

Monthly FERS annuity payments for letter carriers who retire on Feb. 1, 2021

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, 2021. 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 : \$64,223			CC Grade 2 / High-3 Average ¹ : \$65,559		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,070	\$107	\$963	\$1,093	\$109	\$983
21	1,124	112	1,012	1,147	115	1,033
22	1,177	118	1,060	1,202	120	1,082
23	1,231	123	1,108	1,257	126	1,131
24	1,284	128	1,156	1,311	131	1,180
25	1,338	134	1,204	1,366	137	1,229
26	1,391	139	1,252	1,420	142	1,278
27	1,445	145	1,301	1,475	148	1,328
28	1,499	150	1,349	1,530	153	1,377
29	1,552	155	1,397	1,584	158	1,426
30	1,606	161	1,445	1,639	164	1,475
31	1,659	166	1,493	1,694	169	1,524
32	1,713	171	1,541	1,748	175	1,573
33	1,766	177	1,590	1,803	180	1,623
34	1,820	182	1,638	1,858	186	1,672
35	1,873	187	1,686	1,912	191	1,721
36	1,927	193	1,734	1,967	197	1,770
37	1,980	198	1,782	2,021	202	1,819
38	2,034	203	1,830	2,076	208	1,868
39	2,087	209	1,879	2,131	213	1,918
40	2,141	214	1,927	2,185	219	1,967
Each additional year ⁵	53.52	5.35	48.17	54.63	5.46	49.17

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Feb. 1, 2018, and Jan. 31, 2021, 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.