



United States Office of Personnel Management
Healthcare and Insurance

Benefits Administration Letter

Number: 23-204

Date: November 7, 2023

Subject: Information to Fulfill Mandatory Reporting Requirements for Plan Year 2023 under Internal Revenue Code Sections 6056 and 4980H

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 with reporting in 2024 for health insurance coverage in 2023. This BAL provides updates on affordability safe harbors and the lowest-cost Federal Employees Health Benefits (FEHB) plan for the 2023 plan year. Please refer to [BAL 15-204](#) for comprehensive guidance on IRC 6056 reporting.

IRS Required Deadlines

For health coverage provided in 2023, agencies should furnish statements to full-time employees using 2023 Form 1095-C on or before January 31, 2024; however, agencies will be granted an automatic extension of time, not to exceed 30 days after January 31, during which they must furnish statements to full-time employees.¹ The deadline for agencies to file Forms 1094-C and 1095-C with the IRS is February 28, 2024, if filing on paper, or March 31, 2024, if filing electronically. The previously provided relief from certain penalties associated with incorrect or incomplete information is not available

¹ 26 CFR 1.6055-1(g)(4)

for tax year 2022 and subsequent years; however, extended deadlines for furnishing statements to employees remain in effect.²

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 9.12 percent of that employee's annual household income.³ For purposes of ESR reporting for calendar year 2023, the lowest-cost FEHB plan, as determined under 5 CFR 890.301(n),⁴ will in most cases be the GEHA Indemnity Benefit Plan (IBP) Elevate Option, Self Only, enrollment code 254. The GEHA IBP is the lowest-cost nationwide plan without membership fees, which for 2023, had a cost share for non-Postal employees and annuitants of \$109.83 per month or \$1317.94⁵ per year. Agencies may request further information on affordability as it relates to the FEHB Program at ESR@opm.gov.

A. Affordability Safe Harbors

For calendar year 2023, the GEHA IBP Elevate Option, Self Only enrollment type 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.⁶ For calendar year 2023, the GEHA IBP Elevate Option, Self Only enrollment type 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 does meet the threshold for the federal poverty line (FPL) safe harbor using the 2023 FPL.⁷ Agencies may request further information on the safe harbors as they relate to the FEHB Program at ESR@opm.gov.

² See Final Rule Information Reporting of Health Insurance Coverage and Other Issues.

³ [IRS Rev. Proc. 2022-36](#), the affordability threshold for 2023 is 9.12%.

⁴ 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.

⁵ \$50.69 (bi-weekly rate) x 26 = \$1317.94

⁶ The W-2 Safe Harbor calculation using the 2023 Grade 1, Step 1 Salary: \$20,999 x 9.12% = \$1,915.11.

⁷ Under [79 FR 8543](#), employers may use the FPL in effect 6 months prior to the beginning of the plan year. For 2023 plan year, using the published FPL rate in effect 6 months prior to the beginning of the plan year, the FPL safe harbor calculation is $(\$13,590 \times 9.12\%) / 12 = \103.28 per month for self only coverage. The FPL Safe Harbor calculation using the 2023 FPL is $(\$14,580 \times 9.12\%) / 12 = \110.81 for self only coverage.

B. Regional Low-Cost Plans

Certain regional FEHB plans have a lower enrollee cost than the GEHA IBP Elevate Option, Self Only plan for calendar year 2023. A list of these plans is below by plan name, code, option, and 2023 Enrollee Share (monthly Self Only premium):

Plan Code Name	Plan Code	Plan Option Type	Enrollment Type	Price
TakeCare	KX1	HDHP	Self Only	\$29.99
Kaiser Permanente- Southern California	FL1	Prosper	Self Only	\$91.33
Kaiser Permanente-Mid Atlantic States	T71	Prosper	Self Only	\$94.92
Kaiser Permanente-Washington Core	PT4	Prosper	Self Only	\$97.50
Calvo's Select Care	B44	Standard	Self Only	\$101.16
Health Net of California	P61	Basic	Self Only	\$101.44

Please contact ESR@opm.gov to request specific plan ZIP code information.

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 2023, 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 2023.

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 email ESR@opm.gov.

Sincerely,

Laurie Bodenheimer
Associate Director
Healthcare and Insurance