



OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER
(Program/Budget)

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE
(FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF DEFENSE (HEALTH
AFFAIRS)
COMPTROLLERS, DEFENSE AGENCIES

SUBJECT: Fiscal Year (FY) 2022 Department of Defense (DoD) Civilian Personnel
Fringe Benefits Rates

The FY 2022 DoD Civilian Personnel Fringe Benefits Rates are published on the
attachment to this memorandum and on the reimbursable rates page of the Office of the Under
Secretary of Defense (Comptroller) (OUSD(C)) website:

<https://comptroller.defense.gov/Financial-Management/Reports/rates2022/>.

The “Billings to Other DoD Components and Federal Agencies” will be used when
obtaining reimbursement for services provided to another DoD activity or Federal agency. The
applicable rates when obtaining reimbursement for services provided to agencies outside of the
Federal Government is “Billings to All Others.” These rates contain a factor of 7.2 percent to
recover unfunded benefits such as civilian retirement, post-retirement health care, and post-
retirement life insurance.

Direct questions regarding these rates to my point of contact, Ms. Nathalie M. Stith, at
nathalie.m.stith2.civ@mail.mil or (703) 692-0668.

Anne J. McAndrew
Deputy Comptroller

Attachment:
As stated

CIVILIAN PERSONNEL FRINGE BENEFIT
FISCAL YEAR 2022

Apply civilian personnel fringe benefit rates to civilian labor costs incurred in support of reimbursable orders, as appropriate. These rates should be used when billing other DoD Components, Federal agencies, and private parties under the requirements of Chapter 6 of Volume 11A, "Reimbursable Operations, Policy and Procedures," of the DoD Financial Management Regulation (DoD 7000.14-R). Billings to the Foreign Military Sales (FMS) Administrative Charge Account and to FMS cases are to be processed under the provisions of Chapter 7, Volume 15, "Security Assistance Policy and Procedures," of the DoD Financial Management Regulation (DoD 7000.14-R).

The following FY 2022 civilian personnel fringe benefit rates, which are effective October 1, 2021, are as follows:

<u>COMPONENT</u>	BILLINGS TO OTHER DoD COMPONENTS AND <u>FEDERAL</u> <u>AGENCIES</u> ^{/1}	BILLINGS TO ALL <u>OTHERS</u> ^{/2,3}
ARMY	39.8%	47.0%
NAVY	38.8%	46.0%
MARINE CORPS	37.2%	44.4%
AIR FORCE	31.3%	38.5%
DEFENSE HEALTH AGENCY	29.8%	37.0%
DEFENSE CONTRACT AGENCY	39.0%	46.2%
DEFENSE LOGISTICS AGENCY	31.2%	38.4%
OTHER DEFENSE AGENCIES	36.6%	43.8%

Notes:

^{1/} Apply these rates for billings to the FMS Administrative Charge Account.

^{2/} Apply these rates for FMS billings other than billings to the FMS Administrative Charge Account.

^{3/} These rates include 7.2 percent factor for unfunded civilian retirement, postretirement health benefit, and postretirement life insurance costs.

ATTACHMENT

CALCULATION FOR FY 2022 FRINGE BENEFIT RATES
FOR APPROPRIATED FUNDS

COMPONENT	Total Object Class 11 ^{/1}	Total Object Class 12 ^{/1}	Funded Benefits Rate ^{/2}	Unfunded Retirement Rate ^{/3}	Public and Private Party Rate ^{/4}
Army	14,615,742	5,816,953	39.8%	7.2%	47.0%
Navy	10,714,066	4,154,496	38.8%	7.2%	46.0%
Marine Corps	1,613,610	600,860	37.2%	7.2%	44.4%
Air Force	12,826,365	4,011,755	31.3%	7.2%	38.5%
Defense Health	4,882,573	1,455,943	29.8%	7.2%	37.0%
Defense Contract Audit Agency	409,931	159,944	39.0%	7.2%	46.2%
Defense Logistics Agency	35,152	10,983	31.2%	7.2%	38.4%
Other Defense Agencies	7,229,003	2,648,338	36.6%	7.2%	43.8%
Overall	52,326,442	18,859,272	36.0%	7.2%	43.2%

Notes:

^{1/} Sources: The FY 2022 President's Budget for Civilian Personnel Costs (OP-8) from Appropriated Funds Activities, excludes the OP-8 for the Working Capital Funds.

^{2/} Billings to Other DoD and Federal Agencies use the "Funded Benefits Rate."

^{3/} OUSD(C) Memorandum for Record dated August 16, 2021 subject: FY 2022 Unfunded Civilian Retirement (UCR) Factor.

^{4/} Billings to All Others use the "Public and Private Party Rate" which includes the "Unfunded Retirement Rate."



Benefits Administration Letter

Number: 21-301

Date: January 2021

Subject: Fiscal Year 2021 Federal Employee Benefits Cost Factors for Calculating Imputed Costs

This letter provides the FY 2021 cost factors for the Federal civilian benefit programs. Agencies will use these factors to calculate their imputed costs related 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 2021 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 2021 cost factors for all categories of CSRS coverage are attached. While agency payments under CSRS are not affected by the CSRS normal cost percentages for most agencies, the CSRS normal cost percentages established by SFFAS 33 are used to determine the actuarial liabilities which are included in Governmental financial statements.

The FY 2021 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 herein. 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 2021, the Non-Postal cost factor is \$8,476 and the Postal cost factor is \$9,347 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.

Non-Postal	
Quarter	Factor
1 st	\$2,086
2 nd	\$2,107
3 rd	\$2,130
4 th	\$2,153
FY 2021	\$8,476

Postal	
Quarter	Factor
1 st	\$2,300
2 nd	\$2,324
3 rd	\$2,349
4 th	\$2,374
FY 2021	\$9,347

FEGLI Program. The FY 2021 cost factor for the FEGLI is 0.02 percent of basic pay, the same as in previous years.

STATEMENT FOR AUDITORS

The FY 2021 cost factors provided in this letter are being issued before an opinion by OPM's independent public accounting firm can be received for FY 2021. Nonetheless, the FY 2021 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 2020 financial statements. These statements received an unqualified audit opinion. The policies, procedures and controls pertaining to the calculations of the FY 2021 cost factors did not change from FY 2020. Consequently, auditors of FY 2021 financial statements can rely upon the disclosures in Office of Personnel Management's FY 2020 financial statements and the related audit opinion.

Please email any questions regarding this BAL to FinancialBALs@opm.gov.



DENNIS D. COLEMAN
Chief Financial Officer

Enclosed

Enclosed

2021 COST FACTORS FOR THE CSRS AND FERS

<i>CSRS</i>	
CATEGORY	COST FACTOR (%)
Regular Non-Postal	42.1%
Regular Postal Service	35.8%
Regular Offset Non-Postal	31.2%
Regular Offset Postal Service	25.3%
Law Enforcement Officers	68.2%
Law Enforcement Officers - Offset	57.8%
Air Traffic Controllers	55.8%
Air Traffic Controllers – Offset	47.3%
Members of Congress	46.0%
Members of Congress – Offset	42.2%
Congressional Employees	57.2%
Congressional Employees – Offset	46.8%

<i>FERS</i>	
CATEGORY	COST FACTOR (%)
Regular Non-Postal	18.5%
Regular Postal Service	16.5%
Law Enforcement Officers	38.2%
Air Traffic Controllers	38.0%
Members of Congress	25.4%

CATEGORY	COST FACTOR (%)
Congressional Employees	26.2%
Military Reserve Technicians	21.8%

<i>FERS-Revised Annuity Employees (RAE)</i>	
CATEGORY	COST FACTOR (%)
Regular Non-Postal - RAE	19.0%
Regular Postal Service - RAE	17.0%
Law Enforcement Officers - RAE	38.8%
Air Traffic Controllers - RAE	38.5%
Military Reserve Technicians - RAE	22.2%

<i>FERS-Further Revised Annuity Employees (FRAE)</i>	
CATEGORY	COST FACTOR (%)
Regular Non-Postal - FRAE	19.2%
Regular Postal Service - FRAE	17.3%
Law Enforcement Officers - FRAE	38.9%
Air Traffic Controllers - FRAE	38.7%
Military Reserve Technicians - FRAE	22.4%



Benefits Administration Letter

Number: 21-304

Date: April 2021

Subject: Changes to Agencies' Contributions to the Federal Employees Retirement System

This letter is to provide notice of the revised normal cost percentages for employees covered by the Federal Employee Retirement System (FERS) Act of 1986. The revised normal cost percentages, as described in the enclosed **Tables**, are effective at the beginning of the first pay period commencing on or after ***October 1, 2021*** and affect agencies' contribution rates for FERS employees, FERS Revised Annuity Employees (FERS-RAE) and FERS- Further Revised Annuity Employees (FERS-FRAE).

If you have questions about the new rates, please email your inquiries to FinancialBALs@opm.gov.

Sherri Jordan SHERRI JORDAN Digitally signed by SHERRI JORDAN
Date: 2021.04.22 09:53:32 -04'00'
Associate Chief Financial Officer

Enclosed

Enclosed**FERS Contribution Rates**

Category	CPDF Code	Oct - 2020	Oct - 2021
		Agency %	Agency %
Regular	K	17.3	18.4
Law Enforcement Officer, Firefighter, Member of the Supreme Court Police	M	35.8	37.6
Air Traffic Controller	L	35.7	37.5
Military Reserve Tech	N	20.1	21.1
CIA Special Overseas	NONE	24.8	26.2
Member of Congress	NONE	23.1	24.3
Congressional Employee**	NONE	24.3	25.8
Capitol Police**	NONE	35.8	37.6
Employees of US Postal Service - Regular	NONE	15.7	16.2
Employees of US Postal Service - Law Enforcement	NONE	35.8	37.6

FERS-RAE Contribution Rates

Category	CPDF Code	Oct - 2020	Oct - 2021
		Agency %	Agency %
Regular	KR	15.5	16.6
Law Enforcement Officer, Firefighter, Member of the Supreme Court Police	MR	34.0	35.8
Air Traffic Controller	LR	33.9	35.8
Military Reserve Tech	NR	18.2	19.3
CIA Special Overseas	NONE	23.1	24.5
Member of Congress*	NONE	15.5	16.6
Congressional Employee*	NONE	15.5	16.6
Capitol Police**	NONE	34.0	35.8
Employees of US Postal Service - Regular	NONE	13.8	14.4
Employees of US Postal Service - Law Enforcement	NONE	34.0	35.8

* RAE and FRAE Members and Staff receive Regular benefits.

** Separate NC% for Capitol Police versus other Congress EEs, per P.L. 116-94.

FERS-FRAE Contribution Rates

Category	CPDF Code	Oct - 2020 Agency %	Oct - 2021 Agency %
Regular	KF	15.5	16.6
Law Enforcement Officer, Firefighter, Member of the Supreme Court Police	MF	34.0	35.8
Air Traffic Controller	LF	33.9	35.8
Military Reserve Tech	NF	18.2	19.3
CIA Special Overseas	NONE	23.1	24.5
Member of Congress*	NONE	15.5	16.6
Congressional Employee*	NONE	15.5	16.6
Capitol Police**	NONE	34.0	35.8
Employees of US Postal Service - Regular	NONE	12.7	13.4
Employees of US Postal Service - Law Enforcement	NONE	32.9	34.7

* *RAE and FRAE Members and Staff receive Regular benefits.*

** *Separate NC% for Capitol Police versus other Congress EEs, per P.L. 116-94.*