

# Monthly FERS annuity payments for letter carriers who retire on April 1, 2018

**T**he Federal Employees Retirement System 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 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, 2018. 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> : \$60,391			CC Grade 2 / High-3 Average <sup>1</sup> : \$61,637		
	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	\$1,007	\$101	\$906	\$1,027	\$103	\$925
21	1,057	106	951	1,079	108	971
22	1,107	111	996	1,130	113	1,017
23	1,157	116	1,042	1,181	118	1,063
24	1,208	121	1,087	1,233	123	1,109
25	1,258	126	1,132	1,284	128	1,156
26	1,308	131	1,178	1,335	134	1,202
27	1,359	136	1,223	1,387	139	1,248
28	1,409	141	1,268	1,438	144	1,294
29	1,459	146	1,314	1,490	149	1,341
30	1,510	151	1,359	1,541	154	1,387
31	1,560	156	1,404	1,592	159	1,433
32	1,610	161	1,449	1,644	164	1,479
33	1,661	166	1,495	1,695	170	1,526
34	1,711	171	1,540	1,746	175	1,572
35	1,761	176	1,585	1,798	180	1,618
36	1,812	181	1,631	1,849	185	1,664
37	1,862	186	1,676	1,900	190	1,710
38	1,912	191	1,721	1,952	195	1,757
39	1,963	196	1,766	2,003	200	1,803
40	2,013	201	1,812	2,055	205	1,849
Each additional year <sup>5</sup>	\$50.33	\$5.03	\$45.29	\$51.36	\$5.14	\$46.23

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between April 1, 2015, and March 31, 2018, 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 \$405.30 per month if for self plus one (code 323), \$374.08 if for self and family (code 322), or \$170.71 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.