

Monthly FERS annuity payments for letter carriers who retire on June 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 June 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 : \$58,399			CC Grade 2 / High-3 Average ¹ : \$59,618		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$973	\$97	\$876	\$994	\$99	\$894
21	1,022	102	920	1,043	104	939
22	1,071	107	964	1,093	109	984
23	1,119	112	1,007	1,143	114	1,028
24	1,168	117	1,051	1,192	119	1,073
25	1,217	122	1,095	1,242	124	1,118
26	1,265	127	1,139	1,292	129	1,163
27	1,314	131	1,183	1,341	134	1,207
28	1,363	136	1,226	1,391	139	1,252
29	1,411	141	1,270	1,441	144	1,297
30	1,460	146	1,314	1,490	149	1,341
31	1,509	151	1,358	1,540	154	1,386
32	1,557	156	1,402	1,590	159	1,431
33	1,606	161	1,445	1,639	164	1,476
34	1,655	165	1,489	1,689	169	1,520
35	1,703	170	1,533	1,739	174	1,565
36	1,752	175	1,577	1,789	179	1,610
37	1,801	180	1,621	1,838	184	1,654
38	1,849	185	1,664	1,888	189	1,699
39	1,898	190	1,708	1,938	194	1,744
40	1,947	195	1,752	1,987	199	1,789
Each additional year ⁵	\$48.67	\$4.87	\$43.80	\$49.68	\$4.97	\$44.71

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between June 1, 2013, and May 31, 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.