

Monthly FERS annuity payments for letter carriers who retire on Sept. 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 Sept. 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 : \$65,556			CC Grade 2 / High-3 Average ¹ : \$66,929		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,093	\$109	\$983	\$1,115	\$112	\$1,004
21	1,147	115	1,033	1,171	117	1,054
22	1,202	120	1,082	1,227	123	1,104
23	1,256	126	1,131	1,283	128	1,155
24	1,311	131	1,180	1,339	134	1,205
25	1,366	137	1,229	1,394	139	1,255
26	1,420	142	1,278	1,450	145	1,305
27	1,475	148	1,328	1,506	151	1,355
28	1,530	153	1,377	1,562	156	1,406
29	1,584	158	1,426	1,617	162	1,456
30	1,639	164	1,475	1,673	167	1,506
31	1,694	169	1,524	1,729	173	1,556
32	1,748	175	1,573	1,785	178	1,606
33	1,803	180	1,623	1,841	184	1,656
34	1,857	186	1,672	1,896	190	1,707
35	1,912	191	1,721	1,952	195	1,757
36	1,967	197	1,770	2,008	201	1,807
37	2,021	202	1,819	2,064	206	1,857
38	2,076	208	1,868	2,119	212	1,907
39	2,131	213	1,918	2,175	218	1,958
40	2,185	219	1,967	2,231	223	2,008
Each additional year ⁵	54.63	5.46	49.17	55.77	5.58	50.20

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Sept. 1, 2018, and Aug. 31, 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.