

Monthly FERS annuity payments for letter carriers who retire on July 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 July 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 : \$72,322			CC Grade 2 / High-3 Average ¹ : \$73,841		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,205	\$121	\$1,085	\$1,231	\$123	\$1,108
21	1,266	127	1,139	1,292	129	1,163
22	1,326	133	1,193	1,354	135	1,218
23	1,386	139	1,248	1,415	142	1,274
24	1,446	145	1,302	1,477	148	1,329
25	1,507	151	1,356	1,538	154	1,385
26	1,567	157	1,410	1,600	160	1,440
27	1,627	163	1,465	1,661	166	1,495
28	1,688	169	1,519	1,723	172	1,551
29	1,748	175	1,573	1,784	178	1,606
30	1,808	181	1,627	1,846	185	1,661
31	1,868	187	1,681	1,908	191	1,717
32	1,929	193	1,736	1,969	197	1,772
33	1,989	199	1,790	2,031	203	1,828
34	2,049	205	1,844	2,092	209	1,883
35	2,109	211	1,898	2,154	215	1,938
36	2,170	217	1,953	2,215	222	1,994
37	2,230	223	2,007	2,277	228	2,049
38	2,290	229	2,061	2,338	234	2,104
39	2,350	235	2,115	2,400	240	2,160
40	2,411	241	2,170	2,461	246	2,215
Each additional year ⁵	60.27	6.03	54.24	61.53	6.15	55.38

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between July 1, 2020, and June 30, 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.