

1010.5 SSA Family Maximum Defined

The Social Security Act limits the amount of monthly benefits which can be paid for any month on an employee's earnings record. The limited amount is called the SSA Family Maximum. This chapter explains the various SSA Family Maximums.

The 1980 SS Act amendments established a separate family maximum computation for disability O/M cases when the disability onset date is after 1978 and the DIB O/M effective date is 7-1-80 or later (see [FOM-I-1010.35](#)). Before 7-1-80, age and service and DIB O/M SSA family maximums were the same.

Under the RR Act, survivor benefits or retirement O/M benefits will usually be reduced to the SSA family maximum if:

- A. Three or more individuals are included in the family group, or
- B. Two persons are included in the family group, and
 - One of them is an aged or disabled widow(er), or
 - It is a disability case and the onset date is after 1978 and the DIB O/M effective date is 7-1-80 or later.

NOTE: Divorced spouses and surviving divorced spouses are not considered in the SSA family maximum. Surviving divorced mothers/fathers and remarried widow(er)s are considered in the SSA family maximum.

1010.10 Table PIA Maximum

The PIA for an employee who attained age 62, became disabled or died before 1979 is based on his average monthly earnings and is determined from a table defined in the SS Act. The SSA family maximums for employees eligible before 1979 are also found in this table in the law.

From 1971-1978, the table PIA maximums were increased with each amendment increase. After 1978, the automatic COL increases also increase the table PIA maximums because the employee was eligible before 1979.

A summary of the table PIAs and current maximums is found in Appendix A to this article.

1010.15 Special Minimum PIA Maximum

1010.15.1 Prior to 1-1979

If the special minimum PIA applied prior to 1-1-79, the monthly SPC MIN maximum was the table maximum indicated in the AMW PIA table for the AMW PIA that is either equal to the SPC MIN PIA or immediately greater than the SPC MIN PIA.

1010.15.2 1-1979 or Later

Effective 1-1979, the special minimum PIA table maximums are published separately from the AMW PIA tables. The 1980 Social Security Disability amendments later excluded from the family maximum computation, disability annuitants whose onset date is 1978 or later and whose DIB O/M effective date is July 1980 or later. The SPC MIN PIA family maximum tables continue to apply for survivor and disability cases payable prior to 7-1-80 with onset after 1978.

The 1981 SS amendments retained the special minimum provision.

1010.15.3 Summary of SPC MIN PIA Maximums

A summary of SPC MIN PIA family monthly maximums is found in Appendix B to this article.

1010.20 Basic Family Maximum Benefit for AIME Or TRANS PIA

The 1977 SS Act amendments established a four-step formula to compute the family maximum benefit for the AIME PIA or TRANS PIA for all employees who have an eligibility year of 1979 or later. The 1980 Social Security Disability amendments later excluded from this family maximum computation disability annuitants whose first eligibility is after 1978 and whose first month of entitlement to the DIB O/M payment is July 1980 or later (see [FOM-I-1040.5.9](#)). The formula continues to apply for age and service cases, survivor cases, disability cases payable prior to 7-1-80 with onset after 1978 and disability entitlement cases payable 7-1-80 or later in which disability benefits were previously paid before 7-1-80.

Under this family maximum computation, the percentages in the formula are constant but the amounts, "bend points," in each step will be adjusted each year as average wages rise. The "bend points" will be published by SSA in November before the eligibility year to which they apply.

The AIME, TRANS or "1977 old start" family maximum benefit is determined with "bend points" based on the benchmark year regardless of date of filing. When the date of entitlement is on or after the tier I cost-of-living increase effective date in the benchmark year, a cost-of-living percentage increase is applied to the initial family maximum benefit amount. Subsequent cost-of-living percentage increases are payable from the benchmark year.

AIME, TRANS or 1977 old start PIAs for eligibility years before 1982, if not a multiple of \$0.10, are rounded up to the next higher multiple of \$0.10 in the initial computation and any recomputation or cost-of-living increase through 5-31-82. Effective with the 6-1-82 COL adjustments to these PIAs, if the result is not a multiple of \$0.10, it is rounded down to the next lower multiple of \$0.10.

The family maximum benefit computed for PIA #9 for eligibility years 1982 or later is subject to the 1981 SS Act amendments from the initial computation. Add the results of the calculations listed below together. If the result is not a multiple of \$0.10, it is rounded down to the next lower multiple of \$0.10.

[Click here for a chart of the bend points used to calculate family maximum benefits for each year since 1979.](#)

1010.25 Benefit Conversion And Cost-Of-Living Savings Clause Family Maximums

When the SS Act was changed to add new categories of beneficiaries or to increase benefits, "savings clauses" were included to prevent the reduction of the benefits of persons already on the rolls or to make sure they received the full, intended increase.

1010.25.1 Benefit Conversion Savings Clause

Prior to the 1971 Social Security Act amendments, the SSA table maximums were not always increased by the same percentage as the PIA increase. The amendments that increased the SSA Act benefits in 1972 and earlier, provided for a benefit conversion savings clause that guaranteed the family group on the rolls the same percentage increase in the amount of the family monthly maximum as the regular PIA increase for the same years.

1010.25.2 Cost-of-Living Savings Clause

The 1972 amendments to the Social Security Act established a cost-of-living savings clause which guaranteed the family group the full amount of any percentage increase to the previous family monthly maximum amount whenever a cost-of-living or general benefit increase occurred provided:

- Two or more persons currently included in the computation were included in the family group for 1-1971 or any prior month based upon an application filed (or deemed to be filed) on or before 2-1-71; and,
- The family monthly maximum was in effect for such months; and,
- A prior savings clause maximum is in effect in the month before the cost-of-living increase.

[Click here for a chart of the cost-of-living percentage increases that have been paid to date.](#)

This guaranteed amount could be payable under the SSA formula until:

- A table maximum for a new PIA is higher (e.g., recomputation); or,
- A new cost-of-living savings clause maximum is established for a subsequent year; or,
- The family group is no longer subject to the family monthly maximum (although the savings clause may re-apply later).

1010.25.3 Computation of Savings Clause Family Maximum

In 1974 Railroad Retirement Act cases, the savings clause rates are determined by increasing each beneficiary's rounded pre-COL original or reduced for maximum rate in the month of the cost-of-living increase by the COL percentage. The result is then rounded if necessary to end in \$0.10. If the sum of the rounded increased original or reduced for maximum rates exceeds the table maximum, it is considered a savings clause maximum.

1010.25.4 The Family Payment Savings Clause

- A. General - The Family Payment Savings clause guarantees that total family benefits are not decreased due to a PIA increase. The savings clause protection is maintained even when the family composition changes, as long as the maximum still applies.

The Family Payment Savings clause can apply in any case in which benefits are limited to the family monthly maximum.

- B. Computation of Family Payment Savings Clause - The Family Payment Savings clause originally computed under the 1969 Social Security Act amendments was determined by computing the total monthly benefits payable under the SS Act under the 1967 and the 1969 amendments. The higher of the two amounts was payable to the family group.

Under the July 1972 SS Act amendments, the total monthly benefits on the earnings record under the increased PIA are adjusted by the amount which will assure that the total monthly payment (after reduction for the maximum and for age) is not less than the total monthly benefits (after reduction for the maximum and for age) for the month immediately preceding the month of the PIA increase.

1010.25.5 Redetermination Savings Clause

The October 1972 amendments to the Social Security Act established a Redetermination Savings clause for survivor cases in which the widow(er) is included in

a family in both 12-1972 and 1-1973 and the benefits of the family require a reduction for the family maximum. Under this savings clause, other beneficiaries will not have their benefits decreased because the widow(er)'s benefit was increased in 1-1973.

1010.30 Combined Family Maximum Amount

If a child is entitled to benefits as a child on two wage records, a combined family maximum may apply. All children eligible on the same earnings records must be handled as an indivisible group. If children are eligible on both their mother's and father's earnings records, all of the children must be actually entitled on one parent's earnings record.

When a combined maximum is initially established it equals the sum of the table or formula family maximums (not savings clause maximums) on the earnings records on which the child is simultaneously entitled. The combined maximum cannot exceed:

- The highest possible table maximum when all the PIAs are AMW PIAs (i.e., eligibility before 1979). The combined maximum can be changed by both COL increases and any increase in the PIA table in January.
- 1 3/4 times the AIME PIA based on an AIME based on the current monthly creditable tier I earnings, using the bend points for the year for which the maximum is being computed, when one or more of the PIAs is an AIME or TRANS PIA. Once the combined maximum is determined, it will be changed only by COL increases.

1010.35 Family Maximum Benefit For Disability Cases Under 1980 SS Act Amendments

Prior to the 1980 Social Security Disability amendments, the computation of the family maximum was the same for both age and service and disability cases.

Under the 1980 Social Security Act disability amendments, the total family benefits of disability claimants whose first eligibility is after 1978 and whose first month of entitlement to the DIB O/M payment is July 1980 or later are limited as follows:

- A. Payments based on AIME PIA - This comparison is made based on the AIME. The DIB O/M MAX is 85% of the employee's average indexed monthly earnings (AIME), but not less than 100% of the employee's AIME PIA, nor more than 150% of the employee's AIME PIA.

The SSA family maximum is determined based upon the eligibility year (benchmark year) regardless of the date of filing. When the date of entitlement is on or after the tier I cost-of-living increase effective date in the benchmark year, a cost-of-living percentage increase is applied to the initial family maximum benefit amount. Subsequent COL percentage increases are payable from the eligibility year.

B. Payments based on SPC MIN PIA - This comparison is based on the actual PIAs effective on the DIB O/M effective date (including cost-of-living). The DIB O/M MAX is the smaller of:

- 85 percent of the AIME multiplied by the percentages of all intervening COL increases up to the DIB O/M effective date, but no less than the SPC MIN PIA on the DIB O/M effective date; or,
- 150 percent of the SPC MIN PIA effective on the DIB O/M effective date.

After the DIB O/M MAX is determined, subsequent percentage cost-of-living increases are applied to both the PIA and the DIB O/M MAX amounts.

Effective 9-1-81 or later, if the result of the DIB O/M MAX computation is not a multiple of \$0.10, it is rounded down to the next lower multiple of \$0.10.

If the PIA is recomputed, the above tests are also applied to the new PIA.

The DIB O/M MAX will apply for eligible family groups until the employee dies or becomes entitled to an age and service O/M. At that time, the regular family maximum can apply.

In the case of an employee who is entitled to either a reduced age and service O/M or DIB O/M which begins July 1, 1980, or later, based on first eligibility after 1978, BRB will determine if the age and service monthly family maximum would provide a higher rate. If it does, BRC will send an assignment requesting you to explain this to the employee and to give the employee the opportunity to elect a reduced age and service O/M. If the A&S O/M is elected, entitlement to the disability freeze is still applicable for Medicare purposes.