

Monthly FERS annuity payments for letter carriers who retire on Feb. 1, 2020

The 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 Feb. 1, 2020. 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 : \$62,929			CC Grade 2 / High-3 Average ¹ : \$64,228		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,049	\$105	\$944	\$1,070	\$107	\$963
21	1,101	110	991	1,124	112	1,012
22	1,154	115	1,038	1,178	118	1,060
23	1,206	121	1,086	1,231	123	1,108
24	1,259	126	1,133	1,285	128	1,156
25	1,311	131	1,180	1,338	134	1,204
26	1,363	136	1,227	1,392	139	1,252
27	1,416	142	1,274	1,445	145	1,301
28	1,468	147	1,321	1,499	150	1,349
29	1,521	152	1,369	1,552	155	1,397
30	1,573	157	1,416	1,606	161	1,445
31	1,626	163	1,463	1,659	166	1,493
32	1,678	168	1,510	1,713	171	1,541
33	1,731	173	1,557	1,766	177	1,590
34	1,783	178	1,605	1,820	182	1,638
35	1,835	184	1,652	1,873	187	1,686
36	1,888	189	1,699	1,927	193	1,734
37	1,940	194	1,746	1,980	198	1,782
38	1,993	199	1,793	2,034	203	1,831
39	2,045	205	1,841	2,087	209	1,879
40	2,098	210	1,888	2,141	214	1,927
Each additional year ⁵	\$52.44	\$5.24	\$47.20	\$53.52	\$5.35	\$48.17

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Feb. 1, 2017, and Jan. 31, 2020, 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 \$473.01 per month if for self plus one (code 323), \$408.94 if for self and family (code 322), or \$196.82 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.