

Monthly FERS annuity payments for letter carriers who retire on Nov. 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 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 ²	CC Grade 1 / High-3 Average ¹ : \$61,031			CC Grade 2 / High-3 Average ¹ : \$62,285		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,017	\$102	\$915	\$1,038	\$104	\$934
21	1,068	107	961	1,090	109	981
22	1,119	112	1,007	1,142	114	1,028
23	1,170	117	1,053	1,194	119	1,074
24	1,221	122	1,099	1,246	125	1,121
25	1,271	127	1,144	1,298	130	1,168
26	1,322	132	1,190	1,350	135	1,215
27	1,373	137	1,236	1,401	140	1,261
28	1,424	142	1,282	1,453	145	1,308
29	1,475	147	1,327	1,505	151	1,355
30	1,526	153	1,373	1,557	156	1,401
31	1,577	158	1,419	1,609	161	1,448
32	1,627	163	1,465	1,661	166	1,495
33	1,678	168	1,511	1,713	171	1,542
34	1,729	173	1,556	1,765	176	1,588
35	1,780	178	1,602	1,817	182	1,635
36	1,831	183	1,648	1,869	187	1,682
37	1,882	188	1,694	1,920	192	1,728
38	1,933	193	1,739	1,972	197	1,775
39	1,984	198	1,785	2,024	202	1,822
40	2,034	203	1,831	2,076	208	1,869
Each additional year ⁵	\$50.86	\$5.09	\$45.77	\$51.90	\$5.19	\$46.71

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Nov. 1, 2015, and Oct. 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), \$337.35 if for self and family (code 322), or \$166.70 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.