

Monthly FERS annuity payments for letter carriers who retire on June 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 June 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 : \$71,442			CC Grade 2 / High-3 Average ¹ : \$72,942		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,191	\$119	\$1,072	\$1,216	\$122	\$1,094
21	1,250	125	1,125	1,276	128	1,149
22	1,310	131	1,179	1,337	134	1,204
23	1,369	137	1,232	1,398	140	1,258
24	1,429	143	1,286	1,459	146	1,313
25	1,488	149	1,340	1,520	152	1,368
26	1,548	155	1,393	1,580	158	1,422
27	1,607	161	1,447	1,641	164	1,477
28	1,667	167	1,500	1,702	170	1,532
29	1,727	173	1,554	1,763	176	1,586
30	1,786	179	1,607	1,824	182	1,641
31	1,846	185	1,661	1,884	188	1,696
32	1,905	191	1,715	1,945	195	1,751
33	1,965	196	1,768	2,006	201	1,805
34	2,024	202	1,822	2,067	207	1,860
35	2,084	208	1,875	2,127	213	1,915
36	2,143	214	1,929	2,188	219	1,969
37	2,203	220	1,983	2,249	225	2,024
38	2,262	226	2,036	2,310	231	2,079
39	2,322	232	2,090	2,371	237	2,134
40	2,381	238	2,143	2,431	243	2,188
Each additional year ⁵	59.54	5.95	53.58	60.79	6.08	54.71

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between June 1, 2020, and May 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 percent 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 percent per year, it is highly unlikely that any FERS employee will ever exceed the 80 percent 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 percent—their annuities are calculated at 1.1 percent times years of service times high-three average salary.