

# Monthly FERS annuity payments for letter carriers who retire on Nov. 1, 2019

**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 Nov. 1, 2019. 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> : \$62,507			CC Grade 2 / High-3 Average <sup>1</sup> : \$63,796		
	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	\$1,042	\$104	\$938	\$1,063	\$106	\$957
21	1,094	109	984	1,116	112	1,005
22	1,146	115	1,031	1,170	117	1,053
23	1,198	120	1,078	1,223	122	1,100
24	1,250	125	1,125	1,276	128	1,148
25	1,302	130	1,172	1,329	133	1,196
26	1,354	135	1,219	1,382	138	1,244
27	1,406	141	1,266	1,435	144	1,292
28	1,459	146	1,313	1,489	149	1,340
29	1,511	151	1,360	1,542	154	1,388
30	1,563	156	1,406	1,595	159	1,435
31	1,615	161	1,453	1,648	165	1,483
32	1,667	167	1,500	1,701	170	1,531
33	1,719	172	1,547	1,754	175	1,579
34	1,771	177	1,594	1,808	181	1,627
35	1,823	182	1,641	1,861	186	1,675
36	1,875	188	1,688	1,914	191	1,723
37	1,927	193	1,735	1,967	197	1,770
38	1,979	198	1,781	2,020	202	1,818
39	2,031	203	1,828	2,073	207	1,866
40	2,084	208	1,875	2,127	213	1,914
Each additional year <sup>5</sup>	\$52.09	\$5.21	\$46.88	\$53.16	\$5.32	\$47.85

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Nov. 1, 2016, and Oct. 31, 2019, 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 \$434.85 per month if for self plus one (code 323), \$393.49 if for self and family (code 322), or \$183.37 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.