

FYI[®]

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IRS updates PCORI fee amount for certain payments due in 2024

The IRS has announced that the amount used to calculate the PCORI fee for plan years ending on or after October 1, 2023 but before October 1, 2024, including 2023 calendar year plans, is \$3.22 per covered life. For 2023 plan years ending on or before September 30, 2023, the PCORI fee due in 2023 remains at \$3.00 per covered life. Sponsors of self-insured health plans are required to file and pay the applicable fee by July 31, 2024.

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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 ACA indexed dollar amounts and limits for 2024 and prior years.) Insurers and plan sponsors were required to remit the PCORI fee by July 31 of the calendar year immediately following the last day of the plan year.

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

Updated PCORI fee

The IRS announced in [Notice 2023-70](#) that the amount used to calculate the PCORI fee payable for plan years ending on or after October 1, 2023, but before October 1, 2024, is \$3.22 per covered life. For 2023 plan years ending on or before September 30, 2023, the PCORI fee due in 2024 is \$3.00 per covered life.

The IRS Form 720 report and corresponding PCORI fee payment for plan years ending in 2023 is due by July 31, 2024. While all plan sponsors of self-insured group health plans will pay the PCORI fee in 2024, the amount upon which the fee is based depends on when the plan year ends as described in the following table.

Plan year ending in 2023	PCORI fee per covered life for July 31, 2024 payment
Plan years ending on or after October 1, 2023 through December 31, 2023, including calendar year plans	\$3.22
Plan years ending on or after January 1, 2023 through September 30, 2023	\$3.00

ACA indexed dollar amounts and limits

The table below summarizes the ACA indexed dollar amounts and limits for 2024 and prior years.

ACA indexed dollar amounts							
	Out-of-pocket maximums ^(1,8)		PCORI fee ^(2,5)	Health FSA salary reduction cap ^(3,8)	Employer shared responsibility annual assessments ^(1,4,6,7)		
	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)
2024	\$9,450	\$18,900	Not available	\$3,200	\$2,970	\$4,460	8.39%
2023	\$9,100	\$18,200	\$3.22	\$3,050	\$2,880	\$4,320	9.12%
2022	\$8,700	\$17,400	\$3.00	\$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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