

Reminder that the Zombie PCORI Fee is back and due

By: John Kirk on June 2, 2020 on graydon.law

If you are feeling a sense that the rules around benefits haven't changed enough in the last three months, this is a reminder of a change made during the long ago time of December 2019. In those ancient times, the PCORI fee rose from the dead. We all thought the annual PCORI (Patient-Centered Outcomes Research Institute) was set to expire back in 2019 but the SECURE Act extended the PCORI fee for another 10 years, meaning the fee will be in effect until 2029 for most plans (2030 for others, depending on the plan's year-end).

So, if you sponsor a self-insured group health plan, make sure you've set your calendar alerts to pay the PCORI fee for the 2019 plan year. As a reminder, the PCORI fee was put into place by the ACA to help fund the Patient Outcomes Research Institute and is based on the average number of covered lives under the plan. The fee and the related IRS Form 720 are due no later than **July 31st**.

For plan years ending before October 1, 2019, the fee is \$2.45/person. The IRS has not announced the specific fee for plan years ending between October 1, 2019 and December 31, 2019; however, it is expected to be slightly higher than \$2.45 per covered member. Remember, covered lives include spouses, dependents, retirees, and COBRA beneficiaries. If you have not been through this process before, or if you just need a quick refresher, the IRS has issued detailed [guidance](#) on the multiple methods you may use to calculate the PCORI fee, as well as instructions for completing the Form 720 and submitting your payment.

If you should have any questions about this fee or the any benefits related issues, please contact any of the Graydon employee benefits team.