

November 8, 2018

IRS Issues Annual Increase to PCORI Fee

As part of the Affordable Care Act, the fee to fund the Patient-Centered Outcomes Research Institute (PCORI) has been in effect since 2012, and by now plan sponsors and insurers are very familiar with it. The fee itself was imposed as part of Sections 4375 and 4376 of the Internal Revenue Code, and is scheduled to be in effect for plan years ending after September 30, 2012 and before October 1, 2019. The amount of the PCORI fee is equal to the average number of lives covered during the plan year multiplied by the applicable dollar amount for the year. Of note, the applicable dollar amount is indexed each year. The IRS has recently released Notice 2018-85, stating that for plan years ending on or after October 1, 2018 and before October 1, 2019, the fee will be increased from \$2.39 to **\$2.45** per covered member. This will be used to calculate the amount payable in July 2019 using the IRS Form 720. View the IRS notice directly by clicking [here](#). Please also note that for calendar year plans, the 2018 plan year is the last year for which PCORI fees will apply given the sunset of the fees.