



COMPLIANCE BULLETIN

2021 PATIENT-CENTERED OUTCOMES RESEARCH INSTITUTE (PCORI) FEE

The [Patient-Centered Outcomes Research Institute \(PCORI\) fee](#) deadline is around the corner. In Notice 2020-84, the IRS adjusted the applicable dollar amount to be multiplied by the average number of covered lives for purposes of calculating the fee for policy years and plan years that end on or after October 1, 2020, and before October 1, 2021. The fee for the forgoing period is \$2.66. Although the PCORI fee is based on the plan year, the reporting and fee due date is always July 31. However, for 2021 the deadline will be August 2, instead of the usual July 31 deadline because the 31st falls on a Saturday. The Affordable Care Act (ACA) requires health insurers and sponsors of self-funded group health plans to pay the fee using IRS form 720.

The PCORI fee is based on covered lives. Accordingly, both employees and retirees and their covered spouses and children generally must be counted. The PCORI fee is based on a plan year, with the count determined based on the entire plan year.

The PCORI fee is small and was initially in effect from 2012 through 2019. However, in December 2019, the [Further Consolidated Appropriations Act, 2020](#) extended the fee to plan/policy years ending before October 1, 2029. It was \$1 the first year, \$2 the second year, \$2.08 the third year, \$2.17 the fourth year, \$2.26 the fifth year, \$2.39 the sixth year, \$2.45 the seventh year, \$2.54 the eighth year, and \$2.66 the ninth year. It is designed to fund research into the most effective ways of treating various diseases. The IRS has not announced the fee for subsequent plan years.

Innovative's account team is actively working on these calculations for our clients and will be touch shortly. If you have any questions, please contact Innovative Benefit Planning at icomply@ibpllc.com.



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