



Employment Practices **ALERT**

REMINDER OF JULY 31, 2013 DEADLINE: Employers Sponsoring Self-Insured Health Plans Must Pay New Health Care Reform "Fee" by July 31, 2013

July 23, 2013

One of the many changes affecting employers as a result of the Affordable Care Act is a new annual fee payable to the IRS applicable to self-insured health plans. Each employer who sponsors a self-insured health plan is subject to this new fee, called the "patient-centered outcomes research fee" or "PCORI fee." Most, but not all, flexible spending account plans are exempt. For the first plan year, the PCORI fee is equal to \$1 multiplied by the "average number of lives covered." The PCORI fee must be paid to the IRS on an annual basis and is reported on IRS Form 720, Quarterly Excise Tax Return. **The Form 720 and payment are due on Wednesday, July 31, 2013, for calendar year plans, as well as any other plan with a plan year that ended in October, November, or December of 2012.** The next due date will be July 31, 2014. Because deposits are not required for this fee, employers are not required to pay the fee using the Electronic Federal Tax Payment System (EFTPS).

Please [click here](#) to access Form 720. The fee is reported on the line on page 2 in Part II labelled "Applicable self-insured health plans." Please [click here](#) to access the Form 720 Instructions, where more detailed information is set forth on pages 8 and 9. (A separate, corresponding fee is imposed on insurance companies for insured group health plans.)

If you have questions regarding what health plans are covered or the calculation or payment of the PCORI fee, please contact [James Harbert](#), [Lisa M. Burman](#), [Anthony E. Antognoli](#), or [Elizabeth H. Earl](#).

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