

COMPLIANCE ALERT

REMINDER: PCOR FEES DUE BY JULY 31

May 28, 2026

Action Required:

- **Make sure to submit PCOR fee payment by July 31, 2026.**
- **Your Corporate Synergies Account Manager can assist you with this year's requirements.**

The Affordable Care Act (ACA) established the Patient-Centered Outcomes Research (PCOR) Institute to study the effectiveness of various medical treatments. The Institute is supported by the PCOR fee, which is paid on an annual basis. The due date for plan years ending in 2025 will be July 31, 2026. The PCOR fee amount for plan years ending on or after October 1, 2025, and before October 1, 2026, is \$3.84 per covered life (up from \$3.47 last year).

What Should Employers and Plan Sponsors Do Next?

Determine the party responsible for paying the PCOR fee, calculate the amount of the PCOR fee due, and make payment by filing IRS Form 720 by July 31, 2026.

Remember, the PCOR fee is based on the average number of covered individuals, not just covered employees. COBRA participants and covered retirees must also be included in determining this average. ■

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↓ **Full Explanation Follows** ↓

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How Does This Affect You as an Employer?

Responsibility for payment of the PCOR fee depends on the health plan's funding method.

FULLY INSURED PLANS—the insurance carrier is responsible for calculating and paying the PCOR fee for fully insured group health plans but may pass the amount of tax to be paid to the employer group as a line item on annual renewals. Additionally, even if the group health plan is fully insured, the employer may still have the responsibility to make a PCOR payment if a health reimbursement arrangement (HRA or MERP) is offered in conjunction with the fully insured health plan.

SELF-INSURED PLANS—the plan sponsor (generally, the employer) is responsible for calculating and paying the PCOR fee using one of the approved methods (discussed below). If the same employer has more than one applicable self-insured health plan, including an HRA with the same plan year as the medical, then each person covered by both plans is only counted once.

SPECIAL RULES FOR HRAs—HRAs (including retiree-only HRAs) are self-insured plans for purposes of these rules, and therefore, are subject to the PCOR fee. Where an employer has a fully insured medical plan and an HRA, the insurer pays the PCOR fee for the medical plan, and the employer pays the PCOR fee for the HRA, but only with respect to the average number of employee lives that are covered by the HRA (i.e., employers/plan sponsors are allowed to assume one covered life for each employee with an HRA, and do not need to count spouses and dependents).

How Much is the PCOR Fee?

The PCOR fee is equal to the average number of lives covered by the plan during the plan year multiplied by the applicable dollar amount for the year (please refer to the fee chart on page 3).

For plan years ending between January through September of 2025, the applicable dollar amount is \$3.47 per covered life. For plan years ending between October through December of 2025, the applicable dollar amount is \$3.84 per covered life.

What Should I Do Next?

Determine the party responsible for paying the PCOR fee, calculate the amount of the PCOR fee due, and make payment by filing [IRS Form 720](#) by July 31, 2026.

The payment can also be paid through the [Electronic Federal Tax Payment System](#) (EFTPS). The payment, if paid through the EFTPS, should be applied to the second quarter (in EFTPS, select "Q2" for the Quarter under "Tax Period" on the "Business Tax Payment" page).

The PCOR fee is based on the average number of covered individuals (employees and all dependents with the exception of payment for an HRA as explained above), not just covered employees. COBRA participants and covered retirees must also be included in determining this average.

How are the Average Numbers of Covered Individuals Determined?

Actual count method—determined by calculating the total number of covered lives each day of the plan year and dividing the sum by the number of days in that plan year.

Snap-shot method—determined by adding the total number of covered lives on one day in each quarter, or an equal number of dates for each quarter, and dividing the total by the number of dates on which the count was made.

Form 5500 method—for plans that offer family coverage, this count is determined by adding the participant counts at the

beginning and ending of the plan year.

For plans that offer employee-only coverage, the count is determined by adding the participants counts at the beginning and ending of the plan year and dividing by 2.

The fee per covered life is based on the plan year of the self-insured benefit, and the amount is determined by the IRS on a yearly basis. ■

Patient-Centered Outreach Research Institute Filing Due Dates and Applicable Rates

Policy or Plan Year Ending Date in Month of:	File Return No Later Than:	Applicable Rate:
Jan - 2025	July 31, 2026	\$3.47
Feb - 2025	July 31, 2026	\$3.47
Mar - 2025	July 31, 2026	\$3.47
Apr - 2025	July 31, 2026	\$3.47
May - 2025	July 31, 2026	\$3.47
June - 2025	July 31, 2026	\$3.47
July - 2025	July 31, 2026	\$3.47
Aug - 2025	July 31, 2026	\$3.47
Sept - 2025	July 31, 2026	\$3.47
Oct - 2025	July 31, 2026	\$3.84
Nov - 2025	July 31, 2026	\$3.84
Dec - 2025	July 31, 2026	\$3.84
Jan - 2026	July 31, 2027	\$3.84
Feb - 2026	July 31, 2027	\$3.84
Mar - 2026	July 31, 2027	\$3.84
Apr - 2026	July 31, 2027	\$3.84
May - 2026	July 31, 2027	\$3.84
Jun - 2026	July 31, 2027	\$3.84
Jul - 2026	July 31, 2027	\$3.84
Aug - 2026	July 31, 2027	\$3.84
Sept - 2026	July 31, 2027	\$3.84

**If you have any additional questions,
please call your Corporate Synergies
Account Manager or 866.CSG.1719.**