

Monthly FERS annuity payments for letter carriers who retire on July 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 July 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 : \$63,509			CC Grade 2 / High-3 Average ¹ : \$64,824		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,058	\$106	\$953	\$1,080	\$108	\$972
21	1,111	111	1,000	1,134	113	1,021
22	1,164	116	1,048	1,188	119	1,070
23	1,217	122	1,096	1,242	124	1,118
24	1,270	127	1,143	1,296	130	1,167
25	1,323	132	1,191	1,351	135	1,215
26	1,376	138	1,238	1,405	140	1,264
27	1,429	143	1,286	1,459	146	1,313
28	1,482	148	1,334	1,513	151	1,361
29	1,535	153	1,381	1,567	157	1,410
30	1,588	159	1,429	1,621	162	1,459
31	1,641	164	1,477	1,675	167	1,507
32	1,694	169	1,524	1,729	173	1,556
33	1,746	175	1,572	1,783	178	1,604
34	1,799	180	1,619	1,837	184	1,653
35	1,852	185	1,667	1,891	189	1,702
36	1,905	191	1,715	1,945	194	1,750
37	1,958	196	1,762	1,999	200	1,799
38	2,011	201	1,810	2,053	205	1,847
39	2,064	206	1,858	2,107	211	1,896
40	2,117	212	1,905	2,161	216	1,945
Each additional year ⁵	52.92	5.29	47.63	54.02	5.40	48.62

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