



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

Benefits Administration Letter

Number: 23-304

Date: January 2023

Subject: Fiscal Year 2023 Federal Employees Benefits Cost Factors for Calculating Imputed Costs

This letter provides the fiscal year (FY) 2023 cost factors for the Federal civilian benefit programs. Agencies will use these factors to calculate their imputed costs relating 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 2023 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 2023 cost factors for all categories of CSRS coverage are enclosed. While agency payments under CSRS are not affected by the CSRS normal cost percentages for most agencies, the CSRS normal cost percentages determined under SFFAS 33 are used to determine the actuarial liabilities which are included in Governmental financial statements.

The FY 2023 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 enclosed. 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 2023, the Non-Postal cost factor is \$9,640 and the Postal cost factor is \$4,360 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.

Table 1: Non-Postal Cost Factor

Quarter	Factor
1st	\$2,370
2nd	\$2,397
3rd	\$2,423
4th	\$2,450
FY 2023	\$9,640

Table 2: Postal Cost Factor

Quarter	Factor
1st	\$1,072
2nd	\$1,084
3rd	\$1,096
4th	\$1,108
FY 2023	\$4,360

FEGLI Program. The FY 2023 cost factor for the FEGLI is 0.02 percent of basic pay, the same as in previous years.

Statement for Auditors

The FY 2023 cost factors provided in this letter are being issued before an opinion by OPM’s independent public accounting firm can be received for FY 2023. Nonetheless, the FY 2023 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 2022 financial statements. These statements received an unqualified audit opinion. The policies, procedures and controls pertaining to the calculations of the FY 2023 cost factors did not change from FY 2022. Consequently, auditors of FY 2023 financial statements can rely upon the disclosures in Office of Personnel Management’s FY 2022 financial statements and the related audit opinion.

If you have questions about this letter, please send an email to FinancialBALs@opm.gov or call 202-606-0606. We look forward to assisting you.

Enclosed

Table 3A: Costs Factors for CSRS

CSRS Factor	Cost Percentage
Regular Non-Postal	50.4%
Regular Postal Service	42.3%
Law Enforcement	83.8%
Air Traffic Controller	69.7%
Members of Congress	54.5%
Congressional Staff	65.5%

Table 3B: Costs Factors for CSRS-Offset

CSRS-Offset Factor	Cost Percentage
Offset Non-Postal	36.9%
Offset Postal Service	29.3%
Offset Law Enforcement	70.9%
Offset Air Traffic Controller	58.4%
Offset Members of Congress	49.9%
Offset Congressional Staff	52.3%
Offset Non-Postal	36.9%
Offset Postal Service	29.3%

Table 4A: Costs Factors for FERS

FERS Cost Factor	Cost Percentage
Regular Non-Postal	22.4%
Regular Postal Service	19.7%
Law Enforcement	47.4%
Air Traffic Controller	48.8%
Members of Congress	30.6%
Congressional Staff	31.6%
Military Reserve Tech	25.9%

Table 4B: Costs Factors for FERS-RAE

FERS-RAE Cost Factor	Cost Percentage
Regular Non-Postal – RAE	22.9%
Regular Postal Service – RAE	20.2%
Law Enforcement – RAE	48.1%
Air Traffic Controller – RAE	49.4%
Military Reserve Tech – RAE	26.3%

Table 4C: Costs Factors for FERS-FRAE

FERS-FRAE Cost Factor	Cost Percentage
Regular Non-Postal – FRAE	23.2%
Regular Postal Service – FRAE	20.5%
Law Enforcement – FRAE	48.4%
Air Traffic Controller – FRAE	49.8%
Military Reserve Tech – FRAE	26.6%