

Monthly FERS annuity payments for letter carriers who retire on Aug. 1, 2018

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 Aug. 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 ²	CC Grade 1 / High-3 Average ¹ : \$60,762			CC Grade 2 / High-3 Average ¹ : \$62,012		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,013	\$101	\$911	\$1,034	\$103	\$930
21	1,063	106	957	1,085	109	977
22	1,114	111	1,003	1,137	114	1,023
23	1,165	116	1,048	1,189	119	1,070
24	1,215	122	1,094	1,240	124	1,116
25	1,266	127	1,139	1,292	129	1,163
26	1,317	132	1,185	1,344	134	1,209
27	1,367	137	1,230	1,395	140	1,256
28	1,418	142	1,276	1,447	145	1,302
29	1,468	147	1,322	1,499	150	1,349
30	1,519	152	1,367	1,550	155	1,395
31	1,570	157	1,413	1,602	160	1,442
32	1,620	162	1,458	1,654	165	1,488
33	1,671	167	1,504	1,705	171	1,535
34	1,722	172	1,549	1,757	176	1,581
35	1,772	177	1,595	1,809	181	1,628
36	1,823	182	1,641	1,860	186	1,674
37	1,873	187	1,686	1,912	191	1,721
38	1,924	192	1,732	1,964	196	1,767
39	1,975	197	1,777	2,015	202	1,814
40	2,025	203	1,823	2,067	207	1,860
Each additional year ⁵	\$50.64	\$5.06	\$45.57	\$51.68	\$5.17	\$46.51

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Aug. 1, 2015, and July 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.