

Monthly FERS annuity payments for letter carriers who retire on August 1, 2019

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, 2019. 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 : \$62,128			CC Grade 2 / High-3 Average ¹ : \$63,408		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,035	\$104	\$932	\$1,057	\$106	\$951
21	1,087	109	979	1,110	111	999
22	1,139	114	1,025	1,162	116	1,046
23	1,191	119	1,072	1,215	122	1,094
24	1,243	124	1,118	1,268	127	1,141
25	1,294	129	1,165	1,321	132	1,189
26	1,346	135	1,211	1,374	137	1,236
27	1,398	140	1,258	1,427	143	1,284
28	1,450	145	1,305	1,480	148	1,332
29	1,501	150	1,351	1,532	153	1,379
30	1,553	155	1,398	1,585	159	1,427
31	1,605	160	1,444	1,638	164	1,474
32	1,657	166	1,491	1,691	169	1,522
33	1,709	171	1,538	1,744	174	1,569
34	1,760	176	1,584	1,797	180	1,617
35	1,812	181	1,631	1,849	185	1,664
36	1,864	186	1,677	1,902	190	1,712
37	1,916	192	1,724	1,955	196	1,760
38	1,967	197	1,771	2,008	201	1,807
39	2,019	202	1,817	2,061	206	1,855
40	2,071	207	1,864	2,114	211	1,902
Each additional year ⁵	\$51.77	\$5.18	\$46.60	\$52.84	\$5.28	\$47.56

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Aug. 1, 2016, and July 31, 2019, 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 \$434.85 per month if for self plus one (code 323), \$393.49 if for self and family (code 322), or \$183.37 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.