

Monthly FERS annuity payments for letter carriers who retire on Oct. 1, 2023

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 Oct. 1, 2023. 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 : \$71,028			CC Grade 2 / High-3 Average ¹ : \$72,519		
	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴	Basic Annuity	Max. Survivor Deduction ³	Max. Survivor Reduced Annuity ⁴
20	\$1,184	\$118	\$1,065	\$1,209	\$121	\$1,088
21	1,243	124	1,119	1,269	127	1,142
22	1,302	130	1,172	1,330	133	1,197
23	1,361	136	1,225	1,390	139	1,251
24	1,421	142	1,278	1,450	145	1,305
25	1,480	148	1,332	1,511	151	1,360
26	1,539	154	1,385	1,571	157	1,414
27	1,598	160	1,438	1,632	163	1,469
28	1,657	166	1,492	1,692	169	1,523
29	1,717	172	1,545	1,753	175	1,577
30	1,776	178	1,598	1,813	181	1,632
31	1,835	183	1,651	1,873	187	1,686
32	1,894	189	1,705	1,934	193	1,740
33	1,953	195	1,758	1,994	199	1,795
34	2,012	201	1,811	2,055	205	1,849
35	2,072	207	1,864	2,115	212	1,904
36	2,131	213	1,918	2,176	218	1,958
37	2,190	219	1,971	2,236	224	2,012
38	2,249	225	2,024	2,296	230	2,067
39	2,308	231	2,078	2,357	236	2,121
40	2,368	237	2,131	2,417	242	2,176
Each additional year ⁵	59.19	5.92	53.27	60.43	6.04	54.39

1. High-three averages for both grades (formerly levels) are for carriers who have worked full-time on a continuous basis between Oct. 1, 2020, and Sept. 30, 2023, 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 percent of basic annuity) to a surviving spouse.

4. If covered by the NALC Health Benefit Plan, a further deduction of either \$523.75 per month if for self plus one (code 323), \$457.82 if for self and family (code 322), or \$223.12 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 percent per year, it is highly unlikely that any FERS employee will ever exceed the 80 percent 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 percent—their annuities are calculated at 1.1 percent times years of service times high-three average salary.