

# Monthly FERS annuity payments for letter carriers who retire on March 1, 2023

**T**he 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 March 1, 2023. 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> : \$69,220			CC Grade 2 / High-3 Average <sup>1</sup> : \$70,673		
	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	\$1,154	\$115	\$1,038	\$1,178	\$118	\$1,060
21	1,211	121	1,090	1,237	124	1,113
22	1,269	127	1,142	1,296	130	1,166
23	1,327	133	1,194	1,355	135	1,219
24	1,384	138	1,246	1,413	141	1,272
25	1,442	144	1,298	1,472	147	1,325
26	1,500	150	1,350	1,531	153	1,378
27	1,557	156	1,402	1,590	159	1,431
28	1,615	162	1,454	1,649	165	1,484
29	1,673	167	1,506	1,708	171	1,537
30	1,730	173	1,557	1,767	177	1,590
31	1,788	179	1,609	1,826	183	1,643
32	1,846	185	1,661	1,885	188	1,696
33	1,904	190	1,713	1,944	194	1,749
34	1,961	196	1,765	2,002	200	1,802
35	2,019	202	1,817	2,061	206	1,855
36	2,077	208	1,869	2,120	212	1,908
37	2,134	213	1,921	2,179	218	1,961
38	2,192	219	1,973	2,238	224	2,014
39	2,250	225	2,025	2,297	230	2,067
40	2,307	231	2,077	2,356	236	2,120
Each additional year <sup>5</sup>	57.68	5.77	51.91	58.89	5.89	53.00

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Feb. 1, 2020, and Jan. 31, 2023, 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 \$523.75 per month if for self plus one (code 323), \$457.82 if for self and family (code 322), or \$223.12 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.