



***Benefits Administration Letter***

**Number: 09-304**

**Date: August, 2009**

Subject: Fiscal Year 2009 Factors for Calculating Imputed Costs

This Letter provides the fiscal year (FY) 2009 cost factors for the Federal civilian benefit programs. Agencies will use these factors to calculate their imputed costs relating to the Civil Service Retirement and Federal Employees' Retirement Systems, the Federal Employees Health Benefits Program and the Federal Employees Group Life Insurance Program.

Benefits Administration Letter 03-309, dated September 15, 2003, provides detailed instructions for the computation and accounting for these imputed costs; see <http://www.opm.gov/retire/pubs/bals/bal03.asp>.

**COST FACTORS**

*Pensions.* OPM's pension actuary has applied the set of economic assumptions adopted by the Board of Actuaries of the Civil Service Retirement and Disability Fund to derive the FY 2009 cost factors for the CSRS and the FERS. These resulting increases in the retirement cost factors should be applied beginning with the FY 2009 year end financial reporting. Please note -- agencies will not be required to pay these new normal costs until FY 2011 because of budgeting considerations.

For most Civil Service Retirement System (CSRS) covered employees, the FY 2009 cost factor will be 25.8 percent of basic pay, an increase of 0.6 percent from FY 2008. The FY 2009 cost factors for all categories of CSRS coverage are attached.

For most Federal Employees Retirement System (FERS) covered employees, the FY 2009 cost factor will be 12.3 percent, an increase of 0.3 percent from FY 2008. The cost factors for all categories of FERS coverage are attached.

*Federal Employees Health Benefits Program.* For FY 2009, the cost factor is \$5,756 per enrolled employee:

Quarter	Factor
1 <sup>st</sup>	\$1,403
2 <sup>nd</sup>	1,426
3 <sup>rd</sup>	1,451
4 <sup>th</sup>	1,476
FY 2009	\$5,756

*Federal Employees Group Life Insurance Program.* The FY 2009 cost factor for the Federal Employees Group Life Insurance Program (FEGLI) is 0.02 percent of basic pay, the same as in previous years.

#### ASSURANCE FOR AUDITORS

The cost factors provided in this letter are being issued before an opinion by OPM's independent public accounting firm can be received. Nonetheless, the FY 2008 cost factors for "regular" CSRS and FERS coverage, as well as those for the FEHB and FEGLI Programs were disclosed in the footnotes accompanying OPM's consolidated FY 2008 financial statements; these statements received an unqualified opinion. The policies, procedures and controls pertaining to the calculations of the cost factors did not change from FY 2008. In addition, the Life Insurance Program cost factor was unchanged from FY 2008. Consequently, auditors of FY 2009 financial statements can rely upon the disclosures in OPM's FY 2008 financial statements and the related audit opinion.

#### INQUIRIES

If you have any questions regarding this information, we would prefer you email us at [finance@opm.gov](mailto:finance@opm.gov), so we have a record of our communication. You may also phone us on (202) 606-0606.

Keith Willingham  
Associate Chief Financial Officer  
Center for Financial Services

Attachment

**2009 COST FACTORS FOR THE CSRS AND FERS**

<b>CSRS</b>	
<b>CATEGORY</b>	<b>COST FACTOR (%)</b>
Regular	25.8
Regular Offset	20.0
Law Enforcement Officers	43.5
Law Enforcement Officers - Offset	38.7
Air Traffic Controllers	39.9
Air Traffic Controllers – Offset	35.3
Members of Congress	29.5
Members of Congress – Offset	27.5
Congressional Employees	35.7
Congressional Employees – Offset	30.7

<b>FERS</b>	
<b>CATEGORY</b>	<b>COST FACTOR (%)</b>
Regular	12.3
Law Enforcement Officers	26.7
Air Traffic Controllers	26.4
Members of Congress	19.1
Congressional Employees	17.5
Military Reserve Technicians	15.1