

Monthly FERS annuity payments for letter carriers who retire on March 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 March 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 : \$63,052			CC Grade 2 / High-3 Average ¹ : \$64,355		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,051	\$105	\$946	\$1,073	\$107	\$965
21	1,103	110	993	1,126	113	1,014
22	1,156	116	1,040	1,180	118	1,062
23	1,208	121	1,088	1,233	123	1,110
24	1,261	126	1,135	1,287	129	1,158
25	1,314	131	1,182	1,341	134	1,207
26	1,366	137	1,230	1,394	139	1,255
27	1,419	142	1,277	1,448	145	1,303
28	1,471	147	1,324	1,502	150	1,351
29	1,524	152	1,371	1,555	156	1,400
30	1,576	158	1,419	1,609	161	1,448
31	1,629	163	1,466	1,662	166	1,496
32	1,681	168	1,513	1,716	172	1,545
33	1,734	173	1,561	1,770	177	1,593
34	1,786	179	1,608	1,823	182	1,641
35	1,839	184	1,655	1,877	188	1,689
36	1,892	189	1,702	1,931	193	1,738
37	1,944	194	1,750	1,984	198	1,786
38	1,997	200	1,797	2,038	204	1,834
39	2,049	205	1,844	2,092	209	1,882
40	2,102	210	1,892	2,145	215	1,931
Each additional year ⁵	52.54	5.25	47.29	53.63	5.36	48.27

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