

Monthly FERS annuity payments for letter carriers who retire on April 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 April 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 : \$63,167			CC Grade 2 / High-3 Average ¹ : \$64,473		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,053	\$105	948	1,075	\$107	\$967
21	1,105	111	995	1,128	113	1,015
22	1,158	116	1,042	1,182	118	1,064
23	1,211	121	1,090	1,236	124	1,112
24	1,263	126	1,137	1,289	129	1,161
25	1,316	132	1,184	1,343	134	1,209
26	1,369	137	1,232	1,397	140	1,257
27	1,421	142	1,279	1,451	145	1,306
28	1,474	147	1,327	1,504	150	1,354
29	1,527	153	1,374	1,558	156	1,402
30	1,579	158	1,421	1,612	161	1,451
31	1,632	163	1,469	1,666	167	1,499
32	1,684	168	1,516	1,719	172	1,547
33	1,737	174	1,563	1,773	177	1,596
34	1,790	179	1,611	1,827	183	1,644
35	1,842	184	1,658	1,880	188	1,692
36	1,895	190	1,706	1,934	193	1,741
37	1,948	195	1,753	1,988	199	1,789
38	2,000	200	1,800	2,042	204	1,837
39	2,053	205	1,848	2,095	210	1,886
40	2,106	211	1,895	2,149	215	1,934
Each additional year ⁵	52.64	5.26	47.38	53.73	5.37	48.35

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between April 1, 2017, and April 1, 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.