PART 71—DESIGNATION OF CLASS A, B, C, D, AND E AIRSPACE AREAS; AIR TRAFFIC SERVICE ROUTES; AND REPORTING POINTS

■ 1. The authority citation for 14 CFR Part 71 continues to read as follows:

Authority: 49 U.S.C. 106(f), 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959–1963 Comp., p. 389.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of FAA Order JO 7400.11K, Airspace Designations and Reporting Points, dated August 4, 2025, and effective September 15, 2025, is amended as follows:

Paragraph 6011 United States Area Navigation Routes

* * * * *

T–373 King Salmon, AK (AKN) to WEREL, AK [Amended]

King Salmon, AK (AKN)	VORTAC	(Lat. 58°43′28.97″ N, long. 156°45′08.45‘‘ W)
RAGES, AK	FIX	(Lat. 59°21′43.36″ N, long. 158°12′22.14″ W)
ZUDSO, AK	WP	(Lat. 59°48′13.53″ N, long. 158°57′43.10″ W)
MAYHW, AK	WP	(Lat. 59°48′11.94″ N, long. 159°16′08.97″ W)
FEXOP, AK	WP	(Lat. 60°15′14.46″ N, long. 160°07′38.69″ W)
Bethel, AK (BET)	VORTAC	(Lat. 60°47′05.41″ N, long. 161°49′27.59″ W)
WEREL, AK	WP	(Lat. 62°38′29.25″ N, long. 160°11′07.20″ W)

* * * * *

Issued in Washington, DC, on August 6, 2026.

Alex W. Nelson,

Manager, Rules and Regulations Group.

[FR Doc. 2026–16249 Filed 8–7–26; 8:45 am]

BILLING CODE 4910–13–P

RAILROAD RETIREMENT BOARD

20 CFR Parts 220 and 230

RIN 3220–AB82

Determining Disability

AGENCY: Railroad Retirement Board.

ACTION: Final rule.

SUMMARY: The Railroad Retirement Board amends its regulations to update the amount of monthly allowable earnings for a disability annuitant to reflect the formula in section 2(e)(4) of the Railroad Retirement Act. The existing regulation is no longer consistent with the statutory formula in the Railroad Retirement Act for the maximum monthly allowable earnings for a disability annuitant and is therefore facially unlawful.

DATES: This rule is effective September 9, 2026.

FOR FURTHER INFORMATION CONTACT: Peter J. Orlowicz, Senior Counsel, Railroad Retirement Board, 844 North Rush Street, Chicago, IL 60611–1275, (312) 751–4922.

SUPPLEMENTARY INFORMATION: Section 2(e)(4) of the Railroad Retirement Act imposes limits on the amount of earnings from employment or self-employment that an individual who is under retirement age can earn while also receiving a disability annuity under the Railroad Retirement Act. 45 U.S.C. 231a(e)(4). If an individual earns more than the monthly or annual allowable earnings limits in a given month or year, annuities payable to that individual must be withheld or deducted. Prior to 2007, these limits were fixed at $400 per month and $4800 per year. *See* 45 U.S.C. 231a(e)(4) (2005).

The Railroad Retirement Disability Earnings Act, Public Law 109–478, 120 Stat. 3573 (Jan. 12, 2007) amended section 2(e)(4) of the Railroad Retirement Act to raise the disability earning thresholds and index them to increases in the national average wage index. The monthly allowable earnings amount for calendar year 2007 was raised to $700, and for each year after 2007 the amount was calculated as the larger of (1) the amount for the previous year or (2) the amount calculated by multiplying $700 by the ratio of the national average wage index for the year two calendar years before the year for which the amount was being calculated to the national average wage index for the year 2005. The annual allowable earnings limit was calculated as the total amount of monthly allowable earnings for each month in that calendar year. For calendar year 2026, under this statutory calculation the monthly allowable earnings limit is $1,320 per month and the annual allowable earnings limit is $15,840. Although the Board implemented this statutory formula in policy and practice to apply the higher monthly disability earnings limits for 2007 and later years, including posting an annual notice on its website and notifying disability annuitants by letter of the applicable limits, the regulation at 20 CFR part 220 Subpart M was not updated to reflect these statutory amendments. The pre-2007 statutory language was also reproduced in regulations at 20 CFR 230.1.

The Board also finds it necessary to note a discrepancy between the statutory definition of the annual allowable earnings amount in section 2(e)(4) of the Railroad Retirement Act, and in 20 CFR Part 220 Subpart M and the Board's annual notices regarding the annual allowable earnings amount. Section 2(e)(4) of the Railroad Retirement Act defines the annual allowable earnings amount to be the total amount of monthly allowable earnings for each month in the calendar year. However, if an individual exceeds the annual allowable earnings amount by less than one-half of the amount of a single monthly allowable earnings amount, the fifth and sixth sentences of section 2(e)(4) of the Railroad Retirement Act direct that no deduction is made. In effect, an individual can earn up to twelve and one-half times the monthly allowable earnings amount over the course of a calendar year before any deduction is made at the end of the year. As a result, in its regulations and notices, the Board has historically included this additional one-half of the monthly allowable earnings limit in its reporting of the annual allowable earnings amount to aid annuitants in understanding the actual dollar threshold at which annuity deductions are made. For calendar year 2026, this resulted in a reported annual allowable earnings limit of $16,500 instead of $15,840. Nevertheless, this inclusion is not strictly consistent with the statutory definition of the annual allowable earnings amount, and the Board will correct the amount for calendar year 2027 and future years in all notices and correspondence after the effective date of this direct final rule.

As part of its review of regulations directed by Executive Order 14219, Ensuring Lawful Governance and Implementing the President's ''Department of Government Efficiency'' Deregulatory Initiative (Feb. 19, 2025), the Board identified these provisions purporting to set monthly and annual allowable earnings limits for disability annuitants as facially unlawful and in conflict with the statutory criteria in section 2(e)(4) of the Railroad Retirement Act for calculating such limits. In accordance with the Presidential memorandum of April 9, 2025, directing the repeal of unlawful regulations, the Board is revising its regulations at 20 CFR Part 220 Subpart M to reflect the current statutory calculation. The Board is also removing the obsolete statutory language reproduced in its regulations at 20 CFR 230.1. Pursuant to the memorandum, notice and comment proceedings are unnecessary and contrary to the public interest because the statutory language of section 2(e)(4) of the Railroad Retirement Act determines the monthly and annual allowable earnings limits applicable to disability annuitants under the Act, with no discretion left to the agency. Therefore, no comments are being requested.

Regulatory Analysis

Executive Order 12866, as Supplemented by Executive Order 13563

The Board, with the Office of Management and Budget, has determined that this is not a significant regulatory action under Executive Order 12866, as supplemented by Executive Order 13563. Therefore, no regulatory impact analysis is required.

Regulatory Flexibility Act

The Board certifies that this direct final rule would not have a significant economic impact on a substantial number of small entities because it affects only individuals.

Paperwork Reduction Act

This direct final rule imposes no reporting or recordkeeping requirements subject to Office of Management and Budget clearance.

List of Subjects

20 CFR Part 220

Disability benefits, railroad employees, railroad retirement.

20 CFR Part 230

Railroad retirement, reporting and recordkeeping requirements.

For the reasons stated in the preamble, the Railroad Retirement Board amends 20 CFR Subchapter B as follows:

PART 220—DETERMINING DISABILITY

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

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

■ 2. Revise and republish subpart M to part 220 to read as follows:

Subpart M—Disability Annuity Earnings Restrictions

Sec.

220.160 How work for a railroad employer affects a disability annuity.
220.161 How non-railroad work affects an employee disability annuity.
220.162 Earnings report.
220.163 Employee penalty deductions.
220.164 Employee end-of-year adjustment.

§ 220.160 How work for a railroad employer affects a disability annuity.

A disability annuity is not payable and the annuity must be returned for any month in which the disabled annuitant works for an employer as defined in part 202 of this chapter.

§ 220.161 How non-railroad work affects an employee disability annuity.

(a) *General.* An employee's disability annuity is not payable and the employee must return the annuity payment for any month in which the employee earns more than the monthly allowable earnings amount (after deduction of impairment-related work expenses) in employment or self-employment of any kind. If earnings in any one calendar month are for accruals in more than one calendar month, such earnings shall be deemed to have been paid in each of the months in which accrued. Any annuity amounts withheld because the annuitant earned over the monthly allowable earnings amount in a month may be paid after the end of the year, as shown in § 220.164. The monthly allowable earnings amount no longer applies when the employee attains retirement age and the disability annuity is converted to a full age annuity. See § 220.145 for the definition of impairment-related work expenses.

(b) *Monthly allowable earnings amount.* (1) *Calendar years 2006 and earlier.* The monthly allowable earnings amount for calendar years 2006 and earlier is $400.

(2) *Calendar year 2007.* The monthly allowable earnings amount for calendar year 2007 is $700.

(3) *Calendar years 2008 and later.* For calendar years 2008 and later, the monthly allowable earnings amount is the larger of:

(i) The amount for the previous year, or

(ii)The amount calculated by multiplying $700 by the ratio of the national average wage index for the year 2 calendar years before the year for which the amount is being calculated to the national average wage index for the year 2005. An amount calculated under this paragraph will be rounded to the nearest multiple of $10 (amounts ending in $5 will be rounded up.)

(4) *Annual notice.* The Board will publish an annual notice of the monthly allowable earnings amount for calendar years after 2026 on its website and provide notice directly to disability annuitants of the amount.

§ 220.162 Earnings report.

(a) *General.* Any annuitant receiving an annuity based on disability must report to the Board any work and earnings as described in §§ 220.160 and 220.161. The report may be a written or oral statement by the annuitant, or a person acting for the annuitant, made or sent to a representative of the Board. The report should include the name and address of the railroad or non-railroad employer, a description of the work and the amount of gross wages (before deductions) or the net income from self-employment (earnings after deducting business expenses).

(b) *Employee reports.* In addition to the requirement described in (a), a report of earnings over the monthly allowable earnings amount must be made before the employee accepts a disability annuity (the annuity payment is issued and not returned) for the second month after the first month in which earnings are over the monthly allowable earnings amount. Along with the report, the employee must return the annuity payment for any month in which he or she earns over the monthly allowable earnings amount.

§ 220.163 Employee penalty deductions.

If the employee earns over the monthly allowable earnings amount in a month and does not report it within the time limit shown in § 220.162(b), a penalty deduction may be imposed. The penalty deduction for the first failure to report equals the annuity amount for the first month in which the employee earned over the monthly allowable earnings amount. The deduction for a second or later failure to report equals the annuity amount for each month in which the employee earned over the monthly allowable earnings amount and failed to report it on time.

§ 220.164 Employee end-of-year adjustment.

(a) *General.* After the end of a year, an employee whose annuity was withheld for earnings over the monthly allowable earnings amount in a month receives a form on which to report his or her earnings for the year.

(b) *Earnings are less than or equal to the annual allowable earnings amount.* If the employee's total earnings for the year are less than or equal to the annual allowable earnings amount, all annuity payments withheld during the year because of earnings in a month over the monthly allowable earnings amount, and all deductions imposed for failing to report excess monthly earnings, are paid to the employee after the end of the year.

(c) *Earnings are more than the annual allowable earnings amount.* (1) If the employee's total earnings for a year exceed the annual allowable earnings amount, the Board will calculate the number of annuity payments to be deducted by dividing the amount of the employee's annual earnings above the annual allowable amount by the monthly allowable earnings amount. If the computation results in a remainder greater than or equal to one-half, the number of months for which an annuity is not payable shall be increased by one. The resulting number is the number of months for that year for which the annuity is not payable and must be deducted. If the Board withheld monthly annuity payments during the year based on § 220.161, then the employee will be deducted the difference between the amount calculated under this paragraph and the annuities that were already withheld based on § 220.161. If the annuity payments withheld based on § 220.161 are greater than those calculated under this paragraph, then the employee will be repaid the difference. If the annuity rate changes during the year, any annuities due at the end of the year are paid first for months in which the annuity rate is higher. Penalty deductions may also apply as described in paragraph (c)(2) of this section. However, no deductions for excess earnings or penalty deductions for failing to report are made if the employee exceeds the annual allowable earnings amount by less than half of the monthly allowable earnings limit for that year.

(2) If the employee's total earnings for a year exceed the annual allowable earnings amount by more than one-half the monthly allowable earnings amount and the employee failed to report monthly earnings over the monthly allowable earnings amount within the time limit described in § 220.162(b), penalty deductions will also apply. If it is the employee's first failure to report, the penalty deduction is equal to one month's annuity. If it is the employee's second or later failure to report, the penalty deduction equals the annuity amount for each month in which the employee earned over the monthly allowable earnings amount and failed to report it on time.

Example 1 to paragraph (c): An employee is awarded a disability annuity based upon his inability to engage in his regular railroad occupation effective January 1, 2025. During the year, he works in non-railroad employment from April to September and earns $2,100 per month for these six months. The employee properly reports his excess earnings and returns the annuity payments for these months. At the end of the year, his total annual earnings are $12,600 ($2,100 times 6 months), which does not exceed the annual allowable earnings limit of $15,120 ($1,260 times 12 months) for 2025. Therefore, at the end-of-year adjustment, the Board will repay the returned annuity payments for April through September to the employee. (This occurs even if the employee failed to report the earnings to the Board within two months, because no penalty deduction is made when the employee's total annual earnings are less than the annual allowable earnings amount.)

Example 2 to paragraph (c): An employee is awarded a disability annuity based upon his inability to engage in his regular railroad occupation effective January 1, 2025. During that year, he works in non-railroad employment from April to September and earns $2,550 per month for those six months. He does not report these earnings to the Board until the following January. At the end of the year, his total annual earnings are $15,300 ($2,550 times 6 months), which exceeds the annual allowable earnings limit of $15,120 (12 times $1,260) for 2025. The employee's excess earnings for 2025 total $180 ($15,300 minus $15,120), which is less than one-half of the monthly allowable earnings amount (one-half of $1,260 equals $630.) Therefore, at the end-of-year adjustment, no deductions for excess earnings and no penalty deductions for failing to report will be applied.

Example 3 to paragraph (c): An employee is awarded a disability annuity based upon his inability to engage in his regular railroad occupation effective January 1, 2025. During that year, he works in non-railroad employment from April to September and earns $3,000 per month for those six months. He does not report these earnings to the Board until the following January. At the end of the year, his total annual earnings are $18,000 ($3,000 times 6 months), which exceeds the annual allowable earnings limit of $15,120 (12 times $1,260) for 2025. The employee's excess earnings for 2025 total $2,880 ($18,000 minus $15,120). The employee's total excess earnings divided by the monthly allowable earnings limit equals 2.286, which rounds to two ($2,880 divided by $1,260). At the end of the year, the employee has two months of annuity payments deducted for earnings. Additionally, the employee incurs a penalty deduction of one month's annuity payment because he failed to report his excess earnings for April through September 2025 and it is the first time a penalty deduction is ever applied. Therefore, a total of three annuity payments are deducted.

Example 4 to paragraph (c): The same employee from example 3 works again in 2026 in non-railroad employment from April to September, earning $3,100 per month for those six months. This time, he reports his earnings on September 30. At the end of the year, his total annual earnings are $18,600 ($3,100 times 6 months), which exceeds the annual allowable earnings limit of $15,840 (12 times $1,320) for 2026. The employee's excess earnings for 2026 total $2,760 ($18,600 minus $15,840). The employee's total excess earnings divided by the monthly allowable earnings limit equals 2.091, which rounds to two ($2,760 divided by $1,320). At the end of the year, the employee has two months of annuity payments deducted for earnings. Additionally, the employee incurs penalty deductions of three months' annuity payments for April, May, and June 2026 because he failed to report his monthly excess earnings during the year for those months before accepting the annuity for the second month following those months, and it is not his first penalty deduction for failing to report. Therefore, a total of five months of annuity payments are deducted.

(d) *Annual allowable earnings amount*—(1) *Calendar years 2006 and earlier.* The annual allowable earnings amount for calendar years 2006 and earlier is $4,800.

(2) *Calendar year 2007 and later.* The annual allowable earnings amount for calendar year 2007 and later is 12 times the monthly allowable earnings amount for that year.

(3) *Annual notice.* The Board will publish an annual notice of the annual allowable earnings amount for calendar years after 2026 on its website and provide notice directly to disability annuitants of the amount.

PART 230—MONTHS ANNUITIES NOT PAYABLE BY REASON OF WORK

■ 3. The authority citation for part 230 continues to read as follows:

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

§ 230.1 [Removed and Reserved]

■ 4. Remove and reserve § 230.1.

Dated: August 6, 2026.

By Authority of the Board.

Stephanie Hillyard,

Secretary to the Board.

[FR Doc. 2026–16250 Filed 8–7–26; 8:45 am]

BILLING CODE 7905–01–P

RAILROAD RETIREMENT BOARD

20 CFR Part 221

RIN 3220–AB83

Jurisdiction Determinations

AGENCY: Railroad Retirement Board.

ACTION: Final rule.

SUMMARY: The Railroad Retirement Board amends its regulations to reflect statutory amendments granting jurisdiction to the Board to pay benefits under the Railroad Retirement Act and under Title II of the Social Security Act to railroad employees and auxiliary beneficiaries who have less than ten years of railroad service, but at least five years after 1995. The amendment also adds divorced spouses to the list of auxiliary beneficiaries to whom the Board will pay benefits in accordance with controlling law. The existing regulation is no longer consistent with the statutory criteria in the Railroad Retirement Act for jurisdictional determinations and is therefore facially unlawful.

DATES: This rule is effective September 9, 2026.

FOR FURTHER INFORMATION CONTACT: Peter J. Orlowicz, Senior Counsel, Railroad Retirement Board, 844 North Rush Street, Chicago, IL 60611–1275, (312) 751–4922.

SUPPLEMENTARY INFORMATION: Section 2 of the Railroad Retirement Act directs the Railroad Retirement Board to pay annuities to eligible railroad employees, spouses, divorced spouses, and survivors of a deceased railroad employee. 45 U.S.C. 231a. Section 7(b)(2) of the Railroad Retirement Act also directs the Board to provide for payment of monthly benefits under Title II of the Social Security Act for individuals who meet the minimum railroad service requirement to receive an annuity under the Railroad Retirement Act and their auxiliary beneficiaries. 45 U.S.C. 231f(b)(2). For individuals that do not meet this requirement, the Board transfers jurisdiction of their Title II benefits to the Social Security Administration for payment, and their railroad service becomes creditable under the Social Security Act pursuant to section 18 of the Railroad Retirement Act. 45 U.S.C. 231q. The Board's regulations at 20 CFR part 221 implement this statutory requirement.

Section 103 of the Railroad Retirement and Survivors' Improvement Act of 2001 amended the vesting requirement for railroad employees and auxiliary beneficiaries to receive annuities under the Railroad Retirement Act. Public Law 107–90, 115 Stat. 880 (Dec. 21, 2001). Prior to this enactment, railroad employees had to accrue ten years (120 months) of railroad service creditable under the Railroad Retirement Act to qualify for an annuity under the Act for themselves, their spouse, or their survivors, and for the Board to pay Title II benefits for those individuals. Section 103 expanded annuity eligibility to include employees who had less than ten years of railroad service, but at least five years of railroad service that all accrued after December 31, 1995 (and their auxiliary beneficiaries, if other eligibility criteria were met). Although the Board implemented the statutory amendments in section 103 of the Railroad Retirement and Survivors' Improvement Act of 2001 in policy and practice to properly keep jurisdiction of Title II benefits and railroad retirement annuities for individuals with less than ten years of creditable railroad service, but at least five years after December 31, 1995, the regulations at 20 CFR part 221 were not updated to reflect these statutory amendments.

Additionally, section 1122 of the Omnibus Budget Reconciliation Act of 1981 amended section 7(b)(2) of the Railroad Retirement Act to authorize the Board to maintain jurisdiction for payment of Title II benefits for divorced spouses of railroad workers who met the minimum railroad service requirement. Public Law 97–35, 95 Stat. 638 (Aug. 13, 1981); 45 U.S.C. 231f(b)(2). The regulations at 20 CFR part 221 do not properly reflect this authority. Finally, the Board is correcting a cross-reference to another part of the Board's regulations that no longer exists.

As part of its review of regulations directed by Executive Order 14219, Ensuring Lawful Governance and Implementing the President's ''Department of Government Efficiency'' Deregulatory Initiative (Feb. 19, 2025), the Board identified this part purporting to transfer jurisdiction of benefits for divorced spouses and for individuals with less than ten years of creditable railroad service, but at least five years after December 31, 1995 to the Social Security Administration for payment as facially unlawful and in conflict with the statutory criteria in the Railroad Retirement Act for receiving such an annuity. In accordance with the Presidential memorandum of April 9, 2025, directing the repeal of unlawful regulations, the Board is revising its regulations at 20 CFR part 221 to reflect current law. Pursuant to the memorandum, notice and comment proceedings are unnecessary and contrary to the public interest because the statutory criteria of the Railroad Retirement Act controls the jurisdictional determination of which agency pays benefits to affected individuals. Therefore, no comments are being requested.

Regulatory Analysis

Executive Order 12866, as Supplemented by Executive Order 13563

The Board, with the Office of Management and Budget, has determined that this is not a significant regulatory action under Executive Order 12866, as supplemented by Executive Order 13563. Therefore, no regulatory impact analysis is required.

Regulatory Flexibility Act

The Board certifies that this direct final rule would not have a significant economic impact on a substantial number of small entities because it affects only individuals.

Paperwork Reduction Act

This direct final rule imposes no reporting or recordkeeping requirements subject to Office of Management and Budget clearance.

List of Subjects in 20 CFR Part 221

Claims, Railroad retirement, Social security.

For the reasons stated in the preamble, the Railroad Retirement Board amends 20 CFR part 221 as follows:

PART 221—JURISDICTION DETERMINATIONS

■ 1. The authority citation for part 221 is revised to read as follows:

Authority: 45 U.S.C. 231f(b)(1), (b)(2); 45 U.S.C. 231f(d); 45 U.S.C. 231q.

■ 2. In § 221.1, revise the second sentence to read as follows:

§ 221.1 Introduction.

* * * The agency that has jurisdiction over the payment of benefits also has jurisdiction of the applicant's Medicare coverage as described in section 7(d) of the Railroad Retirement Act . * * *

■ 3. Revise § 221.2 to read as follows: