

Monthly FERS annuity payments for letter carriers who retire on Aug. 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 Aug. 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 : \$59,550			CC Grade 2 / High-3 Average ¹ : \$60,782		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$993	\$99	\$893	\$1,013	\$101	\$912
21	1,042	104	938	1,064	106	957
22	1,092	109	983	1,114	111	1,003
23	1,141	114	1,027	1,165	116	1,048
24	1,191	119	1,072	1,216	122	1,094
25	1,241	124	1,117	1,266	127	1,140
26	1,290	129	1,161	1,317	132	1,185
27	1,340	134	1,206	1,368	137	1,231
28	1,390	139	1,251	1,418	142	1,276
29	1,439	144	1,295	1,469	147	1,322
30	1,489	149	1,340	1,520	152	1,368
31	1,538	154	1,385	1,570	157	1,413
32	1,588	159	1,429	1,621	162	1,459
33	1,638	164	1,474	1,672	167	1,504
34	1,687	169	1,519	1,722	172	1,550
35	1,737	174	1,563	1,773	177	1,596
36	1,787	179	1,608	1,823	182	1,641
37	1,836	184	1,653	1,874	187	1,687
38	1,886	189	1,697	1,925	192	1,732
39	1,935	194	1,742	1,975	198	1,778
40	1,985	199	1,787	2,026	203	1,823
Each additional year ⁵	\$49.63	\$4.96	\$44.66	\$50.65	\$5.07	\$45.59

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