Affordable Care Act (ACA) Information Returns (AIR)

Working Group Meeting

October 27, 2015

General Affordable Care Act Information Returns (AIR) Program Topics

Agenda

This is the tenth AIR working group webinar; previous sessions have provided an overview of the ACA Information Returns program, electronic filing requirements (e.g. forms, schemas, and business rules), Publications 5164 and 5165, Employer Information Reporting Scenarios, and indicator standardization. This session will focus on reviewing topics that address recent questions and issues as well as a Tax Year 2014 recap and a review of the TCC application process.
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Things To Know

Tax Year 2014 (Voluntary Year) Recap

Transmission Control Code (TCC)

Q&A

Reference Materials Review

Things To Know

Important things to know about electronically filing ACA Information Returns:

- Affordable Care Act Information Returns (Forms 1094-B, 1095-B, 1094-C and 1095-C) must be filed using "AIR" (Affordable Care Act Information Return System) – ACA Information Returns may not be filed using FIRE.

- Acceptable Format for Transmission is XML (Returns will not be accepted electronically in any other format).

- Each transmission is limited to 100MB (~10,000 records), transmissions larger than 100MB must be split.

- The TCC application is now available online.

- Tax Year 2014 (voluntary year) returns:
  - Testing began July 29, 2015.
  - Filing began October 22, 2015.
  - Corrections are not required, but will be accepted.
  - No penalties imposed for voluntary year.

- Tax Year 2015 (mandatory year) returns:
  - Testing will begin November 2, 2015.
  - Filing will begin January 2016.
  - Corrections will be required.
  - No penalties for incorrect or incomplete information where good faith efforts to comply were made.
  - Returns must be furnished to recipients by February 1, 2016 (because January 31, 2016 is a Sunday).
  - Paper returns must be filed with the IRS by February 29, 2016.
  - Electronic returns must be filed with IRS by March 31, 2016.
  - Mandatory electronic filing for 250+ returns.

Things To Know - continued

- Final ACA Information Return Forms/Instructions for Tax Year 2015 (mandatory year) have been posted to IRS.gov.

- Final Publication 5223 contains rules on (paper) ACA substitute forms and has been posted to IRS.gov.

- Draft (early look) versions of Publication 5164, Publication 5165, and the AIR Submission Composition and Reference Guide for Tax Year 2015 (mandatory year) are available on IRS.gov.

- Form 8809 – Applications for Extensions of Time to File Information Returns.

- Form 8508 – Requests for Waiver From Filing Information Forms Electronically.

- Software Developers, Transmitters, and Issuers should contact the Help Desk at 1-866-937-4130 for assistance in the following areas:
  - ACA Application for Transmitter Control Code (TCC)
  - ACA Assurance Testing System (AATS) or Communication Testing
  - Transmission issues
  - Strong authentication for Application to Application (A2A)
  - Rejects
  - Technical questions on schemas or business rules

Tax Year 2014 (Voluntary Year) Recap

Tax Year 2014 Recap

- AATS began on July 29, 2015.

- Production began on October 22, 2015.

- More developers used the User Interface channel than the Application to Application (A2A) channel.

- Common submitter/software developer issues were added to the "Transmission Checklist."

- Some Special Characters are prohibited and others have to represented with the HTML escaped character equivalent. Refer to Publication 5165 for more details.

- Working Groups Webinars have been very effective.

- Minor change to UI manifest will be posted shortly. Will be effective on October 29, 2015 at 8:00 AM ET. (QuickAlert with more details will be issued soon).

Lesson Learned from TY2014 ISS-UI Channel

The following errors will cause the "**potential threat**" error message:

- Namespace and prefixes not applied correctly
- Including the dash "-" from the sample in the transmission
  - <soapenv:Header
- VendorInd has an incorrect value (should be "V" for Vendor or "I" for (In-house)
- The name of the file has uppercase ".XML". The ".xml" needs to be in lower case (upper case is not valid)
- Incorrect software ID

Lesson Learned from TY2014 ISS-UI Channel (cont.)

- Element name is incorrect. For example:

  DocumentSystemFileNm (is incorrect)

  DocSystemFileNm (is correct)

  "TimeStamp" should be "Timestamp" (the element names are case sensitive)

- BusinessNameLine1Txt must not includes commas (commas are not allowed)

- Empty tags must not be in the manifest (an empty tag is where the element is included in the manifest; however, there is no data):

  - This is an example of empty tag:

    <p2:ErrorMessageCd></p2:ErrorMessageCd>

Lesson Learned from TY2014 ISS-UI Channel (cont.)

- The XML file cannot contain a hidden special character at the beginning called a Byte Order Mark (BOM), which indicates what the file is encoded in (UTF-8 in this case).
    - o Sometimes a text/XML editor will add this but it will cause an error when the AIR system parses the file.
    - o The user must make sure their editor will not add this character when they save it.

Lesson Learned from TY2014 ISS-UI Channel (cont.)

The following errors occurred in the manifest.

- Do not put a period in the AddressLine1Txt element data

  <urn:AddressLine1Txt>209 Illinois Ave.</urn:AddressLine1Txt>

- Make sure you are not using !- - (no space) to "comment out" lines of code you want read by the system. For example, this a commented line of code:

  - <!--urn2:ACABusinessHeader>
    - ❖ <urn:UniqueTransmissionId>000a0000-b00n-00d0-w000-000000000556:SYS12:BB000::T</urn:UniqueTransmissionId>
    - ❖ <urn1:Timestamp>2015-07-09T13:41:09Z</urn1:Timestamp>
    - ❖ </urn2:ACABusinessHeader-->

Lesson Learned from TY2014 ISS-UI Channel (cont.)

- Remove all the dashes between elements. The dashes are causing a malformed XML error.
  - -<soapenv:Header xmlns:soapenv
  - -<urn:TransmitterNameGrp>

- The Timestamp value must be in the correct format

- The element, <urn1:USZIPCd>, cannot have a value of "US." It needs to be a valid US Postal Zip Code.

Lesson Learned from TY2014 ISS A2A Channel

TPE1106 error:

- Do not include **AddressLine2Txt** with null value or a blank space. Both will be rejected with TPE1106 (Request message violates WSDL schema specification).

  Data used for null test:

  <urn:AddressLine2Txt></urn:AddressLine2Txt>

  Data used for blank space test:

  <urn:AddressLine2Txt> </urn:AddressLine2Txt>

Lesson Learned from TY2014 ISS A2A Channel (cont.)

WSDLS

- Add references for all of the parts that are being signed. The provided sample shows that the Soap Body is being signed; however, the signed elements should be timestamps, ACABusinessHeader, and ACATransmitterManifestReqDtl

- CanonicalizationMethod Algorithm must be http://www.w3.org/2001/10/xml-exc-c14n#WithComments

Lesson Learned from TY2014 Specific Elements

AddressLine1Txt and AddressLine2Txt

- For the element name *AddressLine1Txt* and *AddressLine2Txt,* the only valid values are:

    [A-Za-z0-9](?[A-Za-z0-9\- /])*.

- If invalid characters are entered for *AddressLine1Txt*, the system will not recognize the characters and the return will reject since this is a required field.

Lesson Learned from TY2014 Specific Elements (cont.)

Date of Birth

- Date of Birth format: According to the XML library located in the AIR Schema and Business Rules posted on IRS.gov, the correct format for the element BirthDt is:

    <irs:BirthDt>1957-08-13</irs:BirthDt>

Lesson Learned from TY2014 General

- In the AATS environment, the error message file will not be included for a "Rejected" status in TY2014.

  Note: The error message file will be included in AATS TY2015.

- For "Rejected" status, you can contact the AIR mailbox. You will need to provide a Receipt ID with your request.

- For "Accepted With Errors" status, review the scenario, correct the data, and resubmit.

- For "Accepted" status, contact the Help Desk at 866-937-4130 to be moved from Test to Production.

Lesson Learned from TY2014 General (cont.)

- Verify the correct SOAP version is being used. Currently SOAP 1.1.

- Once you have passed AATS, you must use the Production "P" TCC for issuer or transmitter.

- When logging onto the IRS Registered User Portal (RUP), make sure you are selecting the correct test or production environment.

ACA Transmission Control Code (TCC)

ACA Transmission Control Code (TCC)

- If you file 250 or more of any of the following ACA Information Returns, you are required to file them electronically through the AIR System:
  - Form 1094-B, *Transmittal of Health Coverage Information Returns*
  - Form 1095-B, *Health Coverage*
  - Form 1094-C, *Transmittal of Employer-Provided Health Insurance Offer and Coverage Information Returns*
  - Form 1095-C, *Employer-Provided Health Insurance Offer and Coverage*
- To file electronically, you must submit the *ACA Application for Transmitter Control Code (TCC).*
  - *If you are using a 3rd party to prepare and transmit your information returns, you do not need a TCC.*

What Roles Should Be Included On My ACA TCC Application?

What roles do I need to select on my ACA Application for Transmitter Control Code?		
If…	**And…**	**Then**
I am a commercial Software Developer **creating** software and selling software packages to employers and insurance issuers/carriers,	I will transmit information for employers or insurance issuers/carriers,	Select both the Software Developer role and the Transmitter role on your application.
I am an employer or insurance issuer/carrier **purchasing** a software package,	I will transmit my own information returns	Select the role of Issuer on your application.
I am an employer or insurance issuer/carrier **purchasing** a software package,	I will transmit my own information returns **and** transmit for other employers or insurance issuer/carriers,	Select the role of Transmitter on your application. **Note:** The TCC for a Transmitter can be used to transmit your own returns and others. You may not use an Issuer TCC to transmit other's information returns.
I am an employer or insurance issuer/carrier **creating** my own software package, or who has contracted with someone to develop a unique package for my sole use,	I will perform the software testing with the IRS **and** transmit my own information returns,	Select the role of Software Developer and Issuer on your application.

How Do I Get Started with the TCC Application?

Determine who will perform the functions related to electronic filing in your firm or organization.

Identify who will be the:

- Responsible Official(s) - individuals with responsibility for the authority over the electronic filing of ACA Information Returns operation for the firm or organization at one location. The Responsible Official is also the first point of contact with the IRS, has authority to sign original/revised *ACA Application for TCC*, and is responsible for ensuring that all requirements are adhered to.

- Contact(s) - individuals who may be responsible for transmitting and/or are available for inquiries from the IRS on a daily basis. A minimum of two Contacts must be provided on the application and a maximum of 10 may be provided.

Responsible Officials

Business Structure	Acceptable contact
Partnership and Limited Liability Partnership	Partner, General Partner, Limited Partner, LLC Member, Manager, Member, Managing Member, President, Owner, Tax Matter Partner (TMP)
Corporations, Personal Service Corporation and Limited Liability Corporations	President, Vice President, Corporate Treasurer/Treasurer, Assistant Treasurer, Chief Accounting Officer (CAO), Chief Executive Officer (CEO), Chief Financial Office (CFO), Tax Officer, Chief Operating Officer, Corporate Secretary/Secretary, Secretary Treasurer, Member
Association, Credit Union, Volunteer Organization, State Government Agency	President, Vice President, Treasurer, Assistant Treasurer, Chief Accounting Officer, Tax Officer, Chief Operating Officer, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Executive Director/Director, Chairman, Executive Administrator/Administrator, Receiver, Pastor, Assistant to Religious Leader, Reverend, Priest, Minister, Rabbi, Chairman, Secretary, Director of Taxation, Director of Personnel, Tax Officer
Sole Proprietor	Owner, Sole Proprietor, Member, Sole Member

When Do I Need To Update My Application?

The ACA Application for Transmitter Control Code should be updated whenever the Responsible Officials and/or Contacts change for your organization. Additionally, if your application includes the Software Developer role, you must update your application annually to get new Software IDs for the current Tax Year.

Updating Your Software Packages

Once you select Add from the Software Package List a new pop screen will appear where you can add Software Packages for Tax Year 2015. Note: If your application only contained a Software Package for Tax Year 2015, you do not have to update your application unless you want to add new packages for Tax Year 2015.

Q & A

Non-Technical Online Resources

Topic	Details	Source
ACA Tax Law	IRS ACA Homepage	irs.gov/aca
	4980H – Employer Shared Responsibility Provisions	http://www.irs.gov/Affordable-Care-Act/Employers/Employer-Shared-Responsibility-Provisions
	4980H Q&As	http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act
	4980H Recorded Webinar	http://www.irsvideos.gov/IRSACA_ESRP_Webinar_2015_0618
	6056 Information Reporting Overview	http://www.irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Applicable-Large-Employers
	6056 Information Reporting Q&As	http://www.irs.gov/Affordable-Care-Act/Employers/Questions-and-Answers-on-Reporting-of-Offers-of-Health-Insurance-Coverage-by-Employers-Section-6056
	6056 Recorded Webinar	http://www.irsvideos.gov/ACAInformationReportingLargeEmployersIRC6056
	6055 Information Reporting Overview	irs.gov/Affordable-Care-Act/Employers/Information-Reporting-by-Providers-of-Minimum-Essential-Coverage
	6055 Information Reporting Q&As	irs.gov/Affordable-Care-Act/Questions-and-Answers-on-Information-Reporting-by-Health-Coverage-Providers-Section-6055
	6055 Recorded Webinar	http://www.irsvideos.gov/IRSACA_IRMEC_Webinar_2015_0618/
	Legal Guidance and Other Resources	irs.gov/Affordable-Care-Act/Affordable-Care-Act-of-2010-News-Releases-Multimedia-and-Legal-Guidance
	e-File Overview	irs.gov/Businesses/Corporations/e-file-Affordable-Care-Act-Information-Reports

Technical Online Resources

Topic	Details	Source
ACA Information Returns (AIR) Program	AIR Homepage	irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Affordable-Care-Act-Information-Return-AIR-Program
	Did You Know?	irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Affordable-Care-Act-Information-Returns-AIR-Program-Did-You-Know%3F
	Working Group Meeting Details	irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Affordable-Care-Act-Information-Returns-AIR-Program-Overview
	AIR Transmission Checklist	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR%20AATS-Production%20Submitter%20Transmission%20Checklist.pdf
	AIR Mailbox – *Technical Inquiries Only*	airmailbox@irs.gov
	Subscribe to Quick Alerts	http://www.irs.gov/Tax-Professionals/e-File-Providers-&-Partners/Subscribe-To-Quick-Alerts
Technical Artifacts for TY 2014 *(Voluntary Year)*	Schemas and Business Rules	http://www.irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Tax-Year-2014-Schemas-for-Affordable-Care-Act-Information-Returns-(AIR)
	Publication 5164	http://www.irs.gov/pub/irs-pdf/p5164.pdf
	Publication 5165	http://www.irs.gov/pub/irs-pdf/p5165.pdf
	AIR Submission Composition and Reference Guide	http://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR_Composition_and_Reference_Guide.pdf

Technical Online Resources (*continued*)

Topic	Details	Source
Technical Artifacts for TY 2015 *(Mandatory Year)*	Schemas and Business Rules	https://www.irs.gov/for-Tax-Pros/Software-Developers/Information-Returns/Tax-Year-2015-Schemas-and-Business-Rules-for-Affordable-Care-Act-Information-Returns-AIR
	Draft Publication 5164	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/pub5164_earlylook_ty2015.pdf
	Draft Publication 5165	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/Publication%205165%20(%20Early%20Look)%20for%20Tax%20Year%202015.pdf
	Draft AIR Submission Composition and Reference Guide	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR%20Submission%20Composition%20and%20Reference%20Guide%20R7%20Early%20Look%2010202015.pdf

Additional Online Resources

Topic	Details	Source
Forms and Instructions	2014 Form 1094-B	http://www.irs.gov/pub/irs-prior/f1094b--2014.pdf
	2014 Form 1095-B	http://www.irs.gov/pub/irs-prior/f1095b--2014.pdf
	2014 Instructions 1094/1095-B	http://www.irs.gov/pub/irs-prior/i109495b--2014.pdf
	2014 Form 1094-C	http://www.irs.gov/pub/irs-prior/f1094c--2014.pdf
	2014 Form 1095-C	http://www.irs.gov/pub/irs-prior/f1095c--2014.pdf
	2014 Instructions 1094/1095-C	http://www.irs.gov/pub/irs-prior/i109495c--2014.pdf
	2015 Form 1094-B	http://www.irs.gov/pub/irs-pdf/f1094b.pdf
	2015 Form 1095-B	http://www.irs.gov/pub/irs-pdf/f1095b.pdf
	2015 Instructions 1094/1095-B	http://www.irs.gov/pub/irs-pdf/i109495b.pdf
	2015 Form 1094-C	http://www.irs.gov/pub/irs-pdf/f1094c.pdf
	2015 Form 1095-C	http://www.irs.gov/pub/irs-pdf/f1095c.pdf
	2015 Instructions 1094/1095-C	http://www.irs.gov/pub/irs-pdf/i109495c.pdf
Regulations	4980H Final Regulations	http://www.gpo.gov/fdsys/pkg/FR-2014-02-12/pdf/2014-03082.pdf
	6055 Final Regulations	http://www.gpo.gov/fdsys/pkg/FR-2014-03-10/pdf/2014-05051.pdf
	6056 Final Regulations	http://www.gpo.gov/fdsys/pkg/FR-2014-03-10/pdf/2014-05050.pdf

Appendix: Required information for e-services Registration

- The registration process authenticates the Responsible Officials and Contacts listed on your application.

- The following information is required for e-services Registration:

  Note: Registration information is not visible on the ACA Application for TCC. The registration process authenticates the Responsible Officials and Contacts associated with an application.

  - Legal name (verified with IRS & SSA records)
  - Social Security Number (verified with SSA records)
  - Date of birth (verified with SSA records)
  - Telephone number
  - Home mailing address (verified with IRS records)
  - E-mail address
  - Adjusted Gross Income (AGI) from either your current year or prior year tax return

- Additionally, the registration process requires the creation of the following items for the individual registering:
  - Username
  - Password and PIN
  - Recover my username question (for forgotten usernames)