

Monthly FERS annuity payments for letter carriers who retire on July 1, 2017

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 July 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 ²	CC Grade 1 / High-3 Average ¹ : \$59,475			CC Grade 2 / High-3 Average ¹ : \$60,706		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$991	\$99	\$892	\$1,012	\$101	\$911
21	1,041	104	937	1,062	106	956
22	1,090	109	981	1,113	111	1,002
23	1,140	114	1,026	1,164	116	1,047
24	1,190	119	1,071	1,214	121	1,093
25	1,239	124	1,115	1,265	126	1,138
26	1,289	129	1,160	1,315	132	1,184
27	1,338	134	1,204	1,366	137	1,229
28	1,388	139	1,249	1,416	142	1,275
29	1,437	144	1,294	1,467	147	1,320
30	1,487	149	1,338	1,518	152	1,366
31	1,536	154	1,383	1,568	157	1,411
32	1,586	159	1,427	1,619	162	1,457
33	1,636	164	1,472	1,669	167	1,502
34	1,685	169	1,517	1,720	172	1,548
35	1,735	173	1,561	1,771	177	1,594
36	1,784	178	1,606	1,821	182	1,639
37	1,834	183	1,650	1,872	187	1,685
38	1,883	188	1,695	1,922	192	1,730
39	1,933	193	1,740	1,973	197	1,776
40	1,983	198	1,784	2,024	202	1,821
Each additional year ⁵	\$49.56	\$4.96	\$44.61	\$50.59	\$5.06	\$45.53

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between July 1, 2014, and June 30, 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 \$381.74 per month if for self plus one (code 323), \$363.76 if for self and family (code 322), or \$167.70 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.