



# TaxNewsFlash

## United States

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### Notice 2018-85: Self-insured health insurance annual fee

The IRS today released an advance version of Notice 2018-85 announcing that the dollar amount to be used for purposes of determining the fee (excise tax) imposed by sections 4375 and 4376 for policy years and plan years that end on or after October 1, 2018, and before October 1, 2019, is \$2.45.

Read [Notice 2018-85](#) [PDF 41 KB]

#### Background

Sections 4375 and 4376 impose the Patient-Centered Outcomes Research Institute (PCORI) fee on issuers of a health insurance policy and on plan sponsors of applicable self-insured health plans for each plan year ending after September 30, 2012, and before October 1, 2019.

The fee imposed by sections 4375 and 4376 is calculated using the average number of lives covered under the policy or plan, and the applicable dollar amount for that policy year or plan year. The fee is reported and paid with a Form 720, *Quarterly Federal Excise Tax Return*, filed each July and based on the number of lives covered.

For policy years and plan years that end on or after October 1, 2017, and before October 1, 2018, the amount was \$2.39.

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