

Monthly FERS annuity payments for letter carriers who retire on Sept. 1, 2020

The Federal Employees Retirement System (FERS) covers federal and postal employees hired on or after Jan. 1, 1984. FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan.

An additional Special Annuity Supplement is paid to FERS annuitants who retire at Minimum Retirement Age (MRA) plus 30 years or more, or at age 60 plus 20 years or more. It is approximately calculated by taking an individual's Social Security age 62 benefit estimate, multiplied by the number of years of

FERS coverage, divided by 40. It is payable to age 62 and then ends. Social Security benefits are payable beginning at age 62.

The table below provides monthly basic annuity, survivor deduction and net annuity amount estimates for letter carriers who plan to take optional retirement on Sept. 1, 2020. Estimates are computed by using the given high-3 averages, which are based on the basic pay earned by full-time Step O carriers and vary by length of postal/military/federal service. Reduced annuity amounts reflect the difference between the given basic annuity and survivor reduction figures.

Years of Service ²	CC Grade 1 / High-3 Average ¹ : \$63,737			CC Grade 2 / High-3 Average ¹ : \$65,059		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,062	\$106	\$956	\$1,084	\$108	\$976
21	1,115	112	1,004	1,139	114	1,025
22	1,169	117	1,052	1,193	119	1,073
23	1,222	122	1,099	1,247	125	1,122
24	1,275	127	1,147	1,301	130	1,171
25	1,328	133	1,195	1,355	136	1,220
26	1,381	138	1,243	1,410	141	1,269
27	1,434	143	1,291	1,464	146	1,317
28	1,487	149	1,338	1,518	152	1,366
29	1,540	154	1,386	1,572	157	1,415
30	1,593	159	1,434	1,626	163	1,464
31	1,647	165	1,482	1,681	168	1,513
32	1,700	170	1,530	1,735	173	1,561
33	1,753	175	1,577	1,789	179	1,610
34	1,806	181	1,625	1,843	184	1,659
35	1,859	186	1,673	1,898	190	1,708
36	1,912	191	1,721	1,952	195	1,757
37	1,965	197	1,769	2,006	201	1,805
38	2,018	202	1,817	2,060	206	1,854
39	2,071	207	1,864	2,114	211	1,903
40	2,125	212	1,912	2,169	217	1,952
Each additional year ⁵	53.11	5.31	47.80	54.22	5.42	48.79

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Sept. 1, 2017, and Sept. 1, 2020, at Step O (formerly Step 12).

2. Years of service includes any unused sick leave.

3. The reduction for survivor's annuity is the amount necessary to provide maximum benefits (50% of basic annuity) to a surviving spouse.

4. If covered by the NALC Health Benefit Plan, a further deduction of either \$473.01 per month if for self plus one (code 323), \$408.94 if for self and family (code 322), or \$196.82 if for self only (code 321) will be made. In addition, premiums for any coverage under the Federal Employees' Group Life Insurance Program will reduce the net annuity further.

5. Under FERS rules, there is no maximum allowable yearly annuity. However, given the FERS formula of 1% per year, it is highly unlikely that any FERS employee will ever exceed the 80% maximum limit under CSRS.

6. FERS employees who retire at age 62 or later with at least 20 years of service receive an additional 10% - their annuities are calculated at 1.1% times years of service times high-three average salary.