

Monthly FERS annuity payments for letter carriers who retire on May 1, 2018

The Federal Employees Retirement System 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 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 May 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 : \$60,465			CC Grade 2 / High-3 Average ¹ : \$61,711		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,008	\$101	\$907	\$1,029	\$103	\$926
21	1,058	106	952	1,080	108	972
22	1,109	111	998	1,131	113	1,018
23	1,159	116	1,043	1,183	118	1,065
24	1,209	121	1,088	1,234	123	1,111
25	1,260	126	1,134	1,286	129	1,157
26	1,310	131	1,179	1,337	134	1,203
27	1,360	136	1,224	1,388	139	1,250
28	1,411	141	1,270	1,440	144	1,296
29	1,461	146	1,315	1,491	149	1,342
30	1,512	151	1,360	1,543	154	1,388
31	1,562	156	1,406	1,594	159	1,435
32	1,612	161	1,451	1,646	165	1,481
33	1,663	166	1,497	1,697	170	1,527
34	1,713	171	1,542	1,748	175	1,574
35	1,764	176	1,587	1,800	180	1,620
36	1,814	181	1,633	1,851	185	1,666
37	1,864	186	1,678	1,903	190	1,711
38	1,915	191	1,723	1,954	195	1,759
39	1,965	197	1,769	2,006	201	1,805
40	2,016	202	1,814	2,057	206	1,851
Each additional year ⁵	\$50.39	\$5.04	\$45.35	\$51.43	\$5.14	\$46.28

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between May 1, 2015, and April 30, 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.