

# Monthly FERS annuity payments for letter carriers who retire on Sept. 1, 2022

**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 Sept. 1, 2022. 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> : \$67,693			CC Grade 2 / High-3 Average <sup>1</sup> : \$69,115		
	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	\$1,128	\$113	\$1,015	\$1,152	\$115	\$1,037
21	1,185	118	1,066	1,210	121	1,089
22	1,241	124	1,117	1,267	127	1,140
23	1,297	130	1,168	1,325	132	1,192
24	1,354	135	1,218	1,382	138	1,244
25	1,410	141	1,269	1,440	144	1,296
26	1,467	147	1,320	1,497	150	1,348
27	1,523	152	1,371	1,555	156	1,400
28	1,580	158	1,422	1,613	161	1,451
29	1,636	164	1,472	1,670	167	1,503
30	1,692	169	1,523	1,728	173	1,555
31	1,749	175	1,574	1,785	179	1,607
32	1,805	181	1,625	1,843	184	1,659
33	1,862	186	1,675	1,901	190	1,711
34	1,918	192	1,726	1,958	196	1,762
35	1,974	197	1,777	2,016	202	1,814
36	2,031	203	1,828	2,073	207	1,866
37	2,087	209	1,878	2,131	213	1,918
38	2,144	214	1,929	2,189	219	1,970
39	2,200	220	1,980	2,246	225	2,022
40	2,256	226	2,031	2,304	230	2,073
Each additional year <sup>5</sup>	56.41	5.64	50.77	57.60	5.76	51.84

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Sept. 1, 2019, and Aug. 31, 2022, 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.