

# FERS retirement benefits

## for letter carriers who retire on April 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$55,842	CC Grade 2 High-3: \$57,037
20	\$931	\$951
21	977	998
22	1,024	1,046
23	1,070	1,093
24	1,117	1,141
25	1,163	1,188
26	1,210	1,236
27	1,256	1,283
28	1,303	1,331
29	1,350	1,378
30	1,396	1,426
Each additional year	\$46.54	\$47.53

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age. **Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits for letter carriers who retire on May 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

## 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$55,894	CC Grade 2 High-3: \$57,087
20	\$932	\$951
21	978	999
22	1,025	1,047
23	1,071	1,094
24	1,118	1,142
25	1,164	1,189
26	1,211	1,237
27	1,258	1,284
28	1,304	1,332
29	1,351	1,380
30	1,397	1,427
Each additional year	\$46.58	\$47.57

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age.

**Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

## 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;

2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or

3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

## 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits

## for letter carriers who retire on June 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$55,948	CC Grade 2 High-3: \$57,141
20	\$932	\$952
21	979	1,000
22	1,026	1,048
23	1,072	1,095
24	1,119	1,143
25	1,166	1,190
26	1,212	1,238
27	1,259	1,286
28	1,305	1,333
29	1,352	1,381
30	1,399	1,429
Each additional year	\$46.62	\$47.62

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age.

**Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits

## for letter carriers who retire on July 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$55,999	CC Grade 2 High-3: \$57,193
20	\$933	\$953
21	980	1,001
22	1,027	1,049
23	1,073	1,096
24	1,120	1,144
25	1,167	1,192
26	1,213	1,239
27	1,260	1,287
28	1,307	1,335
29	1,353	1,382
30	1,400	1,430
Each additional year	\$46.67	\$47.66

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age.

**Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits

## for letter carriers who retire on August 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,053	CC Grade 2 High-3: \$57,247
20	\$934	\$954
21	981	1,002
22	1,028	1,050
23	1,074	1,097
24	1,121	1,145
25	1,168	1,193
26	1,214	1,240
27	1,261	1,288
28	1,308	1,336
29	1,355	1,383
30	1,401	1,431
Each additional year	\$46.71	\$47.71

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age.

**Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits for letter carriers who retire on Sept. 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

## 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,106	CC Grade 2 High-3: \$57,301
20	\$935	\$955
21	982	1,003
22	1,029	1,051
23	1,075	1,098
24	1,122	1,146
25	1,169	1,194
26	1,216	1,242
27	1,262	1,289
28	1,309	1,337
29	1,356	1,385
30	1,403	1,433
Each additional year	\$46.76	\$47.75

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age. **Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

## 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

## 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits

## for letter carriers who retire on Oct. 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,158	CC Grade 2 High-3: \$57,353
20	\$936	\$956
21	983	1,004
22	1,030	1,051
23	1,076	1,099
24	1,123	1,147
25	1,170	1,195
26	1,217	1,243
27	1,264	1,290
28	1,310	1,338
29	1,357	1,386
30	1,404	1,434
Each additional year	\$46.80	\$47.79

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age. **Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits

## for letter carriers who retire on Nov. 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,212	CC Grade 2 High-3: \$57,407
20	\$937	\$957
21	984	1,005
22	1,031	1,052
23	1,077	1,100
24	1,124	1,148
25	1,171	1,196
26	1,218	1,244
27	1,265	1,292
28	1,312	1,339
29	1,358	1,387
30	1,405	1,435
Each additional year	\$46.84	\$47.84

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age. **Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.



# FERS retirement benefits

## for letter carriers who retire on Dec. 1, 2013

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,254	CC Grade 2 High-3: \$57,450
20	\$938	\$958
21	984	1,005
22	1,031	1,053
23	1,078	1,101
24	1,125	1,149
25	1,172	1,197
26	1,219	1,245
27	1,266	1,293
28	1,313	1,341
29	1,359	1,388
30	1,406	1,436
Each additional year	\$46.88	\$47.88

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age.

**Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;

2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or

3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits

## for letter carriers who retire on Jan. 1, 2014

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,282	CC Grade 2 High-3: \$57,478
20	\$938	\$958
21	985	1,006
22	1,032	1,054
23	1,079	1,102
24	1,126	1,150
25	1,173	1,197
26	1,219	1,245
27	1,266	1,293
28	1,313	1,341
29	1,360	1,389
30	1,407	1,437
Each additional year	\$46.90	\$47.90

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age. **Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;

2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or

3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits for letter carriers who retire on Feb. 1, 2014

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

## 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,310	CC Grade 2 High-3: \$57,506
20	\$939	\$958
21	985	1,006
22	1,032	1,054
23	1,079	1,102
24	1,126	1,150
25	1,173	1,198
26	1,220	1,246
27	1,267	1,294
28	1,314	1,342
29	1,361	1,390
30	1,408	1,438
Each additional year	\$46.93	\$47.92

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$326.04 per month if for self and family (code 322) or \$160.66 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age. **Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

## 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;

2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or

3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

## 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP; 2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or 3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.

# FERS retirement benefits

## for letter carriers who retire on March 1, 2014

**T**he Federal Employees Retirement System covers federal and postal employees hired on or after Jan. 1, 1984, former Civil Service Retirement System employees who transferred into FERS during the two special transfer open seasons (in 1987 and 1998) held since the creation of FERS, and former CSRS employees who switched into FERS following a separa-

tion from federal service.

FERS employees earn retirement benefits from three sources: the FERS Basic Annuity, Social Security and the Thrift Savings Plan. Section 1 gives estimates of annuity benefits earned from service under FERS. Sections 2 and 3 provide information about how carriers can estimate Social Security and TSP benefits.

### 1. FERS Basic Monthly Annuity Estimates

FERS annuity benefits are calculated as a percentage of average basic pay over employees' three highest consecutive years of earnings (High-3 average) and vary by length of service. The estimates below are based on the High-3 averages of CC Grade 1 and 2 carriers (formerly Grades 5 and 6) as of Jan. 1, 2010:

Years of FERS Service	CC Grade 1 High-3: \$56,388	CC Grade 2 High-3: \$57,585
20	\$940	\$960
21	987	1,008
22	1,034	1,056
23	1,081	1,104
24	1,128	1,152
25	1,175	1,200
26	1,222	1,248
27	1,269	1,296
28	1,316	1,344
29	1,363	1,392
30	1,410	1,440
Each additional year	\$46.99	\$47.99

**NOTES:** Years of service includes creditable postal, federal and military service classified as FERS service. Annuity benefits for service performed under CSRS are calculated using CSRS benefit rules (see CSRS annuity chart). Employees retiring under FERS service through Dec. 31, 2013, will receive half credit for unused sick leave toward their FERS basic annuity. FERS employees retiring Jan. 1, 2014, and after will receive full credit for unused sick leave. (Public Law 111-84)

The FERS basic annuity pays 1 percent of the high-3 average for each year of service. If annuitant is aged 62 with at least 20 years of service, add 10 percent (multiply by 1.10) to the figures above. To provide a **survivor annuity** for a spouse—worth either 25 percent or 50 percent of the unreduced annuity—deduct either 5 percent or 10 percent from the figures above.

If covered by the NALC Health Benefit Plan, a further deduction of either \$327.27 per month if for self and family (code 322) or \$161.22 if for self only (code 321) will be made. In addition, premiums for any coverage under the FEGLI Life Insurance program will be deducted.

FERS annuitants who retire on an immediate annuity prior to age 62 (MRA+30 years or age 60 with 20 years) are eligible to receive a supplemental annuity benefit until they reach the age of 62. (Those retiring on disability or the MRA+10 provision are not eligible.) The supplement approximates that portion of their future retirement benefit from Social Security derived from FERS employment.

No COLAs are payable to FERS annuitants until they reach 62 years of age. **Annual COLAs** are based on increases in the Consumer Price Index (CPI). By law, FERS COLAs equal the increase in the CPI if the increase is 2.0 percent or less, 2.0 percent if the increase is between 2.1 percent and 3.0 percent, and CPI minus 1.0 percent if the increase is greater than 3.0 percent.

### 2. Social Security Retirement Benefits

The Social Security retirement benefits of letter carriers are based on carriers' earnings in covered employment, including work under FERS and in the private sector. Reduced benefits are payable at age 62 and full benefits at between age 65 and 67, depending on workers' birth dates.

Letter carriers have three options for estimating their future benefits under Social Security:

1. Request a benefit estimate by submitting a copy of SSA Form 7004 to the Social Security Administration; Wilkes-Barre Data Operations Center, P.O. Box 7004, Wilkes-Barre, PA 18767-7004;
2. Review the Social Security statement mailed to you by the Social Security Administration each year in the month before your birthday; or
3. Access the online benefits calculator on the Social Security Administration's web site at [www.ssa.gov](http://www.ssa.gov).

For more information on Social Security, visit your local SSA office or refer to the NALC publication, *Questions and Answers on FERS: The Federal Employees' Retirement System*.

### 3. Thrift Savings Plan Benefits

The Thrift Savings Plan is a tax-deferred retirement savings plan available to all letter carriers, albeit under different rules for CSRS and FERS employees. The level of TSP benefits payable to carriers will depend on how many years they participate in the plan, how much they save through the TSP and the performance of their TSP investment funds.

Carriers seeking additional information about the TSP can:

1. Consult the retirement counselor in the office where they work and request a copy of the *Summary of the Thrift Savings Plan*, the authoritative publication on the TSP;
2. Access the TSP's web site at [www.tsp.gov](http://www.tsp.gov); or
3. Refer to the NALC's *Questions and Answers on FERS: The Federal Employees' Retirement System*.

Carriers wishing to estimate their future savings and future retirement benefits from the Thrift Savings Plan can access two online calculators provided by the Federal Retirement Thrift Investment Board through the TSP's web site at [www.tsp.gov](http://www.tsp.gov).

The first calculator allows participants to project their future TSP account balances. The second calculator permits participants to estimate the value of monthly annuity benefits payable by their projected account balances.