Date of Approval: **March 21, 2019**

PIA ID Number: **3959**

SYSTEM DESCRIPTION

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

Health Coverage Tax Credit, HCTC

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?

Health Coverage Tax Credit, HCTC, Domain Architecture/Milestone 2 # 1686

What is the approval date of the most recent PCLIA?

5/6/2016

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.

Data Delivery Services (DDS)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?

Yes

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 Trade Preference Extension Act of 2015, enacted June 29, 2015, extended and modified the expired Health Coverage Tax Credit. Previously, those eligible for the HCTC could claim the credit against the premiums they paid for certain health insurance coverage through 2019. The HCTC can now be claimed for coverage through 2013. The advanced payment program needs to be resurrected and retroactively accommodating 2014-2019. With the revised legislation, there will be two years of retroactive information that will be submitted to the IRS. The system being developed will add processing support for enrollment determination and generation of enrollment file.

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?

Social Security Number (SSN)

> *List the approved Treasury uses of the SSN:*

> > Interfaces with external entities that require the SSN

> > Legal/statutory basis (e.g. where collection is expressly required by statute)

> > When there is no reasonable alternative means for meeting business requirements

> > Delivery of governmental benefits, privileges, and services

Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers)

Pension Benefit Guaranty Corporation (PBGC) and Department of Labor (DOL) provide lists of qualified participants using SSNs. Health Coverage Tax Credit (HCTC) matches those with validated IRS taxpayers to qualify enrollees into the tax credit.

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).

The auto-generated account number is in place. User role-based access to determine if SSN is viewable. No other strategies are planned. The Office of Management and Budget CIRCULAR NO. A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs, which the Service continues to develop strategies to meet. An exception to that requirement is when the SSN is uniquely needed to identify a user's record. HCTC requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time. SSNs are permissible from Internal Revenue Code (IRC) 6109, "Identifying Numbers", which requires individual taxpayers to include their SSNs on their income tax returns. NOTE: In regards to 6b, the online PIAMS system does not have check boxes for Primary/Spouse/Dependent for Mailing Address and Phone Number. Primary and Spouse are both Yes for Mailing Address and Phone Number.

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

Yes

Specify the PII Elements:

Tax Account Information

Name

Mailing address

Phone Numbers

E-mail Address

Date of Birth

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

Yes

Specify the types of SBU from the SBU Types List

Proprietary data   Business information that does not belong to the IRS

Protected Information   Information which if modified, destroyed or disclosed in an unauthorized manner could cause: loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government

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.

Health plan information - Name of health plan, health plan ID number, member ID, group ID, policy/plan ID, policy holder's name and SSN. Federal Tax Information - Amount of HCTC advance payments & Insurance Premium amounts.

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)

SSN for tax returns and return information is Internal Revenue Code Section 6109

SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397

PII for personnel administration is 5 USC

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.

When taxpayers call the Customer Contact Center, they will be authenticated by confirmation of SSN, name, and address. In order to locate taxpayer data, employees search for the taxpayer's customer account number, TIN/SSN, or name in the CRM and/or Finance and Accounting applications (based on user permissions). Customer account number is an auto-generated number within the system that will be used whenever possible to limit the use of SSNs. All data collected is necessary for administering the monthly HCTC, end-of-year tax credit, and reimbursement credit program mandate as described in the HCTC regulation. No health information is collected. The data that is collected will be information that facilitates monthly premium payment, reimbursement credit, end-of-year tax credit, dependent information, and vendor information.

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

All data maintained in the reporting database received from Interstate Connection Network (ICON) and Pension Benefit Guaranty Corporation (PBGC) was checked for proper format at the time the data was received. The information that was received from ICON and PBGC is expected to be accurate. Backdated eligibility records are received through PBGC/Department of Labor (DOL) batch process. This data is maintained in a database on the server. If PII is determined to be inaccurate, there will be an outreach to the participant.

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.

Yes

Identify the Privacy Act SORN(s) that cover these records.

IRS 22.012   Health Coverage Tax Credit (HCTC) Program Records

IRS 34.037   Audit Trail and Security Records

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?

No

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

Yes

For each federal interface, identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Name: Department of Labor
Transmission Method: Batch processing
ISA/MOU: Yes

Name: Pension Benefit Guaranty Corp
Transmission Method: Batch processing
ISA/MOU: Yes

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

Yes

If yes, for each state and local interface identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: Interstate Connection
Transmission Method: Network SFTP
ISA/MOU   Yes

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: 8885   Form Name: Health Coverage Tax Credit

Form Number: 1099-H   Form Name: Health Coverage Tax Credit Advance Payments

Form Number: 13441   Form Name: Health Coverage Tax Credit (Monthly Registration & Update)

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?

No

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?

Yes

Identify the other source(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: US Bank
Transmission Method: Electronic File Transfer
ISA/MOU   Yes

Identify the authority

6103(l)(18) Disclosure of return information for purposes of carrying out a program for advance payment of credit for health insurance costs of eligible individuals. The Secretary may disclose to providers of health insurance for any certified individual (as defined in section 7527(c)) return information with respect to such certified individual only to the extent necessary to carry out the program established by section 7527 (relating to advance payment of credit for health insurance costs of eligible individuals). OMB M 03-22 & Internal Revenue Manual (IRM) 10.8.8, IT Security, Live Data Protection Policy & PVR #16, Acceptable Use

Identify the Routine Use in the applicable SORN (or Privacy Act exception)

IRS 22.012 - Health Coverage Tax Credit (HCTC) Program Records - 80 FR 54063 (Sept. 8, 2015)

For what purpose?

All data collected is necessary for administering the monthly HCTC, end-of-year Tax Credit, and reimbursement credit program mandate as described in the HCTC regulation. The system will send US Bank the enrollment information for the purpose of processing payment information.

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?

Information is provided directly by individual on a new Enrollment Form 13441 and not acquired from any other source. Notice, consent and due process is provided via 5 USC.

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

Yes

Describe the mechanism by which individuals indicate their consent choice(s):

Eligibility for the HCTC program requires an application using Enrollment Form 13441. Without an enrollment form, individual will not be considered for the HCTC program. For any missing information on the form, correspondence with the applicant will be required. Notice, consent and due process is provided via 5 USC

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

The system will allow affective parties the opportunity to clarify or dispute negative information that could be used against them. Notice, consent and Due process is provided pursuant to 5 USC.

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

System Administrators: Administrator

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

HCTC has identified a set of IRS employees that will have access to the reporting database. Each user is granted read only access. Online Form 5081 will have signatures from the User's Manager/COR, the Functional Application Manager, and the Security Administrator. The System Administrator grants user's access in the system based on the information completed on the Form 5081. Users will only be given access after Form 5081 is completed.

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?

Yes

How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.

Disposition instructions for HCTC inputs, system data, outputs, paper documents and system documentation have been published in IRS Document 12990 under Records Control Schedule 18 for the Enterprise Computing Center - Detroit (DCC), item 68. A 10-year disposition has been approved for system data, including eligibility information for all potentially eligible and eligible participants. Removal of the data in storage will be handled by proper degaussing of the magnetic media used for storage, in accordance with procedures described in IRM 1.15.3, Disposing of Records. System Data: HCTC maintains eligibility information for all potentially eligible and eligible participants including the name, address,

SSN, date of birth for the participant, as well as all qualified family members, the participant's monthly payment information provided by US Bank, historical data for all eligible participants and participants to include payment history and account activities, as well as any necessary casework or logs.

SA&A OR ASCA

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

No

Is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements?

Yes

Describe the system's audit trail.

In the current application database, audit trailing is implemented. IRM 10.8.1 require auditing processes on each table and event. This auditing will include capturing the following: insert date and time, inserted by, update date and time, updated by. The data that HCTC receives is from internal IRS systems which are deemed reliable and the data is validated for accuracy by the system sending the data as described in that system's PCLIA. HCTC is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

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 (Web-based document management system)

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?

HCTC is currently in the Operations and Maintenance phase of its lifecycle. Continuous Monitoring (now called Annual Security Control Assessment) occurs annually to ensure that controls remain in place to properly safeguard PII.

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: Under 50,000

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.

Not Applicable