United States Office of Personnel Management
Healthcare and Insurance

Benefits Administration Letter

Number: 26-203 **Date:** November 10, 2026

Subject: Information to Fulfill Mandatory Reporting Requirements for Plan Year 2026 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 2027 for health insurance coverage in 2026. This BAL provides updates on affordability safe harbors and the lowest-cost Federal Employees Health Benefits (FEHB) and Postal Service Health Benefits (PSHB) plans for the 2026 plan year. Please refer to BAL 15-204 for comprehensive guidance on IRC 6056 reporting.

IRS Required Deadlines

For health coverage provided in 2026, agencies should furnish statements to full-time employees using 2026 Form 1095-C on or before January 31, 2027; 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, 2027, if filing on paper, or March 31, 2027, if filing electronically.[2] The previously provided relief from

[1] 26 CFR 1.6055-1(g)(4)(i)
[2] 26 CFR 1.6055-1(f)(1)

certain penalties associated with incorrect or incomplete information is not available for tax year 2022 and subsequent years; however, extended deadlines for furnishing statements to employees remain in effect.[3]

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 9.96 percent of that employee's annual household income.[4] For purposes of ESR reporting for calendar year 2026, the lowest-cost nationwide FEHB and PSHB plans without membership fees[5] are:

- For FEHB, Compass Rose Health Plan Standard Option, Self Only, enrollment code 42 is the lowest-cost nationwide plan without membership fees, which for 2026, had a cost share for non-Postal employees and annuitants of $133.55 per month or $1602.64[6] per year.
- For PSHB, Blue Cross Blue Shield Service Benefit Plan FEP Blue Focus Option (BCBS Focus), Self Only, enrollment code 35 is the lowest-cost nationwide plan without membership fees, which for 2026, had a cost share for Postal employees and annuitants of $162.83 per month or $1953.90[7] 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 2026, the Compass Rose Health Plan and BCBS Focus, Self Only enrollment type **meet** the threshold for the Form W-2 safe harbor for employees

[3] *See* Final Rule Information Reporting of Health Insurance Coverage and Other Issues.
[4] Revenue Procedure 2025-25, the affordability threshold for 2026 is 9.96%.
[5] Under 5 CFR 890.301(n), 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.
[6] $ 61.64 (bi-weekly rate) x 26 = $1602.64
[7] $ 75.15(bi-weekly rate) x 26 = $1953.90

working a 40-hour schedule and employed as a Grade 1, Step 1 on the General Schedule.[8]

For calendar year 2026, the Compass Rose Health Plan and BCBS Focus, 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.

The Compass Rose Health Plan and BCBS Focus, Self Only enrollment type **do not meet** the threshold for the federal poverty line (FPL) safe harbor using the 2026 FPL.[9] Agencies may request further information on the safe harbors as they relate to the FEHB Program at ESR@opm.gov.

B. Regional Low-Cost Plans

FEHB Plans

Certain regional FEHB plans have a lower enrollee cost than the Compass Rose Health Plan, Self Only enrollment type for calendar year 2026. A list of these plans is below by plan name, code, option, and 2026 Enrollee Share (monthly Self Only premium):

Plan Name	Plan Code	Plan Option Type	Enrollee Share (Monthly Self Only Premium)
Take Care	KX1	HDHP	$38.57
Take Care	JK4	Standard	$100.42
Calvo's SelectCare	B44	Standard	$105.47
Kaiser Permanente - Southern California	FL1	Prosper	$112.75
Kaiser Permanente - Washington Core	PT4	Prosper	$113.82
Kaiser Permanente - Colorado	N41	Prosper	$122.91

[8] The W-2 Safe Harbor calculation using the 2026 Grade 1, Step 1 Salary: $22,584 x 9.96%= $2249.37.
[9] Under 79 FR 8544, employers may use the FPL in effect 6 months prior to the beginning of the plan year. For 2026 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 ($15,650 x 9.96%)/12 = $129.90 per month for self only coverage. The FPL Safe Harbor calculation using the 2026 FPL is ($15,960 x 9.96%)/12 = $132.47 for self only coverage.

Kaiser Permanente – Northwest	AM1	Prosper	$123.43
Kaiser Permanente - Mid-Atlantic States	T71	Prosper	$125.30
Triple-S Salud, Inc	891	High	$125.99
Kaiser Permanente - Fresno California	YV1	Prosper	$128.87
Medical Mutual of Ohio (Southern)	YF1	Basic	$129.84
Medical Mutual of Ohio (Northern)	UX1	Basic	$131.95
Aetna Advantage	Z24	Aetna Advantage	$133.10
Kaiser Permanente - Georgia	LA1	Prosper	$133.15

PSHB Plans

Certain regional PSHB plans have a lower enrollee cost than the BCBS Focus, Self Only enrollment type for calendar year 2026. A list of these plans is below by plan name, code, option, and 2026 Enrollee Share (monthly Self Only premium):

Plan Name	**Plan Code**	**Plan Option Type**	**Enrollee Share (Monthly Self Only Premium)**
Take Care	HJA	HDHP	$33.64
Take Care	G4D	Standard	$101.51
Kaiser Permanente – Southern California	MBA	Prosper	$104.33
Kaiser Permanente - Northwest	YRA	Prosper	$106.74
Kaiser Permanente - Hawaii	PKD	Standard	$115.35
Kaiser Permanente - Mid-Atlantic States	NWA	Prosper	$119.32
Kaiser Permanente - Colorado	NCA	Prosper	$120.87
Triple-S Salud	83A	High	$122.49
Kaiser Permanente - Washington Core	DWD	Prosper	$128.03
Medical Mutual of Ohio	D3A	Basic	$133.35
Kaiser Permanente - Georgia	QZA	Prosper	$134.47
Aetna: HDHP, Aetna Direct, Aetna Advantage	HLD	Aetna Advantage	$135.49

HMSA Plan	M6D	Standard	$136.39
HealthPartners	KGD	Standard	$146.37
Aetna: Open Access HMO and Aetna Saver	HXD	Aetna Saver	$149.63
Kaiser Permanente - Southern California	Y3D	Standard	$153.81
Take Care	G4A	High	$157.23
UPMC Health Plan	G9A	HDHP	$161.62

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 2026, the qualifying offer method[10] is applicable to Federal agencies. Agencies may use the 98 percent method[11] if 98 percent of their full-time employees have been offered affordable health insurance in calendar year 2026.

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,



Matthew Kiley
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Healthcare and Insurance
U.S. Office of Personnel Management

[10] 26 CFR 301.6056-1(j)(1)
[11] 26 CFR 301.6056-1(j)(2)