

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

The 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 Jan. 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 ²	CC Grade 1 / High-3 Average ¹ : \$68,701			CC Grade 2 / High-3 Average ¹ : \$70,144		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,145	\$115	\$1,031	\$1,169	\$117	\$1,052
21	1,202	120	1,082	1,228	123	1,105
22	1,260	126	1,134	1,286	129	1,157
23	1,317	132	1,185	1,344	134	1,210
24	1,374	137	1,237	1,403	140	1,263
25	1,431	143	1,288	1,461	146	1,315
26	1,489	149	1,340	1,520	152	1,368
27	1,546	155	1,391	1,578	158	1,420
28	1,603	160	1,443	1,637	164	1,473
29	1,660	166	1,494	1,695	170	1,526
30	1,718	172	1,546	1,754	175	1,578
31	1,775	177	1,597	1,812	181	1,631
32	1,832	183	1,649	1,870	187	1,683
33	1,889	189	1,700	1,929	193	1,736
34	1,947	195	1,752	1,987	199	1,789
35	2,004	200	1,803	2,046	205	1,841
36	2,061	206	1,855	2,104	210	1,894
37	2,118	212	1,906	2,163	216	1,946
38	2,176	218	1,958	2,221	222	1,999
39	2,233	223	2,010	2,280	228	2,052
40	2,290	229	2,061	2,338	234	2,104
Each additional year ⁵	57.25	5.73	51.53	58.45	5.85	52.61

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Jan. 1, 2020, and Dec. 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.