

Please note: The Office of Personnel Management has provided a more accurate method of determining future annuity estimates for retiring letter carriers, which is reflected in this chart and those going forward.

Monthly FERS annuity payments for letter carriers who retire on Aug. 1, 2023

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 Aug. 1, 2023. 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 : \$70,520			CC Grade 2 / High-3 Average ¹ : \$72,001		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,175	\$118	\$1,058	\$1,200	\$120	\$1,080
21	1,234	123	1,111	1,260	126	1,134
22	1,293	129	1,164	1,320	132	1,188
23	1,352	135	1,216	1,380	138	1,242
24	1,410	141	1,269	1,440	144	1,296
25	1,469	147	1,322	1,500	150	1,350
26	1,528	153	1,375	1,560	156	1,404
27	1,587	159	1,428	1,620	162	1,458
28	1,645	165	1,481	1,680	168	1,512
29	1,704	170	1,534	1,740	174	1,566
30	1,763	176	1,587	1,800	180	1,620
31	1,822	182	1,640	1,860	186	1,674
32	1,881	188	1,692	1,920	192	1,728
33	1,939	194	1,745	1,980	198	1,782
34	1,998	200	1,798	2,040	204	1,836
35	2,057	206	1,851	2,100	210	1,890
36	2,116	212	1,904	2,160	216	1,944
37	2,174	217	1,957	2,220	222	1,998
38	2,233	223	2,010	2,280	228	2,052
39	2,292	229	2,063	2,340	234	2,106
40	2,351	235	2,116	2,400	240	2,160
Each additional year ⁵	58.77	5.88	52.89	60.00	6.00	54.00

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Aug. 1, 2020, and July 31, 2023, 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 percent of basic annuity) to a surviving spouse.

4. If covered by the NALC Health Benefit Plan, a further deduction of either \$523.75 per month if for self plus one (code 323), \$457.82 if for self and family (code 322), or \$223.12 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 percent per year, it is highly unlikely that any FERS employee will ever exceed the 80 percent 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 percent—their annuities are calculated at 1.1 percent times years of service times high-three average salary.