



PCORI Fee Worksheet

Effective for plan years ending on or after 10/1/12 and before 10/1/19 (i.e., beginning with 2012 plan year for calendar year plans), health insurance issuers and plan sponsors of self-funded health plans are required to pay an excise tax to fund the Patient Centered Outcomes Research Institute - often referred to as the “PCORI fee.” The fee is calculated based on the average number of lives covered under the plan (including employees, dependents, COBRA participants, and covered retirees) and is due by July 31 following the end of each applicable year.

Methods for determining the fee

Below is a worksheet outlining the calculation methods available under the PCORI fee final regulations.* Self-funded plan sponsors must choose one method to be used for the entire plan year; however, a different method may be chosen for subsequent plan years. For plan years beginning before 7/11/12 and ending on or after 10/1/12, the average number of covered lives for purposes of the PCORI fee may be determined using “any reasonable method.” Otherwise, one of the following methods must be used:

* Starting in 2014, health insurance issuers and plan sponsors of self-funded plans must also make contributions to a temporary reinsurance program, which will also be based on the number of covered lives. Proposed regulations indicate that the methods to calculate the temporary reinsurance program fee will be similar to those required for the PCORI fee. Different methods may be used to determine the PCORI fee and the temporary reinsurance program fee.

1. Method #1: Actual Count Method

Determined by adding the actual number of lives covered on each day of the plan year and dividing by the number of days in the plan year.

A. Sum of lives covered for each day of the plan year	_____ (A)
B. Number of days in the plan year (365 days) <i>Note: 2012 and 2016 are leap years (366 days)</i>	÷ _____ (B)
C. Average number of lives (A ÷ B)	= _____ (C)
D. Applicable fee <ul style="list-style-type: none"> • \$1 for plan years ending before 10/1/13 (i.e., ending on 9/30/13 or earlier) • \$2 for plan years ending between 10/1/13 and 9/30/14 • \$2 adjusted for inflation for plan years ending between 10/1/14 and 9/30/19 • No fee for plan years ending on or after 10/1/19 	x _____ (D)
E. Total payable fee (C x D) <i>This is the amount that will be remitted to the IRS using Form 720.</i>	= _____ (E)

2. Method #2: Snapshot Method

Determined by adding the totals of lives covered on a date during each quarter of the plan year (or more dates in each quarter if an equal number of dates is used in each quarter) and dividing by the number of dates on which a count was made. Each date used for the second, third and fourth quarter must be within three days of the date that corresponds to the date used for the first quarter (e.g., if the first quarter count is on 1/7, the second quarter count must be between 4/4 and 4/10), and all dates must fall within the same plan year. The number of lives covered on a designated date may be determined using either the snapshot factor method or the snapshot count method described below (**use only i or ii**):

i. Snapshot factor method: Number of lives covered on a date is equal to the sum of –

- the number of participants with self-only coverage on that date; plus
- the number of participants with coverage other than self-only coverage on that date multiplied by 2.35

A. Quarter 1:

Date count is made: _____

Number of participants with self-only coverage on that date: _____ (a)

Number of participants with other than self-only coverage on that date:

_____ x 2.35 = _____ (b)

Total (a + b): _____ (A)

B. Quarter 2:

Date count is made: _____

Must be within 3 days of the Q1 count

Number of participants with self-only coverage on that date: _____ (c)

Number of participants with other than self-only coverage on that date:

_____ x 2.35 = _____ (d)

Total (c + d): _____ (B)

C. Quarter 3:

Date count is made: _____

Must be within 3 days of the Q1 count

Number of participants with self-only coverage on that date: _____ (e)

Number of participants with other than self-only coverage on that date:

_____ x 2.35 = _____ (f)

Total (e + f): _____ (C)

D. Quarter 4:

Date count is made: _____

Must be within 3 days of the Q1 count

Number of participants with self-only coverage on that date: _____ (g)

Number of participants with other than self-only coverage on that date:

_____ x 2.35 = _____ (h)

<p>Total (g + h): _____ (D)</p> <p>E. Sum of covered lives from each quarter (A + B + C + D): _____</p> <p><i>If more than one count per quarter is made, repeat steps A through D for each additional count, and add the totals for all quarters to determine this sum.</i></p> <p>Divide by the number of counts made in the year: _____ (E)</p> <p><i>Will be 4 if one count per quarter, or a multiple of 4 if more than one count per quarter</i></p> <p>F. Average number of lives: _____</p>	<p>_____ (D)</p> <p>_____ (E)</p> <p>÷ _____</p> <p>= _____ (F)</p>
<p>G. Applicable fee</p> <ul style="list-style-type: none"> \$1 for plan years ending before 10/1/13 (i.e., ending on 9/30/13 or earlier) \$2 for plan years ending between 10/1/13 and 9/30/14 \$2 adjusted for inflation for plan years ending between 10/1/14 and 9/30/19 No fee for plan years ending on or after 10/1/19 	<p>x _____ (G)</p>
<p>H. Total payable fee (F x G)</p> <p><i>This is the amount that will be remitted to the IRS using Form 720.</i></p>	<p>= _____ (H)</p>
<p>ii. Snapshot count method: number of lives covered on a date equals the actual number of lives covered on the designated date.</p>	
<p>A. Quarter 1:</p> <p>Date count is made: _____</p> <p>Number of lives covered on that date: _____ (A)</p> <p>B. Quarter 2:</p> <p>Date count is made: _____</p> <p><i>Must be within 3 days of the Q1 count</i></p> <p>Number of lives covered on that date: _____ (B)</p> <p>C. Quarter 3:</p> <p>Date count is made: _____</p> <p><i>Must be within 3 days of the Q1 count</i></p> <p>Number of lives covered on that date: _____ (C)</p> <p>D. Quarter 4:</p> <p>Date count is made: _____</p> <p><i>Must be within 3 days of the Q1 count</i></p> <p>Number of lives covered on that date: _____ (D)</p> <p>E. Sum of covered lives from each quarter (A + B + C + D): _____</p> <p><i>If more than one count per quarter is made, repeat steps A through D for each additional count, and add the totals for all quarters to determine this sum.</i></p>	<p>_____ (A)</p> <p>_____ (B)</p> <p>_____ (C)</p> <p>_____ (D)</p>

<p>Divide by the number of counts made in the year:</p> <p><i>Will be 4 if one count per quarter, or a multiple of 4 if more than one count per quarter</i></p> <p>F. Average number of lives:</p>	<p>_____ (E)</p> <p>÷ _____</p> <p>=</p> <p>_____ (F)</p>
<p>G. Applicable fee</p> <ul style="list-style-type: none"> • \$1 for plan years ending before 10/1/13 (i.e., ending on 9/30/13 or earlier) • \$2 for plan years ending between 10/1/13 and 9/30/14 • \$2 adjusted for inflation for plan years ending between 10/1/14 and 9/30/19 • No fee for plan years ending on or after 10/1/19 	<p>x</p> <p>_____ (G)</p>
<p>H. Total payable fee (F x G)</p> <p><i>This is the amount that will be remitted to the IRS using Form 720.</i></p>	<p>=</p> <p>_____ (H)</p>
<p>3. Method #3: Form 5500 Method</p> <p><i>Determined based on the number of participants reported on the Form 5500 (or Form 5500–SF) filed for that plan year, provided that the Form 5500 is filed no later than the due date for the PCORI fee for that plan year. The average number of lives equals the sum of the total participants covered at the beginning and the end of the plan year, as reported on the Form 5500 for the plan. If the plan offers only self-only coverage, this number is then divided by 2.</i></p>	
<p>A. Number of participants covered at the beginning of the plan year:</p> <p>B. Number of participants covered at the end of the plan year:</p> <p>C. Average number of lives (A + B):</p> <p><i>If plan offers coverage other than self-only coverage, this is the average number of lives. Skip to (E) below.</i></p>	<p>_____ (A)</p> <p>+</p> <p>_____ (B)</p> <p>_____ (C)</p>
<p><i>For plans that offer only individual coverage:</i></p> <p>Divide by 2 (C ÷ 2)</p> <p>D. Average number of lives:</p>	<p>÷ 2</p> <p>=</p> <p>_____ (D)</p>
<p>E. Applicable fee</p> <ul style="list-style-type: none"> • \$1 for plan years ending before 10/1/13 (i.e., ending on 9/30/13 or earlier) • \$2 for plan years ending between 10/1/13 and 9/30/14 • \$2 adjusted for inflation for plan years ending between 10/1/14 and 9/30/19 • No fee for plan years ending on or after 10/1/19 	<p>x</p> <p>_____ (E)</p>
<p>F. Total payable fee (C x E for plans that offer non-self-only coverage; D x E for plans that offer only individual coverage)</p> <p><i>This is the amount that will be remitted to the IRS using Form 720.</i></p>	<p>=</p> <p>_____ (F)</p>

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