



Affordable Care Act (ACA) Information Returns (AIR)

*Working Group Meeting
September 29, 2015*

*Common Questions and Issues
&*

Tax Year 2015 Indicator Standardization



Agenda

This is the ninth 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, and the Employer Information Reporting Scenarios. This session will focus on reviewing topics that address recent questions and issues as well as a general discussion on TY 2015 Indicator Standardization.

Things To Know

ACA Information Returns Transmission Checklist

Tax Year 2015 Indicator Standardization

Aggregated ALE Group Reporting of Form 1094-C

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 will begin 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 early November 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 January 31, 2016.
 - 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.
- Draft Publication 5223 contains rules on (paper) ACA substitute forms.
- 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



ACA Information Returns Transmission Checklist



ACA Information Returns Transmission Checklist

The Transmission Checklist is intended to mitigate challenges with successfully Transmitting data to the IRS.

The Transmission Checklist includes:

- Confirming that the Registration, TCC Application, and Pre-Filing activities are complete
- Reiterating the requirements for creating a complete data file for Transmission
- Identifying the steps within the Preparation and Transmission processes for AATS and Filing where special attention is *strongly recommended*



Transmission Checklist Highlights

- Have you reviewed AIR Submission Composition and Reference Guide (CRG), Publication 5164 and 5165? (These documents can be found at [AIR User Guides & Publications](#)).
- Have you followed the *Special Characters* guidance in Pub 5165 that prohibits use of Hash (#) and Double-Dash (--) characters, and specifies the use of **HTML escaped character equivalents**, (e.g., “&” for Ampersand)?
- Have you ensured all Security Header elements are present per the AIR Schema and Composition & Reference Guide?
- Have you digitally signed your Transmission?
- Have you digitally signed your Status Request?
- Have you followed the format for Timestamp?
- Have you run your Header and Manifest and form file through an XML Schema validator?
- Is your Transmission **HTTP compressed via gzip** for A2A? (See CRG, Section 4.1).
- Have you tested your sample SOAP message via a web service testing tool? (e.g. SoapUI).



Tax Year 2015 Indicator Standardization



Tax Year 2015 Indicator Standardization

Indicator Standardization

- The Information Returns standardization of indicators was implemented to help assist transmitters and IRS processing with consistent usage of indicator fields within the XML created by transmitters and ingested by the IRS.
- Previously indicator values were inconsistent and could be “1”, “0”, “X”, “true”, “false”, blank or null.
- After the implementation of standard indicators the only valid values accepted within the XML will be “1” and “0”.
- Additionally, indicator elements within the XML schema that require values other than “1” and “0” and that were previously using the class word IND (for indicator), will now be named with the class word CD (for codes) per IRS XML naming standards.
 - For example, SomeInd (requiring values, “0”, “1” and “2”) would be changed to SomeCd.

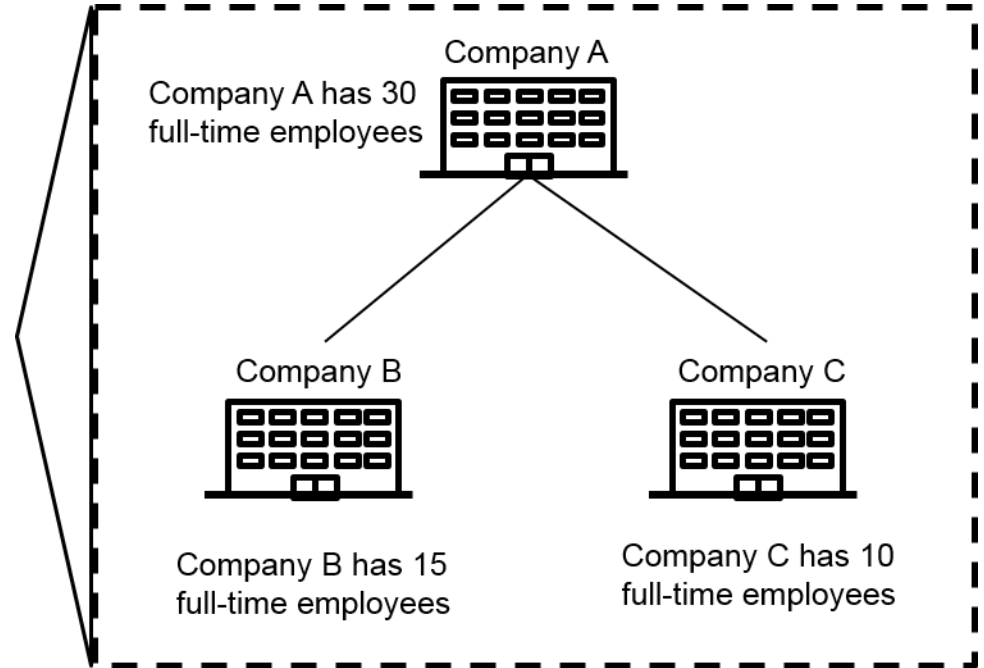


Aggregated ALE Group Reporting of Form 1094-C



Aggregated ALE Group Reporting of Form 1094-C

Company A is the parent of Company B and Company C. Combined A, B, & C have 55 full-time employees and are an Aggregated ALE group.



- Each separate employer (Company A, Company B, and Company C) in an Aggregated ALE group is subject to the employer shared responsibility provisions.
- Each separate employer (Company A, Company B, and Company C) is also subject to the associated information reporting requirements and must file its own Form 1094-C Authoritative Transmittal, using its own EIN.
- Company A should not file one Authoritative Transmittal reporting information about A, B, and C combined.



Aggregated ALE Group Reporting of Form 1094-C Cont.

- Company C completes its Form 1094-C Authoritative Transmittal as follows:
 - Part I: Include Company C identifying information and indicate filing the Authoritative Transmittal on Line 19.
 - Part II: Report information about Company C as an employer.
Line 21 - Is the ALE member a member of an Aggregated ALE Group?
Check yes.
 - Part III: Check the months of the year in which it was a member of an aggregated ALE group.
 - Part IV: Enter names and EINs of the other members of the aggregated group (Company A and Company B).

Note: Company A and Company B would each file an Authoritative Transmittal.

Form 1095-C Employer-Provided Health Insurance Offer and Coverage

- Each full-time employee must receive Form 1095-C for work for employment with that employer
 - Contemporaneous employment rule.



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	Returns/Affordable-Care-Act-Information-Return-AIR-Program">irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information-Return-AIR-Program
	Did You Know?	Returns/Affordable-Care-Act-Information>Returns-AIR-Program-Did-You-Know%3F">irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information>Returns-AIR-Program-Did-You-Know%3F
	Working Group Meeting Details	Returns/Affordable-Care-Act-Information>Returns-AIR-Program-Overview">irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information>Returns-AIR-Program-Overview
	Schema to Form Crosswalk	irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR_Working_Group_Meeting_02192015v2.pdf
	TY 2014 Schemas and Business Rules	Returns/Tax-Year-2014-Schemas-for-Affordable-Care-Act-Information>Returns-(AIR)">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
	AIR Mailbox – <i>Technical Inquiries Only</i>	airmailbox@irs.gov
	Subscribe to Quick Alerts	http://www.irs.gov/Tax-Professionals/e-File-Providers-&Partners/Subscribe-To-Quick-Alerts



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