEET

TAX CALCULATION-I		CT-1 REFERENCES	
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.			
A.	$\frac{4100}{\text{Column 9 Total}} \times \frac{6.2\%}{\text{Tier I Employer Tax Rate}}$	\$ 254.20	Tier I Employer Tax
B.	$\frac{4100}{\text{Column 7 Total}} \times \frac{1.45\%}{\text{Medicare Tax Rate}}$	\$ 59.45	Employer Medicare Tax
C.	$\frac{4100}{\text{Column 11 Total}} \times \frac{12.60\%}{\text{Tier II Employer Tax Rate}}$	\$ 516.60	Tier II Employer Tax
D.	Column 10 Total	\$ 254.20	Tier I Employee Tax
E.	Column 8 Total	\$ 59.47	Employee Medicare Tax
F.	Column 12 Total	\$ 180.40	Tier II Employee Tax
G.	Sum columns A through F. CT-1 Railroad Retirement Tax Liability for period.	\$ 1,324.32	Total Railroad Retirement Taxes

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

PHOTOCOPY FOR YOUR RECORDS

Employer's Annual Railroad Retirement Tax Return

2005

Department of the Treasury
Internal Revenue Service

▶ See the separate instructions.

Name _____ Employer identification number (EIN) _____

Address (number and street) **123 MAIN St.** RRB number _____

City, state, and ZIP code **Solidarity, Wisc 11111** Calendar year **2005**

Please type or print.

If final return, check here.

Part I Railroad Retirement Taxes. On lines 1–10 below, enter the amount of compensation for each tax. Then, multiply it by the rate shown and enter the tax.

	Compensation	Rate	Tax
1 Tier I Employer Tax—Compensation (other than tips and sick pay) paid in 2005	\$ <u>15,350</u>	× 6.2% =	1 <u>951.70</u>
2 Tier I Employer Medicare Tax—Compensation (other than tips and sick pay) paid in 2005	\$ <u>15,350</u>	× 1.45% =	2 <u>222.58</u>
3 Tier II Employer Tax—Compensation (other than tips) paid in 2005	\$ <u>15,350</u>	× 12.6% =	3 <u>1,934.10</u>
4 Tier I Employee Tax—Compensation (other than sick pay) paid in 2005	\$ <u>15,350</u>	× 6.2% =	4 <u>951.70</u>
5 Tier I Employee Medicare Tax—Compensation (other than sick pay) paid in 2005 (for tips, see instructions)	\$ <u>15,350</u>	× 1.45% =	5 <u>222.58</u>
6 Tier II Employee Tax—Compensation (for tips, see instructions) paid in 2005	\$ <u>15,350</u>	× 4.4% =	6 <u>675.40</u>
7 Tier I Employer Tax—Sick pay paid in 2005	\$ _____	× 6.2% =	7 _____
8 Tier I Employer Medicare Tax—Sick pay paid in 2005	\$ _____	× 1.45% =	8 _____
9 Tier I Employee Tax—Sick pay paid in 2005	\$ _____	× 6.2% =	9 _____
10 Tier I Employee Medicare Tax—Sick pay paid in 2005	\$ _____	× 1.45% =	10 _____
11 Total tax based on compensation (add lines 1 through 10)			11 <u>4,958.06</u>
12 Adjustments to employer and employee railroad retirement taxes based on compensation. See the instructions for line 12 and attach required statements. Sick Pay \$ _____ ± Fractions of Cents \$ <u>07</u> ± Other \$ _____ =			12 <u>.07</u>
13 Total railroad retirement taxes based on compensation (line 11 adjusted by line 12) . . . ▶			13 <u>4,958.13</u>
14 Total railroad retirement tax deposits (from your records) for the year, including overpayment applied from the prior year.			14 <u>4,958.13</u>
15 Balance due (subtract line 14 from line 13). Pay to the "United States Treasury" (see instructions)			15 <u>4,958.13</u>

16 Overpayment. If line 14 is more than line 13, enter overpayment here ▶ \$ _____ and check if you want it: Applied to next return or Refunded.

- All filers: If line 13 is less than \$2,500, do not complete Part II or Form 945-A.
- Semiweekly schedule depositors: Complete Form 945-A and see the Part II instructions on page 2.
- Monthly schedule depositors: Complete Part II on page 2.

Third-Party Designee Do you want to allow another person to discuss this return with the IRS (see the instructions)? Yes. Complete the following. No.

Designee's name ▶ _____ Phone no. ▶ () _____ Personal identification number (PIN) ▶ _____

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature ▶ Carl Carter Print Your Name and Title ▶ CARL CARTER Secretary/Treasurer Date ▶ 1-15-06

Part II Record of Railroad Retirement Tax Liability

Complete the *Monthly Summary of Railroad Retirement Tax Liability* below only if you were a **monthly** schedule depositor for the entire year. Enter your Tier I and Tier II tax liability on the lines provided for each month.

If you were a **semiweekly** schedule depositor during any part of the year or you accumulated **\$100,000** or more on any day during a deposit period, you **must** complete Form 945-A, Annual Record of Federal Tax Liability. **Do not** complete the monthly summary below.

On Form 945-A for each payday, enter the sum of your employee and employer Tier I and Tier II taxes on the appropriate line.

Your total tax liability for the year (line **V** below or line M on Form 945-A) should equal your total taxes for the year (line 13, Form CT-1). Otherwise, you may be charged a penalty for not making deposits of taxes.

Note. See the instructions for the deposit rules for railroad retirement taxes.

Monthly Summary of Railroad Retirement Tax Liability				
Complete if Part I, line 13, is \$2,500 or more and you were a monthly schedule depositor.				
Date compensation paid:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
First month of quarter:	January	April	July	October
Tier I and Tier II taxes I First month liability ▶	403.76	403.76	403.76	403.76
Second month of quarter:	February	May	August	November
Tier I and Tier II taxes II Second month liability ▶	403.76	403.76	403.76	452.22
Third month of quarter:	March	June	September	December
Tier I and Tier II taxes III Third month liability ▶	* 403.75	403.75	403.75	* 468.34
IV Total for quarter, add lines I, II, and III.	1211.27	1211.27	1211.27	1324.32
V Total railroad retirement tax liability for the year. This should equal Part I, line 13 ▶				4958.13

* Rounding off for \$.01

RAIL LABOR LOCAL UNIT REPORT OF CREDITABLE SERVICE MONTHS AND COMPENSATION

1. Name of National Organization	2. Page ____ of ____ Pages	<i>See Instructions On Separate Page</i>
3. Payroll Report of Reporting Unit (Name and/or Number)	4. RRB Unit No.	

COMPENSATION SHOULD NOT BE REPORTED IN EXCESS OF APPLICABLE YEARLY MAXIMUMS	Tier I Maximum \$	Tier II Maximum \$
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6. EMPLOYEE IDENTIFICATION	Month of Qtr.	7. Gross Earnings and Tier I Medicare Earnings	8. Employee Medicare Tax Withheld	9. Tier I Earnings	10. Tier I Employee Tax Withheld	11. Tier II Earnings	12. Tier II Employee Tax Withheld
Name	1						
	2						
	3						
SSA Number							
Name	1						
	2						
	3						
SSA Number							
Name	1						
	2						
	3						
SSA Number							
Name	1						
	2						
	3						
SSA Number							
Name	1						
	2						
	3						
SSA Number							
	Totals-						

CAUTION: Railroad retirement (CT-1) taxes must be deposited in a Federal depository as directed by the Internal Revenue Service. Please read Form CT-1 Instructions for the proper depositing procedures. The frequency of your tax deposits is NOT determined by the completion of Form OE-1a. Deposits may be required more or less often.

Name/Title< "....."	Address< "....."	Telephone< "G/o chr"	Date Completed<	Date Received by NRO<
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FORM OE-1a TAX CALCULATION WORKSHEET

TAX CALCULATION		CT-1 REFERENCES
To be used for completing Form CT-1 and in determining tax liability when cumulative earnings exceed the Tier II maximum for any employee.		
A. _____ Column 9 Total x Tier I Employer Tax Rate	\$	Tier I Employer Tax
B. _____ Column 7 Total x Medicare Tax Rate	\$	Employer Medicare Tax
C. _____ Column 11 Total x Tier II Employer Tax Rate	\$	Tier II Employer Tax
D. Column 10 Total	\$	Tier I Employee Tax
E. Column 8 Total	\$	Employee Medicare Tax
F. Column 12 Total	\$	Tier II Employee Tax
G. Sum columns A through F. CT-1 Railroad Retirement Tax Liability for period.	\$	Total Railroad Retirement Taxes

The amounts in Item A should equal Item D and amounts in Item B should equal Item E. The items may differ a few cents due to rounding of partial cents.

"
"
"

PHOTOCOPY FOR YOUR RECORDS

Form OE-1a (01-02)

Employer's Annual Railroad Retirement Tax Return

OMB No. 1545-0001

2008

▶ See the separate instructions.

Please type or print. ▶

Name _____ Employer identification number (EIN) _____
 Address (number and street) _____ RRB number _____
 City, state, and ZIP code _____ Calendar year _____

If final return, check here. ▶

Part I Railroad Retirement Taxes. On lines 1–10 below, enter the amount of compensation for each tax. Then, multiply it by the rate shown and enter the tax.

	Compensation	Rate	Tax
1 Tier I Employer Tax—Compensation (other than tips and sick pay) paid in 2008 \$ _____ × 6.2% =			1
2 Tier I Employer Medicare Tax—Compensation (other than tips and sick pay) paid in 2008 \$ _____ × 1.45% =			2
3 Tier II Employer Tax—Compensation (other than tips) paid in 2008 \$ _____ × 12.1% =			3
4 Tier I Employee Tax—Compensation (other than sick pay) paid in 2008 \$ _____ × 6.2% =			4
5 Tier I Employee Medicare Tax—Compensation (other than sick pay) paid in 2008 (for tips, see instructions) \$ _____ × 1.45% =			5
6 Tier II Employee Tax—Compensation (for tips, see instructions) paid in 2008 \$ _____ × 3.9% =			6
7 Tier I Employer Tax—Sick pay paid in 2008 \$ _____ × 6.2% =			7
8 Tier I Employer Medicare Tax—Sick pay paid in 2008 \$ _____ × 1.45% =			8
9 Tier I Employee Tax—Sick pay paid in 2008 \$ _____ × 6.2% =			9
10 Tier I Employee Medicare Tax—Sick pay paid in 2008 \$ _____ × 1.45% =			10
11 Total tax based on compensation (add lines 1 through 10)			11
12 Adjustments to employer and employee railroad retirement taxes based on compensation. See the instructions for line 12 and attach required statements. Sick Pay \$ _____ ± Fractions of Cents \$ _____ ± Other \$ _____ =			12
13 Total railroad retirement taxes based on compensation (line 11 adjusted by line 12) . ▶			13
14 Total railroad retirement tax deposits (from your records) for the year, including overpayment applied from a prior year			14
15 Balance due (subtract line 14 from line 13). Pay to the "United States Treasury" (see instructions) .			15

16 **Overpayment.** If line 14 is more than line 13, enter overpayment here ▶ \$ _____ and check if you want it:
 Applied to next return or Refunded.

- **All filers:** If line 13 is less than \$2,500, **do not** complete *Part II* or Form 945-A.
- **Semiweekly schedule depositors:** Complete Form 945-A and see the *Part II instructions* on page 2.
- **Monthly schedule depositors:** Complete *Part II* on page 2.

Third-Party Designee Do you want to allow another person to discuss this return with the IRS (see the instructions)? Yes. Complete the following. No.

Designee's name ▶ _____ Phone no. ▶ () _____ Personal identification number (PIN) ▶ _____

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature ▶ _____ Print Your Name and Title ▶ _____ Date ▶ _____

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed Preparer's SSN or PTIN _____
 Firm's name (or yours if self-employed), address, and ZIP code ▶ _____ EIN _____
 Phone no. () _____

Part II Record of Railroad Retirement Tax Liability

Complete the *Monthly Summary of Railroad Retirement Tax Liability* below only if you were a **monthly** schedule depositor for the entire year. Enter your Tier I and Tier II tax liability on the lines provided for each month.

If you were a **semiweekly** schedule depositor during any part of the year or you accumulated **\$100,000** or more on any day during a deposit period, you **must** complete Form 945-A, Annual Record of Federal Tax Liability. **Do not** complete the monthly summary below.

On Form 945-A for each payday, enter the sum of your employee and employer Tier I and Tier II taxes on the appropriate line.

Your total tax liability for the year (line **V** below or line M on Form 945-A) should equal your total taxes for the year (line 13, Form CT-1). Otherwise, you may be charged a failure-to-deposit penalty.

Note. See the instructions for the deposit rules for railroad retirement taxes.

Monthly Summary of Railroad Retirement Tax Liability

Complete if *Part I*, line 13, is \$2,500 or more and you were a monthly schedule depositor.

Date compensation paid:	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
First month of quarter:	January	April	July	October
Tier I and Tier II taxes I First month liability ►				
Second month of quarter:	February	May	August	November
Tier I and Tier II taxes II Second month liability ►				
Third month of quarter:	March	June	September	December
Tier I and Tier II taxes III Third month liability ►				
IV Total for quarter, add lines I, II, and III.				
V Total railroad retirement tax liability for the year. This should equal <i>Part I</i> , line 13 ►				

Form CT-1(V), Payment Voucher

Purpose of Form

Complete Form CT-1(V), Payment Voucher, if you are making a payment with Form CT-1, Employer's Annual Railroad Retirement Tax Return. We will use the completed Form CT-1(V) to credit your payment more promptly and accurately, and to improve our service to you.

If you have your return prepared by a third party and a payment is required with that return, provide Form CT-1(V) to the return preparer.

Making Payments With Form CT-1

To avoid a penalty, make a payment with Form CT-1 **only if** one of the following applies.

- Your total railroad retirement taxes for the year (line 13 on Form CT-1) are less than \$2,500 and you are paying in full with a timely filed return or
- You are a monthly schedule depositor making a payment in accordance with the Accuracy of Deposits Rule. See page 4 of the separate instructions for details. This amount may be \$2,500 or more.

Otherwise, you must deposit the amount at an authorized financial institution or by electronic funds transfer. **Do not** use Form CT-1(V) to make federal tax deposits. See *How To Make Deposits* on page 4 of the separate instructions.

Caution. Use Form CT-1(V) when paying any amount with Form CT-1. However, if you pay an amount with Form CT-1 that should have been deposited, you may be subject to a penalty. See *Penalties and Interest* on page 5 of the separate instructions.

Specific Instructions

Box 1—Employer identification number (EIN). Use the **same** EIN that you entered on Form CT-1. If you do not have an EIN, you may apply for one online. Go to the IRS website at www.irs.gov/businesses/small and click on the "Employer ID Numbers (EINs)" link. You may also apply for an EIN by calling 1-800-829-4933, or you can fax or mail Form SS-4, Application for Employer Identification Number, to the IRS.

Box 2—Amount paid. Enter the amount paid with Form CT-1.

Box 3—Name and address. Enter your business name and address as shown on Form CT-1.

- Enclose your check or money order made payable to the "United States Treasury." Be sure to enter your EIN, "Form CT-1," and the tax period on your check or money order. Do not send cash. Do not staple Form CT-1(V) or your payment to Form CT-1 or to each other.

- Detach Form CT-1(V) and send it with your payment and Form CT-1 to the address in the Instructions for Form CT-1.

▼ **Detach Here and Mail With Your Payment and Form CT-1.** ▼

Form CT-1(V)

Department of the Treasury
Internal Revenue Service (77)

Payment Voucher

OMB No. 1545-0001

2008

► Use this voucher when making a payment with Form CT-1.

1 Enter your employer identification number (EIN)	2 Enter the amount of your payment. ►	Dollars	Cents
	3 Enter your business name.		
	Enter your address.		
	Enter your city, state, and ZIP code.		

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. Section 6109 requires taxpayers and paid preparers to provide their identifying numbers.

The time needed to complete and file Form CT-1 will vary depending on individual circumstances. The estimated average time is:

Recordkeeping, Part I, 10 hr., 31 min.; Part II, 4 hr., 4 min.; **Learning about the law or the form**, Part I, 2 hr., 1 min.; **Preparing, copying, assembling, and sending the form to the IRS**, Part I, 4 hr., 39 min.; Part II, 4 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making Form CT-1 simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **Do not** send Form CT-1 to this address. Instead, see *Where To File* on page 2 of the Instructions for Form CT-1.