



# Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Freddie N. Simpson  
*President*

Perry K. Geller, Sr.  
*Secretary-Treasurer*

April 1, 2010

ALL LOCAL LODGE  
SECRETARY-TREASURERS

SLCORR

Dear Sirs and Brothers:

Re: **Quarterly Payroll Report Form OE-1a.** This letter is intended for those lodges that issue, **directly from their lodge account**, any checks for wages or dues reimbursements, other than a dues reimbursement to a retired secretary-treasurer. If National Division issues all checks for wages and dues reimbursements on behalf of your local lodge, you can disregard this letter.

Every local lodge is required to submit a Payroll Report Form OE-1a to National Division at the end of each quarter in those instances where wages of \$25.00 or more were paid out of the lodge account to an officer or member in any month during the quarter. In addition, when a local lodge reimburses an officer, other than a retired secretary-treasurer, for their dues of \$25.00 a month or more, the IRS considers this as wages and must also be reported on Form OE-1a. Compensation of less than \$25.00 a month earned in the service of a local lodge is neither creditable nor taxable under the Railroad Retirement Act. **Therefore, if wages of less than \$25.00 are paid to an individual in any month, then it is not necessary to file Form OE-1a with National Division.**

Form OE-1a should be completed and forwarded to National Division within 30 days after the end of each quarter. Please refer to page 75 of your Secretary-Treasurers Manual for an example of a completed Form OE-1a. Also, please remember that if you pay wages or reimburse dues of \$25.00 or more during any month, you must deduct the employee portion of railroad retirement taxes before issuing the check. The amount deducted should be retained in the local lodge account, and only a check for the net amount (wages minus taxes) should be issued to the individual. The combined employee tier I and tier II tax rate for 2010 is 11.55% or \$11.55 for every \$100.00 of gross wages paid. Be sure to report the gross monthly amount paid on Form OE-1a, not the net monthly amount after taxes. For full tax reporting and withholding requirements, please refer to your Secretary-Treasurer's Manual, or contact National Division Staff Assistant Steve Mocher at 800-848-8830, extension 604.

Forms OE-1a returned by local lodges will be processed at National Division with the employer and employee railroad retirement taxes computed accordingly. The taxes due will be included in our consolidated Form CT-1 and paid to the United States Treasury Department. Your lodge will not be required to make any payments to the Railroad Retirement Board or to National Division, since the taxes due will be charged to your lodge account at National Division. Forms OE-1a can be obtained by submitting an "Order for Supplies Form" to National Division either by mail, through the BMWED website or by calling the toll-free number 800-848-8830, extension 604.

Fraternally,

Secretary-Treasurer

Enclosures  
cc: Mr. F. N. Simpson  
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