

# Monthly FERS annuity payments for letter carriers who retire on Aug. 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 Aug. 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> : \$67,501			CC Grade 2 / High-3 Average <sup>1</sup> : \$68,918		
	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	\$1,125	\$113	\$1,013	\$1,149	\$115	\$1,034
21	1,181	118	1,063	1,206	121	1,085
22	1,238	124	1,114	1,263	126	1,137
23	1,294	129	1,164	1,321	132	1,189
24	1,350	135	1,215	1,378	138	1,241
25	1,406	141	1,266	1,436	144	1,292
26	1,463	146	1,316	1,493	149	1,344
27	1,519	152	1,367	1,551	155	1,396
28	1,575	158	1,418	1,608	161	1,447
29	1,631	163	1,468	1,666	167	1,499
30	1,688	169	1,519	1,723	172	1,551
31	1,744	174	1,569	1,780	178	1,602
32	1,800	180	1,620	1,838	184	1,654
33	1,856	186	1,671	1,895	190	1,706
34	1,913	191	1,721	1,953	195	1,757
35	1,969	197	1,772	2,010	201	1,809
36	2,025	203	1,823	2,068	207	1,861
37	2,081	208	1,873	2,125	212	1,912
38	2,138	214	1,924	2,182	218	1,964
39	2,194	219	1,974	2,240	224	2,016
40	2,250	225	2,025	2,297	230	2,068
Each additional year <sup>5</sup>	56.25	5.63	50.63	57.43	5.74	51.69

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