

# Monthly FERS annuity payments for letter carriers who retire on Dec. 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 Dec. 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 <sup>2</sup>	CC Grade 1 / High-3 Average <sup>1</sup> : \$71,532			CC Grade 2 / High-3 Average <sup>1</sup> : \$73,035		
	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	\$1,192	\$119	\$1,073	\$1,217	\$122	\$1,096
21	1,252	125	1,127	1,278	128	1,150
22	1,311	131	1,180	1,339	134	1,205
23	1,371	137	1,234	1,400	140	1,260
24	1,431	143	1,288	1,461	146	1,315
25	1,490	149	1,341	1,522	152	1,369
26	1,550	155	1,395	1,582	158	1,424
27	1,609	161	1,449	1,643	164	1,479
28	1,669	167	1,502	1,704	170	1,534
29	1,729	173	1,556	1,765	177	1,589
30	1,788	179	1,609	1,826	183	1,643
31	1,848	185	1,663	1,887	189	1,698
32	1,908	191	1,717	1,948	195	1,753
33	1,967	197	1,770	2,008	201	1,808
34	2,027	203	1,824	2,069	207	1,862
35	2,086	209	1,878	2,130	213	1,917
36	2,146	215	1,931	2,191	219	1,972
37	2,206	221	1,985	2,252	225	2,027
38	2,265	227	2,039	2,313	231	2,081
39	2,325	232	2,092	2,374	237	2,136
40	2,384	238	2,146	2,434	243	2,191
Each additional year <sup>5</sup>	59.61	5.96	53.65	60.86	6.09	54.78

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