

Date of Approval: **February 20, 2020**

PIA ID Number: **4565**

SYSTEM DESCRIPTION

Enter the full name and acronym for the system, project, application and/or database.

Insurance Provider Fee, IPF

Is this a new system?

No

Is there a PCLIA for this system?

Yes

What is the full name, acronym and milestone of the most recent PCLIA?

Insurance Provider Fee, IPF ID 1958

What is the approval date of the most recent PCLIA?

12/2/2016

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

No

What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.

AD Compliance Governance Board

Current ELC (Enterprise Life Cycle) Milestones:

Operations & Maintenance (i.e. system is currently operational)

Is this a Federal Information Security Management Act (FISMA) reportable system?

No

GENERAL BUSINESS PURPOSE

What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

The IPF Application was developed to implement Section 9010 of the Affordable Care Act (ACA), which added an annual fee on health insurance providers required to be paid in each calendar year beginning in 2014. Entities providing health insurance for any U.S. health risk (covered entity) will be required to pay a portion of an aggregate annual fee. The provision requires the IRS to compute each covered entity's share of the fee based on the covered entity's "net written premiums with respect to health insurance" in the preceding calendar year, in proportion to the total net health insurance premiums of all covered entities during the preceding calendar year. There is a percentage scale that is to be used in determining the fees, such that if a covered entity's net written premiums are not more than \$25 million, no fee will be assessed. Payment is required no later than September 30 of each year. The IPF Application calculates the fees owed and leverages the existing IRS infrastructure to notify the insurance providers. Due process is provided by title 26 outside of the system.

PII DETAILS

Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?

Yes

Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e. last 4 digits, etc.)?

Yes

What types of tax identification numbers (TIN) apply to this system?

Employer Identification Number

Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e. names, addresses, etc.)?

No

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

No

Are there other types of SBU/PII used in the system?

Yes

Describe the other types of SBU/PII that are applicable to this system.

PII will be limited to the EIN, signer name, company, title, phone number, and fax number. Designated contact name, company, title, phone number, fax number, and signature of the filer associated with each company filing the Form 8963. All Information captured on Form 8963.

Cite the authority for collecting SBU/PII (including SSN if relevant)

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

Has the authority been verified with the system owner?

Yes

BUSINESS NEEDS AND ACCURACY

Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

IPF will only collect the minimum information (employer identification number, name, company address, signature) required to calculate fee and transmit data to generate fee letters to insurance companies.

How is the SBU/PII verified for accuracy, timeliness and completion?

Information from Form 8963 is either received electronically or transcribed and checked for accuracy and completeness. Insurance providers are sent a preliminary assessment based on information reports submitted to the IRS and are allowed to update/correct information based on the preliminary assessment.

PRIVACY ACT AND SYSTEM OF RECORDS

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.

No

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

Official Use Only

INCOMING PII INTERFACES

Does the system receive SBU/PII from other systems or agencies?

Yes

Does the system receive SBU/PII from IRS files and databases?

Yes

Enter the files and databases:

System Name: Information Returns Intake System (IRIS) formerly AIR SYS 12
Current PCLIA: Yes
Approval Date: 12/21/2018
SA&A: Yes
ATO/IATO Date: 6/17/2018

Does the system receive SBU/PII from other federal agency or agencies?

No

Does the system receive SBU/PII from State or local agency (-ies)?

No

Does the system receive SBU/PII from other sources?

No

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: 8963 Form Name: Report of Health Insurance Provider Information

Does the system receive SBU/PII from Employee forms (e.g. the I-9)?

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

Yes

Does this system disseminate SBU/PII to other IRS Systems?

Yes

Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

System Name: Business Master File (BMF)

Current PCLIA: Yes

Approval Date: 8/27/2018

SA&A: Yes

ATO/IATO Date: 1/29/2018

Identify the authority

The IPF Application was developed to implement Section 9010 of the Affordable Care Act (ACA). Authority and purpose are pursuant to section 6103(h)(1) of the IRC. IRC 6103(h)(1) provides for disclosure of returns and return information to officers and employees of the Department of the Treasury (including IRS) whose official duties require access for tax administration.

For what purpose?

Sends transactions to master file RE fact of filing and fee/penalty assessments.

Does this system disseminate SBU/PII to other Federal agencies?

No

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

No

Does this system disseminate SBU/PII to other Sources?

No

PRIVACY SENSITIVE TECHNOLOGY

Does this system use social media channels?

No

Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?

No

Does the system use cloud computing?

No

Does this system/application interact with the public?

No

INDIVIDUAL NOTICE AND CONSENT

Was/is notice provided to the individual prior to collection of information?

Yes

How is notice provided? Was the individual notified about the authority to collect the information, whether disclosure is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects on the individual, if any, if they decide not to provide all or any of the requested information?

Proposed and Final regulations were published in the Federal Register prior to the collection of information.

Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?

No

Why not?

The information is required to ensure compliance and allocate the correct fee.

How does the system or business process ensure 'due process' regarding information access, correction and redress?

Insurance providers are sent a preliminary assessment based on information reports submitted to the IRS and are allowed to update/correct information based on the preliminary assessment.

INFORMATION PROTECTION

Identify the owner and operator of the system (could be IRS owned and Operated; IRS owned, contractor operated; contractor owned and operated)

IRS Owned and Operated

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Write

Managers: Read Write

How is access to SBU/PII determined and by whom?

Business unit managers control access by assigning the level of access an employee needs to calculate and allocate fees.

RECORDS RETENTION SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?

No

You must work with the IRS Records and Information Management (RIM) Program Office to address records retention requirements before you dispose of any records in this system.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

Yes

What date was it completed?

2/27/2014

Describe the system's audit trail.

The system is capturing the user-id and time-stamp whenever a record is added, deleted or updated and stored into IPF audit tables.

PRIVACY TESTING

Does the system require a System Test Plan?

Yes

Is the test plan completed?

Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

DocIT.

Were all the Privacy Requirements successfully tested?

Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

No

Describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met?

Developer integration testing and user acceptance testing have been completed.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

No

NUMBER AND CATEGORY OF PII RECORDS

Identify the number of individual records in the system for each category:

IRS Employees: Not Applicable

Contractors: Not Applicable

Members of the Public: Under 100,000

Other: No

CIVIL LIBERTIES

Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?

No

Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?

No

Will this system have the capability to identify, locate, and monitor individuals or groups of people?

No

Does computer matching occur?

No

ACCOUNTING OF DISCLOSURES

Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax or Privacy Act consent?

Yes

Does the system have a process in place to account for such disclosures in compliance with IRC §6103(p) (3) (A) or Subsection (c) of the Privacy Act? Contact Disclosure to determine if an accounting is required.

Yes