

# Railroaders face cuts in unemployment and sickness benefits due to debt ceiling, end of federal COVID emergency

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17 May 2023

*Railroaders, what do you think about the benefits cuts? Tell us by filling out the form below. All submissions will be kept anonymous.*

On May 10, significant cuts were made to railroaders' unemployment and sickness benefits administered by the US Railroad Retirement Board (RRB). The RRB announced the cuts in response to the impending reaching of the government's debt ceiling limit on June 1.

The cut is a 5.7 percent reduction in railroad unemployment insurance and sickness benefits, which are funded out of railroad workers' wages. This cut will remain in effect until September 30, 2031.

Previously, railroad workers on unemployment insurance or sickness benefits would receive a daily maximum of about \$85 a day, or \$850 every two weeks. Now, the two-week pay will be reduced to \$801.55. Furthermore, workers receiving sickness benefits for any reason other than an "on-the-job" injury will now be reduced to \$740.23 every two weeks.

The federally administered benefits are being cut using provisions of the Budget Control Act of 2011. That legislation was passed as part of a deal to avert an earlier debt ceiling crisis, and provides for automatic budget sequestrations, or across-the-board spending cuts. That deal was part of an earlier "compromise" between right-Wing Republicans, which controlled the House of Representatives, and the Democratic majority-led Senate, which used the approaching debt ceiling to pave the way for massive cuts to social spending. The bill was passed with bipartisan support from a Republican majority-led House and a Democratic majority-led Senate, which was then signed into law by

Democratic President Barack Obama.

The Obama administration, in turn, responded to the financial crisis of 2008-2009 by continuing and deepening the bank bailouts which had begun under his predecessor George W. Bush, as well as by imposing massive austerity on the working class, including the government bailout of the auto industry which enforced a 50 percent reduction in pay for new hires.

The railroad benefits were temporarily exempted from any form of sequestration during the pandemic under the Continued Assistance to Railroad Workers Act of 2020, but those protections were eliminated on May 10 because of the ending of the pandemic national emergency declaration by President Joe Biden the month before.

Railroaders now face the same conspiracy against them as the one which produced the Budget Control Act 12 years ago. Following the precedent set by the Obama Administration, President Biden aims to use the present debt limit "crisis" as a means to slash workers' standard of living in order to prop up Wall Street, which has seen the collapse of several banks in recent months, and free up resources for war. Last year in 2022, Congress approved \$133 billion in aid while Biden announced he will do "whatever is needed" to ensure that the oligarchy does not lose its money in the second largest bank failure.

Only a few major rail unions have even acknowledged the cuts. Those that have have focused entirely on directing workers towards fruitless appeals to the Democratic Party and to Congress. The AFL-CIO, through their Transportation and Trades Department, released a statement calling for support of the Railroad Employee Equity and Fairness Act, which

was introduced in Congress in April to continue exemptions for railroad benefits. The International Association of Machinists and Aerospace Workers, in a press release, appealed to railroaders in Local 19 to call and email their representatives to end the sequestration of the RRB Benefits.

But the very same Congress voted by wide majorities last year to ban a rail strike and impose a contract which workers had already rejected. They were aided and abetted throughout by the railroad union bureaucracies, who continuously stalled for time until after the November midterm elections in order to strengthen Congress's hand.

Since then, while railroad management has pressed their advantage by attacking crew sizes and outsourcing locomotive crews, and as massive derailments occurred in East Palestine, Ohio and throughout the United States, the bureaucracy has focused on groveling appeals to the "fairness" of railroad CEOs.

The bureaucracy is also responding to the benefit cuts by closing ranks with management. Last week, the *Washington Post* cited industry spokesperson Jessica Kahanek, who declared, "Railroads are working hand-in-hand with rail unions to ensure Congress understands the importance of this issue and how it stands apart from other programs subject to budget sequestration."



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