

Monthly FERS annuity payments for letter carriers who retire on Jan. 1, 2020

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 Jan. 1, 2020. 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 : \$62,805			CC Grade 2 / High-3 Average ¹ : \$64,102		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,047	\$105	\$942	\$1,068	\$107	\$962
21	1,099	110	989	1,122	112	1,010
22	1,151	115	1,036	1,175	118	1,058
23	1,204	120	1,083	1,229	123	1,106
24	1,256	126	1,130	1,282	128	1,154
25	1,308	131	1,178	1,335	134	1,202
26	1,361	136	1,225	1,389	139	1,250
27	1,413	141	1,272	1,442	144	1,298
28	1,465	147	1,319	1,496	150	1,346
29	1,518	152	1,366	1,549	155	1,394
30	1,570	157	1,413	1,603	160	1,442
31	1,622	162	1,460	1,656	166	1,490
32	1,675	167	1,507	1,709	171	1,538
33	1,727	173	1,554	1,763	176	1,587
34	1,779	178	1,602	1,816	182	1,635
35	1,832	183	1,649	1,870	187	1,683
36	1,884	188	1,696	1,923	192	1,731
37	1,936	194	1,743	1,976	198	1,779
38	1,989	199	1,790	2,030	203	1,827
39	2,041	204	1,837	2,083	208	1,875
40	2,094	209	1,884	2,137	214	1,923
Each additional year ⁵	\$52.34	\$5.23	\$47.10	\$53.42	\$5.34	\$48.08

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Jan. 1, 2017, and Dec. 31, 2019, 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 \$434.85 per month if for self plus one (code 323), \$393.49 if for self and family (code 322), or \$183.37 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.