

Monthly FERS annuity payments for letter carriers who retire on Aug. 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 Aug. 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 : \$58,586			CC Grade 2 / High-3 Average ¹ : \$59,807		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$976	\$98	\$879	\$997	\$100	\$897
21	1,025	103	923	1,047	105	942
22	1,074	107	967	1,096	110	987
23	1,123	112	1,011	1,146	115	1,032
24	1,172	117	1,055	1,196	120	1,077
25	1,221	122	1,098	1,246	125	1,121
26	1,269	127	1,142	1,296	130	1,166
27	1,318	132	1,186	1,346	135	1,211
28	1,367	137	1,230	1,395	140	1,256
29	1,416	142	1,274	1,445	145	1,301
30	1,465	146	1,318	1,495	150	1,346
31	1,513	151	1,362	1,545	155	1,391
32	1,562	156	1,406	1,595	159	1,435
33	1,611	161	1,450	1,645	164	1,480
34	1,660	166	1,494	1,695	169	1,525
35	1,709	171	1,538	1,744	174	1,570
36	1,758	176	1,582	1,794	179	1,615
37	1,806	181	1,626	1,844	184	1,660
38	1,855	186	1,670	1,894	189	1,704
39	1,904	190	1,714	1,944	194	1,749
40	1,953	195	1,758	1,994	199	1,794
Each additional year ⁵	\$48.82	\$4.88	\$43.94	\$49.84	\$4.98	\$44.86

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

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