

Regulatory Impact Statement

Prior to publication of this final rule, the Board submitted the rule to the Office of Management and Budget for review pursuant to Executive Order 12866. Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for rules that constitute significant regulatory action, including rules that have an economic effect of \$100 million or more annually. This final rule is not a major rule in terms of the aggregate costs involved. Specifically, we have determined that this final rule is not a major rule with economically significant effects because it would not result in increases in total expenditures of \$100 million or more per year.

The amendments made by this final rule are not significant. The amendments to parts 218, 220, and 225 update references regarding the "age" required for eligibility for an annuity and for the application of work deductions. Full retirement age is no longer age 65, but instead ranges from age 65 for those born before 1938 to age 67 for those born in 1960 or later. The Board amends its regulations to replace obsolete references to "age 65" with a reference to "retirement age".

Both the Regulatory Flexibility Act and the Unfunded Mandates Act of 1995 define "agency" by referencing the definition of "agency" contained in 5 U.S.C. 551(l). Section 551(l)(E) excludes from the term "agency" an agency that is composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them. The Railroad Retirement Board falls within this exclusion (45 U.S.C. 231f(a)) and is therefore exempt from the Regulatory Flexibility Act and the Unfunded Mandates Act.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a rule that imposes substantial direct compliance costs on State and local governments, preempts State law, or otherwise has Federalism implications. We have reviewed this final rule under the threshold criteria of Executive Order 13132 and have determined that it would not have a substantial direct effect on the rights, roles, and responsibilities of States or local governments.

In accordance with the provisions of Executive Order 12866, this regulation has been reviewed by the Office of Management and Budget.

List of Subjects

20 CFR Part 218

Railroad retirement, reporting and recordkeeping requirements.

20 CFR Part 220

Railroad retirement.

20 CFR Part 225

Railroad retirement.

■ For the reasons stated in the preamble, the Railroad Retirement Board amends parts 218, 220, and 225, of chapter II of title 20 of the Code of Federal Regulations as follows:

PART 218—ANNUITY BEGINNING AND ENDING DATES

■ 1. The authority citation for part 218 continues to read as follows:

Authority: 45 U.S.C. 231f(b)(5).

§§ 218.9, 218.12, 218.13, 218.16, 218.17, 218.36, 218.40, 218.43, and 218.44 [Amended]

■ 2. In 20 CFR part 218, remove the words "age 65" wherever they appear and add in their place the words "full retirement age".

- a. § 218.9(a)(2);
- b. § 218.12(b)(2)(ii);
- c. § 218.13(b)(1)(ii), and § 218.13(b)(2)(ii);
- d. § 218.16(b)(2)(ii);
- e. § 218.17(b)(2)(ii);
- f. § 218.36(a)(3), and § 218.36(b);
- g. § 218.40(c)(4);
- h. § 218.43(b)(3), and § 218.43(c)(6);
- i. § 218.44(b)(3), and § 218.44(c)(6).

PART 220—DETERMINING DISABILITY

■ 3. The authority citation for part 220 continues to read as follows:

Authority: 45 U.S.C. 231a; 45 U.S.C. 231f.

§ 220.161 [Amended]

■ 4. Amend § 220.161 by removing the words "becomes 65 years old and the disability annuity is converted to an age annuity.", and add in their place the words "attains retirement age and the disability annuity is converted to a full age annuity."

§ 220.176 [Amended]

■ 5. Amend § 220.176 by removing the words "age 65," and adding in their place the words "full retirement age".

PART 225—PRIMARY INSURANCE AMOUNT DETERMINATIONS

■ 6. The authority citation for part 225 continues to read as follows:

Authority: 45 U.S.C. 231f(b)(5).

§ 225.2 [Amended]

■ 7. Amend § 225.2 by removing the wording "216(l)" from the definition of "Base Years", and adding in its place "216(l)".

§ 225.30 [Amended]

■ 8. Amend § 225.30(a) by removing the words "age 65", and adding in their place the words "full retirement age".

§ 225.33 [Amended]

■ 9. Amend § 225.33(a)(1) by removing the words "Age 65 years old", and adding in their place the words "Full retirement age".

■ 10. Amend § 225.34 by:

- a. Removing the words "age 65" from paragraph (a)(1), and adding in their place the words "full retirement age";
 - b. Revising paragraph (b)(3); and
 - c. Adding a new paragraph (b)(4).
- The revision and addition read as follows:

§ 225.34 How the amount of the DRC is figured.

* * * * *

(b) * * *

(3) Employee attains age 65 in 1990 and before 2003.

(i) The rate of the DRC (one-fourth of one percent) is increased by one-twenty-fourth of one percent in each even year through 2002. Therefore, depending on when the employee attains age 65, the DRC percent will be as follows:

Year employee attains age 65	Delayed retirement (%) credit
1990	7/24 of 1%.
1991	Do.
1992	1/3 of 1%.
1993	Do.
1994	3/8 of 1%.
1995	Do.
1996	5/12 of 1%.
1997	Do.
1998	11/24 of 1%.
1999	Do.
2000	1/2 of 1%.
2001	Do.
2002	13/24 of 1%.

(ii) The delayed retirement credit equals the appropriate percent of the PIA times the number of months in which the employee is age 65 or older and for which credit is due.

(4) Employee attains full retirement age in 2003 or later. The rate of the DRC (one-fourth of one percent) is increased