



Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #54

October, 2015

IRS Provides an “Early Look” at Form 1094/1095 Electronic Filing for Tax Year 2015

In preparation for mandatory Form 1094 and 1095 filing in early 2016, the IRS has provided an “early look” at two publications relating to electronic filing for the 2015 tax year/2016 processing year. Electronic filing is done through the IRS’s ACA Information Returns (AIR) system; it is generally required if the filer must submit at least 250 of these returns, and is permitted for other filers. These early looks include some changes to the versions of the publications that apply to voluntary filings for the 2014 tax year/2015 processing year. Here are highlights:

Publication 5164: This publication describes the ACA Assurance Testing System (AATS), which users must complete successfully before using the AIR system. This publication includes additional test scenarios and also clarifies some aspects of the communications test, which is the only test required of transmitters and issuers using approved software. According to the AIR Program webpage, testing for the 2016 processing year is scheduled to begin November 2, 2015. A “more robust” testing environment will be available in January.

Publication 5165: The early look at Publication 5165, which provides general electronic filing guidance, reflects relatively few changes from the prior version. It clarifies that an electronic filing may be rejected at either the transmission level (e.g., because the transmission does not pass security) or submission level (i.e., based on the submission’s contents). There is also a new “partially accepted” status indicator, denoting that at least one submission within the transmission was accepted and at least one was rejected. In addition, minor changes have been made to the steps for validating transmissions and to technical details regarding manifests, schemas, and business rules.

Employers outsourcing their filing responsibilities to third parties (including BLA clients utilizing the Sheakley ACA Dashboard System) do not have to complete testing if the third party is transmitting returns to the IRS for them.

These publications are essentially drafts. The final versions may include other changes. Those responsible for filing Forms 1094 and 1095 should continue to follow developments carefully to ensure that they are prepared for compliance.

IRS resources include

[AIR Submission Composition and Reference Guide](#)
[2016 deadlines](#)

[Publication 5164](#)
[Publication 5165](#)

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