



IRS-APPROVED IRIS TRANSMITTER

ACA SSN MISMATCH COMPLIANCE GUIDE

EMPLOYER GUIDE: 1095-C NAME/SSN MISMATCHES & IRS PUBLICATION 1586 SAFE HARBOR

About 1099FIRE

1099FIRE is an IRS-approved IRIS transmitter with validated TCC credentials. We provide end-to-end information return filing services so your organization can file through IRIS without needing to obtain your own TCC, build XML infrastructure, or manage the submission lifecycle in-house. Visit 1099fire.com to get started.

What This Guide Covers

- Why ACA SSN mismatches occur on Forms 1094-C and 1095-C
- The IRS safe harbor for employers (Publication 1586)
- Three-step good-faith solicitation timeline
- What to do when the notice arrives — and what not to do
- How to file a corrected 1095-C and keep a paper trail
- Why an SSN mismatch is not an immigration issue

Key Takeaway

ACA SSN mismatch notices are common, rarely serious, and almost always resolvable without penalty. If you follow the IRS's three-step solicitation timeline, document your outreach, and correct the filing when you receive better information, the safe harbor in IRS Publication 1586 protects you even when a mismatch is never fully resolved.

Why you are getting this letter in the first place

Under the Affordable Care Act, applicable large employers — generally those with 50 or more full-time employees — are required to report details about the health coverage they offer. That means filing Form 1095-C for each employee, plus the transmittal Form 1094-C, listing names, addresses, and taxpayer identification numbers for employees and any covered dependents.

Those reporting obligations trace back to sections 6055 and 6056 of the tax code, and they exist so the IRS can verify that employers are meeting their coverage obligations and determine who is eligible for premium tax credits on the marketplace. To do either of those things, the names and SSNs on file need to match IRS records.

When they do not match, the IRS's ACA Information Returns system typically marks the filing "accepted with errors" or flags a specific error code identifying the mismatch. That is the notice landing in your inbox.

Important

An SSN mismatch notice is a data-accuracy flag, not a verdict on anyone's immigration status.



IRS-APPROVED IRIS TRANSMITTER

ACA SSN MISMATCH COMPLIANCE GUIDE

EMPLOYER GUIDE: 1095-C NAME/SSN MISMATCHES & IRS
PUBLICATION 1586 SAFE HARBOR

The safe harbor most employers don't know they have

The IRS knows mismatches happen, and it built a specific safe harbor for them. It is laid out in IRS Publication 1586, and it boils down to a simple idea: if you make a documented, good-faith effort to get the correct information from your employee, the IRS will generally treat you as having reasonable cause for the error — even if it is never fully resolved.

That good-faith effort follows a three-step rhythm:

- Ask once, early. Request the employee's SSN when they first enroll in coverage, or shortly after.
- Ask again within the year. If the SSN turns out to be missing or wrong, request it again by December 31 of that same year (or soon after you discover the error).
- Ask one more time, the following year. If it is still unresolved, make one final request by December 31 of the next year.

Follow that cadence, keep a paper trail of when you asked and what response you received, and you have built yourself a real defense against penalties — even if the employee's information is never fully corrected.

What to actually do when the notice arrives

Treat it like the data-cleanup task it is, not a crisis:

- Start with your own records. Pull up the original filing and double-check that the name and SSN were entered correctly and match your payroll system.
- Loop in the employee. Ask them to confirm their legal name and SSN exactly as shown on their Social Security card — nicknames and unreported name changes are common culprits.
- Document everything. Note the date you reached out, how you asked, and whatever response you received. This is what makes the reasonable-cause defense real instead of theoretical.
- Correct the filing if you receive new information. A corrected SSN means filing a corrected Form 1095-C (and Form 1094-C, if required) through the standard IRS correction process.
- Retain the paper trail. If the IRS ever proposes a penalty, your documented outreach is the evidence that resolves it.

The one thing not to do

Do Not Treat an SSN Mismatch as an Immigration Issue

Do not treat an SSN mismatch as proof that something is wrong with an employee's work authorization. It is not, and it does not say that. These notices are a routine byproduct of a reporting system that cross-checks millions of records every year, and the overwhelming majority trace back to something as mundane as a transposed digit or a marriage that was never reported to the Social Security Administration. The right response is a data fix, not an employment decision.



IRS-APPROVED IRIS TRANSMITTER

ACA SSN MISMATCH COMPLIANCE GUIDE

EMPLOYER GUIDE: 1095-C NAME/SSN MISMATCHES & IRS
PUBLICATION 1586 SAFE HARBOR

The takeaway

ACA SSN mismatch notices are common, rarely serious, and almost always resolvable without penalty — as long as you respond the right way. Follow the IRS's solicitation timeline documented in Publication 1586, keep a record of your outreach, and correct the filing once you have better information. That is the whole playbook.

Disclaimer

This document is provided for general informational purposes only and does not constitute legal, tax, or accounting advice. Rules and penalty amounts are subject to change — verify current requirements at [IRS.gov](https://www.irs.gov) and [SSA.gov](https://www.ssa.gov) before relying on this guide for a specific situation. Please consult a qualified tax professional or attorney before taking action.