FYI®
For Your Information®

Volume 39 | Issue 132 | November 8, 2016

IRS Announces New PCORI Fee

The IRS has announced that the PCORI fee used to calculate the payment amount for plan years that end on or after October 1, 2016, and before October 1, 2017, including 2016 calendar years plans, is $2.26.

Background

The 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). The PCORI fee was first assessed for plan years ending after September 30, 2012. The fee for the first plan year was $1 per covered life, increasing to $2 per covered life in the second year, and then indexed in subsequent years based on the increase in national health expenditures. 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.

PCORI Fee

The IRS announced in Notice 2016-64 that the PCORI fee used to calculate the payment amount for plan years that end on or after October 1, 2016, and before October 1, 2017, including 2016 calendar year plans, is $2.26. 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 PCORI fee in 2017, but the amount of the fee paid will vary depending on when the plan year ends.

Plan Year Ending in 2016	Fee per Covered Life for July 31, 2017 Payment
Plan years ending on or after October 1, 2016, through December 31, 2016, including calendar year plans	$ 2.26
Plan years ending on or after January 1, 2016, through September 30, 2016	$ 2.17

ACA Indexed Dollar Amounts

The table below summarizes the ACA indexed dollar limits for 2018 and prior years.

ACA Indexed Dollar Amounts								
	Out-of-Pocket Maximums (1,5)					Employer Shared Responsibility Annual Assessments (1,4,6,7,8)		
	Self-Only	Other Than Self-Only	PCORI Fee (2,5)	Transitional Reinsurance Fee (6)	Health FSA Salary Reduction Cap (3,5)	4980H(a) – Failure to Offer Coverage	4980H(b) – Failure to Offer Affordable, Minimum Value Coverage	Affordability Threshold Under 4980H(b)
2018	$ 7,350	$ 14,700	Not available	N/A	Not available	$ 2,320 (Est.)	$ 3,480 (Est.)	Not available
2017	$ 7,150	$ 14,300	Not available	N/A	$ 2,600	$ 2,260 (Est.)	$ 3,390 (Est.)	9.69%
2016	$ 6,850	$ 13,700	$ 2.26	$ 27	$ 2,550	$ 2,160	$ 3,240	9.66%
2015	$ 6,600	$ 13,200	$ 2.17	$ 44	$ 2,550	$ 2,080	$ 3,120	9.56%
2014	$ 6,350	$ 12,700	$ 2.08	$ 63	$ 2,500	$ 2,000	$ 3,000	9.50%
2013	N/A	N/A	$ 2.00	N/A	$ 2,500	N/A	N/A	N/A
2012	N/A	N/A	$ 1.00	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Indexed to increase in average per capita premium for US health insurance coverage in prior calendar year. Out-of-pocket maximum does not apply to grandfathered plans or retiree-only plans
(2) Indexed to increases in national health expenditures
(3) Indexed for CPI-U
(4) One-twelfth of annual amount assessed on monthly basis. No assessments for 2014
(5) Applicable dollar amount affected by when plan year ends
(6) Applies on a calendar year basis
(7) 2017 and 2018 assessment amounts have not been released. Estimate based on increase in average per capita premium for US health insurance coverage as determined by HHS
(8) Affordability threshold adjusted consistent with 36B(b)(3)(A)(i)

N/A – Not applicable

Volume 39 | Issue 132 | November 8, 2016

Authors
Richard Stover, FSA, MAAA
Amy Dunn, JD, MHA

Produced by the Knowledge Resource Center of Xerox HR Consulting
The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive or email fyi@xerox.com.

You are welcome to distribute *FYI*® publications in their entireties. To manage your subscriptions, or to sign up to receive our mailings, visit our Subscription Center.

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.