



CSX Retirement Tax Distribution Administration
P.O. Box 3809
Portland, OR 97208-3809

Re: Eligibility for a Refund of RRTA Taxes Paid on Employee Relocation Benefits

You are receiving this letter because our records indicate that you are covered by the Railroad Retirement Tax (RRTA) and have paid taxes under the RRTA in connection with employee relocation benefits. The recent court decision in *CSX Corporation v. United States*, 18 F.4th 672 (CA-11 2021), along with related litigation involving CSX, held that railroads and railroad employees do not owe RRTA taxes on employee relocation benefits. For that reason, you may be entitled to an RRTA refund.

CSX Rail Payroll Services, Inc. (“CSX”) already has filed refund claims with the IRS on behalf of all subsidiaries of CSX Corporation that are covered by the RRTA and on behalf of their current and former employees, including you. The administrative and judicial refund claim process is ongoing, and at this time, CSX cannot guarantee that you will receive a refund. To the extent the IRS refunds any of your RRTA taxes, CSX will remit your share to you, plus any applicable interest net of any related legal expenses in accordance with IRS procedures developed for this purpose.

Before the IRS refunds any RRTA taxes, federal tax regulations require CSX to ask you for your signed consent to obtain your refund. (For more information about the IRS’s requirements, please see Treasury Regulation § 31.6402(a)-2 and Revenue Procedure 2017-28.)

In order to be eligible to receive a refund, you must complete and return the following documents:

- Consent for Railroad Retirement Tax Refund (enclosed)
- If a beneficiary, supporting documentation authorizing you to complete these forms on behalf of the above-named individual (if applicable)

**** If you do not provide all required information the IRS may deny or delay your refund. ****

You can help CSX satisfy the employee consent requirements by signing, dating, and returning all required documents to CSX in any of the following ways:

- Fill out and submit your signed consent statement online at: www.CSXRelocationTaxRefund.com
- Email a copy of your signed consent statement to: info@CSXRelocationTaxRefund.com
- Mail your signed consent statement to: CSX Retirement Tax Distribution Administrator, P.O. Box 3809, Portland OR, 97208-3809

The IRS will not refund RRTA taxes that you may be entitled to until CSX has collected your signed consent, so your prompt response to this letter is requested. **Please respond by November 25, 2022.** If CSX does not receive your signed consent by this time, CSX may presume that you have refused to provide consent, and CSX may or may not take additional steps to collect your consent.



IRS rules prohibit you from authorizing CSX to claim a refund on your behalf for any overpaid Additional Medicare Tax, and therefore CSX's claims for refund do not include a claim for Additional Medicare Tax withheld from employees. Additional Medicare Tax (0.9%) applies to FICA wages, RRTA compensation, and self-employment income (together with that of your spouse if filing a joint return) for tax years since 2013 that exceed \$125,000 if married filing separately, \$250,000 if married filing jointly, or \$200,000 for any other filing status. If CSX's refund claims result in an adjustment to your compensation, you may be able to claim a refund for Additional Medicare Tax. ***If you believe you overpaid Additional Medicare taxes, please contact your tax advisor to determine whether you should or are able to file a claim for refund with the IRS.*** For more information on the Additional Medicare Tax, see IRS Topic 560 and the IRS Form 8959 instructions.

Finally, the Order dealt with the taxability of relocation benefits, but it did not address whether they should be excluded from creditable compensation for determining Railroad Retirement benefits. As of today, the Railroad Retirement Board has not provided guidance regarding any potential impact on the determination of retirement benefits. You should monitor the Railroad Retirement Board website at www.rrb.gov for further updates.

Additional information about CSX's refund claims, the refund process, frequently asked questions, and about the status of your refund claim can be found on the CSX Tax Distribution Settlement Website at CSXRelocationTaxRefund.com, or you may contact the CSX Retirement Tax Distribution Administrator by telephone at +1 (844) 746-4690 or by email at info@CSXRelocationTaxRefund.com. Please reference your unique Employee Consent Reference Number (ECRN) identified on the enclosed consent statement when you contact the CSX Retirement Tax Distribution Administrator.

The IRS will accept consents through **November 25, 2022**. If you do not submit a consent by **November 25, 2022**, CSX will be unable to obtain your refund.

Thank you,

CSX Retirement Tax Distribution Administrator



Railroad Retirement Tax Refund Frequently Asked Questions

Why did I receive this letter?

You received this letter because you are eligible for a refund of overcollected Railroad Retirement Taxes (RRT).

Why are Railroad Retirement Tax refunds being paid?

The United States District Court is expected to enter into an order directing that certain relocation benefits are not subject to Railroad Retirement Taxes. CSX filed refund claims on behalf of itself and its employees to receive a refund of these overcollected RRT for the years 2009 through 2021. You were included in the refund claims.

Who is eligible to receive a refund?

Certain current and former CSX employees who had certain relocation benefits taxed during the years 2009 through 2021 are eligible. However, not everyone who received relocation benefits is eligible for a refund.

Why am I being asked for my consent for the refund?

The Internal Revenue Service will only issue your refund if CSX obtains your consent. In effect, the Internal Revenue Service needs your permission to send you a refund. If you consent, the Internal Revenue Service will send your refund to CSX, and we will distribute it to you. If you do not consent, the Internal Revenue Service will not issue you a refund.

I already received a consent request from CSX several years ago. Do I need to provide consent again?

Yes. CSX previously solicited refund consents on a separate matter and those refunds have been paid. Please do not ignore the current consent, as the prior consent is not applicable to this refund request.

If I consent to allow CSX to file a claim on my behalf, will my RRTA benefits be impacted? What happens to my benefits if I choose not to seek a refund?

The RRB has not yet determined if a refund of Tier I or Tier II taxes will impact benefits. You should monitor the Railroad Retirement Board website at www.rrb.gov for further updates. The Railroad Retirement Board (“RRB”) has confirmed that a refund of Medicare taxes will not impact Medicare benefits.

Why do you need my Social Security number?

The Internal Revenue Service needs this information to match you with the refund amount calculated for you. CSX also needs this information to make sure you get the correct refund.

Is my refund taxable income to me?

The refund itself will not be taxable for federal tax purposes but may be taxable in your state of residence. The Internal Revenue Service will pay you interest on each year’s refund based on the federal short-term interest rates. The interest will be taxable in the year you receive the refund. If your total interest received is \$600 or greater, CSX will send you a Form 1099-INT indicating the taxable amount. You are encouraged to consult your tax advisor to better understand how this impacts your individual circumstances.

Why is interest included in the refund?

The Internal Revenue Service pays interest on tax refunds from the year the taxes were originally withheld through the date the taxes are refunded.

Will I receive a Form W-2C from CSX?

CSX will issue Form W-2C for all impacted years.

What happens if I mail my consent after November 25, 2022?

The Internal Revenue Service will reject your consent, and CSX will be unable to obtain your refund for you.

What if I provide my consent and subsequently leave CSX?

You are not required to continue to be a CSX employee to receive the refund.

When will I get my refund?

We expect it will take several months from the time you mail your consent form until you receive your refund. This time is necessary for both CSX and the Internal Revenue Service to verify your consent. After verification, the Internal Revenue Service will mail the employees’ refunds to CSX for distribution to eligible employees. CSX will work with the Internal Revenue Service to expedite the refunds.

Will my refunds be subject to garnishment?

Yes



What happens if the person eligible for the refund is deceased or incapacitated?

The deceased employee's beneficiary is entitled to the refund. We need a copy of the death certificate and proof that the individual claiming the refund is the beneficiary. A copy of the will, a court order, or similar documentation to prove the beneficiary's identity (as well as the beneficiary's address and telephone number) needs to be sent with the consent. If the employee is incapacitated, we need a copy of the power of attorney to issue the refund accordingly. (We may contact the beneficiary or guardian to obtain signatures on additional paperwork after we have received these documents relating to a deceased or incapacitated employee.)

Do I need to amend my personal tax returns?

If your income exceeded certain limits from 2013 onward, you may have incurred an additional Medicare tax of 0.9% on your personal income tax return. You may be entitled to an additional refund of any Medicare tax paid on your relocation benefit for open years. Unfortunately, Internal Revenue Service procedures do not allow CSX to request refunds of Additional Medicare Tax on your behalf. Please consult your tax advisor to better understand if this applies to your personal tax liability for those years.

What is the Additional Medicare Tax?

The Additional Medicare Tax is a 0.9% surtax that took effect in 2013. It generally applies to compensation over certain threshold amounts: \$250,000 for married persons filing jointly; \$125,000 for married persons filing separately; and \$200,000 for single taxpayers.

How do I know if I paid Additional Medicare Tax?

If you paid the Additional Medicare Tax, your original tax return will contain amounts on both Line 62 of Internal Revenue Service Form 1040 and Line 17 of Internal Revenue Service Form 8959.

Am I eligible for a refund of Additional Medicare Tax?

If you paid Additional Medicare Tax on your tax returns between 2013 and 2021, you may be eligible to claim a refund of tax by filing an amended federal income tax return. We recommend you consult with your tax advisor to confirm your eligibility for a refund and assist you in filing amended tax returns.

What if I have other questions about my refund?

If you have questions not addressed in this FAQ, you may contact the CSX Retirement Tax Distribution Administrator by telephone at +1 844-746-4690 or by email at info@CSXRelocationTaxRefund.com.

Please do not call the CSX Payroll department or the Human Resources Customer Service Center with questions about your refund. All questions will be addressed through the CSX Retirement Tax Distribution Administrator.