

# Monthly FERS annuity payments for letter carriers who retire on June 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 June 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> : \$64,520			CC Grade 2 / High-3 Average <sup>1</sup> : \$65,867		
	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	\$1,075	\$108	\$968	\$1,098	\$110	\$988
21	1,129	113	1,016	1,153	115	1,037
22	1,183	118	1,065	1,208	121	1,087
23	1,237	124	1,113	1,262	126	1,136
24	1,290	129	1,161	1,317	132	1,186
25	1,344	134	1,210	1,372	137	1,235
26	1,398	140	1,258	1,427	143	1,284
27	1,452	145	1,307	1,482	148	1,334
28	1,505	151	1,355	1,537	154	1,383
29	1,559	156	1,403	1,592	159	1,433
30	1,613	161	1,452	1,647	165	1,482
31	1,667	167	1,500	1,702	170	1,531
32	1,721	172	1,548	1,756	176	1,581
33	1,774	177	1,597	1,811	181	1,630
34	1,828	183	1,645	1,866	187	1,680
35	1,882	188	1,694	1,921	192	1,729
36	1,936	194	1,742	1,976	198	1,778
37	1,989	199	1,790	2,031	203	1,828
38	2,043	204	1,839	2,086	209	1,877
39	2,097	210	1,887	2,141	214	1,927
40	2,151	215	1,936	2,196	220	1,976
Each additional year <sup>5</sup>	53.77	5.38	48.39	54.89	5.49	49.40

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between June 1, 2018, and May 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 \$491.06 per month if for self plus one (code 323), \$430.49 if for self and family (code 322), or \$205.47 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.