

Department of the Treasury—Internal Revenue Service
Employee Representative's Quarterly Railroad Tax Return

| | | | | |
|----------|---|----------|---|--------|
| 1 | Total work-hours for which compensation was paid during this quarter. | _____ | × | \$0.24 |
| 2 | Taxable compensation paid during this quarter subject to Tier I tax. | \$ _____ | × | 14.3 % |
| 3 | Taxable compensation paid during this quarter subject to Tier II tax | \$ _____ | × | 14.75% |
| 4 | Taxable rail wages paid during this quarter subject to RURT. | \$ _____ | × | 4.7 % |
| 5 | Credit (Attach explanation in duplicate) | _____ | | |
| 6 | Total taxes for quarter (add lines 1 through 4 minus line 5). Pay to INTERNAL REVENUE SERVICE | _____ ▶ | | |

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 ▶ _____ Date ▶ _____, 19__

| | | | |
|--|---|--|-----------------|
| Please Be Sure To Enclose Your Payment With This Return | Employee representative's name, address, and social security number, and name of organization represented. (If incorrect, please make any necessary changes.) | Return for Calendar Quarter (Months and year) | T |
| | | | FF |
| | | | FP |
| | | | I |
| | | | T |
| | | | ORIGINAL |

For Paperwork Reduction Act Notice, see the back of this page.

DO NOT DETACH

General Information

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Changes you should note.—Employee representatives are subject to a new tax—the Railroad Unemployment Repayment Tax (RURT)—on rail wages paid after June 30, 1986.

Purpose of form.—Use this form to report railroad retirement and railroad unemployment repayment taxes imposed on employee representatives.

Railroad retirement taxes.—The Railroad Retirement Tax Act imposes two taxes on an employee representative. One is based on compensation, and the other is based on work-hours.

Taxes based on compensation.—These taxes are divided into Tier I and Tier II taxes. The amount of the compensation subject to each tax is different.

The Tier I tax rate for 1987 is 14.3%. It applies to only the first \$43,800 paid during 1987 for services performed as an employee representative.

The Tier II tax rate for 1987 is 14.75%. It applies to only the first \$32,700 paid during 1987 for services performed as an employee representative.

Tax based on work-hours.—This supplemental tax is 24 cents for each work-hour for which compensation is paid during the quarter. Employee representatives will be told the tax rate for each quarter before the quarter begins.

Railroad unemployment repayment tax.—For 1987, the rate is 4.7% on the first \$7,000 of rail wages paid.

Definitions

1. Employee representative.—The term "employee representative" is defined in the Railroad Retirement Tax Act (section 3231(c) of the Internal Revenue Code). It means:

(a) Any officer or official representative of a railway labor organization that is not included as an "employer" as defined in section 3231(a) of the Code who (1) was in the service of an "employer," and (2) is authorized and designated to represent employees in accordance with the Railway Labor Act, as amended; and

(b) Any individual who is regularly assigned to or regularly employed by an employee representative as defined in (a) above in connection with the duties of the employee representative's office.

2. Compensation and rail wages.—The term "compensation" means payment in money, or in something that may be used instead of money, paid for services rendered as an employee representative. It does not include sickness or accident disability payments received: (a) under a workmen's compensation law; (b) under section 2(a) of the Railroad Unemployment Insurance Act for days of sickness due to on-the-job injury; (c) under the Railroad Retirement Act; or (d) more than 6 months after the calendar month the employee representative last worked for the railway labor organization.

(Continued on back of Duplicate)

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| 5 | Credit (Attach explanation in duplicate) | | | |
| 6 | Total taxes for quarter (add lines 1 through 4 minus line 5). Pay to INTERNAL REVENUE SERVICE ▶ | | | |

File this duplicate copy with the original return.

Employee representative's name, address, and social security number, and name of organization represented, exactly as shown on original.

Return for Calendar Quarter
(Months and year as on original)

DUPLICATE

DO NOT DETACH

General Information—Continued

Nor does it include payments for medical or hospital expenses connected with such disabilities. It also does not include payments for traveling or other necessary expenses made separately or designated specifically as travel or business expenses when combined in a payment for services rendered.

If an individual performs services as both an employee representative and as an employee, and if the total pay for these services is more than the annual maximum, subtract the pay as an employee from the maximum to get the amount subject to the employee representative tax.

Compensation and rail wages are considered paid when they are actually paid or when they are constructively paid. "Constructively paid" means (a) that the pay has been credited to the employee representative's account or set apart with no limit or condition on how or when the payment will be made and (b) that it is available to draw on at any time and to control.

3. Work-hours.—For an explanation of work-hours, see the discussion under "Supplemental Tax" in the **Instructions for Form CT-1**.

Instructions

Who must file.—As an employee representative, you must file a return for the first quarter in which you are paid taxable compensation and rail wages for services you rendered as a representative. Continue filing returns for

each later quarter, even though you are not paid taxable compensation or rail wages. When your taxable compensation or rail wage payments stop completely, file a return marked "Final Return." Attach to the final return a statement giving the name of the person keeping your records and the address where they will be kept.

How to complete and file the return.—This return contains three copies of Form CT-2. Send the "original" and the "duplicate" to IRS. Keep the "taxpayer's copy" for your records.

Lines 1-4.—Complete these lines as explained on the form itself.

Line 5. Credit.—Enter any credit for an overpayment of tax, penalty, or interest erroneously paid for an earlier quarter. Attach two copies of a detailed statement explaining the credit claimed.

Name, address, etc.—Type or print your name, address, and social security number and the name of the labor organization for which you render services. If IRS has preaddressed the form, check to be sure it is correct. Correct any entries necessary.

"Return for Calendar Quarter."—IRS usually fills in this space. If it is blank, enter the months of the quarter and the year of the return. For example, show the third quarter of 1987 as "July, Aug., Sept. 1987."

Signature.—You or your authorized agent must sign each return.

Employee Representative's Quarterly Railroad Tax Return

DETACH AND RETAIN THIS COPY

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Before filing return, examine each copy in order to be certain that the period for which the return is filed is shown, and that correct entries are made in Lines 1 to 6, inclusive, in accordance with the instructions.

YOUR COPY

Employee representative's name, address, and social security number, and name of organization represented, exactly as shown on original.

Return for Calendar Quarter
(Months and year as on original)

TAXPAYER'S COPY

Where to file.—Send both copies of Form CT-2 to the Internal Revenue Service Center for the region in which the principal place of business or the office or agency is located, as listed below:

| If your principal place of business, office, or agency is located in | File with the Internal Revenue Service Center at |
|---|---|
| Alabama, Florida, Georgia, Mississippi, South Carolina | Atlanta, GA 31101 |
| New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester | Holttsville, NY 00501 |
| New York (all other counties), Connecticut, Maine, Massachusetts, Minnesota, New Hampshire, Rhode Island, Vermont | Andover, MA 05501 |
| Illinois, Iowa, Missouri, Wisconsin | Kansas City, MO 64999 |
| Delaware, District of Columbia, Maryland, Pennsylvania | Philadelphia, PA 19255 |
| Kentucky, Michigan, Ohio, West Virginia | Cincinnati, OH 45999 |
| Kansas, Louisiana, New Mexico, Oklahoma, Texas | Austin, TX 73301 |
| Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | Ogden, UT 84201 |

California (all other counties), Hawaii Fresno, CA 93888

Arkansas, Indiana, North Carolina, Tennessee, Virginia Memphis, TN 37501

If you do not have a principal place of business in the United States, send the return to the Internal Revenue Service Center, Philadelphia, PA 19255.

When to file.—Due dates for filing the return and paying the tax each quarter are as follows:

| Quarter covered: | Due by: |
|-----------------------------|----------------------|
| January, February, March | May 31 |
| April, May, June | August 31 |
| July, August, September | November 30 |
| October, November, December | Last day of February |

If you stop being paid taxable compensation, send a return marked "Final Return," as explained under "Who must file."

Penalties and interest.—The law provides a penalty for late filing or late payment unless you can show a reasonable cause for the delay. If you are unavoidably late in filing a return or paying the taxes, send a full written explanation with the return.

Records.—You must keep records pertaining to employee representative taxes for at least 4 years after the taxes they pertain to become due or the date the tax is paid, whichever is later.

Privacy Act information.—See the Instructions for Form 1040, 1040A or 1040EZ for Privacy Act information.