

June 5, 2017

REMINDER: 2017 PCORI Filing Due Soon

Summer means PCORI season! Under the Affordable Care Act, the PCORI fee is imposed for plan years ending on or after Oct. 1, 2012, and before Oct. 1, 2019. Carriers pay the PCORI fee on behalf of fully-insured plans, but employers sponsoring self-funded plans must file and pay the PCORI fee on behalf of the self-funded plan. The deadline for paying the PCORI fee is coming up; self-funded plans must report and pay PCORI by July 31 of the calendar year following the close of the plan year. For plan years ending in 2016, the fee is due by July 31, 2017.

As plan sponsors may recall, PCORI fees are reported and paid using the IRS Form 720, Quarterly Federal Excise Tax Return, for the second quarter of the calendar year. Self-funded plan sponsors subject to PCORI fees but not other types of excise taxes should file Form 720 only for the second quarter; no filings are needed for the other quarters. The PCORI fee can be paid electronically or mailed to the IRS with the Form 720 using a Form 720-V payment voucher for the second quarter. According to the IRS, the fee is tax-deductible as a business expense

Depending on your plan year, this will be the fourth or fifth PCORI filing for your plan. If this is your fourth year for filing PCORI (your plan year ended between January 1 and September 30, 2016), the fee is \$2.17 per covered life. If it is your fifth year (your plan year ended between October 1 and December 31, 2016; calendar year plans fall in this category), the fee is \$2.26 per covered life. This chart below summarizes the fee schedule based on the plan year end and shows the Form 720 due date. It also contains the quarter ending date that should be reported on the first page of the Form 720 (month and year only per IRS instructions). The plan year end date is not reported on the Form 720.

Plan Year End	PCORI Fee	Form 720 Due Date	Form 720 Ending Quarter
Plan years ending in January through September 2016	\$2.17 per Covered Life	July 31, 2017	June 2017
Plan years ending in October, November, or December 2016	\$2.26 per Covered Life	July 31, 2017	June 2017

More information can be found here: <http://www.irs.gov/uac/Newsroom/Patient-Centered-Outcomes-Research-Institute-Fee>

Please visit <http://www.moreton.com/news-events/> for more information and to view other client alerts. This Client Alert was written by Carolyn Cox, Moreton & Company's in-house corporate counsel who provides our clients with compliance services. For additional questions, please contact Carolyn at 801-715-7110 or ccox@moreton.com.

© 2017 by Moreton & Company

This Client Alert is intended to alert recipients to recent legal developments. It does not constitute the rendering of legal advice or recommendations and is provided for your general information only. If you need legal advice upon which you can rely, you must seek an opinion from your attorney.