

# Monthly FERS annuity payments for letter carriers who retire on April 1, 2021

**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 April 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 <sup>2</sup>	CC Grade 1 / High-3 Average <sup>1</sup> : \$64,379			CC Grade 2 / High-3 Average <sup>1</sup> : \$65,721		
	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	\$1,073	\$107	\$966	\$1,095	\$110	\$986
21	1,127	113	1,014	1,150	115	1,035
22	1,180	118	1,062	1,205	120	1,084
23	1,234	123	1,111	1,260	126	1,134
24	1,288	129	1,159	1,314	131	1,183
25	1,341	134	1,207	1,369	137	1,232
26	1,395	139	1,255	1,424	142	1,282
27	1,449	145	1,304	1,479	148	1,331
28	1,502	150	1,352	1,533	153	1,380
29	1,556	156	1,400	1,588	159	1,429
30	1,609	161	1,449	1,643	164	1,479
31	1,663	166	1,497	1,698	170	1,528
32	1,717	172	1,545	1,753	175	1,577
33	1,770	177	1,593	1,807	181	1,627
34	1,824	182	1,642	1,862	186	1,676
35	1,878	188	1,690	1,917	192	1,725
36	1,931	193	1,738	1,972	197	1,774
37	1,985	199	1,787	2,026	203	1,824
38	2,039	204	1,835	2,081	208	1,873
39	2,092	209	1,883	2,136	214	1,922
Each additional year <sup>5</sup>	53.65	5.36	48.28	54.77	5.48	49.29

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