

Monthly FERS annuity payments for letter carriers who retire on April 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 April 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 : \$69,474			CC Grade 2 / High-3 Average ¹ : \$70,933		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,158	\$116	\$1,042	\$1,182	\$118	\$1,064
21	1,216	122	1,094	1,241	124	1,117
22	1,274	127	1,146	1,300	130	1,170
23	1,332	133	1,198	1,360	136	1,224
24	1,389	139	1,251	1,419	142	1,277
25	1,447	145	1,303	1,478	148	1,330
26	1,505	151	1,355	1,537	154	1,383
27	1,563	156	1,407	1,596	160	1,436
28	1,621	162	1,459	1,655	166	1,490
29	1,679	168	1,511	1,714	171	1,543
30	1,737	174	1,563	1,773	177	1,596
31	1,795	179	1,615	1,832	183	1,649
32	1,853	185	1,667	1,892	189	1,702
33	1,911	191	1,719	1,951	195	1,756
34	1,968	197	1,772	2,010	201	1,809
35	2,026	203	1,824	2,069	207	1,862
36	2,084	208	1,876	2,128	213	1,915
37	2,142	214	1,928	2,187	219	1,968
38	2,200	220	1,980	2,246	225	2,022
39	2,258	226	2,032	2,305	231	2,075
40	2,316	232	2,084	2,364	236	2,128
Each additional year ⁵	57.90	5.79	52.11	59.11	5.91	53.20

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