

From: Lindenmuth Philip J <Philip.J.Lindenmuth@irs.counsel.treas.gov>
Sent: Friday, September 16, 2016 10:55 AM
To: Tavenner Carolyn A <Carolyn.A.Tavenner@irs.gov>; Witt Johnny <Johnny.Witt@irs.gov>; Koch Kimberly L <Kimberly.L.Koch@irs.counsel.treas.gov>
Subject: 1502(c) Letters

Word is getting out that folks who paid the shared responsibility payment are going to be contacted. Note this article:

<http://www.politico.com/story/2016/09/obama-legacy-obamacare-228245>

In the middle, it says: “The administration hopes the bully pulpit can bolster that outreach: The president will host a “Millennial Outreach and Engagement Summit” later this month at the White House. And for the first time, the administration will be reaching out directly to individuals who paid a fine last year for not having coverage.”

From: Jacob.Goldin@treasury.gov
Sent: Monday, July 25, 2016 4:44 PM
To: Rodrick Jeffrey T <Jeffrey.T.Rodrick@irsounsel.treas.gov>; Koch Kimberly L <Kimberly.L.Koch@irsounsel.treas.gov>
Cc: Janet.McCubbin@treasury.gov
Subject: ACA Penalty Outreach Letters
Attach: Core Letter_Penalty w Treatments 7-25-16.docx

Kim and Jeff,

As I believe you are aware, we have been working with CMS to develop letters that IRS will send to individuals who paid the 5000A penalty in prior tax years. Part of the goal of the project is to learn about which type of language is most effective at reducing the number of uninsured individuals, so several versions of the letter will be sent out and the results compared. Although the language for the various versions of the letter are still under development, I wanted to float the current draft of the baseline letter to you now to make sure that it looks okay.

If possible, we would appreciate if you could review by COB on Wednesday (we are aiming to have a proposal for contractors to bid on by the end of next week). Happy to provide additional context or to discuss further by phone if helpful.

Jacob Goldin
Advisor to the Tax Legislative Counsel
Office of Tax Policy
Treasury Department
(202)622-2623

From: Jacob.Goldin@treasury.gov
Sent: Wednesday, September 21, 2016 4:07 PM
To: Lindenmuth Philip J <Philip.J.Lindenmuth@irs.counsel.treas.gov>; Koch Kimberly L <Kimberly.L.Koch@irs.counsel.treas.gov>; Rodrick Jeffrey T <Jeffrey.T.Rodrick@irs.counsel.treas.gov>; Kindell Judith E <Judith.E.Kindell@irs.gov>
Cc: Janet.McCubbin@treasury.gov; Ithai.Lurie@treasury.gov; Levitis Jason - OTP <Jason.Levitis@treasury.gov>
Subject: ACA penalty outreach letters
Attach: Penalty Range Version 9-21-16.docx; Exemption Sample Letter 9-21-16.docx; Exemption Info Version 9-21-16.docx; Core Letter 9-21-16.docx; Benefits draft 9-21-16.docx; Dec Deadline Version 9-21-16.docx; Tax Version 9-21-16.docx; Personalized Min Version 9-21-16.docx; Personalized Max Version 9-21-16.docx

IRS friends,

Thank you for your latest round of comments on the letter versions. Please find attached new versions of the letters, with changes tracked against the versions you commented on, as well as our responses to your comments. We would be happy to discuss if you have questions or concerns. Since these new changes are quite minor, we would appreciate if you could provide comments by **noon** tomorrow, so that we can turn the new versions around to CMS this week.

Thanks again,
Jacob

From: Pippins Martin L <Martin.L.Pippins@irs.gov>
Sent: Tuesday, February 12, 2013 2:42 PM
To: Koch Kimberly L <Kimberly.L.Koch@irsounsel.treas.gov>; Ellison Christine E <Christine.E.Ellison@irsounsel.treas.gov>
Subject: ACA section 1502(c)--June noticefrom IRS to enrollee of Exchange availability

Hi,

I have some questions about how this provision works, and I wonder if you have looked at it.

I think there are some operational issues about implementing it, but I think one threshold legal question concerns the effective date: 1502(e) seems to make it effective in 2014 but not sure if that makes sense to me.

Would you have some time to discuss at some point?

Thanks, Marty

Martin L. Pippins
Acting Director, Customer Service and
Stakeholder Relations
Affordable Care Act Office
Internal Revenue Service
(202) 927-9531

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In-person in your community at
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From: Lindenmuth Philip J <Philip.J.Lindenmuth@irsounsel.treas.gov>
Sent: Wednesday, November 4, 2015 3:30 PM
To: Koch Kimberly L <Kimberly.L.Koch@irsounsel.treas.gov>
Subject: Final Signed with All Pages
Attach: June 30 Notification 11-4-15 final signed.pdf

Here it is. My apologies. I clicked the 2-sided box before scanning the first one, but I guess that was just a suggestion.

From: Lindenmuth Philip J <Philip.J.Lindenmuth@irscounsel.treas.gov>
Sent: Wednesday, November 4, 2015 1:06 PM
To: Koch Kimberly L <Kimberly.L.Koch@irscounsel.treas.gov>
Subject: FW: 1502(c) Memo
Attach: Z2FJB_110415_130549.pdf

Here it is. Up to you whether you rename the file.

Thanks again.

From: philip.j.lindenmuth@irscounsel.treas.gov [mailto:philip.j.lindenmuth@irscounsel.treas.gov]
Sent: Wednesday, November 04, 2015 1:02 PM
To: Lindenmuth Philip J
Subject: 1502(c) Memo

From: Lindenmuth Philip J <Philip.J.Lindenmuth@irsounsel.treas.gov>
Sent: Friday, September 9, 2016 9:15 AM
To: Koch Kimberly L <Kimberly.L.Koch@irsounsel.treas.gov>
Subject: FW: Letters to taxpayers without MEC
Attach: Payment Version 8-16-16.docx; Tax Version 8-16-16.docx; Personalized Max Version 8-14-16.docx; Personalized Min Version 8-14-16.docx; Benefits draft 8-23-16 clean.docx; Dec Deadline Version 8-16-16.docx; Exemption Info Version 8-14-16.docx; Exemption Sample Letter 8-16-16.docx; ACAletterpage2_a1.pdf; Core Letter 8-14-16 clean.docx

Please see the revised deadline for comments. I see that she included Jeff on this email. I don't think the content has changed, but will check to be sure.

From: Janet.McCubbin@treasury.gov [mailto:Janet.McCubbin@treasury.gov]
Sent: Thursday, September 08, 2016 6:24 PM
To: Tavenner Carolyn A; Lindenmuth Philip J; Witt Johnny; Babcock Debra E; Kindell Judith E; Levitis Jason - OTP; Rodrick Jeffrey T
Cc: Jacob.Goldin@treasury.gov
Subject: FW: Letters to taxpayers without MEC

All,

I learned today of some additional steps we need to take to get these letters properly formatted for mailing, once the content is approved. So that we don't jam our friends in IRS Office Taxpayer Correspondence and in Media or get ourselves into any other pickle, it would be very helpful if you could provide any comments on the content by next **Friday, September 16** (rather than by September 23 as I had requested before).

Thanks, Janet

From: McCubbin, Janet
Sent: Thursday, September 01, 2016 6:03 PM
To: Tavenner Carolyn A; Lindenmuth, Philip J.; Witt Johnny (Johnny.Witt@irs.gov); Babcock Debra E (Debra.E.Babcock@irs.gov); Kindell Judith E (Judith.E.Kindell@irs.gov); Levitis, Jason
Cc: Goldin, Jacob (Contractor)
Subject: Letters to taxpayers without MEC

All,

Attached are drafts of the letters that IRS will send to selected taxpayers who paid a penalty for failure to have coverage or who claimed an exemption from the coverage requirement for tax year 2015, in advance of 2017 Marketplace open season. As you know, we are planning to send several different versions of the letter to see which types of messages work best. You have previously seen and approved the "core letter" that will go to a sample of penalty payers. We are now providing for your review the alternative messages to be tested.

Each alternative is shown in track changes, so that you can see exactly how the message differs from the core letter. The first four alternatives change the way that the penalty is discussed. The fifth alternative focuses on the benefits of health insurance. The sixth alternative focuses on the December deadline to get coverage that starts January 1. The seventh provides information about claiming exemptions. All of these letters will go to selected taxpayers that paid a penalty in 2015. The last letter will go to taxpayers who claimed an exemption.

In addition, a third of the letter recipients will get a two-sided letter with a graphic on the back that reminds them of the date to get covered. This is shown in the attached PDF. A third of the recipients will receive a two-sided letter with a Spanish translation on the back. CMS is working on the translation now.

The original core letter is also attached for reference.

These letters have been drafted with input from the White House Behavioral Sciences Team and CMS, and have been approved by CMS. And IRS staff provided a lot of assistance on the PDF.

Please provide comments (if any) back to me by **September 23**. That will allow us to resolve any conflicts and circulate them again to CMS and to you in early October, in time to provide them to the printer by October 18. If you have any questions in the meantime, I am happy to schedule a meeting or you can just give me a ring.

Thanks, Janet
202-622-0589

From: Rodrick Jeffrey T <Jeffrey.T.Rodrick@irsounsel.treas.gov>
Sent: Friday, September 9, 2016 11:44 AM
To: Koch Kimberly L <Kimberly.L.Koch@irsounsel.treas.gov>; Pflanz Shareen S <Shareen.S.Pflanz@irsounsel.treas.gov>
Subject: FW: Letters to taxpayers without MEC
Attach: Payment Version 8-16-16.docx; Tax Version 8-16-16.docx; Personalized Max Version 8-14-16.docx; Personalized Min Version 8-14-16.docx; Benefits draft 8-23-16 clean.docx; Dec Deadline Version 8-16-16.docx; Exemption Info Version 8-14-16.docx; Exemption Sample Letter 8-16-16.docx; ACAletterpage2_a1.pdf; Core Letter 8-14-16 clean.docx

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Thanks, Janet
202-622-0589

From: Janet.McCubbin@treasury.gov
Sent: Thursday, September 29, 2016 11:59 AM
To: Tavenner Carolyn A <Carolyn.A.Tavenner@irs.gov>; Philcox Crystal <Crystal.Philcox@irs.gov>; Keyso Andrew James Jr <Andrew.J.Keyso@irs.gov>; Witt Johnny <Johnny.Witt@irs.gov>; Lindenmuth Philip J <Philip.J.Lindenmuth@irscounsel.treas.gov>; Koch Kimberly L <Kimberly.L.Koch@irscounsel.treas.gov>; Rodrick Jeffrey T <Jeffrey.T.Rodrick@irscounsel.treas.gov>
Cc: Ithai.Lurie@treasury.gov; Levitis Jason - OTP <Jason.Levitis@treasury.gov>; Jacob.Goldin@treasury.gov
Subject: MEC letters
Attach: Core Letter 9-29-16.docx; Personalized Max Version 9-29-16.docx; Exemption Info Version 9-29-16.docx; Exemption Sample Letter 9-29-16.docx; ACAletterpage2_a1.pdf

All,

Per our discussions yesterday, attached please find three penalty sample letters and one exemption sample letter modified per IRS's suggestions.

The first letter includes comment bubbles to explain the changes. The subsequent letters show the same tracked changes. They also include highlighting to show how the letters differ.

The first letter is the "core" letter, or basic version to test with the penalty sample.

The second letter is the same but describes the penalty in a more personalized way. Research shows that more personalized information is more meaningful to readers, and CMS strongly recommended being as specific as possible about the taxpayer's circumstances in each letter. However, IRS was concerned about being too specific, because taxpayer circumstances may change due to corrections to the return or changes over time. Thus, rather than saying exactly what the taxpayer paid in 2015 or providing an exact projection for 2017, we are providing a projection of about what they would pay in 2017 if their income and family size did not change and they have no coverage. The purpose of this letter is to test whether the benefits of providing more personal information outweigh the costs of personalizing the letter (including the computation, the additional print costs, and any confusion that might be caused by projection error). The letter would be sent to a smaller group of recipients than will receive the core letter.

The third letter includes information about exemptions, as well as coverage. The purpose of the letter is to determine whether providing more complete information reduces the number of taxpayers who incur the penalty for 2017, and whether it reduces the number who obtain coverage by steering them to exemptions. The letter would be sent to a smaller group of recipients than will receive the core letter.

The fourth letter includes information about exemptions because it is directed to taxpayers who claimed exemptions for 2015 and did not pay a penalty.

The other five types of letters have been dropped.

We recommend that, as before, the back side of the letter include a Spanish translation in one-third of cases, the graphic (attached for your convenience) in one-third of cases and nothing in one-third of cases, as contracted for.

We recommend that, as before, a portion of the core letters be sent between November 28 and December 5 and all remaining letters January 12 to 19.

I am going to share these with CMS now and let them know that you are also reviewing.

Please review ASAP but no later than COB tomorrow (Friday), so that we can get IRS and CMS agreement and get the letters re-translated and formatted in time to deliver as specified in the printing contract by Oct 18. And of course please share with anyone in IRS that I missed.

Thanks, Janet
202-622-0589