Compliance Alert

IRS Republishes Form 720 for 2025 PCORI Fee Filings

PROVANT

IRS Updates Form 720 for 2025 PCORI Fee Filings

July 10th, 2026

On Friday, June 26, the IRS updated its Form 720 to reflect the PCORI fee amounts and plan year end dates applicable to plan years ending in the 2025 calendar year. Because the amount on column (b) on Line 133(c) now correctly lists $3.47 and Line 133(d) now correctly lists $3.84 (and no longer list $3.22 and $3.47, respectively), employers and other plan sponsors are now able to complete and submit their Form 720 for PCORI fees ending in 2025 (when applicable).

Update – July 7, 2026

After a week of waiting, the IRS republished its second quarter Form 720, resolving the availability gap that began after the June 26 release. The IRS updated the form on June 26 with the new PCORI fee rates, then temporarily removed it from its website on June 30 while making corrections to Lines 11a through 11f. As of the morning of July 7, 2026, the Form 720 is once again available on the IRS website.

For those who already filed using the interim version (the copy that was briefly available between June 26 and June 30), there should be no need to refile or take any corrective action. The only change between that version and the republished version involves the overpayment election in Part III (how a filer indicates whether an overpayment should be applied to the next return or refunded), which has no bearing on the PCORI fee amounts or calculations themselves. Those figures ($3.47 and $3.84 per covered life, depending on plan year) were correct in the interim version and remain unchanged.

Employers and other plan sponsors who were waiting for the republished version are now encouraged to complete and submit their Form 720 for PCORI fees ending in 2025 before the July 31, 2026 deadline (when applicable).

Applies To

- Self-funded medical plans ending in 2025, including level-funded plans, HRAs, ICHRAs, QSEHRAs, MERPs, and other less common arrangements as described on the IRS chart found at https://www.irs.gov/newsroom/application-of-the-patient-centered-outcomes-research-trust-fund-fee-to-common-types-of-health-coverage-or-arrangements.
- Exceptions: Fully insured plans are the carrier's responsibility, and excepted benefits are exempt, including stand-alone vision or dental plans, HSAs, and health FSAs that qualify as an excepted benefit.

WHAT'S NEW

- **The IRS has republished the second quarter Form 720** after temporarily removing it to make unrelated corrections.
- **The 2025 PCORI fee rates remain unchanged** at **$3.47** and **$3.84** per covered life, depending on the plan year end date.
- **Most self-funded health plans** (including level-funded plans, HRAs, ICHRAs, QSEHRAs, and many MERPs) must file and pay PCORI fees by **July 31, 2026.**
- **Employers that filed using the June 26 version generally do not need to refile,** as the republished form did not change the PCORI calculations.

TAKEAWAY

If you sponsor a self-funded health plan with a 2025 plan year end, use the current Form 720 and file your PCORI fee by **July 31, 2026.**

Go Deeper

As background, the ACA requires certain group health plans to pay a Patient-Centered Outcomes Research Institute (PCORI) fee. PCORI fees are automatically included in the premiums and submitted by the insurer for fully insured plans, however employers and other plan sponsors must calculate and remit this fee to the IRS themselves for any level funded and self-insured (self-funded) health plans, including HRAs, ICHRAs, QSEHRAs, and most MERPs.

Although the fee is incurred on a per plan year basis, the fee itself is remitted on an annual basis using the second quarter IRS Form 720. PCORI fees must be remitted to the IRS by July 31 of the calendar year following the calendar year in which the plan year ended (or the next business day if July 31 lands on a weekend). For example, the fees applicable to plan years ending any time during the 2025 calendar year are due to the IRS by July 31, 2026.

The rate at which plans are taxed is different for plan years ending in January through September compared to those ending in October through December. Specifically for plan years ending in the 2025 calendar year, the PCORI fees due in 2026 use the following rates:

- $3.47 per covered life for plan years ending prior to October 1, 2025. This fee is reported on Form 720, Line 133(c).
- $3.84 per covered life for plan years ending on or after October 1, 2025. This fee is reported on Form 720, Line 133(d).

Broken down by plan year end date, the full list is as follows:

Plan Year Ending in 2025	Applicable PCORI Fee	IRS Form 720 Reporting Line
Ending in January 2025	$3.47 per Covered Life	Line 133(c)
Ending in February 2025	$3.47 per Covered Life	Line 133(c)
Ending in March 2025	$3.47 per Covered Life	Line 133(c)
Ending in April 2025	$3.47 per Covered Life	Line 133(c)
Ending in May 2025	$3.47 per Covered Life	Line 133(c)
Ending in June 2025	$3.47 per Covered Life	Line 133(c)
Ending in July 2025	$3.47 per Covered Life	Line 133(c)
Ending in August 2025	$3.47 per Covered Life	Line 133(c)
Ending in September 2025	$3.47 per Covered Life	Line 133(c)
Ending in October 2025	$3.84 per Covered Life	Line 133(d)
Ending in November 2025	$3.84 per Covered Life	Line 133(d)
Ending in December 2025	$3.84 per Covered Life	Line 133(d)

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For self-insured health plans, including level funded health plans, "covered lives" include not only primary insureds such as employees and former employees enrolled on the plan, but also the secondary insureds such as spouses and dependents. For HRAs (including ICHRAs, QSEHRAs, and MERPs), only the primary insureds such as the employees and former employees are counted, while secondary insureds are disregarded.

More information about the special rule for employers sponsoring multiple self-insured plans, calculating PCORI fees for a short plan year, and reporting multiple PCORI fees ending in the same calendar year can be found in our supplemental resource entitled **"PCORI Fee Basics."** More information about the four prescribed methods to calculate PCORI fees can be found in our **"PCORI Fee Calculation Methods."**

Consequences of Non-compliance

Failing to correctly calculate and report PCORI fees may result in the following IRS penalties and interest:

- The potential penalty for failure to file is 5% of the unpaid PCORI fee per month, up to a maximum of 25% of the original tax owed (achieved after the fifth month late).
- The penalty for failure to pay is 0.5% of the unpaid PCORI fee per month, up to a maximum of 25%.
- When applicable, there is a minimum penalty of the lesser of $100 or 100% of the tax owed, however it appears this minimum is not always enforced.
- Interest on the late payments and unpaid penalties accrues daily using rates adjusted quarterly.

While a lower PCORI fee generally means a relatively low penalty, the interest in particular can slowly build up over time. Even when initial calculations are provided by the TPA or your benefits advisory team, plan sponsors are ultimately responsible for the accuracy of their tax filings. It is essential to confirm the enrollment counts and math, and to consult with your tax advisors when necessary.

Practical Implications for Employers

1. Confirm Applicability

- Identify whether the plan qualifies as self-funded or is a fully insured plan with an HRA or ICHRA for a plan year that ended in 2025 (when calculating fees due by July 31, 2026). If a self-funded plan, HRA, or ICHRA was implemented, but does not end until 2026, then its PCORI fee is not due until July 31, 2027.
- Determine the plan year end date to set the filing deadline and identify the correct fee ($3.47 or $3.84).

2. Calculate Fees

- Request enrollment reports from vendors for participant counts. For HRAs and ICHRAs, only the number of primary insureds (employees) are needed. For self-funded or level funded group health plans, you need both the primary insureds by tier (self-only vs. all other election tiers) as well as the total number of covered individuals (including spouses and dependents).
- Choose an IRS-approved counting method. Employers can select the method resulting in the lowest cost.

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3. File and Pay

- Complete IRS Form 720 in its entirety using the current version available from the IRS. For plan years ending in 2025, column (b) on Line 133(c) should list $3.47 and Line 133(d) should list $3.84 (and not $3.22 and $3.47, respectively). The IRS temporarily withdrew the updated form between June 30 and July 7, 2026 while making unrelated corrections, but the PCORI fee rates remained unchanged.
- In addition to completing the filing organization's legal name, Federal Employer Identification Number (FEIN), and address, enter the tax filing quarter month and year (i.e., "June 2026" when filing PCORI fees in 2026 for plans ending in 2025).
- On or before **July 31, 2026**, submit Form 720 and payment electronically or by mail using the Form 720-V payment voucher with the "2nd Quarter" circle filled in.
- Retain records if proof of payment or counting method is ever requested by the IRS. We are not aware of any portal to look up past filings, so keeping records for four years is crucial.

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