

Legal Update

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PCORI Fee Amount Adjusted for 2022

The Internal Revenue Service (IRS) has issued [Notice 2022-04](#) to increase the Patient-Centered Outcomes Research Institute (PCORI) fee amount for plan years ending on or after Oct. 1, 2021, and before Oct. 1, 2022. The updated PCORI fee amount is \$2.79 multiplied by the average number of lives covered under the plan.

PCORI Fees Background

The PCORI fee was created by the Affordable Care Act (ACA) and first applied for plan years or policy years ending after Sept. 30, 2012. The fee is imposed on health insurance issuers and self-insured plan sponsors to fund comparative effectiveness research.

These fees were originally scheduled to expire for plan or policy years ending on or after Oct. 1, 2019. However, a federal [spending bill](#) enacted at the end of 2019 extended the PCORI fees for an additional 10 years. As a result, the PCORI fee will apply through the plan or policy year ending before Oct. 1, 2029.

Payment Deadline

PCORI fees are reported and paid annually on IRS [Form 720](#) (Quarterly Federal Excise Tax Return). These fees are due each year by July 31 of the year following the last day of the plan year. For plans ending in 2021, the next PCORI fee payment will be due **Aug. 1, 2022**, since July 31, 2022, is a Sunday. Covered employers should have reported and paid PCORI fees for 2020 by Aug. 2, 2021 (since July 31, 2021, was a Saturday).

Calculating the PCORI Fee

The PCORI fees are calculated based on the average number of covered lives under the plan or policy. This generally includes employees and their enrolled spouses and dependents, unless the plan is an HRA or FSA. [Final rules](#) outline a number of alternatives for issuers and plan sponsors to determine the average number of covered lives.



Key Facts

Covered Plans

The PCORI fees generally apply to insurance policies providing accident and health coverage and self-insured group health plans.

Applicability Dates

The PCORI fee applies to plan or policy years ending after Sept. 30, 2012, and before Oct. 1, 2029.

Payment Deadline

PCORI fees are due for plan or policy years ending in 2021 on Aug. 1, 2022.

For plan years ending on or after Oct. 1, 2021, and before Oct. 1, 2022, the PCORI fee amount was increased to \$2.79 per covered life.