

HR BRIEF

July 2025

PCORI Fees Due July 31, 2025



The Affordable Care Act requires health insurance issuers and self-insured plan sponsors to pay Patient-Centered Outcomes Research Institute (PCORI) fees. The fees are reported and paid annually using [IRS Form 720](#).

For plan years ending in 2024, Form 720 and full payment of the PCORI fees are due by July 31, 2025.

The PCORI fee applies to plan or policy years ending after Sept. 30, 2012, and before Oct. 1, 2029.

Calculating the PCORI Fee Payment

In general, the PCORI fees are assessed, collected and enforced like taxes. The PCORI fee is imposed on an issuer of a “specified health insurance policy” and a plan sponsor of an “applicable self-insured health plan” based on the **average number of lives covered under the plan**. [Final rules](#) outline several alternatives for issuers and plan sponsors to determine the average number of covered lives.

Using Part II, Number 133 of Form 720, issuers and plan sponsors report the average number of lives covered under the plan separately for specified health insurance policies and applicable self-insured health plans. That number is multiplied by the applicable rate for that tax year (\$3.47 for plan years ending on or after Oct. 1, 2024, and before Oct. 1, 2025, or \$3.22 for plan years ending on or after Oct. 1, 2023, and before Oct. 1, 2024). The fees for specified health insurance policies and applicable self-insured health plans are then combined to equal the total tax owed.

Employer Action Steps

To assess their obligations, employers should:

- Determine which plans are subject to the PCORI fees.
- Assess plan funding status (insured versus self-insured) to determine whether the issuer or the employer is responsible for the fees.
- Select an approach for calculating average covered lives for self-insured plans.

The IRS provides helpful resources, including a [chart](#) on how the fees apply to specific types of health coverage or arrangements.

Overcoming HR Distrust Among Employees

HR professionals serve as key points of contact for employees, including during their initial orientation and onboarding and when issues arise. Even though HR departments are designed to support and advocate for an organization’s workforce, employees are often distrustful of them.

Reports show that employees are hesitant to approach HR to discuss work-related issues or lack trust in this team. This is often due to factors such as bias, favoritism, inconsistency, confidentiality concerns or poor communication. Because of this hesitation, many employees prefer to solve workplace issues independently or with their manager's help without raising them with HR.

Gaining Employee Trust

By improving departmental practices and focusing on employee needs, HR teams can earn trust among workers and help create a positive company culture. The following strategies can build trust in HR:

- **Invest in training and developing HR teams.** Thorough and regular training and development equips HR professionals with the skills and knowledge to support employees and address their concerns.
- **Align HR with employee needs.** HR teams should survey, listen and respond to employee feedback and concerns. When HR stands up for workers' rights and well-being, employees are more likely to view these teams as their allies.
- **Practice transparency.** Transparency entails open and honest communication about company policies, decisions and changes.
- **Focus on employee development and career advancement.** Investing in employees' careers and skills can show that HR is dedicated to their growth and personal development.
- **Prioritize employee needs.** Focus on solving employee issues, such as helping them access their pay, fixing benefits issues, and assisting with paid time off, leave and administrative obstacles.

If you're concerned about your employees and their relationship with HR, contact us today for more resources.