

# Monthly FERS annuity payments for letter carriers who retire on May 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 May 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> : \$63,281			CC Grade 2 / High-3 Average <sup>1</sup> : \$64,590		
	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	\$1,055	\$105	\$949	\$1,076	\$108	\$969
21	1,107	111	997	1,130	113	1,017
22	1,160	116	1,044	1,184	118	1,066
23	1,213	121	1,092	1,238	124	1,114
24	1,266	127	1,139	1,292	129	1,163
25	1,318	132	1,187	1,346	135	1,211
26	1,371	137	1,234	1,399	140	1,260
27	1,424	142	1,281	1,453	145	1,308
28	1,477	148	1,329	1,507	151	1,356
29	1,529	153	1,376	1,561	156	1,405
30	1,582	158	1,424	1,615	161	1,453
31	1,635	163	1,471	1,669	167	1,502
32	1,687	169	1,519	1,722	172	1,550
33	1,740	174	1,566	1,776	178	1,599
34	1,793	179	1,614	1,830	183	1,647
35	1,846	185	1,661	1,884	188	1,695
36	1,898	190	1,709	1,938	194	1,744
37	1,951	195	1,756	1,992	199	1,792
38	2,004	200	1,804	2,045	205	1,841
39	2,057	206	1,851	2,099	210	1,889
40	2,109	211	1,898	2,153	215	1,938
Each additional year <sup>5</sup>	52.73	5.27	47.46	53.82	5.38	48.44

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