

1050.5 General

This chapter explains how the Social Security Administration (SSA) family maximum affects survivor family groups, when the maximum is involved, and how to determine individual rates.

1050.10 Application of the SSA Family Maximum

1050.10.1 When Two Beneficiaries Will Produce Maximum Rates

A. Two 75% Shares – The SSA family maximum may be involved when there are two beneficiaries classified as follows:

- Two Children;
- One Mother/Father or Surviving Divorced Mother/Father and One Child;
- Or Two Parents.

Although the maximum may be reached, there is no reduction because the maximum will not be exceeded.

B. One 75% Share and One 100% Share – The SSA family maximum may be involved when there are two beneficiaries classified as follows:

- One Aged, Disabled or Remarried Widow(er) and One Child.

A reduction will be necessary. A surviving divorced spouse (aged or disabled) is not considered in computing the SSA family maximum, and the surviving divorced spouse's annuity rate is not reduced for the SSA family maximum. In cases with a legal widow(er) in the same family group as a deemed widow(er), the legal widow(er) is not considered in computing the SSA family maximum and the legal widow(er)'s annuity rate is not reduced for the SSA family maximum.

1050.10.2 When Three Beneficiaries Will Produce Maximum Rates

Three beneficiaries will always produce maximum rates and a reduction will almost always be necessary. However, a surviving divorced spouse (aged or disabled) is not considered in computing the SSA family maximum, and the surviving divorced spouse's annuity rate is not reduced for the SSA family maximum. Additionally, in cases with a legal widow(er) in the same family group as a deemed widow(er), the legal widow(er) is not considered in computing the SSA family maximum and the legal widow(er)'s annuity rate is not reduced for the SSA family maximum.

1050.15 Determining Beneficiary's Share of The Maximum

1050.15.1 Original Rate

The original rate (i.e., the beneficiary's unreduced share of the PIA) is the following percentage of the tier I PIA:

Beneficiary	% Share
Widow(er) - Aged or Disabled	100%
Widow(er) - Mother or Father	75%
Remarried Widow	100%
Surviving Divorced Spouse*	100%*
Divorced Young Mother	75%
Child	75%
One Parent	82 ½%
Two Parents	75%

*Surviving Divorced Spouses are not considered in the family maximum computation but are entitled to 100% of the PIA when computing their unreduced Tier I rate.

1050.15.2 Reduced for Maximum Rate

Use the following charts to determine the beneficiary's reduced for maximum rate (i.e., the beneficiary's share of the SSA family maximum):

Family Composition	100% Share	75% Share
1-100% Share and 1-75% Shares	.57143	.42857
1-100% Share and 2-75% Shares	.40000	.30000
1-100% Share and 3-75% Shares	.30769	.23077
1-100% Share and 4-75% Shares	.25000	.18750
1-100% Share and 5-75% Shares	.21053	.15789

Family Composition	Each
3-75% Shares	.33333
4-75% Shares	.25000
5-75% Shares	.20000
6-75% Shares	.16667

1050.15.3 Determining the Maximum When the Widow(er) is Entitled to the ALT PIA

These charts cannot be used if a widow(er) is entitled to the ALT PIA. When the ALT PIA applies, the widow(er)'s tier 1 is computed using a PIA that is higher than the death PIA used for the other payees.

Even though the ALT PIA is greater than the death PIA, individual shares are computed using the family maximum computed for the death PIA. Therefore, the maximum will generally apply if a widow(er) entitled to an ALT PIA and any beneficiary, other than a surviving divorced spouse, is payable.

Example: There is a widow and initial child payable:

- Death PIA \$ 1214.10
- ALT PIA 1622.30
- Widow(er)'s full share 1622.30
- Child's full share: 910.50
- Family max: 2476.50
- Total shares: 2532.80 (ALT PIA, 1622.30 plus child's full share, 910.50)
- Widow's adjusted: 1586.20 (1622.30/2532.80 times 2476.50)
 share
- Child's adjusted 890.20 (910.50/2532.80 times 2476.50)
 share:

1050.15.4 Parisi Redistribution of the Family Maximum

In L-00-26, the Office of General Counsel determined that we must change the calculation of an individual's share of the family maximum if the following conditions are met:

- The tier one family maximum applies; and,
- At least one, but not all, family member who is included in the maximum is entitled to a social security or railroad employee benefit.

The annuitant who is not dually entitled is a Parisi member. The dually entitled annuitant is non-Parisi.

The redistribution of the family maximum to the Parisi member is effective on the later of August 2000, the OBD or the effective date of entitlement to the SS or railroad employee benefit.

Calculation

The Parisi redistribution is calculated as follows:

1. The social security benefit, railroad employee benefit or statutory share of the maximum, if lower, of all non-Parisi class members are added together.
2. The total is divided by the number of Parisi class members. Round the result down to the dime.
3. The amount in step 2 is added to the Parisi class member's share of the family maximum. The redistributed share of the maximum cannot be greater than the statutory share of the PIA.

EXAMPLE:

The payees are an aged widow and two disabled children.

August 2000 PIA	\$ 681.90
August 2000 Max	1098.60
Widow's share of the Max	439.40
Widow's SS benefit	708.00
Disabled children's share of the Max	329.50

The disabled children are the Parisi members. To compute their redistributed share of the maximum:

- Add \$219.70 (the lower of the widow's share of the family maximum or SS benefit divided by 2) to \$329.50 (each disabled child's share of the max)
- Compare the total, \$549.20, to the statutory share of the PIA, \$511.40.
- The lower amount, \$511.40, is payable.

The rate of the non-Parisi member does not change.

NOTE: If the Parisi class member is entitled to a WIMA, it must be recomputed based on the new share of the family maximum

REAP does not perform the Parisi calculation. If the applicant is a Parisi class member, the REAP estimate will be understated.

1050.15.5 Section 202(j) Redistribution of the Family Maximum

Section 202(j) of the Social Security Act protects an annuitant who is already receiving an annuity when a new applicant becomes entitled to an annuity prior to the new applicant's month of filing if the existing annuitant's annuity rates would be reduced under the family maximum. **The new applicants would be the late filers.** See [POMS RS 00615.760](#) for more information from the Social Security Administration.

202(j) protects existing annuitants from overpayments by reducing the late filer's Tier I and/or Tier II benefits to the difference between benefits actually paid to the existing annuitants and the remainder of the Tier I and/or Tier II family maximum (or Tier II family minimum if applicable).

202(j) reductions apply to the late filer starting on their OBD and cease in the month in which the application was filed.

NOTE: If the late filer is a widow(er) that is entitled to a dual annuity restored amount under the 1974 Railroad Retirement Act, a Spouse Minimum Guarantee, or a Widow(er)'s Initial Minimum Amount (WIMA), compute the restored amount using fictional rates without 202(j) applied. See [FOM1 1045.10.2](#) for more information on dual annuities, restored amounts, WIMA, and the spouse minimum guarantee.

202(j) does not apply in any cases where there is no break in entitlement for the late filer, such as in the following cases;

- Spouse to Widow(er) conversion,
- Child to Student conversion,
- Child or Student to Disabled Child conversion, and
- Young Parent to Widow(er) or Disabled Widow(er) conversion.

Calculation

The shares payable to the late filer under 202(j) is computed as follows:

1. Add together the monthly Tier I amounts payable to the annuitants in current pay status for each date break during the 202(j) period.
2. Subtract the amount computed in Step 1 from the Tier I family maximum, if the difference is:
 - a. Greater than the statutory Tier I share payable to the late filer - Statutory Tier I share is payable to late filer, **202(j) does not apply in this case.**
 - b. Less than the statutory Tier I share payable but greater than 0 - This is the Tier I share payable to the late filer under 202(j).
 - c. Zero or a negative amount– 202(j) applies, but no Tier I is payable during the 202(j) period.
3. Repeat these steps using Tier II amounts.

NOTE: If the annuitant(s) in current pay status are receiving shares adjusted for the Tier II family minimum (i.e. one or two children), **use the Tier II family minimum in step 2 instead of the Tier II family maximum.** See FOM 1050.20 below for more information on the Tier II family minimum and maximum.

Tier I Example:

A Young Mother (not receiving a WIMA increase) and Child are in current pay status. A Disabled Child files on April 5, 2022 and has their OBD retroactively set to November 1, 2021. The period between the Disabled Child's OBD and the month in which the application was filed for the Disabled Child (November 1-March 31st) is the 202(j) period. Full shares of Tier II will be paid to each annuitant in this case as the Tier II family maximum is not reached (see FOM1 1050.20 below).

Datebreak	PIA	Tier I Family Maximum	Monthly Tier I Paid to Mother	Monthly Tier I Paid to Child	Monthly Tier I Share Payable to Late Filer (Disabled Child)
November 2021 (OBD for D)	1756.20	3205.50	1756.20 X 75% = 1317.15 1317.00 after rounding	1317.00 (Same share as Mother)	3205.50 – (1317+1317) = 571.50 571.00 after rounding
December 2021	1859.80	3394.60	1394.00	1394.00	3394.60 – (1394+1394) = 606.60 606.00 after rounding

Datebreak	PIA	Tier I Family Maximum	Monthly Tier I Paid to Mother	Monthly Tier I Paid to Child	Monthly Tier I Share Payable to Late Filer (Disabled Child)
April 2022 (Month of Filing for D)	1859.80	3394.60	Normal Tier I Family Max rules apply at month of filing and 202(j) reductions stop: $3394.60/3 = 1131.53 = 1131.00$ for each M, C, and D after rounding		

Tier II Example:

A single Child has been in current pay status for several years. A second child files on February 23rd, 2019 and has their OBD retroactively set to October 1st, 2018. The period between the second child's OBD and month of filing (October 1st – January 31st) is the 202(j) period. Full shares of Tier I will be paid to both annuitant in this case as the Tier I family maximum is not reached (see FOM1 1050.10 above). **NOTE:** The example below shows 202(j) being applied using the Tier II minimum. 202(j) can also be applied to family groups meeting the Tier II maximum, i.e. a Widow(er) with 2 children and a late filing child.

Datebreak	Employee Tier II	Tier II Family Minimum	Monthly Tier II Paid to First Child	Monthly Tier II Share Payable to Late Filer (Second Child)
October 1 st 2018 (OBD for Second Child)	991.81	$991.81 \times 35\% =$ 347.14	347.14	$347.14 - 347.14 = 0.00$
December 2018	1000.74	$1000.74 \times 35\% =$ 350.26	350.26	$350.26 - 350.26 = 0.00$
February 2019 (Month of filing for Second Child)	1000.74	350.26	Normal Tier II Family Minimum rules apply at month of filing and 202(j) reductions stop: $350.26 / 2 = 175.13$ for Each Child	

1050.20 Tier II Minimum And Maximum

If the employee was not awarded a retirement annuity before 10-1-81 and died after 9-30-81, the survivor Tier II is computed based on the "high 60" Tier II amount which would have been payable to the employee in the month of death (after any reduction for W/F, but before any age reduction). After 9-30-86, all initial survivor computations will be based on the employee's "high 60" Tier II.

The minimum 1981 Amendment Tier II a family would receive is 35%; the maximum is 80%.

If the employee was awarded an RR Act annuity or died before 10-1-81, and the survivor annuity is awarded before 10-1-86, the survivor Tier II is equal to 30% of the original or reduced for maximum Tier I rate.

1050.25 Determining Beneficiary's 1981 Amendment Tier II Share

1050.25.1 Widow(er)'s Share

The aged, disabled or young widow(er)'s share is the following percentage of the employee's "high 60" tier II:

Family Composition	Widow(er)'s Share
Widow(er) and 0 Children	50%
Widow(er) and 1 Child	50%
Widow(er) and 2 Children	50%
Widow(er) and 3 Children	42.105%
Widow(er) and 4 Children	36.364%
Widow(er) and 5 Children	32.000%
Widow(er) and 6 Children	28.572%

1050.25.2 Child's Share

The child's share is the following percentage of the employee's "high 60" tier II:

Family Composition	Child's Share
Widow(er) and 1 Child	15%
Widow(er) and 2 Children	15%
Widow(er) and 3 Children	12.632%
Widow(er) and 4 Children	10.909%
Widow(er) and 5 Children	9.6%
Widow(er) and 6 Children	8.571%
1 Child	35%
2 Children	17.5%
3 Children	15%
4 Children	15%
5 Children	15%
6 Children	13.33%

1050.25.3 Parent's Share

A parent's share is 35% of the employee's "high 60" tier II whether there are one or two parents. A parent cannot qualify for a tier II when the employee was survived by a widow(er) or a child who could ever qualify for an annuity.

