

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

**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 Sept. 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 <sup>2</sup>	CC Grade 1 / High-3 Average <sup>1</sup> : \$60,853			CC Grade 2 / High-3 Average <sup>1</sup> : \$62,104		
	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	\$1,014	\$101	\$913	\$1,035	\$104	\$932
21	1,065	106	958	1,087	109	978
22	1,116	112	1,004	1,139	114	1,025
23	1,166	117	1,050	1,190	119	1,071
24	1,217	122	1,095	1,242	124	1,118
25	1,268	127	1,141	1,294	129	1,164
26	1,318	132	1,187	1,346	135	1,211
27	1,369	137	1,232	1,397	140	1,258
28	1,420	142	1,278	1,449	145	1,304
29	1,471	147	1,324	1,501	150	1,351
30	1,521	152	1,369	1,553	155	1,397
31	1,572	157	1,415	1,604	160	1,444
32	1,623	162	1,460	1,656	166	1,490
33	1,672	167	1,506	1,708	171	1,537
34	1,724	172	1,552	1,760	176	1,584
35	1,775	177	1,597	1,811	181	1,630
36	1,826	183	1,643	1,863	186	1,677
37	1,876	188	1,689	1,915	191	1,723
38	1,927	193	1,734	1,967	197	1,770
39	1,978	198	1,780	2,018	202	1,817
40	2,028	203	1,826	2,070	207	1,863
Each additional year <sup>5</sup>	\$50.71	\$5.07	\$45.64	\$51.75	\$5.18	\$46.58

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