



Benefits Administration Letter

Number: 08-304

Date: August, 2008

Subject: Fiscal Year 2008 Factors for Calculating Imputed Costs

This Letter provides the fiscal year (FY) 2008 cost factors for the Federal civilian benefit programs. Agencies will use these factors to calculate their imputed costs relating to the “pensions” (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/asd/html/bal03.asp>.

COST FACTORS

Pensions. For most Civil Service Retirement System (CSRS) covered employees, the FY 2008 cost factor will be 25.2 percent of basic pay, a 0.2 percent increase from FY 2007. The FY 2008 cost factors for all categories of CSRS coverage are attached and reflect increases from FY 2007.

For most Federal Employees Retirement System (FERS) covered employees, the FY 2008 cost factor will be 12.0 percent, the same as for FY 2007. The cost factors for all categories of FERS coverage are attached and reflect increases from FY 2007.

Federal Employees Health Benefits Program. For FY 2008, the cost factor is \$5,220 per enrolled employee:

Quarter	Factor
1 st	\$1,272
2 nd	1,294
3 rd	1,316
4 th	1,338
FY 2008	\$5,220

Federal Employees Group Life Insurance Program. The FY 2008 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 2007 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 2007 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 2007. In addition, the "regular" FERS cost factor and the Life Insurance Program cost factors were unchanged from FY 2007. Consequently, auditors of FY 2008 financial statements can rely upon the disclosures in OPM's FY 2007 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, 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

2008 COST FACTORS FOR THE CSRS AND FERS

<i>CSRS</i>	
CATEGORY	COST FACTOR (%)
Regular	25.2
Regular Offset	19.5
Law Enforcement Officers	42.5
Law Enforcement Officers - Offset	38.0
Air Traffic Controllers	38.9
Air Traffic Controllers – Offset	34.6
Members of Congress	29.4
Members of Congress – Offset	27.1
Congressional Employees	34.9
Congressional Employees – Offset	29.9

<i>FERS</i>	
CATEGORY	COST FACTOR (%)
Regular	12.0
Law Enforcement Officers	26.2
Air Traffic Controllers	25.8
Members of Congress	18.6
Congressional Employees	17.1
Military Reserve Technicians	14.8