

Monthly FERS annuity payments for letter carriers who retire on Nov. 1, 2020

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 Nov. 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 ²	CC Grade 1 / High-3 Average ¹ : \$63,950			CC Grade 2 / High-3 Average ¹ : \$65,278		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,066	\$107	\$959	\$1,088	\$109	\$979
21	1,119	112	1,007	1,142	114	1,028
22	1,172	117	1,055	1,197	120	1,077
23	1,226	123	1,103	1,251	125	1,126
24	1,279	128	1,151	1,306	131	1,175
25	1,332	133	1,199	1,360	136	1,224
26	1,386	139	1,247	1,414	141	1,273
27	1,439	144	1,295	1,469	147	1,322
28	1,492	149	1,343	1,523	152	1,371
29	1,545	155	1,391	1,578	158	1,420
30	1,599	160	1,439	1,632	163	1,469
31	1,652	165	1,487	1,686	169	1,518
32	1,705	171	1,535	1,741	174	1,567
33	1,759	176	1,583	1,795	180	1,616
34	1,812	181	1,631	1,850	185	1,665
35	1,865	187	1,679	1,904	190	1,714
36	1,919	192	1,727	1,958	196	1,763
37	1,972	197	1,775	2,013	201	1,811
38	2,025	203	1,823	2,067	207	1,860
39	2,078	208	1,871	2,122	212	1,909
40	2,132	213	1,919	2,176	218	1,958
Each additional year ⁵	53.29	5.33	47.96	54.40	5.44	48.96

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