

Monthly FERS annuity payments for letter carriers who retire on Oct. 1, 2016

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 Oct. 1, 2016. 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 : \$58,773			CC Grade 2 / High-3 Average ¹ : \$59,996		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$980	\$98	\$882	\$1,000	\$100	\$900
21	1,029	103	926	1,050	105	945
22	1,078	108	970	1,100	110	990
23	1,126	113	1,014	1,150	115	1,035
24	1,175	118	1,058	1,200	120	1,080
25	1,224	122	1,102	1,250	125	1,125
26	1,273	127	1,146	1,300	130	1,170
27	1,322	132	1,190	1,350	135	1,215
28	1,371	137	1,234	1,400	140	1,260
29	1,420	142	1,278	1,450	145	1,305
30	1,469	147	1,322	1,500	150	1,350
31	1,518	152	1,366	1,550	155	1,395
32	1,567	157	1,411	1,600	160	1,440
33	1,616	162	1,455	1,650	165	1,485
34	1,665	167	1,499	1,700	170	1,530
35	1,714	171	1,543	1,750	175	1,575
36	1,763	176	1,587	1,800	180	1,620
37	1,812	181	1,631	1,850	185	1,665
38	1,861	186	1,675	1,900	190	1,710
39	1,910	191	1,719	1,950	195	1,755
40	1,959	196	1,763	2,000	200	1,800
Each additional year ⁵	\$48.98	\$4.90	\$44.08	\$50.00	\$5.00	\$45.00

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Oct. 1, 2013, and Sept. 30, 2016, 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 \$351.60 per month if for self plus one (code 323), \$343.82 if for self and family (code 322), or \$157.19 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.