

# Monthly FERS annuity payments for letter carriers who retire on June 1, 2018

**T**he Federal Employees Retirement System 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 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 June 1, 2018. 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 <sup>2</sup>	CC Grade 1 / High-3 Average <sup>1</sup> : \$60,541			CC Grade 2 / High-3 Average <sup>1</sup> : \$61,788		
	Basic Annuity	Max. Survivor Deduction <sup>3</sup>	Max. Survivor Reduced Annuity <sup>4</sup>	Basic Annuity	Max. Survivor Deduction <sup>3</sup>	Max. Survivor Reduced Annuity <sup>4</sup>
20	\$1,009	\$101	\$908	\$1,030	\$103	\$927
21	1,059	106	954	1,081	108	973
22	1,110	111	999	1,133	113	1,020
23	1,160	116	1,044	1,184	118	1,066
24	1,211	121	1,090	1,236	124	1,112
25	1,261	126	1,135	1,287	129	1,159
26	1,312	131	1,181	1,339	134	1,205
27	1,362	136	1,226	1,390	139	1,251
28	1,413	141	1,271	1,442	144	1,298
29	1,463	146	1,317	1,493	149	1,344
30	1,514	151	1,362	1,545	154	1,390
31	1,564	156	1,408	1,596	160	1,437
32	1,614	161	1,453	1,648	165	1,483
33	1,665	166	1,498	1,699	170	1,529
34	1,715	172	1,544	1,751	175	1,576
35	1,766	177	1,589	1,802	180	1,622
36	1,816	182	1,635	1,854	185	1,668
37	1,867	187	1,680	1,905	191	1,715
38	1,917	192	1,725	1,957	196	1,761
39	1,968	197	1,771	2,008	201	1,807
40	2,018	202	1,816	2,060	206	1,854
Each additional year <sup>5</sup>	\$50.45	\$5.05	\$45.41	\$51.49	\$5.15	\$46.34

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between June 1, 2015, and May 31, 2018, 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 \$405.30 per month if for self plus one (code 323), \$374.08 if for self and family (code 322), or \$170.71 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.