

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

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 Jan. 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 ²	CC Grade 1 / High-3 Average ¹ : \$64,138			CC Grade 2 / High-3 Average ¹ : \$65,471		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,069	\$107	\$962	\$1,091	\$109	\$982
21	1,122	112	1,010	1,146	115	1,031
22	1,176	118	1,058	1,200	120	1,080
23	1,229	123	1,106	1,255	125	1,129
24	1,283	128	1,154	1,309	131	1,178
25	1,336	134	1,203	1,364	136	1,228
26	1,390	139	1,251	1,419	142	1,277
27	1,443	144	1,299	1,473	147	1,326
28	1,497	150	1,347	1,528	153	1,375
29	1,550	155	1,395	1,582	158	1,424
30	1,603	160	1,443	1,637	164	1,473
31	1,657	166	1,491	1,691	169	1,522
32	1,710	171	1,539	1,746	175	1,571
33	1,764	176	1,587	1,800	180	1,620
34	1,817	182	1,636	1,855	186	1,670
35	1,871	187	1,684	1,910	191	1,719
36	1,924	192	1,732	1,964	196	1,768
37	1,978	198	1,780	2,019	202	1,817
38	2,031	203	1,828	2,073	207	1,866
39	2,084	208	1,876	2,128	213	1,915
40	2,138	214	1,924	2,182	218	1,964
Each additional year ⁵	53.45	5.34	48.10	54.56	5.46	49.10

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