

# Monthly FERS annuity payments for letter carriers who retire on Oct. 1, 2019

**T**he Federal Employees Retirement System (FERS) 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 Minimum Retirement Age (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 Oct. 1, 2019. Estimates are computed by using the given high-3 averages, which are based on the basic pay earned by full-time Step 0 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> : \$62,381			CC Grade 2 / High-3 Average <sup>1</sup> : \$63,667		
	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	\$1,040	\$104	\$936	\$1,061	\$106	\$955
21	1,092	109	983	1,114	111	1,003
22	1,144	114	1,029	1,167	117	1,051
23	1,196	120	1,076	1,220	122	1,098
24	1,248	125	1,123	1,273	127	1,146
25	1,300	130	1,170	1,326	133	1,194
26	1,352	135	1,216	1,379	138	1,242
27	1,404	140	1,263	1,433	143	1,289
28	1,456	146	1,310	1,486	149	1,337
29	1,508	151	1,357	1,539	154	1,385
30	1,560	156	1,404	1,592	159	1,433
31	1,612	161	1,450	1,645	164	1,480
32	1,664	166	1,497	1,698	170	1,528
33	1,715	172	1,544	1,751	175	1,576
34	1,767	177	1,591	1,804	180	1,624
35	1,819	182	1,638	1,857	186	1,671
36	1,871	187	1,684	1,910	191	1,719
37	1,923	192	1,731	1,963	196	1,767
38	1,975	198	1,778	2,016	202	1,815
39	2,027	203	1,825	2,069	207	1,862
40	2,079	208	1,871	2,122	212	1,910
Each additional year <sup>5</sup>	\$51.98	\$5.20	\$46.79	\$53.06	\$5.31	\$47.75

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Oct. 1, 2016, and Sept. 30, 2019, at Step 0 (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 \$434.85 per month if for self plus one (code 323), \$393.49 if for self and family (code 322), or \$183.37 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.