



September 26, 2014
IRS Announces 2014 PCORI Fee Amount

As we discussed in earlier communications, the Affordable Care Act (ACA) created the Patient-Centered Outcomes Research Institute (PCORI) to conduct comparative clinical effectiveness research and it imposes fees on health insurers and self-funded group health plan sponsors to fund that research. The Internal Revenue Service (IRS) recently released IRS Notice 2014-56, which announced the PCORI fee for plan years ending between October 1, 2014 and September 30, 2015 will be \$2.08 per covered life per year.

PCORI fees apply to each plan year ending between October 1, 2012 and September 30, 2019. The fee was \$1 per covered life for plan years ending between October 1, 2012 and September 30, 2013 and \$2 per covered life for plan years ending between October 1, 2013 and September 30, 2014. Thereafter, fees are to be indexed for inflation, as is demonstrated in IRS Notice 2014-56.

Fees are due by July 31st of the calendar year following the end of the plan year to which the fee applies. This means fees are due no later than July 31, 2015 for plan years ending in 2014. The chart below outlines the annual payment due dates and fee amounts based on plan year end date:

Plans with Plan Years Ending Between Oct. 1 and Dec. 31			Plans With Plan Years Ending Between Jan. 1 and Sep. 30		
PY Ending Between:	Fee Is Due:	Fee Is:	PY Ending Between:	Fee Is Due:	Fee Is:
10/1/12 and 12/31/12	7/31/13	\$1.00	1/1/13 and 9/30/13	7/31/14	\$1.00
10/1/13 and 12/31/13	7/31/14	\$2.00	1/1/14 and 9/30/14	7/31/15	\$2.00
10/1/14 and 12/31/14	7/31/15	\$2.08	1/1/15 and 9/30/15	7/31/16	\$2.08
10/1/15 and 12/31/15	7/31/16	Year 4 rate	1/1/16 and 9/30/16	7/31/17	Year 4 rate
10/1/16 and 12/31/16	7/31/17	Year 5 rate	1/1/17 and 9/30/17	7/31/18	Year 5 rate
10/1/17 and 12/31/17	7/31/18	Year 6 rate	1/1/18 and 9/30/18	7/31/19	Year 6 rate
10/1/18 and 12/31/18	7/31/19	Year 7 rate	1/1/19 and 9/30/19	7/31/20	Year 7 rate

Insurers are responsible for filing and paying fees for insured plans, while plan sponsors are responsible for filing and paying fees for self-insured plans. Fees must be filed using IRS Form 720 (“Quarterly Federal Excise Tax Return”), which is an existing form used for a variety of excise taxes. Although it is a “quarterly” form, if a filing entity has no other excise taxes to report via Form 720, the filing entity need only file the form once per year.

Your Trion account team is available to address questions you might have as you take action to comply with the filing requirement. If you are not currently a Trion client and would like assistance navigating the requirements of the ACA, please contact us today by emailing info@trion.com.

PPACA REGULATIONS & GUIDANCE ISSUED IN THE LAST 3 MONTHS

- Jul. 2014: ACA FAQs Part XX – Preventive Services Disclosure Regarding Contraceptives
- Jul. 2014: IRS Issues Draft Forms for Employer Reporting (1094-B, 1095-B, 1094-C & 1095-C)

Aug. 2014: IRS Issues Instructions for Employer Reporting Forms [1094-B & 1095-B](#) and [1094-C & 1095-C](#)

Sep. 2014: IRS Issues [Notice 2014-49 Guidance on Employer Shared Responsibility Look-Back Method Changes in Measurement Period](#)

Sep. 2014: IRS Issues [Notice 2014-55 Guidance on Additional Permitted Cafeteria Plan Election Changes](#)

Sep. 2014: IRS Issues [Notice 2014-56 Guidance on Adjusted 2014 PCORI Fee](#)

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