

Monthly FERS annuity payments for letter carriers who retire on Oct. 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 Oct. 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 : \$65,670			CC Grade 2 / High-3 Average ¹ : \$67,046		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,095	\$109	\$985	\$1,117	\$112	\$1,006
21	1,149	115	1,034	1,173	117	1,056
22	1,204	120	1,084	1,229	123	1,106
23	1,259	126	1,133	1,285	129	1,157
24	1,313	131	1,182	1,341	134	1,207
25	1,368	137	1,231	1,397	140	1,257
26	1,423	142	1,281	1,453	145	1,307
27	1,478	148	1,330	1,509	151	1,358
28	1,532	153	1,379	1,564	156	1,408
29	1,587	159	1,428	1,620	162	1,458
30	1,642	164	1,478	1,676	168	1,509
31	1,696	170	1,527	1,732	173	1,559
32	1,751	175	1,576	1,788	179	1,609
33	1,806	181	1,625	1,844	184	1,659
34	1,861	186	1,675	1,900	190	1,710
35	1,915	192	1,724	1,956	196	1,760
36	1,970	197	1,773	2,011	201	1,810
37	2,025	202	1,822	2,067	207	1,861
38	2,080	208	1,872	2,123	212	1,911
39	2,134	213	1,921	2,179	218	1,961
40	2,189	219	1,970	2,235	223	2,011
Each additional year ⁵	54.73	5.47	49.25	55.87	5.59	50.28

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Oct. 1, 2018, and Sept. 30, 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 \$491.06 per month if for self plus one (code 323), \$430.49 if for self and family (code 322), or \$205.47 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.