

Monthly FERS annuity payments for letter carriers who retire on Oct. 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 Oct. 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 : \$63,844			CC Grade 2 / High-3 Average ¹ : \$65,169		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,064	\$106	\$958	\$1,086	\$109	\$978
21	1,117	112	1,006	1,140	114	1,026
22	1,170	117	1,053	1,195	119	1,075
23	1,224	122	1,101	1,249	125	1,124
24	1,277	128	1,149	1,303	130	1,173
25	1,330	133	1,197	1,358	136	1,222
26	1,383	138	1,245	1,412	141	1,271
27	1,436	144	1,293	1,466	147	1,320
28	1,490	149	1,341	1,521	152	1,369
29	1,543	154	1,389	1,575	157	1,417
30	1,596	160	1,436	1,629	163	1,466
31	1,649	165	1,484	1,684	168	1,515
32	1,703	170	1,532	1,738	174	1,564
33	1,756	176	1,580	1,792	179	1,613
34	1,809	181	1,628	1,846	185	1,662
35	1,862	186	1,676	1,901	190	1,711
36	1,915	192	1,724	1,955	196	1,760
37	1,969	197	1,772	2,009	201	1,808
38	2,022	202	1,820	2,064	206	1,857
39	2,075	207	1,867	2,118	212	1,906
40	2,128	213	1,915	2,172	217	1,955
Each additional year ⁵	53.20	5.32	47.88	54.31	5.43	48.88

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