

# Monthly FERS annuity payments for letter carriers who retire on June 1, 2020

**T**he 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 June 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 <sup>2</sup>	CC Grade 1 / High-3 Average <sup>1</sup> : \$63,395			CC Grade 2 / High-3 Average <sup>1</sup> : \$64,707		
	Basic Annuity	Max. Survivor Deduction <sup>3</sup>	Max. Survivor Reduced Annuity <sup>4</sup>	Basic Annuity	Max. Survivor Deduction <sup>3</sup>	Max. Survivor Reduced Annuity <sup>4</sup>
20	\$1,057	\$106	\$951	\$1,078	\$108	\$971
21	1,109	111	998	1,132	113	1,019
22	1,162	116	1,046	1,186	119	1,068
23	1,215	122	1,094	1,240	124	1,116
24	1,268	127	1,141	1,294	129	1,165
25	1,321	132	1,189	1,348	135	1,213
26	1,374	137	1,236	1,402	140	1,262
27	1,426	143	1,284	1,456	146	1,310
28	1,479	148	1,331	1,510	151	1,359
29	1,532	153	1,379	1,564	156	1,407
30	1,585	158	1,426	1,618	162	1,456
31	1,638	164	1,474	1,672	167	1,504
32	1,691	169	1,521	1,726	173	1,553
33	1,743	174	1,569	1,779	178	1,602
34	1,796	180	1,617	1,833	183	1,650
35	1,849	185	1,664	1,887	189	1,699
36	1,902	190	1,712	1,941	194	1,747
37	1,955	195	1,759	1,995	200	1,796
38	2,008	201	1,807	2,049	205	1,844
39	2,060	206	1,854	2,103	210	1,893
40	2,113	211	1,902	2,157	216	1,941
Each additional year <sup>5</sup>	52.83	5.28	47.55	53.92	5.39	48.53

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