



## PCORI Fee (due 7/31/2023)

### Background

The Affordable Care Act (ACA) imposes a fee on employers that offer certain types of self-insured health plans, which includes QSEHRA and ICHRA, to help fund the Patient-Centered Outcomes Research Institute (PCORI). The fee is reported and paid to the IRS only once per year, and it is due on July 31st for the previous year's HRA.

The PCORI fee for plans ending in December 2022 is \$3.00 per covered life, based on the average number of lives covered throughout the plan year. For HRAs with Take Command, all plans have a plan year ending 12/31. The fee is reported on [IRS Form 720](#) which, despite being a quarterly return, only needs to be filed once annually during the 2nd quarter if you have nothing besides the PCORI fee to report.

To assist you in complying with this requirement, we have provided 1) some information about filing IRS Form 720 and paying the fee, and 2) an estimate of your fee calculation based on the information in our system. ***Note: The below is informational only. We are not licensed tax professionals (we're the health people), and this information is not to be used as tax guidance. Please consult with your licensed tax professional on the usage of this information, calculation of fees, and completion of forms and make any changes that you determine are necessary.***

### Filing IRS Form 720

IRS Form 720 needs to be completed, signed, and mailed to the IRS by the HRA plan sponsor (the employer) so that it's **received by July 31st**. The form should be mailed to:

Department of the Treasury  
Internal Revenue Service  
Ogden, UT 84201-0009

### Paying the Fee

The PCORI fee needs to be paid to the IRS by the HRA plan sponsor (the employer). The IRS provides two options for paying this fee:

1. Payment can be made electronically through [EFTPS](#). Electronic payments must be **initiated before July 29th 8:00pm ET** to be received timely by the IRS; *or*
2. Payment can be mailed in along with Form 720 with check or money order and with Form 720-V, Payment Voucher. Payments made by mail should be **received by July 31st**.

For more detailed information, see the [IRS Instructions for Form 720](#).

### Calculating the Fee

The PCORI fee for plans ending in December 2022 is \$3.00 per covered life, based on the average number of lives covered throughout the plan year. The IRS provides guidance and several different methods that a plan sponsor can use to determine the average number of lives covered by the HRA.



One method, the "Snapshot Method", involves using covered lives at dates from each quarter of the plan year.

Based on the information in our system and using the "Snapshot Method", we estimate the following:

[Employer Name]		
Snapshot Method	Date Used	Employees Covered on HRA
Q1 2022	[date from Q1]	[covered lives Q1]
Q2 2022	[date from Q2]	[covered lives Q2]
Q3 2022	[date from Q3]	[covered lives Q3]
Q4 2022	[date from Q4]	[covered lives Q4]
Average Number of Covered Lives:		[avg covered lives]
Rate for Avg. Covered Life:		\$3.00
Fee:		[fee]

The information above is also available via your invoices for the dates listed.

Reminder: Even if the fee owed is \$0, Form 720 still needs to be completed and mailed to the IRS.

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*The following pages provide additional information on completing IRS Form 720.*



**FORM 720, PAGE 1**

Check here if: <input checked="" type="checkbox"/> Final return <input type="checkbox"/> Address change	Name [Company Name]	Quarter ending June 30	<b>FOR IRS USE ONLY</b>	
	Number, street, and room or suite no. (If you have a P.O. box, see the instructions.) [Business Address]	Employer identification number [EIN]	T	
	City or town, state or province, country, and ZIP or foreign postal code [Business Address]		FF	
			FD	
			FP	
			I	
			T	

**Note:** Since this is required to be filed for the second quarter, use June 30 for the "Quarter Ending" date.

**FORM 720, PAGE 2**

Part II						
IRS No.	Patient-Centered Outcomes Research Fee (see instructions)	(a) Avg. number of lives covered (see inst.)	(b) Rate for avg. covered life	(c) Fee (see instructions)	Tax	IRS No.
133	Specified health insurance policies				} [Avg Lives x 3.00]	133
	(a) With a policy year ending before October 1, 2022		\$2.79			
	(b) With a policy year ending on or after October 1, 2022, and before October 1, 2023		\$3.00			
	Applicable self-insured health plans					
	(c) With a plan year ending before October 1, 2022		\$2.79		} [Avg Lives x 3.00]	
	(d) With a plan year ending on or after October 1, 2022, and before October 1, 2023	[Avg Lives]	\$3.00	[Avg Lives x 3.00]		
				<b>Rate</b>	<b>Tax</b>	
41	Sport fishing equipment (other than fishing rods and fishing poles)			10% of sales price		41
110	Fishing rods and fishing poles (limits apply, see instructions)			10% of sales price		110
42	Electric outboard motors			3% of sales price		42
114	Fishing tackle boxes			3% of sales price		114
44	Bows, quivers, broadheads, and points			11% of sales price		44
106	Arrow shafts			\$.59 per shaft		106
140	Indoor tanning services			10% of amount paid		140
			<b>Number of gallons</b>	<b>Rate</b>	<b>Tax</b>	
64	Inland waterways fuel use tax			\$.29		64
125	LUST tax on inland waterways fuel use (see instructions)			.001		125
51	Section 40 fuels (see instructions)					51
117	Biodiesel sold as but not used as fuel					117
20	<b>Floor Stocks Tax</b> – Ozone-depleting chemicals (floor stocks). Attach Form 6627.					20
150	<b>Excise Tax on Repurchase of Corporate Stock</b> . Attach Form 7208.					150
<b>2</b>	<b>Total.</b> Add all amounts in Part II				\$ [Avg Lives x 3.00]	

**FORM 720, PAGE 3**

Part III			
3	Total tax. Add Part I, line 1, and Part II, line 2		3 [Avg Lives x 3.00]
4	Claims (see instructions; complete Schedule C)	4	
5	Deposits made for the quarter	5	
	<input type="checkbox"/> Check here if you used the safe harbor rule to make your deposits.		
6	Overpayment from previous quarters	6	
7	Enter the amount from Form 720-X included on line 6, if any	7	
8	Add lines 5 and 6	8	
9	Add lines 4 and 8	9	



[Avg Lives x 3.00]

[Signature]

[Date]

[Signer's Title]

[Signer's Name]

[Phone #]

**FORM 720-V, Payment Voucher** (only include if paying with check or money order)

<b>Form 720-V</b> Department of the Treasury Internal Revenue Service		<b>Payment Voucher</b> Don't staple or attach this voucher to your payment.		OMB No. 1545-0023 <b>2023</b>	
<b>1</b> Enter your employer identification number (EIN). See instructions. [EIN]		<b>2</b> Enter the amount of your payment. Make your check or money order payable to "United States Treasury."		Dollars	Cents
				[Avg Lives x 3.00]	
<b>3</b> Tax Period <input type="radio"/> 1st Quarter <input type="radio"/> 3rd Quarter <input checked="" type="radio"/> 2nd Quarter <input type="radio"/> 4th Quarter		<b>4</b> Enter your business name (individual name if sole proprietor). [Company Name] Enter your address. [Business Address] City or town, state or province, country, and ZIP or foreign postal code [Business Address]			

Our goal is to provide a fantastic experience for you and your employees. If you have any questions, we are happy to help! Please contact our Admin Support Team at [ClientSuccess@takecommandhealth.com](mailto:ClientSuccess@takecommandhealth.com) or your Client Success Manager (if applicable).

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