



*United States Office of Personnel Management  
The Federal Government's Human Resources Agency*

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## **Benefits Administration Letter**

**Number:** 21-205

**Date:** September 29, 2021

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### **Subject: Information to Fulfill Mandatory Reporting Requirements for Plan Year 2021 under Internal Revenue Code Sections 6056 and 4980H**

#### **I. Purpose**

Employers, including Federal agencies, are subject to the Employer Shared Responsibility (ESR) provisions under sections 6056 and 4980H of the Internal Revenue Code (IRC). This Benefits Administration Letter (BAL) provides information to assist Federal agencies for reporting in 2022 for health insurance coverage in 2021. This BAL provides updates on affordability safe harbors and the lowest cost Federal Employees Health Benefits (FEHB) plan for the 2021 plan year. Please refer to [BAL 15-204](#) for comprehensive guidance on IRC 6056 reporting.

#### **IRS Required Deadlines**

For calendar year 2022 (health coverage provided in 2021), agencies must furnish statements to full-time employees using 2021 Form 1095-C on or before January 31, 2022. Agencies must file information returns regarding health insurance coverage to the IRS by February 28 if filing on paper, or March 31 if filing electronically, following the calendar year. Previously, IRS has extended the deadlines for furnishing statements to employees and extended relief from certain penalties associated with incorrect or incomplete information. OPM will inform agencies should a future IRS Notice be issued.

## II. Affordability

Health coverage is considered affordable when the employee's share of the premium for the Self Only coverage offered to the employee would cost the employee less than 9.83 percent of that employee's annual household income.<sup>1</sup> For purposes of ESR reporting for calendar year 2021, the lowest cost FEHB plan, as determined under 5 CFR 890.301(n)<sup>2</sup>, will in most cases be the GEHA Indemnity Benefit Plan (IBP) Elevate Self, enrollment code 254. The GEHA IBP is the lowest cost nationwide plan without a membership, which has a cost share for non-Postal employees and annuitants at \$102.53 per month or \$1,230.32<sup>3</sup> per year. Agencies may request further information on affordability as it relates to the FEHB Program at [ESR@opm.gov](mailto:ESR@opm.gov).

### A. Affordability Safe Harbors

For calendar year 2021, the GEHA IBP Elevate Option meets the threshold for the Form W-2 safe harbor for employees working a 40-hour schedule and employed as a Grade 1, Step 1 on the General Schedule.<sup>4</sup> For calendar year 2021, the GEHA IBP Elevate Option plan may meet the threshold for the rate of pay safe harbor for hourly employees (non-salaried) depending on the number of hours worked and their hourly rate. It meets the threshold for the federal poverty line safe harbor.<sup>5</sup> Agencies may request further information on the safe harbors as they relate to the FEHB Program at [ESR@opm.gov](mailto:ESR@opm.gov).

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<sup>1</sup> Under IRS Rev. Proc. [2020-36](#), the affordability threshold for 2021 is 9.83%.

<sup>2</sup> The lowest-cost nationwide plan option identified may not be a High Deductible Health Plan (HDHP) or an option from a health benefits plan that charges an association or membership fee.

<sup>3</sup> \$47.32 (bi-weekly rate) x 26 = \$1,230.32.

<sup>4</sup> The Safe Harbor calculation using the 2021 Grade 1, Step 1 Salary: \$19,738 x 9.83% = \$1,940.25.

<sup>5</sup> Under [79 FR 8543](#), employers may use the FPL in effect 6 months prior to the beginning of the plan year. The FPL Safe Harbor calculation using the 2021 FPL is: (\$12,880 x 9.83%)/12 = \$105.51. The Safe Harbor calculation using the 2020 FPL is: (\$12,760 x 9.83%)/12 = \$104.53.

## **B. Regional Low Cost Plans**

Certain regional FEHB plans have a lower enrollee cost than the GEHA IBP Elevate Option for calendar year 2021. A list of these plans is below by plan name, code, Option, and 2021 Enrollee Share (monthly premium rate):

1. TakeCare, KX1, HDHP Self, \$30.13
2. Health Net of California, P61, Basic Self, \$91.01
3. Kaiser Permanente Washington Core, PT4, Prosper Self, \$97.50
4. Puerto Rico Triple-S Salud, Inc., 891, High Self, \$97.51
5. Kaiser Permanente - Northwest – Prosper Self, AM1, \$97.94
6. TakeCare, JK4, Standard Self, \$101.11
7. Medical Mutual of Ohio, X61, Basic Self, \$101.32

Please contact [ESR@opm.gov](mailto:ESR@opm.gov) to request specific plan Zip Code information.

## **III. Certification of Eligibility**

Alternative methods of reporting under section 6056 were developed by the IRS to offer a simplified method of employer reporting, as explained in [BAL 15-204](#). For calendar year 2021, the qualifying offer method is applicable to Federal agencies. Agencies may use the 98 percent method if 98 percent of their full-time employees have been offered affordable health insurance in calendar year 2021.

If you have questions related to ESR reporting under section 6056 you may call the IRS Healthcare Hotline at 800-919-0452. If you have any questions regarding this BAL, please contact Julia Elam, Program Analyst, Healthcare and Insurance at (202) 606-2128 or email [ESR@opm.gov](mailto:ESR@opm.gov).

Sincerely,

Laurie E. Bodenheimer  
Associate Director  
Healthcare and Insurance