

July 19, 2017

IRS Releases Revised Form 720 for Self-Funded Plan PCORI Fee Reporting

(Filing Deadline is July 31, 2017)

The IRS recently reposted the April 2017 version of Form 720 (Quarterly Federal Excise Tax Return) on its website. While the form's primary purpose is to serve as the quarterly return for various federal excise taxes, it is also used by self-funded employer health plans to report PCORI fees imposed under health care reform. As background, PCORI fees—which are used to fund research on patient-centered outcomes—apply to plan and policy years ending before October 1, 2019. They are payable by insurers and sponsors of self-insured health plans, and are calculated by multiplying the applicable dollar amount for the year by the average number of covered lives.

A note at the beginning of the reposted form indicates the correction on the revised form is related to one of the excise taxes other than PCORI; however, using the updated form will avoid issues. PCORI filings and payments must be made by July 31 of the year following the year in which the relevant plan year ended. Thus, a calendar-year plan year ending on December 31, 2016 must file its report and payment by July 31, 2017.

If you have further questions regarding PCORI filing and payment by self-funded plans, see Moreton's client alert dated June 5, 2017 (<http://www.moreton.com/2017/06/05/client-alert-2017-pcori-filings-due-soon>).

Please visit www.moreton.com/category/compliance-updates/ 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.

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