

IRS releases guidance on voluntary 2015 PPACA information reporting

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Introduction

Electronic filing process

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Employers that are subject to the health coverage information reporting requirements of the Patient Protection and Affordable Care Act of 2010, as amended, have the option of filing the applicable returns (Internal Revenue Service (IRS) Forms 1094 and 1095) on a voluntary basis in late 2015.⁽¹⁾ The IRS recently finalised two publications addressing the electronic filing process.

Even employers that do not choose to make voluntary submissions this year will want to familiarise themselves with this process, as it is unlikely to change substantially for the required submissions beginning in early 2016.

Electronic filing process

Whether an employer first files Forms 1094 and 1095 in 2015 or 2016, the electronic filing process will take place in two stages: test filing and actual filing. Prior to either stage, one or more 'responsible officials' and at least two 'contacts' must be designated for communications with the IRS. Only certain senior officials within an organisation may be designated as 'responsible officials', who must then register for electronic services and apply for a Transmitter Control Code (TCC), which serves as a unique identifier for the organisation.

Test filing takes place through the Affordable Care Act Assurance Testing System (AATS). In order to be accepted, hypothetical taxpayer data provided by the IRS in one or more scenarios – consisting of a single Form 1094 and accompanying Form(s) 1095 – must be transmitted without error to the IRS. *IRS Publication 5164* provides detailed information about these testing procedures.

Actual filing takes place through the Affordable Care Act Information Returns (AIR) programme using the TCC, as described above. The required data exchange between the employer and the IRS involves numerous technical protocols concerning transmission methodology, composition, and data structure. *IRS Publication 5165* provides detailed information about these protocols, together with the processes for validation, correction and replacement.

The AATS and the AIR programme represent the technical implementation of the Patient Protection and Affordable Care Act information reporting regulations that were published in March 2014.⁽²⁾

For further information on this topic please contact [Joanne C Youn](#) at Caplin & Drysdale, Chartered by telephone (+1 202 862 5000) or email (jyoun@capdale.com). The Caplin & Drysdale, Chartered website can be accessed at www.caplindrysdale.com.

Endnotes

(1) For further details please see "[IRS releases additional guidance on reporting health coverage information](#)".

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(2) For further details please see "[Final IRS Regulations on Information Reporting under PPACA](#)".

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