

Monthly FERS annuity payments for letter carriers who retire on Sept. 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 Sept. 1, 2016. Estimates are computed by using the given high-3 averages, which are based on the basic pay earned by full-time Step 0 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 : \$58,681			CC Grade 2 / High-3 Average ¹ : \$59,903		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$978	\$98	\$880	\$998	\$100	\$899
21	1,027	103	924	1,048	105	943
22	1,076	108	968	1,098	110	988
23	1,125	112	1,012	1,148	115	1,033
24	1,174	117	1,056	1,198	120	1,078
25	1,223	122	1,100	1,248	125	1,123
26	1,271	127	1,144	1,298	130	1,168
27	1,320	132	1,188	1,348	135	1,213
28	1,369	137	1,232	1,398	140	1,258
29	1,418	142	1,276	1,448	145	1,303
30	1,467	147	1,320	1,498	150	1,348
31	1,516	152	1,364	1,547	155	1,393
32	1,565	156	1,408	1,597	160	1,438
33	1,614	161	1,452	1,647	165	1,483
34	1,663	166	1,496	1,697	170	1,528
35	1,712	171	1,540	1,747	175	1,572
36	1,760	176	1,584	1,797	180	1,617
37	1,809	181	1,628	1,847	185	1,662
38	1,858	186	1,672	1,897	190	1,707
39	1,907	191	1,716	1,947	195	1,752
40	1,956	196	1,760	1,997	200	1,797
Each additional year ⁵	\$48.90	\$4.89	\$44.01	\$49.92	\$4.99	\$44.93

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Sept. 1, 2013, and Aug. 31, 2016, at Step 0 (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.