



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

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## **Benefits Administration Letter**

**Number:** 22-204

**Date:** November 1, 2022

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# **Subject: Information to Fulfill Mandatory Reporting Requirements for Plan Year 2022 under Internal Revenue Code Sections 6056 and 4980H**

## **I. 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 for reporting in 2023 for health insurance coverage in 2022. This BAL provides updates on affordability safe harbors and the lowest cost Federal Employees Health Benefits (FEHB) plan for the 2022 plan year. Please refer to [BAL 15-204](#) for comprehensive guidance on IRC 6056 reporting.

## **IRS Required Deadlines**

For health coverage provided in 2022, agencies must furnish statements to full-time employees using 2022 Form 1095-C on or before March 2, 2023. The deadline for agencies to file Forms 1094-C and 1095-C with the IRS is February 28, 2023 if filing on paper, or March 31, 2023 if filing electronically. The previously provided relief from certain penalties associated with incorrect or incomplete information is not available for tax year 2021 and subsequent years; however, extended deadlines for furnishing statements to

employees remain in effect.<sup>1</sup> OPM will inform agencies should a future IRS Notice or regulation be issued.

## **II. 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 9.61 percent of that employee's annual household income.<sup>2</sup> For purposes of ESR reporting for calendar year 2022, the lowest cost FEHB plan, as determined under 5 CFR 890.301(n)<sup>3</sup>, 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 2022, had a cost share for non-Postal employees and annuitants at \$105.61 per month or \$1267.24<sup>4</sup> per year. Agencies may request further information on affordability as it relates to the FEHB Program at [ESR@opm.gov](mailto:ESR@opm.gov).

### **A. Affordability Safe Harbors**

For calendar year 2022, 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.<sup>5</sup> For calendar year 2022, 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 2022 FPL.<sup>6</sup> Agencies may

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<sup>1</sup> IRS Notice [2020-76](#). See *also* Notice of Proposed Rulemaking [Information Reporting of Health Insurance Coverage and Other Issues](#).

<sup>2</sup> [IRS Rev. Proc. 2021-36](#), the affordability threshold for 2022 is 9.61%.

<sup>3</sup> 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.

<sup>4</sup> \$48.74 (bi-weekly rate) x 26 = \$1,267.24.

<sup>5</sup> The W-2 Safe Harbor calculation using the 2022 Grade 1, Step 1 Salary: \$20,172 x 9.61% = \$1,938.53.

<sup>6</sup> Under [79 FR 8543](#), employers may use the FPL in effect 6 months prior to the beginning of the plan year. For 2022 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  $(\$12,880 \times 9.61\%) / 12 =$

request further information on the safe harbors as they relate to the FEHB Program at [ESR@opm.gov](mailto:ESR@opm.gov).

## **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 2022. A list of these plans is below by plan name, code, option, and 2022 Enrollee Share (monthly Self Only premium):

1. TakeCare, KX1, HDHP Option, Self Only, \$30.58
2. Kaiser Foundation Health Plan of Southern California, FL1, Prosper Option, Self Only, \$91.41
3. Kaiser Foundation Health Plan Mid-Atlantic States, T71, Basic Option, Self Only, \$92.22
4. Calvo's SelectCare, B44, Standard Option, Self Only, \$94.73
5. Kaiser Foundation Health Plan of Washington, PT4, Prosper Option, Self Only, \$97.50i
6. Triple-S, 891, High Option, Self Only, \$97.51
7. Kaiser Foundation Health Plan of Colorado, N41, Basic Option, Self Only, \$97.54

Please contact [ESR@opm.gov](mailto:ESR@opm.gov) to request specific plan zip code information.

## **III. 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 2022, the qualifying offer method is applicable to Federal agencies. Agencies may use the 98 percent method if 98 percent of

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\$103.15 per month for self only coverage. The FPL Safe Harbor calculation using the 2022 FPL is  $(\$13,590 \times 9.61\%) / 12 = \$108.83$  for self only coverage.

their full-time employees have been offered affordable health insurance in calendar year 2022.

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](mailto:ESR@opm.gov).

Sincerely,

Laurie Bodenheimer  
Associate Director  
Healthcare and Insurance