

# Monthly FERS annuity payments for letter carriers who retire on Feb. 1, 2017

**T**he 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 Feb. 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 <sup>2</sup>	CC Grade 1 / High-3 Average <sup>1</sup> : \$59,109			CC Grade 2 / High-3 Average <sup>1</sup> : \$60,336		
	Basic Annuity	Max. Survivor Deduction <sup>3</sup>	Max. Survivor Reduced Annuity <sup>4</sup>	Basic Annuity	Max. Survivor Deduction <sup>3</sup>	Max. Survivor Reduced Annuity <sup>4</sup>
20	\$985	\$99	\$887	\$1,006	\$101	\$905
21	1,034	103	931	1,056	106	950
22	1,084	108	975	1,106	111	996
23	1,133	113	1,020	1,156	116	1,041
24	1,182	118	1,064	1,207	121	1,086
25	1,231	123	1,108	1,257	126	1,131
26	1,281	128	1,153	1,307	131	1,177
27	1,330	133	1,197	1,358	136	1,222
28	1,379	138	1,241	1,408	141	1,267
29	1,428	143	1,286	1,458	146	1,312
30	1,478	148	1,330	1,508	151	1,358
31	1,527	153	1,374	1,559	156	1,403
32	1,576	158	1,419	1,609	161	1,448
33	1,625	163	1,463	1,659	166	1,493
34	1,675	167	1,507	1,710	171	1,539
35	1,724	172	1,552	1,760	176	1,584
36	1,773	177	1,596	1,810	181	1,629
37	1,823	182	1,640	1,860	186	1,674
38	1,872	187	1,685	1,911	191	1,720
39	1,921	192	1,729	1,961	196	1,765
40	1,970	197	1,773	2,011	201	1,810
Each additional year <sup>5</sup>	\$49.26	\$4.93	\$44.33	\$50.28	\$5.03	\$45.25

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Feb. 1, 2014, and Jan. 31, 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 \$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.