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RAILROAD RETIREMENT LEGISLATION

by Francisco Bayo

On October 16, 1974, the Congress overrode the Presidential veto of H.R. 15301 (The Railroad Retirement Act of 1974), a bill to restructure the railroad retirement system which was based on proposals made jointly by railroad management and labor. H.R. 15301 (now P.L. 93-445) embodies some far reaching changes which are mainly directed toward relieving the difficult financial situation of the railroad retirement system.

The principal issue in the legislation involved so-called "dual benefit" cases—i.e., cases where railroad retirement annuitants also qualify for social security benefits (which are generally in the lower, heavily-weighted range of the formula due to their relatively short coverage under social security). Under the financial interchange between the railroad retirement and social security system, established when the systems were partially coordinated in 1951, the weighting in the social security benefits paid in dual benefit cases had the effect of reducing the amounts transferred from social security to the railroad retirement system.

The new law will eliminate the cost of dual benefits to the railroad retirement system by restructuring it into a two-tier benefit system, effective January 1, 1975, and by providing for complete coordination of benefits under the railroad retirement and social security systems. Already vested rights of individuals to dual benefits will be protected and the additional costs attributable to the continuance of their dual benefits will be met by annual appropriations from general revenues, amounting to about \$7 billion over the next 25 years. While the Social Security Administra-

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EXHIBIT ON ACTUARIAL HISTORY AVAILABLE



The exhibit tracing actuarial history in Canada and the United States, from Benjamin Franklin to the computer age, was one of the highlights of the Society of Actuaries' Annual Meeting, in New Orleans, October 28 through 30.

The display commemorated the 25th Anniversary of the Society of Actuaries and included records, photographs, news clippings, charts and original documents found through extensive research of historical files and organizational archives.

The exhibit contains such interesting items as a copy of Benjamin Franklin's letter of 1772 supporting an Old Age Pension Bill before Parliament; the fire insurance policy on a Mount Vernon Barn issued to Bushrod Washington, nephew of the nation's first President; special insurance policies for individuals joining the gold rush to California; photographs and biographical data on the founders of actuarial science in the United States; exhibits from mortality studies dating back to the 1800's and Canada's first mortality investigation; and the development of group insurance, pension plans and Social Security.

The various items are described in a 21-page catalogue "Highlights of Actuarial History."

The exhibit and a supply of catalogues are available for use by the other actuarial organizations, actuarial clubs and other interested groups at their meetings. A detailed set of instructions has been prepared for assembling and disassembling the components step by step.

Any organization that is interested in showing the exhibit should contact Executive Director, Gary See at the Society's Office in Chicago (208 South LaSalle Street, Chicago, Illinois 60604). The only costs involved are those for shipping the four wooden crates which hold the exhibit and accompanying catalogues. Shipping costs back and forth by way of Railway Express will be \$50 to \$100 depending on the distance. Several weeks are necessary for delivery. □