

# Monthly FERS annuity payments for letter carriers who retire on Feb. 1, 2023

**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 Feb. 1, 2023. 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> : \$68,961			CC Grade 2 / High-3 Average <sup>1</sup> : \$70,409		
	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	\$1,149	\$115	\$1,034	\$1,173	\$117	\$1,056
21	1,207	121	1,086	1,232	123	1,109
22	1,264	126	1,138	1,291	129	1,162
23	1,322	132	1,190	1,349	135	1,215
24	1,379	138	1,241	1,408	141	1,267
25	1,437	144	1,293	1,467	147	1,320
26	1,494	149	1,345	1,526	153	1,373
27	1,552	155	1,396	1,584	158	1,426
28	1,609	161	1,448	1,643	164	1,479
29	1,667	167	1,500	1,702	170	1,531
30	1,724	172	1,552	1,760	176	1,584
31	1,781	178	1,603	1,819	182	1,637
32	1,839	184	1,655	1,878	188	1,690
33	1,896	190	1,707	1,936	194	1,743
34	1,954	195	1,758	1,995	199	1,795
35	2,011	201	1,810	2,054	205	1,848
36	2,069	207	1,862	2,112	211	1,901
37	2,126	213	1,914	2,171	217	1,954
38	2,184	218	1,965	2,230	223	2,007
39	2,241	224	2,017	2,288	229	2,059
40	2,299	230	2,069	2,347	235	2,112
Each additional year <sup>5</sup>	57.47	5.75	51.72	58.67	5.87	52.81

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Feb. 1, 2020, and Jan. 31, 2023, 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 \$523.75 per month if for self plus one (code 323), \$457.82 if for self and family (code 322), or \$223.12 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.