

IRS Updates PCORI Fee for Plan Years Ending After October 1, 2021

January 4, 2022

Quick Facts

- The Internal Revenue Service (IRS) recently released IRS Notice 2022-4 updating the Patient-Centered Outcomes Research Institute (PCORI) fees for plan years ending on or after October 1, 2021, through September 30, 2022.
- The payment for the respective plan years will be \$2.79 per covered life.
- Plan sponsors may use one of three methods to determine the average number of covered lives for reporting and paying the PCORI fee.

Background

On December 21, 2021, the IRS issued [Notice 2022-4](#), providing the adjusted PCORI fees for plan years ending in October 2021 through September 2022. Employers that sponsored self-funded medical plans that ended sometime during 2021 are required to report and pay the Affordable Care Act (ACA) PCORI fees no later than July 31, 2022.

Fee Amount

Payment amounts due in 2022 will differ based on the employer's plan year. The fees due July 31, 2022, are as follows:

- \$2.66 per covered life for plan years ending in January 2021 through September 2021
- \$2.79 per covered life for plan years ending October 2021 through December 2021

The IRS put together a [chart](#) showing applicable fee amounts depending on the plan year end date; however, as of the date of this publication, the chart has not been updated to include the applicable rates for filings due in 2022.

Calculating the Average Number of Covered Lives

There are multiple methods available to self-funded plan sponsors to determine the average covered lives used for reporting and paying the PCORI fee:

- the actual count method;
- the snapshot method; or
- the Form 5500 method.

There are special rules that apply for employers offering multiple self-funded plans or a health reimbursement arrangement (HRA) integrated with a fully insured plan:

- Multiple Self-Funded Plans – If one plan sponsor maintains more than one self-funded health plan with the same plan year, the arrangements can be treated as a single plan for purposes of the fee.
- HRAs – An employer that sponsors an HRA integrated with a fully insured medical plan is required to pay the fee only with respect to each HRA participant/employee (not required to count dependents or beneficiaries).

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