



Affordable Care Act (ACA) Information Returns (AIR)

*Working Group Meeting
December 15, 2015*

General Affordable Care Act Information Returns (AIR)
Program Topics



Agenda

This is the eleventh 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, indicator standardization, and a Tax Year 2014 recap. This session will focus on reviewing topics that address frequently asked questions, common errors and their resolution, as well as a COBRA update.

Things To Know

Common Errors and Their Resolution

Electronic Replacement Process for Rejected Returns

Frequently Asked Questions (Testing and General)

Employer Information Reporting COBRA Update

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.
- Tax Year 2014 (voluntary year) returns:
 - Corrections are not required, but will be accepted.
 - No penalties imposed for voluntary year.
 - Testing and filing for the voluntary year closed on December 13, 2015.
- Tax Year 2015 (mandatory year) returns:
 - Testing began 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.

Reminder: The formatting directions in these instructions (for example, the directions to enter the 9 digit EIN including the dash on page 5 for Line 2 of the Form 1094 C) are for the preparation of paper returns. When filing forms electronically, the formatting set forth in the XML Schemas and Business Rules published on irs.gov must be followed rather than the formatting directions in these instructions. For more information regarding electronic filing, see Publications 5164 and 5165.

- Publication 5164, Publication 5165, and the AIR Submission Composition and Reference Guide for Tax Year 2015 (mandatory year) are available on IRS.gov.
- Final Publication 5223 contains rules on (paper) ACA substitute forms and has been posted to IRS.gov.
- Form 8809 is used for Applications for Extensions of Time to File Information Returns.
- Form 8508 is used for 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
 - Rejects



Common Errors and Their Resolution



Most Commonly Seen Errors for ISS-A2A

- **TPE1105 Message not formatted properly and/or can not be interpreted**
 - Verify HTTP Post method is used when calling web service
 - Verify SOAP message is well-formed

- **TPE1112 Request must be sent using HTTP compression**

- Confirm gzip is used in the HTTP compression

- **TPE1122 Invalid WS security header**

Common WS-Security issues:

- CanonicalizationMethodAlgorithm should be set to `http://www.w3.org/2001/10/xml-exc14n#WithComments`
- Digest Algorithm should be set to `http://www.w3.org/2000/09/xmlsig#sha1`
- Transform Algorithm should be set to `http://www.w3.org/2001/10/xml-exc-c14n#`
- Timestamp should be regenerated for every request to avoid expiration
- Elements needs to be signed for Message Type - `ACAGetTransmitterBulkRequestService`
 - `ACABusinessHeader`
 - `ACATransmitterManifestReqDtl`
 - `Timestamp`
- Status check for Message Type - `ACAGetTransmitterBulkRequestStatus`
 - `ACABusinessHeader`
 - `ACABulkRequestTransmitterStatusDetailRequest`
 - `Timestamp`
- **TPE 1106 Request message violates WSDL schema specification**
 - Verify each value conforms to appropriate schema version



ISS-A2A WS-Security Header excerpt from Composition Reference Guide

```
<ds:SignedInfo>
  <ds:CanonicalizationMethod Algorithm="http://www.w3.org/2001/10/xml-exc14n#WithComments"/>
  <ds:SignatureMethod Algorithm="http://www.w3.org/2000/09/xmldsig#rsa-sha1" />
  <ds:Reference URI="#TS-E68EBBF1696C5DD4AA143353323390073">
  <ds:Transforms>
  <ds:Transform Algorithm="http://www.w3.org/2001/10/xml-exc14n#">
    <InclusiveNamespaces PrefixList="wsse wsa soapenv urn urn1 urn2 urn3" xmlns="http://www.w3.org/2001/10/xml-exc-c14n#" />
  </ds:Transform>
</ds:Transforms>
  <ds:DigestMethod Algorithm="http://www.w3.org/2000/09/xmldsig#sha1" />
  <ds:DigestValue?TimestampDigestValue?</ds:DigestValue>
</ds:Reference>
  <ds:Reference URI="#id-E68EBBF1696C5DD4AA143353323390577">
  <ds:Transforms>
  <ds:Transform Algorithm="http://www.w3.org/2001/10/xml-exc14n#">
    <InclusiveNamespaces PrefixList="wsa soapenv urn1 urn2 urn3" xmlns="http://www.w3.org/2001/10/xml-exc-c14n#" />
  </ds:Transform>
</ds:Transforms>
  <ds:DigestMethod Algorithm="http://www.w3.org/2000/09/xmldsig#sha1" />
  <ds:DigestValue?ACATransmitterManifestReqDtlDigestValue?</ds:DigestValue>
</ds:Reference>
  <ds:Reference URI="#id-E68EBBF1696C5DD4AA143353323390578">
  <ds:Transforms>
  <ds:Transform Algorithm="http://www.w3.org/2001/10/xml-exc14n#">
    <InclusiveNamespaces PrefixList="wsa soapenv urn urn1 urn3" xmlns="http://www.w3.org/2001/10/xml-exc-c14n#" />
  </ds:Transform>
</ds:Transforms>
  <ds:DigestMethod Algorithm="http://www.w3.org/2000/09/xmldsig#sha1" />
  <ds:DigestValue?ACABusinessHeaderDigestValue?</ds:DigestValue>
</ds:Reference>
</ds:SignedInfo>
```



Most common error seen for ISS-UI

- **TPE 1105 & TPE 1106: Manifest does not conform to the appropriate schema version and as outlined in the Composition and Reference Guide**
 - Verify namespaces have been defined and referenced correctly
 - Verify the data conforms to the schema
 - Verify test file indicator and UTID set correctly
 - Remove special characters listed in the 5165 Publication
 - Double dash
 - # Hash Key
 - Escape the following special characters listed below:

Character	Character Description	Character Allowed?	Escaped Characters	Escaped Character Allowed
&	<i>Ampersand</i>	Rejected	&	Allowed
'	<i>Apostrophe</i>	Rejected	'	Allowed
<	<i>Less Than</i>	Rejected	<	Allowed



Electronic Replacement Process for Rejected Returns



Electronic Replacement Process for Rejected Returns Overview

Purpose: Enhance External Stakeholder understanding of the process for Replacing ACA Information Return Transmissions and Submissions

Scope: ACA electronically-filed 1094/1095-B and C Information Returns

Areas of Focus:

- Replacements vs. Corrections
- Two Types of Rejections and Replacements
- How you respond
- Process for Submitting Replacements
- Example Scenarios



How do Rejections and Replacements Differ from Corrections?

Replacements

Replacements are filed when the Transmissions or Submissions are Rejected by IRS. Rejected Transmissions or Submissions are not forwarded to downstream systems -- Therefore a Replacement Transmission must contain all of the records you want IRS to process that were included in the Rejected Transmission that it is replacing.

Corrections

Corrections are filed after the Transmissions are Accepted by IRS. Corrections include errors identified either by the IRS, the Transmitter, Issuer or Employer, or by the Taxpayer. Accepted Transmissions are forwarded to downstream systems.

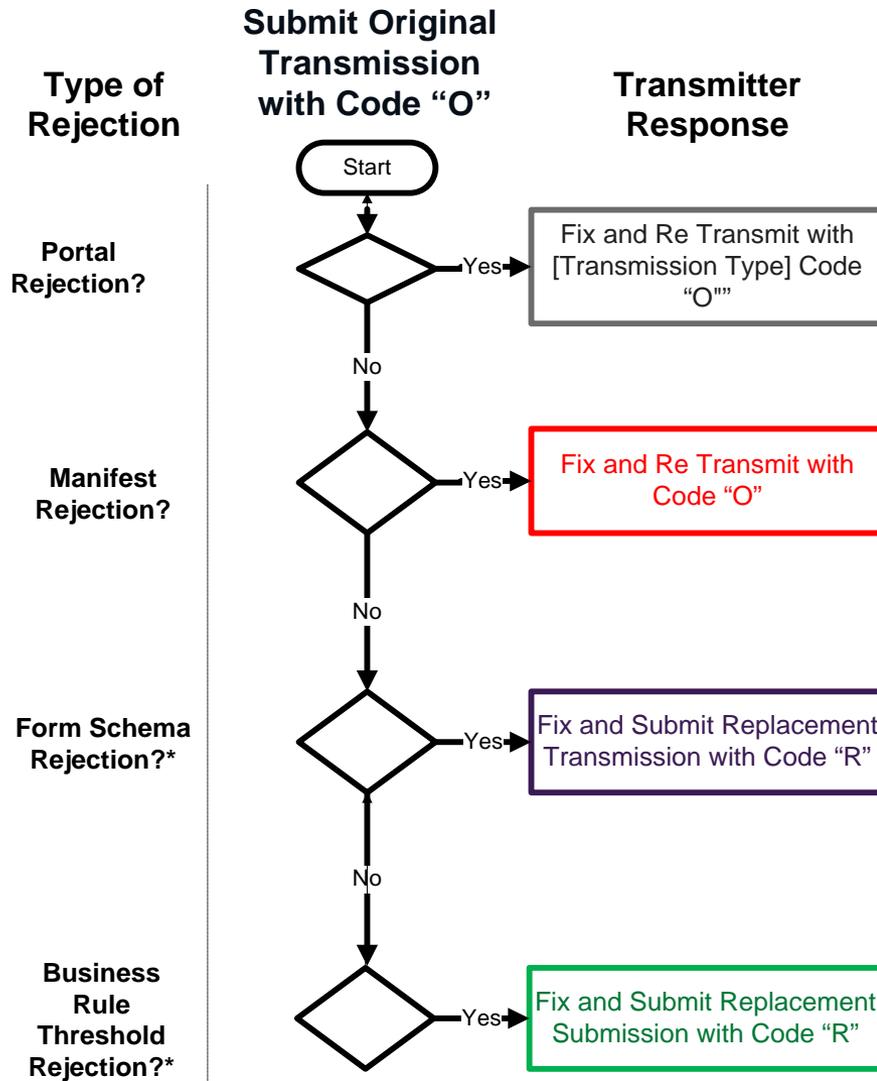


Two Types of Rejections and Replacements

- There are two types of rejections and replacements corresponding to their levels
 - **Transmission level:** The entire Transmission is rejected – in this case the entire Transmission would need to be replaced, for example
 - A missing required data element triggers a schema error
 - An invalid TCC triggers a manifest error
 - **Submission level:** One or more but not all of the Submissions in a Transmission are rejected – in this case, the individual Submissions would need to be replaced, for example
 - A non-matching Employer TIN on a 1094-C triggers a single element reject
 - The number of Employee Name / SSN mismatches triggers a business rule threshold error
- As a result, the 2016 Release alleviates the Transmitters' burden of having to replace every Submission in a Transmission when only one or two Submissions are rejected



Triggering Events – Responses for Rejections and Corrections



TIP: If your Corrected Transmission is Rejected...

- **Fix the errors and resubmit as a Correction Transmission**
- **Do not resubmit as a Replacement Transmission**



ACA 7.0 Data Element Values and Rules

- TransmissionTypeCd': Values: "O", "C", and "R"
- Rules 'TransmissionTypeCd'
 1. To submit a Transmission with **Original documents**, use "O" and make sure all records within the Transmission have the 'CorrectionInd' set to "0"
 2. To submit a Transmission with **Corrected documents**, use "C" and make sure to use the 'CorrectedInd' as follows
 - To correct 1095-B, set value to "1" and accompany with a corresponding 1094 B
 - To correct a 1095-C, set value to "1" and accompany with a corresponding 1094-C with a value set to "0"
 - To correct a 1094-C, set value to "1" and do not accompany with any 1095-Cs
 3. To submit a **Transmission Replacement**, use "R" and
 - Make sure that all records have the 'CorrectionInd' set to "0"
 - Include the 'OriginalReceiptid' in the manifest of the Transmission you are intending to replace
 4. To submit a **Submission Replacement**, use "R" and
 - Make sure that all records have the 'CorrectionInd' set to "0"
 - Do not include the 'OriginalReceiptId' in the manifest of the Transmission
 - Include the 'OriginalUniqueSubmissionId' for each Submission within the Transmission
- Replace only the first Transmission or Submission that was Rejected*
 - Applies to rejections containing Original 1094/1095 –B/C records
 - Do not attempt replace Rejected Replacements
- Do not send a Replacement for a Transmission that is Partially Accepted since at least one of the Submissions has been Accepted.

* Rejected Transmissions containing Corrected 1094/1095 records should be resubmitted with 'TransmissionTypeCd' "C" (not replaced)



Replacement Rules: Questions and Answers

Question	Answer
What if you accidentally included records in the original rejected transmission that you didn't mean to send?	Send only records in the replacement transmission that you want the IRS to process
What if your Replacement is rejected?	Always replace the Original Transmission or Submission by using their 'OriginalReceiptId' or 'OriginalUniqueSubmissionId' accordingly
When do you use 'OriginalReceiptId' versus 'OriginalUniqueSubmissionId' in a replacement?	<ul style="list-style-type: none">• Use 'OriginalReceiptId' and leave out 'OriginalUniqueSubmissionId' when replacing Transmissions• Use 'OriginalUniqueSubmissionId' and leave out 'OriginalReceiptId' when replacing Submissions
What if your Correction is rejected?	Always Correct a Correction – Correct the errors and resubmit as a Correction – Do not send in a Replacement Transmission or Submission containing Correction records



ACA 7.0 - When are Rejections triggered and how do you respond?

Rejection Type	Message (Notional)	Transmitter Response
A: Portal Rejection	<ul style="list-style-type: none"> • Portal rejections will have an error code with a prefix of “TPE” • Portal error codes detailed in Section 12 of Composition & Reference Guide • No Receipt ID 	Fix error and resubmit Transmission
B: Manifest / Header fails validation (AIR)	<ul style="list-style-type: none"> • Status: Rejected • All reject-able Manifest (AIRMF) errors 	Follow Manifest and Header Business Rules (See Manifest Error Codes and Business Rules in Quick Reference Materials for detail) and resubmit Transmission
C: XML Schema for the Data File Fails or Transmission Reject Condition Encountered	<ul style="list-style-type: none"> • Status: Rejected; and • Error Code does not contain “TPE” or “AIRMF” 	<ul style="list-style-type: none"> • Revise schema & validate XML against XML schema • Identify Business Rule mapped to Error Code and repair • Replace Original Transmission using Replacement process
D: Partially Accepted - Submission fails data validation (AIR)	<p>Status: Partially Accepted [Transmission Status]</p> <p>– One or more Submissions failed validation and one or more passed</p> <ul style="list-style-type: none"> • Business Rule validation error (e.g. threshold exceeded) • Submission Reject condition encountered (e.g., Missing Payer TIN) 	<ul style="list-style-type: none"> • Identify errors that triggered the Rejection • Fix errors • Replace Original Submission using Replacement process



Replacement Design – ACA 7.0 (Replace Transmission or Submission Containing Original Records)

Scenario #	Receipt ID / Submission ID	TransmissionTypeCd	Receipt ID to be Replaced (OriginalReceiptId)	Unique Submission ID to be Replaced	Status A-Accept R-Reject	Rationale for Reject
S1-1	RCPTID1	O	N/A	N/A	R	Schema Validation Failure
S1-2	RCPTID 5	R	RCPTID 1	N/A	A	--
S2-1	RCPTID 10 SID 3*	O	--	--	R	Over Threshold
S2-2	RCPTID 11 SID 4*	R	--	RCPTID 10 SID 3	A	--
S2a-1	RCPTID 12 SID 4*	R	--	RCPTID 10 SID 3	R	Submission was accepted previously

- Scenario 1 (S1): Transmitter successfully replaces a Transmission Rejected due to Schema failure (Row 2)
- Scenario 2 (S2): Transmitter successfully replaces a Rejected Submission that contained Original returns that were Rejected due to over threshold errors
- Scenario 2a (S2a): Transmitter unsuccessfully tries to replace a Submission that was previously accepted

**Please note that Unique Submission ID is composed of “ReceiptId | SubmissionId”*



Electronic Replacement Process for Rejected Returns Summary

- In PY2016, Filers can now replace at the 'Submission' level rather than replacing an entire Transmission
- This briefing addresses how to take advantage of this enhancement over the existing legacy Information Return Replacement Process



Frequently Asked Testing Questions



Where are the test specifications found?

Publication 5164, Test Package for Electronic Filers of Affordable Care Act (ACA) Information Returns

This publication defines the requirements for external Software Developers and Transmitters including:

- Application for a Transmitter Control Code
- Prepare test submissions in an XML format for the forms they will support
- Verify IRS can process the transmission and return a Receipt ID
- Verify the transmitter can retrieve the acknowledgement and associated error file using the Receipt ID



Where can I find addition information about testing?

The screenshot shows the IRS website's 'Affordable Care Act Information Returns (AIR) Program' page. It is divided into two columns for 2014 and 2015. The 2015 column includes a table of publications and a list of information found in the publications.

Publication Name	Publication	Status of Tax Year 2015 Publication
Publication 511 Package for Electronic Filers of Affordable Care Act Information Returns	<ul style="list-style-type: none"> Who must test Transmitter Code registration Criteria for passing testing 	November 2015 revision is available
Publication 514, Test Package for Electronic Filers of Affordable Care Act Information Returns	<ul style="list-style-type: none"> Communication procedures Transmission formats Business rules and validations procedures 	November 2015 revision is available
Publication 515, Guide for Filing Affordable Care Act (ACA) Information Returns for Software Developers and Transmitters	<ul style="list-style-type: none"> Electronic composition of Form 1094/1095-Bs and Form 1094/1095-Cs Transmitting forms through AIR Sample XML 	November 2015 revision is available

Additional AIR Information: ACA information returns and transmittals are electronically filed through the ACA Information Returns (AIR) system. Find out more information on the [Affordable Care Act Information Returns \(AIR\) - Did You Know?](#) page.

[Affordable Care Act Information Returns \(AIR\) Program Overview](#) page includes monthly working group meeting presentations.

[Affordable Care Act Information Returns \(AIR\) Schemas and Business Rules](#) for Forms 1094-B, 1095-B, 1094-C and 1095-C. Tax Year 2014 and 2015 schemas are available.

[Affordable Care Act Information Returns Assurance Testing System \(AATS\)](#)

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Schema and Business Rule Packages



Publication 5164
Publication 5165



TY2015 AATS Test scenarios and Answer keys



<https://www.irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Information-Return-AIR-Program>



Where are the TY2015 Submission Narratives and Answer keys located?

<https://www.irs.gov/for-Tax-Pros/Software-Developers/Information>Returns/Affordable-Care-Act-Assurance-Testing-System-Information>

- The answer keys have been added to the submission narrative. Click on AATS Scenario Forms link for the appropriate form
- Please consult Publication 5164 to determine which scenarios are required for you to complete based on your business model and the forms that you are supporting.

The screenshot shows the IRS website page for 'Affordable Care Act Assurance Testing System (AATS) Information Returns Tax Year 2015/Processing Year 2016'. It includes a navigation menu, a search bar, and two tables of scenarios. A red arrow points to the 'AATS Scenario Forms' column of the first table.

AATS Scenarios:

AATS Scenarios for November Character by Character:

AATS Scenario Forms	Tax Periods	AATS Scenario Known Issues and Solutions	Comments
1094B/1095B	2015	Known Issues for Scenarios	ReadMe
1094C/1095C	2015		

AATS Scenarios for January Business Rule Functionality:

AATS Scenario Forms	Tax Periods	AATS Scenario Known Issues and Solutions	Comments
1094B/1095B	2015	Known Issues for Scenarios	ReadMe
1094C/1095C	2015		

[Return to the Affordable Care Act Information Returns \(AIR\) main page](#)

New!
Answer Keys



Why is IRS providing answer keys to the AATS scenarios?

- Transmitters and Software Developers are having difficulty identifying what is causing the errors in their test files resulting in mailbox inquiries or calls to the help desk.
- The number of questions and inquiries exceeds our capacity to provide timely responses.
- Providing the answer key may provide sufficient information regarding the expected result and what is causing the error allowing Software Developers to self diagnose the issue associated with their submission.
- The Character-by-Character Comparison tool does not identify 'missing data' as an error.
- Passing AATS is not an endorsement of your software. IRS provides the test environment and selected examples of test scenarios with answer keys to use as tools to assess your filing season readiness. Software Developers can leverage these tools to develop confidence that they have programed certain scenarios correctly.



How is TY2015 AATS Phase 1 different than TY2015 Phase 2?

AATS Phase 1	AATS Phase 2
Evaluates submissions using a Character-by-Character Comparison tool.	Evaluates submissions using manual inspection of the XML and rendered PDF.
Errors in capitalization, leading and/or trailing spaces, punctuation could result in an erroneous reject.	Mirrors production environment. Changes in capitalization, punctuation, leading and/or trailing spaces will not cause the return to be rejected.
Business rules are not executed.	An expanded set of business rules will be executed.
EINs/SSNs are pre-defined and programmed to match exactly with the answer key.	EINs and SSNs in the test scenarios had to be modified from AATS Phase 1 so that the EIN/SSN fell within the acceptable range allowed in this test environment.
	Middle initials or the entire middle name will be accepted in the AATS Phase 2 scenarios.
Additional external testing is not permitted.	Additional test scenarios may be created and executed in this test environment to refine your software.
Correction Scenarios are not supported.	Correction scenarios are supported.
Live data are not allowed.	Live data are not allowed.
TIN and Name control are not validated.	TIN and Name control are not validated.



Are completion of Correction Scenarios required to pass AATS?

- Correction scenarios are not required for you to pass AATS.
- IRS provides the Correction Scenarios and Answer Keys to guide you through the process and provide some experience in submitting corrections.
- In order to complete a correction scenario, the Software Developer must complete an original transmission in the January AATS environment which can then be corrected.
- A complete explanation of how to prepare a correction submission is addressed in Publication 5165.



If I pass all the required test scenarios in Phase 1 , do I need to resubmit them in AATS Phase 2?

- If a Software Developer passes all the required scenarios for the forms they support during AATS Phase 1 using the Character-by-Character comparison tool, they are not required to resubmit them in the more robust environment in AATS Phase 2.
- IRS strongly encourages Software Developers to invest in developing scenarios in the more robust environment for the following reasons:
 - Business rules are executed in the more robust environment and may identify additional errors which may help you in refining the software package.
 - Additional test scenarios may be developed and executed that would more closely align with the specific needs of your business model or target audience for your software.
 - The more robust environment provides a closer customer experience to Production than that experienced in AATS Phase 1.



Do all test scenarios need to be sent to get moved to production or just the ones that apply to us?

- The number and type of test scenario you must complete is associated with the role or roles that you have selected on your application for a TCC.
- The roles and associated test scenarios are defined in Publication 5164.
- If your business model does not match exactly one of the roles identified, the developer should select the test scenarios most closely aligned with their business model.



Is the test system going to do client authentication?

- Because of privacy and security issues, live data cannot be submitted in any test environment.
- Since only manufactured data can be used, there is a specific range for test EINs, SSNs and name controls that must be used in the test environment.
- The test environment has no capability of validating SSN, EINs or Name controls.
- The range of EINs and SSNs that are allowed in submissions are identified in Publication 5164.
- The transmitter is authenticated at the portal using certificates and/or passwords depending on the channel.



Are the publications, schema, business rule packages, form, and form instructions final?

- All form artifacts and publications are current and have been posted.
- IRS does not anticipate substantive changes; however, if a revision is required, a Quick Alert message will be issued with the changes noted in a change page contained in the publication.



Can Software Developers create a file with simulated data for testing?

- IRS encourages Software Developers to create additional scenarios using simulated data.
- The only limitation is that the EIN, SSN and Name Control must fall within the acceptable ranges for use in the test environment.
- The ranges of EINs and SSNs are included in Publication 5164.
- This allows the Software Developers to create test files to ensure that they can be processed correctly without errors. This capability is only available in the AATS Phase 2 environment which is available beginning in January 2016.



Do you reject duplicate transmissions (files)?

- Yes, duplicate transmissions are rejected.
- The transmitter must generate a new UTID each time a file is transmitted.



Frequently Asked General Questions



What are the scenarios you anticipate to have a "void" checked on 1095-B forms?

- Do not check the VOID Box on Form 1095-B.
- In electronic filing, the transmitter would submit corrections.



Is the XML data tag
<p1:JuratSignaturePIN></p1:JuratSignaturePIN>
required in the 2015 Form Data File? Where does the
Issuer get this PIN?

- Signature data are not required for TY2015.
- Do not include signature information in your XML.



If a correction is needed, can they be submitted via paper instead of electronically if the original submission was done electronically?

- IRS strongly encourages companies to file both the original and the corrected return using the same channel.
- If there are less than 250 corrected returns, they may be submitted via paper.
- If there are 250 or more corrected returns, they must be filed electronically.
- Submitting corrections on paper after submitting the original electronically may cause delay.



Do we need to resubmit a transmission that was "accepted with errors"?

- No, you must submit corrections for the records that contained errors following the correction guidance in Publication 5165.



Can you use the same TCC code as is used for 1099?

- A new TCC must be requested for use with the TY2015 ACA Information Returns.
- The FIRE TCC used to transmit form 1099, etc. may not be used to transmit ACA Information Returns.
- All submissions must conform to the XML standards defined in Publication 5165. Excel and ascii files cannot be processed for the ACA Information returns.



What's the projected turn around period to receive notification of error from IRS and turn around once correction has been submitted

- When submissions are received by IRS and pass the initial validations at the portal, a Receipt ID is issued. This generally occurs within minutes of receipt.
- Transmitters should wait at least 10 minutes after the Receipt ID is received to request the Acknowledgement for a transmission.
- During peak processing periods, the Acknowledgement may not be ready for several hours, or even days, after the Receipt ID is received.

Note: See Section 6.2 in the Publication 5165



Does the employee's name have to exactly match the IRS's record on file for that employee's Social Security Number?

For the employee's name and SSN, an exact match is preferable; however a proximal match may also satisfy the requirement.

Note: An exact match is required for the employer's Name and EIN.



When we submit the 2015 data and there are multiple errors on the same record, will there be multiple error messages issued in the return or will just the first one be identified and any others identified after the first is corrected?

- All errors identified in the file will be identified and included in an error file which is attached to the acknowledgement.
- “Accepted with Errors” status indicates that corrections are needed and must be submitted. Any employee record with no errors will be processed. There is no need to include these in the correction file.



Employer Information Reporting COBRA Update



COBRA Scenario #1 (Terminated Employee)

Employee enrolled in Minimum Essential Coverage (MEC) providing Minimum Value (MV) for employee, spouse, and dependents. Employee terminates employment on April 30. Employee and family were offered COBRA coverage and only the employee enrolls May 1 - July 31. MEC Premium = \$115.00 COBRA premium = \$215. *

	All 12 Mos.	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Line 14		1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H	1H
Line 15		\$115.00	\$115.00	\$115.00	\$115.00								
Line 16		2C	2C	2C	2C	2A	2A	2A	2A	2A	2A	2A	2A

- 1E Minimum Essential Coverage providing Minimum Value offered to employee and at least Minimum Essential Coverage offered to dependent(s) and spouse.
- 1H No offer of coverage (employee not offered any health coverage or employee offered coverage not providing Minimum Essential Coverage). Also used when employee terminates employment and receives an offer of COBRA coverage.
- 2A If the employee was not employed on any day of the calendar month.
- 2C Identifies an employee who was enrolled in coverage offered during the month, not used when terminated employee enrolls in COBRA

*Updates Additional Scenario #2 from 7/28/2015 Webinar. The information is current as of December 10, 2015. Regulations, FAQs, instructions and the product page for the Forms should be referred to for specific information.



COBRA Scenario #2 (Terminated Employee)

Employee and family enrolled in MEC providing MV for employee, spouse, and dependents. Employee terminates employment on April 30. Family was offered COBRA coverage and enrolls for the remainder of the year. Premium = \$100.00 COBRA Premium = \$250.00*

	All 12 Mos.	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Line 14		1E	1E	1E	1E	1H	1H	1H	1H	1H	1H	1H	1H
Line 15		\$100.00	\$100.00	\$100.00	\$100.00								
Line 16		2C	2C	2C	2C	2A	2A	2A	2A	2A	2A	2A	2A

- 1E Minimum Essential Coverage providing Minimum Value offered to employee and at least Minimum Essential Coverage offered to dependent(s) and spouse. Entry on line 15 is required.
- 1H No offer of coverage (employee not offered any health coverage or employee offered coverage not providing MEC). Also used for terminated employee with COBRA offer. Entry on line 15 **not** required.
- 2A Employee not employed on any day of the month.
- 2C Identifies an employee who was enrolled in coverage offered during the month, not used when terminated employee enrolls in COBRA.

*Updates Additional Scenario #3 from 7/28/2105 Webinar. Information is current as of December 10, 2015. Regulations, FAQs, instructions and the product page for the Forms should be referred to for specific information.



COBRA Scenario #3

Full time employee offered MEC providing MV for employee, spouse, and dependents from Jan - Oct. Enrolled in employee only coverage. Reduced hours to 25 per week effective November 1. Employee is no longer eligible for employer coverage. For 4980H purposes employee is not full-time for November and December. Received COBRA offer for self-only coverage and enrolled in self-only COBRA coverage for the rest of the year. Premium = \$150.00 COBRA premium = \$250.00*

	All 12 Mos.	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Line 14		1E	1B	1B									
Line 15		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$250.00	\$250.00
Line 16		2C											

- 1E Minimum Essential Coverage providing Minimum Value offered to employee and at least Minimum Essential Coverage offered to dependent(s) and spouse. Entry on line 15 required.
- 1B Minimum Essential Coverage providing Minimum Value offered to employee only. Entry on line 15 required.
- 2C Identifies an employee who was enrolled in coverage offered during the month.

When an employee receives a COBRA offer due a reduction in hours complete lines 14-16 as you would for any current employee.

*Updates Additional Scenario #5 from 7/28/2015 Webinar_The formation is current as of December 10, 2015. Regulations, FAQs, instructions the product page for the Forms should be referred to for specific information. .



COBRA Scenario #4

Full time employee offered MEC providing MV for employee, spouse, and dependents from Jan - Oct. Enrolled in family coverage. Reduced hours to 25 hours per week on Nov 1, and is no longer eligible for employer coverage. Received COBRA continuation offer due to a reduction in hours and did not enroll in COBRA coverage. Premium = \$150.00 COBRA premium = \$250.00

	All 12 Mos.	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Line 14		1E											
Line 15		\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$250.00	\$250.00
Line 16		2C	2B	2B									

- 1E Minimum Essential Coverage providing Minimum Value offered to employee and at least Minimum Essential Coverage offered to dependent(s) and spouse. Entry on line 15 is required.
- 2B If the employee is not a full-time employee for the month and did not enroll in minimum essential coverage, if offered for the month.
- 2C Identifies an employee who was enrolled in coverage offered during the month. The codes entered for November and December on line 16 assume the employer is using the monthly measurement period to determine full-time employee status. If an employer uses the lookback stability method to measure whether an employee is a full-time employee, the employer would need to determine whether the employee was a full-time employee in November and/or December and enter the appropriate code, if any.

*Updates Additional Scenario #6 from 7/28/2015 webinar. The information is current as of December 10, 2015. Regulations, FAQs, instructions and the product page for the Forms should be referred to for specific information.



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
	AIR Transmission Checklist	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR%20AATS-Production%20Submitter%20Transmission%20Checklist.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
Technical Artifacts for TY 2015 (Mandatory Year)	Schemas and Business Rules	Returns/Tax-Year-2015-Schemas-and-Business-Rules-for-Affordable-Care-Act-Information>Returns-AIR">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
	Publication 5164 Phase I	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/Draft%20Pub%205164%20R7%200%20Phase%20I-12082105.pdf
	Publication 5164 Phase II	https://www.irs.gov/pub/irs-pdf/p5164.pdf
	Publication 5165	https://www.irs.gov/pub/irs-pdf/p5165.pdf
	AIR Submission Composition and Reference Guide	https://www.irs.gov/PUP/for_taxpros/software_developers/information_returns/AIR%20Submission%20Composition%20and%20Reference%20Guide%20TY2015.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: Manifest / Header Business Rule Rejection Detail*

Error Code	Rule Number	Business Rule Text
AIRMF3008	MANIFEST-001	If Manifest 'PriorYearDataInd' has a choice of "Yes" indicated, then 'PaymentYr' must be equal to the Processing Year minus two or more years.
AIRMF3008	MANIFEST-002	If Manifest 'PriorYearDataInd' has a choice of "No" indicated, then 'PaymentYr' must not be equal to the Processing Year minus two or more.
AIRMF3009	MANIFEST-005	If Manifest 'TransmissionTypeCd' equals "O", there must not be any Forms within the submission that have the 'CorrectedInd' equal to a value of "Yes".
AIRMF3010	MANIFEST-006	If Manifest 'TransmissionTypeCd' equals "C", then every Form 1095 within the submission must have the 'CorrectedInd' equal to a value of "Yes".
AIRMF3015	MANIFEST-007-01	If Manifest 'TransmissionTypeCd' equals "R", then either the 'OriginalUniqueSubmissionId' for each 1094 record or the Manifest 'OriginalReceiptId' must have a value.
AIRMF3000	MANIFEST-008-01	If Manifest 'TestFileCd' equals "P", then the transmission must be transmitted to the Production system.
AIRMF3000	MANIFEST-009-01	If Manifest 'TestFileCd' equals "T", then the transmission must be transmitted to the ACA Assurance Test System (AATS) system.
AIRMF3005	MANIFEST-010-01	The value of the Manifest 'TestFileCd' must equal the value stored in the IRS' database governing the status of the 'FormsTypeCd' .
AIRMF3015	MANIFEST-011-01	If the Manifest 'OriginalReceiptId' is present it must match the 'ReceiptId' of a transmission containing original records (submitted with 'TransmissionTypeCd' "O") that was rejected previously by the IRS.
AIRMF3001	MANIFEST-015	The Manifest 'SoftwareId' must match an existing 'SoftwareId' in the IRS database.
AIRMF3001	MANIFEST-016	For transmissions sent to the Production system, the status of the 'SoftwareId' stored in the IRS database must reflect "Production" .
AIRMF3004	MANIFEST-017	In the IRS database, the Manifest 'FormTypeCd' must be authorized for the 'TCC' transmitter transmitting the file.
AIRMF3002	MANIFEST-018	The Manifest 'AttachmentByteSizeNum' data value must match the IRS-computed attachment file size.
AIRMF3014	MANIFEST-019	Manifest 'ChecksumAugmentationNum' must not match a 'ChecksumAugmentationNum' of any AIR transmission from the same 'TCC' previously accepted.
AIRMF3015	MANIFEST-021	If Manifest 'TransmissionTypeCd' is "R" and 'OriginalReceiptId' is blank then 'OriginalUniqueSubmissionId' for each 1094 record must have a value.
AIRMF3015	MANIFEST-022	If Manifest 'TransmissionTypeCd' is "R", then the Manifest element 'OriginalReceiptId' and the 1094 record element 'OriginalUniqueSubmissionId' for any 1094 record in the transmission cannot both have a value.
AIRMF3015	MANIFEST-023	If the Manifest 'OriginalReceiptId' is present it must match the 'ReceiptId' of a transmission containing original records (submitted with 'TransmissionTypeCd' "O") that has not already been successfully replaced.
AIRMF3016	MANIFEST-024	If Manifest 'OriginalReceiptId' is present, then 'TransmissionTypeCd' must equal "R".
AIRMF3003	HEADER-001	The TCC within the Header 'UniqueTransmissionId' must match a TCC within the IRS database.
AIRMF3003	HEADER-002	The TCC included in the Header 'UniqueTransmissionId' must have an "Active" status within the IRS database.
AIRMF3006	HEADER-003	The Header 'UniqueTransmissionId' must not be a duplicate of the 'UniqueTransmissionId' from another transmission.

***Please see IRS 2015 Business Rules on IRS.gov/AIR for the most recent version of the business rules**

Appendix: Portal Errors and Recommended Remediation

Fault Code	Fault Message	Recommended Steps
TPE1001	Unable to route request to web service provider	IRS is experiencing a system error. Please try again later or call the IRS Help Desk at <XXX>.
TPE1100	Authentication Failure: Certificate missing or invalid. Please resubmit with a valid certificate	Ensure that the request contains a valid digital certificate that has been pre-registered with the IRS.
TPE1102	Requested service is not available at this time. Please resubmit during normal operation hours	Try again during normal operation hours.
TPE1105	Message not formatted properly and/or cannot be interpreted for routing. The message may have malformed XML or it may not have sufficient or accurate information to match a published WSDL. Please check message and try again.	Ensure that the SOAP message, including the Manifest file, conforms to XML standards and that the URL contains a valid service name.
TPE1106	Request message violates WSDL schema specification	Ensure that the SOAP message, including the Manifest file, is compliant with the published XML schema and WSDL.
TPE1107	Request message exceeds maximum size limit	Ensure that the Form file attachment is smaller than 100 MB uncompressed.
TPE1108	Request message contains unexpected content	Ensure that the SOAP message, including the Manifest file, conforms to XML coding standards.
TPE1109	Request message contains unexpected content	Ensure that the SOAP message, including the Manifest file, conforms to XML coding standards.
TPE1110	Request message contains unexpected content	Ensure that the SOAP message, including the Manifest file, conforms to XML coding standards.
TPE1112	Request message must be sent using HTTP compression	Ensure that the request message is compressed using GZIP HTTP compression.
TPE1114	Request message must be MTOM encoded	Ensure that the SOAP attachment is properly MTOM-encoded.
TPE1115	Internal Error Occurred while decoding MTOM message. Please resubmit.	Ensure that the SOAP attachment is properly MTOM-encoded.
TPE1122	Invalid WS Security Header. Please try again.	Ensure that the SOAP message, including the Manifest file, contains the necessary signed WS-Security elements.
TPE1123	Invalid WS Security Timestamp. Please try again.	Ensure that the SOAP message, including the Manifest file, contains the necessary signed WS-Security elements.
TPE1126	Unable to authenticate connectivity at this time. Please try again later.	IRS is experiencing a system error. Please try again later or call the IRS Help Desk at <XXX>.
TPE1128	Unable to authenticate connectivity at this time. Please try again.	Ensure that the request contains valid credentials.
TPE1129	Unable to authenticate connectivity at this time. Please try again.	Ensure that the request contains valid credentials.
TPE1130	Failed to retrieve a valid Test File Indicator	Ensure that the 'Test File Indicator' is set to the correct value.
TPE1131	Invalid UTID was identified on the Request Message	Ensure that the 'UTID' is set to a valid value.
TPE1201	Message attachment not formatted properly and/or cannot be parsed. The message attachment may have malformed XML or it may not have sufficient or accurate information to match an internal XSD file.	Ensure that the SOAP attachment conforms to XML coding standards.
TPE1203	Request message attachment contains unexpected content	Ensure that the SOAP attachment conforms to XML coding standards.
TPE1204	Request message attachment contains unexpected content	Ensure that the SOAP attachment conforms to XML coding standards.
TPE1205	Request message attachment contains unexpected content	Ensure that the SOAP attachment conforms to XML coding standards.
TPE1206	Request message contains more than one attachment. Please resubmit with only one attachment	Ensure that the request contains only one SOAP attachment.
TPE1207	This web service requires an attachment to be included with request message. Please add attachment to request and resubmit	Ensure that the request contains a valid SOAP attachment.



Appendix: ACA Mandatory Year Status

Status	Description
Accepted	The Transmission was Accepted (no fatal errors were identified while processing the Transmission metadata) and all Submissions within the Transmission were Accepted and no errors were found during processing
Rejected	The Transmission was Rejected for one of the following reasons: <ul style="list-style-type: none">• A fatal error was identified while processing the Transmission metadata• Schema validation failed on the Form Data File• Each Submission within the Transmission had a sufficiently high number of errors that it was Rejected as unusable data (exceeded threshold)
Processing	AIR has not completed processing the Transmission – try again later
Partially Accepted	<ul style="list-style-type: none">• The Transmission was Accepted (no fatal errors were identified while processing the Transmission metadata)• At least one Submission within the Transmission was Accepted (with or without errors)• At least one Submission within the Transmission was Rejected as unusable data (exceeded threshold)
Accepted with Errors	<ul style="list-style-type: none">• The Transmission was Accepted (no fatal errors were identified while processing the Transmission metadata)• All Submissions within the Transmission were Accepted but errors were identified in one or more of the Submissions that require correction(s)• No Submissions within the Transmission were Rejected
Not Found	A Transmission with the Receipt ID provided was not found in the AIR system