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IRS Provides Updated PCORI Fee Amount

The IRS has announced that the amount used to calculate the PCORI fee for plan years ending on or after October 1, 2018, but before October 1, 2019, including 2018 calendar year plans, is \$2.45 per covered life.

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 calendar year plans, the last year for assessment will be the 2018 calendar year.

Updated PCORI fee

The IRS announced in [Notice 2018-85](#) that the amount used to calculate the PCORI fee payable for plan years ending on or after October 1, 2018, but before October 1, 2019, is \$2.45 per covered life. Plan sponsors must pay the PCORI fee by July 31 of the calendar year immediately following the calendar year in which the plan year ends. While all plan sponsors of self-insured group health plans will pay the PCORI fee in 2019, the amount upon which the fee is based depends on when the plan year ends.

Volume 41

Issue 93

November 28, 2018

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Farewell, PCORI fee

Because the PCORI fee only applies to plan years (and policy years) ending before October 1, 2019, the final PCORI fee payment for sponsors of calendar year plans (for the 2018 plan year) will be due by July 31, 2019.

Plan year ending in 2018	Fee per covered life for July 31, 2019 payment
Plan years ending on or after October 1, 2018, through December 31, 2018, including calendar year plans	\$2.45
Plan years ending on or after January 1, 2018, through September 30, 2018	\$2.39

ACA indexed dollar amounts

The table below summarizes the ACA indexed dollar limits for 2019 and prior years.

ACA indexed dollar amounts								
	Out-of-Pocket Maximums ^(1,9)		PCORI Fee ^(2,5)	Transitional Reinsurance Fee ⁽⁶⁾	Health FSA Salary Reduction Cap ^(3,9)	Employer Shared Responsibility Annual Assessments ^(1,4,6,7,8)		
	Self-Only	Other Than Self-Only				4980H(a) – Failure to Offer Coverage	4980H(b) – Failure to Offer Affordable, Minimum Value Coverage	Affordability Threshold Under 4980H(b)
2019	\$7,900	\$15,800	N/A	N/A	\$2,700	\$2,500 (Est.)	\$3,750 (Est.)	9.86%
2018	\$7,350	\$14,700	\$2.45	N/A	\$2,650	\$2,320	\$3,480	9.56%
2017	\$7,150	\$14,300	\$2.39	N/A	\$2,600	\$2,260	\$3,390	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 U.S. 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. No assessment for plan years ending on and after October 1, 2019
 - (6) Applies on a calendar year basis
 - (7) 2019 assessment amounts have not been released. Estimate based on increase in average per capita premium for U.S. health insurance coverage as determined by HHS
 - (8) Affordability threshold adjusted consistent with Code Section 36B(b)(3)(A)(i)
 - (9) Applies on a plan year basis
- N/A Not applicable

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