

PCORI fee due by July 31

The IRS has released the 2014 Form 720 that plan sponsors of self-insured group health plans will use to report and pay the Patient Centered Outcomes Research Institute fee. The fee is due by July 31 of this year.

Background

The Affordable Care Act (ACA) imposes a fee on health insurers and plan sponsors of self-insured group health plans to help fund the Patient Centered Outcomes Research Institute (PCORI). PCORI is responsible for conducting research to evaluate and compare the health outcomes and clinical effectiveness, risks, and benefits of medical treatments, services, procedures, and drugs.

The PCORI fee is assessed for plan years ending after September 30, 2012. The initial fee is \$1 times the average number of covered lives for that first plan year and \$2 per covered life for the plan year ending after September 30, 2013. Fees for subsequent years are subject to indexing. The PCORI fee will not be assessed for plan years ending after September 30, 2019, which means that for a calendar year plan, the last year for assessment is the 2018 calendar year. The IRS issued final PCORI regulations on December 6, 2012. (See our [January 23, 2013 For Your Information](#).)

2014 PCORI payment amount

Plan sponsors must pay the PCORI fee by July 31 of the calendar year immediately following the last day of that plan year. All plan sponsors of self-insured group health plans will pay the fee in 2014, but the amount of the fee varies depending on the plan year.

Plan year ending in 2013	Fee per covered life
Plan years ending October 1, 2013 through December 31, 2013, including calendar year plans	\$2
Plan years ending on or before September 30, 2013	\$1

Buck comment. For calendar year plans and plans with a 12-month plan year that started on November 1, 2012 or December 1, 2012, the PCORI fee payable by July 31, 2014 is \$2 per covered life. This is the second year that the fee has been paid for those plans. For all other 12-month plan years starting on the first of a month, the fee payable by July 31, 2014 is \$1 per covered life. This is the first year that the fee has been paid for those plans.

Form 720 available

The IRS has released the 2014 [Form 720](#) and [instructions](#) for plan sponsors to use to report and pay the PCORI fee. Although the Form 720 is a quarterly federal excise tax return, if the Form 720 is filed only to report the PCORI fee, no filing is required in other quarters unless other fees or taxes have to be reported.

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