

Monthly FERS annuity payments for letter carriers who retire on July 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 July 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 : \$60,671			CC Grade 2 / High-3 Average ¹ : \$61,920		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,011	\$101	\$910	\$1,032	\$103	\$929
21	1,062	106	956	1,084	108	975
22	1,112	111	1,001	1,135	114	1,022
23	1,163	116	1,047	1,187	119	1,068
24	1,213	121	1,092	1,238	124	1,115
25	1,264	126	1,138	1,290	129	1,161
26	1,315	131	1,183	1,342	134	1,207
27	1,365	137	1,229	1,393	139	1,254
28	1,416	142	1,274	1,445	144	1,300
29	1,466	147	1,320	1,496	150	1,347
30	1,517	152	1,365	1,548	155	1,393
31	1,567	157	1,411	1,600	160	1,440
32	1,618	162	1,456	1,651	165	1,486
33	1,668	167	1,502	1,703	170	1,533
34	1,719	172	1,547	1,754	175	1,579
35	1,770	177	1,593	1,806	181	1,625
36	1,820	182	1,638	1,858	186	1,672
37	1,871	187	1,684	1,909	191	1,718
38	1,921	192	1,729	1,961	196	1,765
39	1,972	197	1,775	2,012	201	1,811
40	2,022	202	1,820	2,064	206	1,858
Each additional year ⁵	\$50.56	\$5.06	\$45.50	\$51.60	\$5.16	\$46.44

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