

Monthly FERS annuity payments for letter carriers who retire on Dec. 1, 2020

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 Dec. 1, 2020. 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 : \$64,053			CC Grade 2 / High-3 Average ¹ : \$65,384		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,068	\$107	\$961	\$1,090	\$109	\$981
21	1,121	112	1,009	1,144	114	\$1,030
22	1,174	117	1,057	1,199	120	1,079
23	1,228	123	1,105	1,253	125	1,128
24	1,281	128	1,153	1,308	131	1,177
25	1,334	133	1,201	1,362	136	1,226
26	1,388	139	1,249	1,417	142	1,275
27	1,441	144	1,297	1,471	147	1,324
28	1,495	149	1,345	1,526	153	1,373
29	1,548	155	1,393	1,580	158	1,422
30	1,601	160	1,441	1,635	163	1,471
31	1,655	165	1,489	1,689	169	1,520
32	1,708	171	1,537	1,744	174	1,569
33	1,761	176	1,585	1,798	180	1,618
34	1,815	181	1,633	1,853	185	1,667
35	1,868	187	1,681	1,907	191	1,716
36	1,922	192	1,729	1,962	196	1,765
37	1,975	197	1,777	2,016	202	1,814
38	2,028	203	1,826	2,070	207	1,863
39	2,082	208	1,874	2,125	212	1,912
40	2,135	214	1,922	2,179	218	1,962
Each additional year ⁵	53.38	5.34	48.04	54.49	5.45	49.04

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Dec. 1, 2017, and Nov. 30, 2020, 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 \$473.01 per month if for self plus one (code 323), \$408.94 if for self and family (code 322), or \$196.82 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.