

Monthly FERS annuity payments for letter carriers who retire on Nov. 1, 2023

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 Nov. 1, 2023. 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 : \$71,283			CC Grade 2 / High-3 Average ¹ : \$72,780		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,188	\$119	\$1,069	\$1,213	\$121	\$1,092
21	1,247	125	1,123	1,274	127	1,146
22	1,307	131	1,176	1,334	133	1,201
23	1,366	137	1,230	1,395	139	1,255
24	1,426	143	1,283	1,456	146	1,310
25	1,485	149	1,337	1,516	152	1,365
26	1,544	154	1,390	1,577	158	1,419
27	1,604	160	1,443	1,638	164	1,474
28	1,663	166	1,497	1,698	170	1,528
29	1,723	172	1,550	1,759	176	1,583
30	1,782	178	1,604	1,819	182	1,638
31	1,841	184	1,657	1,880	188	1,692
32	1,901	190	1,711	1,941	194	1,747
33	1,960	196	1,764	2,001	200	1,801
34	2,020	202	1,818	2,062	206	1,856
35	2,079	208	1,871	2,123	212	1,910
36	2,138	214	1,925	2,183	218	1,965
37	2,198	220	1,978	2,244	224	2,020
38	2,257	226	2,032	2,305	230	2,074
39	2,317	232	2,085	2,365	237	2,129
40	2,376	238	2,138	2,426	243	2,183
Each additional year ⁵	59.40	5.94	53.46	60.65	6.06	54.58

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Nov. 1, 2020, and Oct. 31, 2023, 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 percent of basic annuity) to a surviving spouse.

4. If covered by the NALC Health Benefit Plan, a further deduction of either \$523.75 per month if for self plus one (code 323), \$457.82 if for self and family (code 322), or \$223.12 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 percent per year, it is highly unlikely that any FERS employee will ever exceed the 80 percent 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 percent—their annuities are calculated at 1.1 percent times years of service times high-three average salary.