

Monthly FERS annuity payments for letter carriers who retire on March 1, 2017

The 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 March 1, 2017. 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 : \$59,180			CC Grade 2 / High-3 Average ¹ : \$60,408		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$986	\$99	\$888	\$1,007	\$101	\$906
21	1,036	104	932	1,057	106	951
22	1,085	108	976	1,107	111	997
23	1,134	113	1,021	1,158	116	1,042
24	1,184	118	1,065	1,208	121	1,087
25	1,233	123	1,110	1,259	126	1,133
26	1,282	128	1,154	1,309	131	1,178
27	1,332	133	1,198	1,359	136	1,223
28	1,381	138	1,243	1,410	141	1,269
29	1,430	143	1,287	1,460	146	1,314
30	1,480	148	1,332	1,510	151	1,359
31	1,529	153	1,376	1,561	156	1,404
32	1,578	158	1,420	1,611	161	1,450
33	1,627	163	1,465	1,661	166	1,495
34	1,677	168	1,509	1,712	171	1,540
35	1,726	173	1,553	1,762	176	1,586
36	1,775	178	1,598	1,812	181	1,631
37	1,825	182	1,642	1,863	186	1,676
38	1,874	187	1,687	1,913	191	1,722
39	1,923	192	1,731	1,963	196	1,767
40	1,973	197	1,775	2,014	201	1,812
Each additional year ⁵	\$49.32	\$4.93	\$44.39	\$50.34	\$5.03	\$45.31

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between March 1, 2014, and Feb. 28, 2017, 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 \$381.74 per month if for self plus one (code 323), \$363.76 if for self and family (code 322), or \$167.70 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.