

Monthly FERS annuity payments for letter carriers who retire on March 1, 2021

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 March 1, 2021. 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 : \$64,308			CC Grade 2 / High-3 Average ¹ : \$65,647		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,072	\$107	\$965	\$1,094	\$109	\$985
21	1,125	113	1,013	1,149	115	1,034
22	1,179	118	1,061	1,204	120	1,083
23	1,233	123	1,109	1,258	126	1,132
24	1,286	129	1,158	1,313	131	1,182
25	1,340	134	1,206	1,368	137	1,231
26	1,393	139	1,254	1,422	142	1,280
27	1,447	145	1,302	1,477	148	1,329
28	1,501	150	1,350	1,532	153	1,379
29	1,554	155	1,399	1,586	159	1,428
30	1,608	161	1,447	1,641	164	1,477
31	1,661	166	1,495	1,696	170	1,526
32	1,715	171	1,543	1,751	175	1,576
33	1,768	177	1,592	1,805	181	1,625
34	1,822	182	1,640	1,860	186	1,674
35	1,876	188	1,688	1,915	191	1,723
36	1,929	193	1,736	1,969	197	1,772
37	1,983	198	1,785	2,024	202	1,822
38	2,036	204	1,833	2,079	208	1,871
39	2,090	209	1,881	2,134	213	1,920
40	2,144	214	1,929	2,188	219	1,969
Each additional year ⁵	53.59	5.36	48.23	54.71	5.47	49.23

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between March 1, 2018, and Feb. 28, 2021, 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.