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PCORI fee due by August 1

The deadline for paying ACA's PCORI fee is approaching. Sponsors of self-insured health plans should prepare to report and pay the fee by August 1, 2022.

Background

The Affordable Care Act (ACA) imposed 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. (We've included a [table](#) below summarizing the PCORI fee and other ACA-indexed limits for 2023 and prior years.) Insurers and plan sponsors are required to remit the PCORI fee by July 31 of the calendar year immediately following the last day of the plan year.

The original law provided that the PCORI fee would not be assessed for plan years ending after September 30, 2019. However, legislation passed in 2019 extended the PCORI fee for an additional 10 years. (See our [December 20, 2019 FYI Alert](#).)

2022 PCORI fee payment

The fee for plan years ending in 2021 is due by August 1, 2022. (The fee payment deadline is July 31; however, since that date falls on a weekend, the due date is extended to August 1.) While all plan sponsors of self-insured group health plans will pay the PCORI fee in 2022, the amount upon which the fee is based depends on when the plan year ends as described in the following table.

Volume 45

Issue 20

June 23, 2022

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Plan year ending in 2021	Fee per covered life for August 1, 2022 payment
Plan years ending on or after October 1, 2021 through December 31, 2021, including calendar year plans	\$2.79
Plan years ending on or after January 1, 2021 through September 30, 2021	\$2.66

In closing

Plan sponsors should use IRS [Form 720](#) (Quarterly Federal Excise Tax Return) to pay the PCORI fee. See [Instructions for Form 720](#) for details on how to complete and submit the filing.

ACA indexed dollar amounts

The table below summarizes the ACA indexed limits for 2023 and prior years.

ACA indexed dollar amounts							
	Out-of-pocket maximums <small>(1,8)</small>		PCORI fee <small>(2,5)</small>	Health FSA salary reduction cap <small>(3,8)</small>	Employer shared responsibility annual assessments <small>(1,4,6,7)</small>		
	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)
2023	\$9,100	\$18,200	Not available	Not available	\$2,880 (est.)	\$4,320 (est.)	Not available
2022	\$8,700	\$17,400	Not available	\$2,850	\$2,750	\$4,120	9.61%
2021	\$8,550	\$17,100	\$2.79	\$2,750	\$2,700	\$4,060	9.83%
2020	\$8,150	\$16,300	\$2.66	\$2,750	\$2,570	\$3,860	9.78%
2019	\$7,900	\$15,800	\$2.54	\$2,700	\$2,500	\$3,750	9.86%
2018	\$7,350	\$14,700	\$2.45	\$2,650	\$2,320	\$3,480	9.56%
2017	\$7,150	\$14,300	\$2.39	\$2,600	\$2,260	\$3,390	9.69%
2016	\$6,850	\$13,700	\$2.26	\$2,550	\$2,160	\$3,240	9.66%
2015	\$6,600	\$13,200	\$2.17	\$2,550	\$2,080	\$3,120	9.56%
2014	\$6,350	\$12,700	\$2.08	\$2,500	\$2,000	\$3,000	9.50%
2013	n/a	n/a	\$2.00	\$2,500	n/a	n/a	n/a
2012	n/a	n/a	\$1.00	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, 2029
- (6) Applies on a calendar year basis
- (7) Affordability threshold adjusted consistent with Code Section 36B(b)(3)(A)(i)
- (8) Applies on a plan year basis
- n/a Not applicable

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