

FRANKLIN ELECTRIC CO INC
Form 11-K
June 27, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

ý ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2012

OR

o TRANSITION REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number 0-362

FRANKLIN ELECTRIC CO., INC. RETIREMENT PROGRAM
(Full title of the plan)

FRANKLIN ELECTRIC CO., INC.
(Exact name of registrant as specified in its charter)

Indiana
(State or other jurisdiction of incorporation or
organization)

35-0827455
(I.R.S. Employer Identification No.)

400 East Spring Street
Bluffton, Indiana
(Address of principal executive offices)

46714
(Zip Code)

(260) 824-2900
(Registrant's telephone number, including area code)

Franklin Electric Co., Inc. Retirement Program
Financial Statements as of December 31, 2012 and 2011, and for the Year Ended December 31, 2012, and
Supplemental Schedule as of December 31, 2012, and Report of Independent Registered Public Accounting Firm

FRANKLIN ELECTRIC CO., INC. RETIREMENT PROGRAM
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Exhibit 23.1 - Consent of Independent Registered Public Accounting Firm

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Participants and the Benefits Committee
Franklin Electric Co., Inc. Retirement Program
Bluffton, Indiana

We have audited the accompanying statements of net assets available for benefits of the Franklin Electric Co., Inc. Retirement Program (formerly Franklin Electric Directed Investment Salary Plan; the Plan) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits of the Plan for the year ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2012 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2012 financial statements taken as a whole.

/s/ Crowe Horwath LLP
South Bend, Indiana
June 26, 2013

FINANCIAL STATEMENTS

FRANKLIN ELECTRIC CO., INC. RETIREMENT PROGRAM
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS:		
Participant-directed investments - at fair value (see Note 3):		
Short-term investments	\$805,300	\$722,100
Franklin Electric Co., Inc. common stock	30,153,800	24,487,100
Wells Fargo stable return fund	21,305,800	21,126,300
Collective funds	7,106,500	5,738,200
Investments in shares of registered investment companies	38,249,500	30,418,100
Total investments	97,620,900	82,491,800
Receivables:		
Employer contributions	4,979,000	1,892,600
Notes receivable from participants	1,689,500	1,505,100
Total receivables	6,668,500	3,397,700
Total assets	\$104,289,400	\$85,889,500
Net assets available for benefits, reflecting all investments at fair value	\$104,289,400	\$85,889,500
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	(600,700)	(528,600)
Net assets available for benefits	\$103,688,700	\$85,360,900

See Notes to Financial Statements.

FRANKLIN ELECTRIC CO., INC. RETIREMENT PROGRAM
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEAR ENDED DECEMBER 31, 2012

Contributions:	
Participant contributions	\$3,950,900
Participant rollover contributions	875,300
Employer contributions	4,980,200
Total contributions	9,806,400
Investment income:	
Net appreciation in fair value of investments	15,253,900
Dividends and interest	1,100,900
Total investment income	16,354,800
Total additions	26,161,200
Deductions:	
Benefits paid to participants	7,562,700
Administrative expenses	270,700
Total deductions	7,833,400
Net increase	18,327,800
Net assets available for benefits:	
Beginning of year	85,360,900
End of year	\$103,688,700

See Notes to Financial Statements.

FRANKLIN ELECTRIC CO., INC. RETIREMENT PROGRAM
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2012 AND 2011, AND FOR THE YEAR ENDED DECEMBER 31, 2012

1. DESCRIPTION OF THE PLAN

The following description of the Franklin Electric Co., Inc. Retirement Program (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Document and Summary Plan Description for more complete information.

General - The Plan is administered by the Franklin Electric Co., Inc. (the "Company") Employee Benefits Committee ("Plan Fiduciary"). The Employee Benefits Committee is appointed by the Company and approved by the Board of Directors of Franklin Electric Co., Inc. The Plan's trustee is Wells Fargo Bank of Minnesota, N.A. ("Plan Trustee"). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

The Plan is a defined-contribution employee benefit plan covering substantially all eligible employees. Company matching contributions for employees are made to the Plan.

Effective for 2012, the Company redesigned certain U.S. retirement plan offerings. The redesign was completed in order to increase standardization of retirement plans among U.S. salaried employees and to reduce the expected cash funding volatility of retirement plans, while at the same time keeping in place a competitive retirement plan offering to attract and retain talent. The Company achieved this by instituting a new service-based contribution, supplemental to the existing Company match for employees, into the Plan as of January 1, 2012. Also effective January 1, 2012, the formal name of the Plan was changed to the Franklin Electric Co., Inc. Retirement Program ("FERP") from the Franklin Electric Directed Investment Salary Plan.

Contribution - U.S. domestic employees can contribute from 1% to 50% of their eligible compensation not to exceed the IRS limit (\$17,000 for 2012). An additional \$5,500 'catch-up' contribution is also allowed for the year if an employee reaches age 50 by the end of the calendar year.

For U.S. domestic employees, other than the Little Rock union contract employees, the Company contributed an amount equal to 100% for the first 2% and 50% of the next 3% of the participant's contribution, or up to 3 1/2% of each employee's eligible compensation.

For the Little Rock union contract employees, the Company contributed 3% of each employee's eligible compensation, whether the employee participated in the Plan or not.

Beginning in the 2012 Plan year, the Company instituted a new service-based contribution. Participants receive a contribution in the range of 3% to 9% of annual earnings depending on the number of years of service to the Company.

Company contributions to the participant accounts are funded in the first quarter following the plan year.

Participant Accounts - Individual accounts are maintained for each Plan participant. Each participant's account is credited/charged with: (a) the participant's contributions and withdrawals; (b) Company matching contributions made to the Plan; and (c) Plan earnings and losses, less expenses.

Allocation of earnings and expenses are based on participants' account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Investments - Participating employees direct the investment of their contributions and account balances into various investment options offered by the Plan. The Plan currently offers a Franklin Electric common stock fund, various intermediate bond funds, a stable return collective investment fund, various international equity funds, a small capitalization growth equity fund, a small capitalization value fund, a small-cap blended fund, a mid-cap blended fund, a large capitalization growth fund, a large capitalization value fund, a large-cap blended fund, and various target date funds as investment options for participants.

Concentration - The Plan includes two investments, Franklin Electric Co., Inc. Common Stock and the Wells Fargo Stable Return Fund, that represented approximately 29% and 21% of the Plan's net assets as of December 31, 2012, respectively. These respective investments represented approximately 29% and 25% of the Plan's net assets as of December 31, 2011.

Vesting - Participants are 100% vested in both their own contributions and the employer match contribution at all times. Participants are 100% vested in the service contribution after completing three calendar years of service, with at least 1,000 hours of service completed within each calendar year. Participants who were terminated prior to January 1, 2008, were vested in their Employer

Benefit Contributions of the former ESOP at a rate based on 20% per year after three years of service and are fully vested after seven years of service. Participants who terminated prior to the August 5, 2010 merger date, but not before January 1, 2008, were vested in their Employer Benefit Contributions at a rate based on 20% per year after two years of service and are fully vested after six years of service. Participants who were employed with the Company as of the August 5, 2010 merger date, were 100% vested in their Employer Benefit Contributions. Forfeited balances of terminated participants are allocated to the remaining Plan participants. During 2012, no forfeited nonvested amounts were allocated to Plan participants.

Notes Receivable from Participants - Participants may borrow from their accounts up to the lesser of \$50,000 or 50% of the participant's account. Loans are secured by the balance in the participant's account. Loan transactions are treated as a transfer between the investment fund and the loan fund. Loan terms range from 1 to 5 years for general purpose loans or up to 10 years for the purchase of a primary residence and are repaid through payroll deductions. Interest is charged at the prime rate plus 1%, determined at the time the funds are borrowed, and is credited to the participant's account.

All loan fees are paid by the participant and are deducted directly from the assets of the participant's account.

Administrative Expenses - Administrative expenses are paid by the Plan as provided in the Plan Document.

Payment of Benefits - Participants may elect to receive a lump-sum distribution equal to the value of their account or receive equal monthly or annual installments over a specified period as defined by the Plan. Benefits are recorded when paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Plan are prepared under the accrual basis of accounting.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Risks and Uncertainties - Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Notes Receivable from Participants - Notes receivable from participants are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participants' account balances.

Investment Transactions - Purchases and sales of securities are recorded on a trade-date basis.

Income Recognition - Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/(depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Fair Value of Financial Instruments - The fair values of employer contributions receivable have been determined to approximate carrying value based upon their short-term nature.

Investment Valuation - The Plan's investments are stated at fair value.

Short-term investments include highly liquid assets that seek to maintain a constant net asset value of \$1 per unit. Short-term investments are valued at the deposit account balance, which approximates fair value. Investments in Franklin Electric Co., Inc. common stock are valued at the last quoted sale or bid prices as reported on the NASDAQ Global Select Market. Shares of mutual funds are valued at quoted market prices on a nationally recognized security exchange, which represent the net asset values of shares held by the Plan at year end.

According to accounting guidance related to Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans, investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Plan holds an indirect interest in such contracts through its investment

in a stable value fund. As required by the accounting guidance, the statements of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The Wells Fargo Stable Return Fund N35 (the "Fund") is a collective fund whose only investment is the Wells Fargo Stable Return Fund G ("Fund G"), a collective trust fund sponsored by Wells Fargo Bank, N.A. The value of the Fund is based on the underlying unit value reported by Fund G. Fund G invests primarily in investment contracts including traditional guaranteed investment contracts and security-backed contracts issued by insurance companies and other financial institutions. The Fund establishes a daily net asset value, including an annual investment management fee of 0.40% for the period of January 1, 2012 through September 30, 2012, and 0.35% for the period of October 1, 2012 through December 31, 2012, which is then applied to unit holders of the Fund to determine the daily value of account balances. The fair values of participation units in the stable value collective trust are based upon the net asset values of such fund, after adjustments to reflect all fund investments at fair value, including direct and indirect interests in fully benefit responsive contracts. The fair values of these investment contracts, including any wrapper contracts, are calculated by using either the quoted market prices of the underlying securities adjusted for the present value of the difference between the current wrapper fee and the contracted wrapper fee, or by discounting the related cash flows based on the current discount rate. The plan administrator, committee, participant or other authorized party may instruct Wells Fargo in writing to redeem some or all units. Units will be redeemed at the unit value as determined following receipt by Wells Fargo of written redemption instructions. Redemption proceeds will generally be paid to the account within one business day after receipt of a redemption request, and in all cases within six business days after such a receipt.

The Wells Fargo International Equity Index Fund (the "Fund") is a collective fund that seeks to approximate the total return of the Morgan Stanley Capital International Europe, Australasia, and Far East Index (the "Index"). The Fund invests in substantially the same stocks in approximately the same percentages that make up the Index. The Fund intends to remain 90% invested in the stocks comprising the Index. The Fund's remaining assets are invested in cash reserves.

The Wells Fargo Russell 2000 Index Fund (the "Fund") is a collective fund that seeks to approximate the total return of the Russell 2000 Index (the "Index"). The Fund invests in the same stocks in approximately the same percentages as the stocks that make up the Index. The Fund intends to remain 97% invested in the stocks comprising the Index. The Fund's remaining assets are invested in cash reserves.

The Wells Fargo S&P 500 Index Fund (the "Fund") is a collective fund that seeks to approximate the total return of the Standard & Poor's 500 Index (the "Index"). The Fund invests in the same stocks in approximately the same percentages as the stocks that make up the Index. The Fund intends to remain 95% invested in the stocks comprising the Index. The Fund's remaining assets are invested in cash reserves.

The Wells Fargo S&P MidCap Index Fund (the "Fund") is a collective fund that seeks to approximate the total return of the S&P 400 MidCap Index (the "Index"). The Fund invests in the same stocks in approximately the same percentages as the stocks that make up the Index. The Fund intends to remain 95% invested in the stocks comprising the Index. The Fund's remaining assets are invested in cash reserves.

The Wells Fargo US Aggregate Bond Fund (the "Fund") is a collective fund that seeks to approximate the total return of the Barclays Capital Aggregate Bond Index (the "Index") by investing in bonds selected by stratified sampling. Stratified sampling represents a low-cost and efficient method of security selection, designed to select a single bond in the Index to represent several bonds within the Index with similar attributes such as maturity, credit quality, and coupon.

Units of the Wells Fargo collective funds listed above, other than the Wells Fargo Stable Return Fund N35, are valued based on the unit value established for each fund on the valuation date. The unit value for these funds is calculated by dividing each fund's net asset value on the calculation date by the number of units that are outstanding on the calculation date for each fund. The fair values of participation units held in the various Wells Fargo collective funds were based on the net asset value reported by the fund manager as of the financial statement dates and recent transaction prices. The plan administrator, committee, participant or other authorized party may instruct Wells Fargo in writing to redeem some or all units of the various Wells Fargo collective funds. Units will be redeemed at the unit value as determined following receipt by Wells Fargo of written redemption instructions. Redemption proceeds will generally be paid to the account within one business day after receipt of a redemption request, and in all cases within six business days after such a receipt.

Management fees charged to the Plan for investments are deducted from income earned on a daily basis, and are not separately reflected. Accordingly, management fees are reflected as a reduction of investment return for such investments.

Payment of Benefits - Benefit payments to participants are recorded upon distribution. Amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid were not significant at December 31, 2012 and 2011.

3. INVESTMENTS

Financial Accounting Standards Board Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures, provides guidance for defining, measuring, and disclosing fair value within an established framework and hierarchy. Fair value is defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants and requires that assets and liabilities carried at fair value are classified and disclosed in the following three categories:

Level 1 - Securities valued using quoted prices from active markets for identical assets;

Level 2 - Securities not traded on an active market but for which observable market inputs are readily available; and

Level 3 - Securities valued based on significant unobservable inputs that reflect the Plan's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The following tables set forth, by level within the fair value hierarchy, a summary of the Plan's investments measured at fair value on a recurring basis at December 31, 2012 and 2011:

	December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments	\$805,300	\$—	\$805,300	\$—
Franklin Electric Co., Inc. Common Stock	30,153,800	30,153,800	—	—
Wells Fargo Stable Return Fund	21,305,800		21,305,800	—
Collective funds:				
Wells Fargo International Equity Index Fund	213,400	—	213,400	—
Wells Fargo Russell 2000 Index Fund	115,100	—	115,100	—
Wells Fargo S&P 500 Index Fund	6,152,400	—	6,152,400	—
Wells Fargo S&P MidCap Index Fund	133,800	—	133,800	—
Wells Fargo US Aggregate Bond Fund	491,800	—	491,800	—
Investments in shares of registered investment companies:				
American Beacon Large Cap Value Fund	8,886,000	8,886,000	—	—
American Funds EuroPacific Growth Fund	5,686,300	5,686,300	—	—
Buffalo Small Cap Fund	2,341,000	2,341,000	—	—
JP Morgan Core Bond Select Fund	7,190,300	7,190,300	—	—
RS Partners Fund	1,992,500	1,992,500	—	—
T. Rowe Price Growth Stock Fund	4,633,400	4,633,400	—	—
Target date funds:				
Wells Fargo WF ADV DJ TODAY I	1,614,100	1,614,100	—	—
Wells Fargo WF ADV DJ 2010 I	320,400	320,400	—	—
Wells Fargo WF ADV DJ 2015	91,900	91,900	—	—
Wells Fargo WF ADV DJ 2020 I	1,862,400	1,862,400	—	—
Wells Fargo WF ADV DJ 2025	19,400	19,400	—	—
Wells Fargo WF ADV DJ 2030 I	1,382,700	1,382,700	—	—
Wells Fargo WF ADV DJ 2035	377,600	377,600	—	—
Wells Fargo WF ADV DJ 2040 I	1,031,700	1,031,700	—	—
Wells Fargo WF ADV DJ 2045 I	50,400	50,400	—	—
Wells Fargo WF ADV DJ 2050	744,400	744,400	—	—
Wells Fargo WF ADV DJ 2055 - INS	25,000	25,000	—	—
	\$97,620,900	\$68,403,300	\$29,217,600	\$—

There were no transfers between Level 1 and Level 2 investments during 2012.

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	December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments	\$722,100	\$—	\$722,100	\$—
Franklin Electric Co., Inc. Common Stock	24,487,100	24,487,100	—	—
Wells Fargo Stable Return Fund	21,126,300	—	21,126,300	—
Collective funds:				
Wells Fargo International Equity Index Fund	11,900	—	11,900	—
Wells Fargo Russell 2000 Index Fund	4,900	—	4,900	—
Wells Fargo S&P 500 Index Fund	5,712,800	—	5,712,800	—
Wells Fargo S&P MidCap Index Fund	8,400	—	8,400	—
Wells Fargo US Aggregate Bond Fund	200	—	200	—
Investments in shares of registered investment companies:				
American Beacon Large Cap Value Fund	8,041,100	8,041,100	—	—
American Funds EuroPacific Growth Fund	4,768,200	4,768,200	—	—
Buffalo Small Cap Fund	1,745,100	1,745,100	—	—
JP Morgan Core Bond Select Fund	5,771,200	5,771,200	—	—
RS Partners Fund	1,765,600	1,765,600	—	—
T. Rowe Price Growth Stock Fund	3,706,800	3,706,800	—	—
Target date funds:				
Wells Fargo WF ADV DJ TODAY I	1,153,800	1,153,800	—	—
Wells Fargo WF ADV DJ 2010 I	256,100	256,100	—	—
Wells Fargo WF ADV DJ 2020 I	1,193,300	1,193,300	—	—
Wells Fargo WF ADV DJ 2030 I	879,200	879,200	—	—
Wells Fargo WF ADV DJ 2035	3,500	3,500	—	—
Wells Fargo WF ADV DJ 2040 I	659,400	659,400	—	—
Wells Fargo WF ADV DJ 2050	474,800	474,800	—	—
	\$82,491,800	\$54,905,200	\$27,586,600	\$—

The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2012 and 2011, are as follows:

	December 31, 2012	December 31, 2011
Franklin Electric Co., Inc. Common Stock (485,035 and 562,144 shares, respectively)	\$30,153,800	\$24,487,100
Wells Fargo Stable Return Fund	21,305,800	21,126,300
Wells Fargo S&P 500 Index Fund	6,152,400	5,712,800
American Beacon Large Cap Value Fund	8,886,000	8,041,100
American Funds EuroPacific Growth Fund	5,686,300	4,768,200
JP Morgan Core Bond Select Fund	7,190,300	5,771,200

During the year ended December 31, 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated/(depreciated) in value as follows:

Franklin Electric Co., Inc. Common Stock	\$9,867,700
Wells Fargo Stable Return Fund	337,500
Collective funds:	
Wells Fargo International Equity Index Fund	21,700
Wells Fargo Russell 2000 Index Fund	(700)
Wells Fargo S&P 500 Index Fund	895,300
Wells Fargo S&P MidCap Index Fund	17,200
Wells Fargo US Aggregate Bond Fund	11,100
Collective funds total	944,600
Investments in shares of registered investment companies:	
American Beacon Large Cap Value Fund	1,307,800
American Funds EuroPacific Growth Fund	820,700
Buffalo Small Cap Fund	365,900
JP Morgan Core Bond Select Fund	122,600
RS Partners Fund	337,000
T. Rowe Price Growth Stock Fund	704,300
Target Date Funds	445,800
Investments in shares of registered investment companies total	4,104,100
Net appreciation in fair value of investments	\$ 15,253,900

4. STABLE VALUE FUND

The stable value fund (the "Fund") is a collective trust fund sponsored by Wells Fargo Bank, N.A. The beneficial interest of each participant is represented by units. Units are issued and redeemed daily at the Fund's net asset value, as determined daily by Wells Fargo Bank, N.A., the sponsor of the fund. Distribution to the Fund's unit holders are declared daily from the net investment income and automatically reinvested in the Fund on a monthly basis, when paid.

Limitations on the Ability of the Fund to Transact at Contract Value - Participants ordinarily may direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the Fund, plus earnings, less participant withdrawals and administrative expenses. The Fund imposes certain restrictions on the Plan, and the Fund itself may be subject to circumstances that impact its ability to transact at contract value, as described in the following paragraphs. Plan management believes that the occurrence of events that would cause the Fund to transact at less than contract value is not probable.

Restrictions on the Plan - Participant initiated transactions are those transactions allowed by the Plan including withdrawals for benefits, loans, or transfers to noncompeting funds within a Plan, but excluding withdrawals that are deemed to be caused by the actions of the Plan Sponsor. The following employer initiated events may limit the ability of the Fund to transact at contract value:

• A failure of the Plan or its trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA.

Any communication given to Plan participants designed to influence a participant not to invest in the Fund or to transfer assets out of the Fund.

Any transfer of assets from the Fund directly into a competing investment option.

The establishment of a defined-contribution plan that competes with the Plan for employee contributions.

Complete or partial termination of the Plan or its merger with another plan.

Circumstances That Impact the Fund - The Fund invests in the Wells Fargo Stable Return Fund G ("Fund G"), which invests primarily in investment contracts including traditional guaranteed investment contracts and security-backed contracts issued by insurance companies and other financial institutions. Fund G also enters into wrap contracts issued by third parties. A wrap contract is an agreement by another party, such as a bank or insurance company, to make payments to the Fund in certain circumstances. Wrap contracts are designed to allow a stable value portfolio to maintain a level of stable income without principal volatility and protect a portfolio in extreme circumstances.

In a typical wrap contract, the wrap issuer agrees to pay a portfolio the difference between the contract value and the market value of the underlying assets once the market value has been totally exhausted.

Wrap contracts generally contain provisions that limit the ability of Fund G to transact at contract value upon the occurrence of certain events. These events include:

- Any substantive modification of Fund G or the administration of Fund G that is not consented to by the wrap issuer.
- Any change in law, regulation, or administrative ruling applicable to a plan that could have a material adverse effect on Fund G's cash flow.
- Employer initiated transactions by participating plans as described above.

In the event that wrap contracts fail to perform as intended, Fund G's value may decline if the market value of its assets declines. Fund G's ability to receive amounts due pursuant to these wrap contracts is dependent on the third-party issuer's ability to meet their financial obligations. The wrap issuer's ability to meet its contractual obligation under the wrap contracts may be affected by future economic and regulatory developments.

Fund G is unlikely to maintain a stable value if, for any reason, it cannot obtain or maintain wrap contracts covering all of its underlying assets. This could result from Fund G's inability to promptly find a replacement wrap contract following termination of a wrap contract. Wrap contracts are not transferable and have no trading market. There are a limited number of wrap issuers. Fund G may lose the benefit of wrap contracts on any portion of its assets in default in excess of a certain percentage of portfolio assets.

5. PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain Plan investments are shares of funds, including Target Date Mutual Funds and collective trusts, managed by the Plan Trustee or an affiliate of the Plan Trustee. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund. Notes receivable from participants held by the Plan are also considered party-in-interest transactions.

At December 31, 2012 and 2011, the Plan held 485,035 and 562,144 shares, respectively, of common stock of Franklin Electric Co., Inc., the sponsoring employer. Dividends of common stock of Franklin Electric Co., Inc., for plan year 2012 were \$299,300.

6. PLAN TERMINATION

The Company has not expressed any intent to terminate the Plan. If the Plan was terminated, the termination would be subject to provisions set forth by ERISA, and the net assets of the Plan would be allocated among the participants and the beneficiaries of the Plan in the order provided for by ERISA.

7. TAX STATUS

The IRS has determined and informed the Company by a letter, dated May 30, 2001, that the Plan and related trust were designed in accordance with the applicable regulations of the Internal Revenue Code (the "Code"). The Plan has been amended and restated since receiving the determination letter; however, the Company and the Plan

Administrator believe that the Plan is currently designed and operated in compliance with the applicable requirements of the Code and the Plan and related trust continue to be tax-exempt. Accordingly, no provision for income taxes has been included in the Plan's financial statements. The Plan applied for an updated determination letter on January 31, 2011, and is awaiting response from the IRS.

SUPPLEMENTAL SCHEDULE

FRANKLIN ELECTRIC CO., INC. RETIREMENT PROGRAM
 FORM 5500, SCHEDULE H, PART IV, LINE 4i
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 AS OF DECEMBER 31, 2012

Name of plan sponsor: Franklin Electric Co., Inc.

Employer identification number: 35-0827455

Three-digit plan number: 007

Identity of Issue, Borrower, Lessor or Similar Party		Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
(a)	(b)	(c)	(d)	(e)
*	Wells Fargo Bank, N.A.	Short-term Investment Fund	**	805,300
*	Franklin Electric Co., Inc.	Common Stock	**	30,153,800
*	Wells Fargo Bank, N.A.	Stable Return Fund	**	20,705,100
Collective funds:				
*	Wells Fargo Bank, N.A.	International Equity Index Fund	**	213,400
*	Wells Fargo Bank, N.A.	Russell 2000 Index Fund	**	115,100
*	Wells Fargo Bank, N.A.	S&P 500 Index Fund	**	6,152,400
*	Wells Fargo Bank, N.A.	S&P MidCap Index Fund	**	133,800
*	Wells Fargo Bank, N.A.	US Aggregate Bond Fund	**	491,800
Investments in shares of registered investment companies:				
	American Beacon Funds	Large Cap Value Fund	**	8,886,000
	American Funds	EuroPacific Growth Fund	**	5,686,300
	Buffalo Funds	Small Cap Fund	**	2,341,000
	JP Morgan Asset Management	Core Bond Select Fund	**	7,190,300
	RS Investments	RS Partners Fund	**	1,992,500
	T. Rowe Price Associates, Inc.	Growth Stock Fund	**	4,633,400
Dow Jones target date funds:				
*	Wells Fargo Bank, N.A.	WF ADV DJ TODAY I	**	1,614,100
*	Wells Fargo Bank, N.A.	WF ADV DJ 2010 I	**	320,400
*	Wells Fargo Bank, N.A.	WF ADV DJ 2015	**	91,900
*	Wells Fargo Bank, N.A.	WF ADV DJ 2020 I	**	1,862,400
*	Wells Fargo Bank, N.A.	WF ADV DJ 2025	**	19,400
*	Wells Fargo Bank, N.A.	WF ADV DJ 2030 I	**	1,382,700
*	Wells Fargo Bank, N.A.	WF ADV DJ 2035	**	377,600
*	Wells Fargo Bank, N.A.	WF ADV DJ 2040 I	**	1,031,700
*	Wells Fargo Bank, N.A.	WF ADV DJ 2045 I	**	50,400
*	Wells Fargo Bank, N.A.	WF ADV DJ 2050 I	**	744,400
*	Wells Fargo Bank, N.A.	WF ADV DJ 2055 - INS	**	25,000

*	Various participants	Notes receivable (maturing 2013 to 2019 at interest rates of 4.25% to 9.25%)	**	1,689,500
				\$98,709,700

* Party-in-interest.

** Cost information is not required for participant directed investments and, therefore, is not included.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Employee Benefits Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

FRANKLIN ELECTRIC CO., INC.

(Registrant)

FRANKLIN ELECTRIC CO., INC. RETIREMENT PROGRAM

(Name of plan)

Date: June 27, 2013

By /s/ John J. Haines
John J. Haines
Vice President and Chief Financial Officer and Secretary
(Principal Financial and Accounting Officer)