

# Monthly FERS annuity payments for letter carriers who retire on April 1, 2019

**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 April 1, 2019. 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> : \$61,621			CC Grade 2 / High-3 Average <sup>1</sup> : \$62,887		
	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	\$1,027	\$103	\$924	\$1,048	\$105	\$943
21	1,078	108	971	1,101	110	990
22	1,130	113	1,017	1,153	115	1,038
23	1,181	118	1,063	1,205	121	1,085
24	1,232	123	1,109	1,258	126	1,132
25	1,284	128	1,155	1,310	131	1,179
26	1,335	134	1,202	1,363	136	1,226
27	1,386	139	1,248	1,415	141	1,273
28	1,438	144	1,294	1,467	147	1,321
29	1,489	149	1,340	1,520	152	1,368
30	1,541	154	1,386	1,572	157	1,415
31	1,592	159	1,433	1,625	162	1,462
32	1,643	164	1,479	1,677	168	1,509
33	1,695	169	1,525	1,729	173	1,556
34	1,746	175	1,571	1,782	178	1,604
35	1,797	180	1,618	1,834	183	1,651
36	1,849	185	1,664	1,887	189	1,698
37	1,900	190	1,710	1,939	194	1,745
38	1,951	195	1,756	1,991	199	1,792
39	2,003	200	1,802	2,044	204	1,839
40	2,054	205	1,849	2,096	210	1,887
Each additional year <sup>5</sup>	\$51.35	\$5.14	\$46.22	\$52.41	\$5.24	\$47.17

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between April 1, 2016, and March 31, 2019, 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 \$434.85 per month if for self plus one (code 323), \$393.49 if for self and family (code 322), or \$183.37 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.