



## ***Benefits Administration Letter***

**Number: 21-301**

**Date: January 2021**

### **Subject: Fiscal Year 2021 Federal Employee Benefits Cost Factors for Calculating Imputed Costs**

This letter provides the FY 2021 cost factors for the Federal civilian benefit programs. Agencies will use these factors to calculate their imputed costs related to the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), the Federal Employees Health Benefits Program (FEHB) and the Federal Employees' Group Life Insurance Program (FEGLI). The imputed costs are used to determine the actuarial liabilities which are included in Governmental financial statements.

[Benefits Administration Letter \(BAL\) 03-309](#), dated September 15, 2003, provides detailed instructions for the computation and accounting for imputed costs related to the Federal civilian benefit programs.

### **COST FACTORS**

***Pensions.*** The economic assumptions used to calculate the FY 2021 cost factors under Statement of Federal Financial Accounting Standard (SFFAS) 33: *Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates* are based on a 10-year historical average. These economic assumptions differ from those established by OPM under guidance from the CSRS Board of Actuaries for the determination of certain statutory funding payments for CSRS and FERS.

The FY 2021 cost factors for all categories of CSRS coverage are attached. While agency payments under CSRS are not affected by the CSRS normal cost percentages for most agencies, the CSRS normal cost percentages established by SFFAS 33 are used to determine the actuarial liabilities which are included in Governmental financial statements.

The FY 2021 cost factors reported in this BAL differ from the normal cost percentages used to determine the employer contributions agencies pay for FERS employees. The cost factors for all categories of FERS coverage are herein. Since the cost factors reported under SFFAS 33 are determined on a *different* basis than the actual FERS normal cost contributions, agencies should expect to continue to report future imputed retirement costs for their FERS employees.

**FEHB Program.** OPM is providing the FEHB cost factors for the United States Postal Service as well as the cost factors for the remainder of the Government in this letter. For FY 2021, the Non-Postal cost factor is \$8,476 and the Postal cost factor is \$9,347 per enrolled employee. Please note that the cost factors shown below are based on the actuarial assumptions required by SFFAS 33, as calculated by the FEHB actuary.

<b>Non-Postal</b>	
Quarter	Factor
1 <sup>st</sup>	\$2,086
2 <sup>nd</sup>	\$2,107
3 <sup>rd</sup>	\$2,130
4 <sup>th</sup>	\$2,153
FY 2021	\$8,476

<b>Postal</b>	
Quarter	Factor
1 <sup>st</sup>	\$2,300
2 <sup>nd</sup>	\$2,324
3 <sup>rd</sup>	\$2,349
4 <sup>th</sup>	\$2,374
FY 2021	\$9,347

**FEGLI Program.** The FY 2021 cost factor for the FEGLI is 0.02 percent of basic pay, the same as in previous years.

#### STATEMENT FOR AUDITORS

The FY 2021 cost factors provided in this letter are being issued before an opinion by OPM’s independent public accounting firm can be received for FY 2021. Nonetheless, the FY 2021 cost factors for “regular” CSRS and FERS coverage, as well as those for the FEHB and FEGLI Programs are consistent with the disclosures in the footnotes accompanying OPM’s consolidated FY 2020 financial statements. These statements received an unqualified audit opinion. The policies, procedures and controls pertaining to the calculations of the FY 2021 cost factors did not change from FY 2020. Consequently, auditors of FY 2021 financial statements can rely upon the disclosures in Office of Personnel Management’s FY 2020 financial statements and the related audit opinion.

Please email any questions regarding this BAL to [FinancialBALs@opm.gov](mailto:FinancialBALs@opm.gov).



DENNIS D. COLEMAN  
Chief Financial Officer

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*2021 COST FACTORS FOR THE CSRS AND FERS*

<b><i>CSRS</i></b>	
<b>CATEGORY</b>	<b>COST FACTOR (%)</b>
<b>Regular Non-Postal</b>	<b>42.1%</b>
<b>Regular Postal Service</b>	<b>35.8%</b>
<b>Regular Offset Non-Postal</b>	<b>31.2%</b>
<b>Regular Offset Postal Service</b>	<b>25.3%</b>
<b>Law Enforcement Officers</b>	<b>68.2%</b>
<b>Law Enforcement Officers - Offset</b>	<b>57.8%</b>
<b>Air Traffic Controllers</b>	<b>55.8%</b>
<b>Air Traffic Controllers – Offset</b>	<b>47.3%</b>
<b>Members of Congress</b>	<b>46.0%</b>
<b>Members of Congress – Offset</b>	<b>42.2%</b>
<b>Congressional Employees</b>	<b>57.2%</b>
<b>Congressional Employees – Offset</b>	<b>46.8%</b>

<b><i>FERS</i></b>	
<b>CATEGORY</b>	<b>COST FACTOR (%)</b>
<b>Regular Non-Postal</b>	<b>18.5%</b>
<b>Regular Postal Service</b>	<b>16.5%</b>
<b>Law Enforcement Officers</b>	<b>38.2%</b>
<b>Air Traffic Controllers</b>	<b>38.0%</b>
<b>Members of Congress</b>	<b>25.4%</b>

CATEGORY	COST FACTOR (%)
Congressional Employees	26.2%
Military Reserve Technicians	21.8%

<b><i>FERS-Revised Annuity Employees (RAE)</i></b>	
CATEGORY	COST FACTOR (%)
Regular Non-Postal - RAE	19.0%
Regular Postal Service - RAE	17.0%
Law Enforcement Officers - RAE	38.8%
Air Traffic Controllers - RAE	38.5%
Military Reserve Technicians - RAE	22.2%

<b><i>FERS-Further Revised Annuity Employees (FRAE)</i></b>	
CATEGORY	COST FACTOR (%)
Regular Non-Postal - FRAE	19.2%
Regular Postal Service - FRAE	17.3%
Law Enforcement Officers - FRAE	38.9%
Air Traffic Controllers - FRAE	38.7%
Military Reserve Technicians - FRAE	22.4%