

# Monthly FERS annuity payments for letter carriers who retire on Aug. 1, 2021

**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 Aug. 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 <sup>2</sup>	CC Grade 1 / High-3 Average <sup>1</sup> : \$65,425			CC Grade 2 / High-3 Average <sup>1</sup> : \$66,793		
	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	\$1,090	\$109	\$981	\$1,113	\$111	\$1,002
21	1,145	114	1,030	1,169	117	1,052
22	1,199	120	1,080	1,225	122	1,102
23	1,254	125	1,129	1,280	128	1,152
24	1,308	131	1,178	1,336	134	1,202
25	1,363	136	1,227	1,392	139	1,252
26	1,418	142	1,276	1,447	145	1,302
27	1,472	147	1,325	1,503	150	1,353
28	1,527	153	1,374	1,559	156	1,403
29	1,581	158	1,423	1,614	161	1,453
30	1,636	164	1,472	1,670	167	1,503
31	1,690	169	1,521	1,725	173	1,553
32	1,745	174	1,570	1,781	178	1,603
33	1,799	180	1,619	1,837	184	1,653
34	1,854	185	1,668	1,892	189	1,703
35	1,908	191	1,717	1,948	195	1,753
36	1,963	196	1,766	2,004	200	1,803
37	2,017	202	1,816	2,059	206	1,854
38	2,072	207	1,865	2,115	212	1,904
39	2,126	213	1,914	2,171	217	1,954
40	2,181	218	1,963	2,226	223	2,004
Each additional year <sup>5</sup>	54.52	5.45	49.07	55.66	5.57	50.09

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Aug. 1, 2018, and July 31, 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.