

Monthly FERS annuity payments for letter carriers who retire on July 1, 2021

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, 2021. 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 : \$65,293			CC Grade 2 / High-3 Average ¹ : \$66,658		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,088	\$109	\$979	\$1,111	\$111	\$1,000
21	1,143	114	1,028	1,167	117	1,050
22	1,197	120	1,077	1,222	122	1,100
23	1,251	125	1,126	1,278	128	1,150
24	1,306	131	1,175	1,333	133	1,200
25	1,360	136	1,224	1,389	139	1,250
26	1,415	141	1,273	1,444	144	1,300
27	1,469	147	1,322	1,500	150	1,350
28	1,524	152	1,371	1,555	156	1,400
29	1,578	158	1,420	1,611	161	1,450
30	1,632	163	1,469	1,666	167	1,500
31	1,687	169	1,518	1,722	172	1,550
32	1,741	174	1,567	1,778	178	1,600
33	1,796	180	1,616	1,833	183	1,650
34	1,850	185	1,665	1,889	189	1,700
35	1,904	190	1,714	1,944	194	1,750
36	1,959	196	1,763	2,000	200	1,800
37	2,013	201	1,812	2,055	206	1,850
38	2,068	207	1,861	2,111	211	1,900
39	2,122	212	1,910	2,166	217	1,950
40	2,176	218	1,959	2,222	222	2,000
Each additional year ⁵	54.41	5.44	48.97	55.55	5.55	49.99

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between July 1, 2018, and June 30, 2021, 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 \$491.06 per month if for self plus one (code 323), \$430.49 if for self and family (code 322), or \$205.47 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.