



CPA's & Business Consultants

Big Rapids | Fremont | Grand Rapids | Hart
Holland | Mount Pleasant | Muskegon | Rockford

Getting Down To RETIREMENT Business When You're Self-Employed

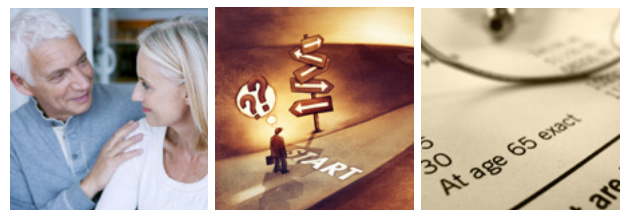
Randy Filbrandt, CPA - randyf@hscompanies.com
H&S Companies

If you're a consultant, freelancer or an independent contractor, you're one of the growing numbers of Americans without an employer-sponsored retirement savings plan. As a solo entity, you're left without the luxury of the "employer match" which many use for their retirement nest egg. The full retirement age for Social Security eligibility has been pushed out, making it more important for self-employed individuals to put retirement strategies in place. *Here are 3 tips...*

Max Out Your Retirement Savings -

Have you established an SEP IRA or Solo 401(k)? You can contribute the maximum to either plan to accelerate your retirement savings. Don't stop there - consider a Roth IRA as a vehicle for accruing supplemental retirement savings.

With the Roth, your contributions are not tax deductible the year in which you make them. Later, your withdrawals in retirement will be tax-free if you've met all the qualifications. You can withdraw direct contributions from the Roth at any time, so don't worry about not being able to access the money for emergencies.



Budget For Healthcare Costs -

Unfortunately, nearly all of us will need costly medical care during retirement. Evaluate income streams such as annuity or interest income that may help defray medical expenses. If you're within five years of leaving the workforce, start anticipating what your healthcare needs may be and how you'll pay for them.

Regardless of work status, you must sign up for Medicare by age 65 to avoid delaying coverage and paying higher premiums. Of course, try to maintain your health, but don't ignore the likelihood that you'll eventually need costly medical care.

Keep Working If You're Able -

The amount of your monthly Social Security check is determined by how much you earned annually over your working life and your retirement date. Delaying your retirement will result in a bigger monthly check. *If you're in good health and enjoy working, keep at it!*

As more employers retreat from providing extensive retiree benefits, we all need to be mindful of how we'll manage retirement expenses. You're the boss of your future; make your retirement finances a priority by working with a financial professional who can help you establish a solid retirement plan.

Technology For Business Scheduling Problems

Jake Sieting
jakes@hscompanies.com
H&S Computers

With the advances in calendaring on the Internet, the proliferation of small and highly accurate touch screen tablets, and the wide-spread adoption of Outlook in the business world, there has been a recent push to use touch screen tablets to better manage Room Resources in the corporate environment. These displays are mounted outside meeting rooms, in reception areas, and on mobile devices, giving you an elegant, contemporary, and professional solution to your scheduling challenges.

How many times have several groups decided that they needed your only conference room all at the same time? They could have walked by earlier and checked the schedule to see who had it reserved by simply viewing the tablet mounted on the

wall. It's really that simple!! If you have an in-house mail server and you run Outlook 2010 or higher, you could take advantage of some of these new products.

Optimize the use of your meeting facilities. A greater transparency and flexibility exists around booking meeting facilities and the waste of resources is also minimized. You will be able to reconfigure office space and re-purpose unused conference rooms.

Branding the layout for messages and elements that support your company image and products.

These products can incorporate corporate logos or product images to better enhance your office environment and help align yourself with your mission.

Solve the practical booking issues (i.e. book a room directly on the screen and see when the next meeting begins)

At a glance, staff can view the conference room schedule directly on the device and add an ad-hoc meeting if needed and will even know when the next meeting begins. They can also view the schedule and book a meeting from their own computer or tablet.

Hardware independence - can be used on iPads, Windows and Android-based tablets, and any other device that runs a web browser.

Many of these products are independent of hardware and can run on any iPad or Windows/Android device.

These products usually come with a central administration and monitoring system, which allows you to administer the solution from a central point using a web browser. Configuration, design, and choice of different features are all handled in the module and you can manage all touch screens in your company from one spot.

The Affordable Care Act HealthCareNews



Mike Farmer, CPA
mikef@hscompanies.com
H&S Companies

Over the last four months there has been a flurry of activity surrounding the Affordable Care Act. Some of the following you may have heard about more times than you ever wanted to, but I thought it might be a good time to recap what has happened and what is scheduled to happen:

- In October the health care website launches to a dismal failure, but by January it was revamped and starting to work. As of the middle of March over 4 million people have enrolled. If you received a subsidy for your insurance, there will be a reconciliation on your 2014 tax return between the subsidy you received and what you should have received based on your actual income. If you under estimated your income and received a larger subsidy than you were entitled, you will have to pay a portion back.

- The employer mandate for large employers to offer health insurance starts January 1, 2015. If you have more than 100 full-time equivalent employees, now is the time to set up the criteria for the look back, administrative and stability periods. Mid-sized employers with 50-99 employees have until January 1, 2016 to offer health insurance.

- Many employers qualified for the small employer health care credit in 2012 & 2013. A new requirement for 2014 is that you have to buy your insurance through the SHOP marketplace in order to get the credit. Work with your insurance agent to ensure your policy qualifies.

- This just in! If your insurance policy was cancelled due to the Affordable Care Act you will not be penalized for not having insurance until 2016. You can also opt out of the requirement to buy health insurance if you experience a hardship in obtaining health insurance.

- The cap on flexible spending accounts was reduced to \$2,500 per year starting in 2013. New for 2013 is that \$500 of the \$2,500 can be carried over to the next year, but the plan will have to be amended.

- Non-discriminatory plans have been in the Act from the beginning. The IRS has yet to issue the guidelines and is not giving a timeline for when they will. Essentially, it is saying that you cannot offer better insurance and benefits to the highly compensated employees. The fine is \$100 per day per discriminated employee. So if you have a plan set up this way, you should look at changing it.

This is only a partial list of rules and changes that recently came into effect. There will be many more changes as the Act is modified to work in the real world. Read future newsletters for developments.

OBAMA - CAMP

Dan Slate, CPA
dans@hscompanies.com
H&S Companies

No, this is not a camp for minority kids, raised by single moms to learn to become President.

Both President Obama and House Ways & Means Chairman, Dave Camp have tossed out tax reform proposals. Neither proposal has a snowball's chance in - - - of passing as written, and that likely was not their author's objective. Rather they are initial volleys likely being used for both political gain and to start the conversation that may very well carry on into 2015.

Below are our thoughts/opinions on important issues pertaining to each proposal...

Corporate Tax Rule

Obama: What is noticeably not in the President's plan is a lower tax rate, however, in his fiscal 15 budget he previously proposed a corporate rate reducing from 35% to 28% (25% for manufacturers).

Camp: Rep. Camp proposes cutting the top rate for all to 25%.

H&S: It is the author's opinion that one of the best and easiest ways to promote economic growth would be to lower the rates for all corporate retained profits.

Paying for Lower Rates?

Camp: We applaud Rep. Camp for targeting the tax dodging maneuvers employed by multi-national companies utilizing such techniques as transfer pricing. He plans to tax income of multi-nationals that are held/earned by foreign subsidiaries. He would also clean up depreciation deductions and tax 70% of S Corporation earnings for SECA tax. *(We don't like the sound of this)*

Obama: President Obama also looks toward the International Tax Code to raise revenue by closing a myriad of loopholes. He also eyes the fossil fuel industry by eliminating many of the special tax provisions they have lobbied into the Internal Revenue Code.

Depreciation Expensing Election (Code Sec. 179)

Obama & Camp: Each author would like to make this a permanent part of the tax code with Obama offering \$500,000/year and Camp \$250,000/year.

H&S: Let the bidding begin!

Education

Obama: The President would make permanent the American Opportunity Tax Credit which otherwise expires on 12/31/17.

Camp: The Chairman would plan to consolidate education tax benefits according to recommendations from a bipartisan working group.

H&S: The best investment we can make as a Nation would seem to be in educating our youth, and higher education is becoming increasingly unaffordable for many.

H&S: It is this author's opinion that a thoughtful bipartisan discussion should ensue as to designing a tax system that encourages investment for the future to include tangible and intangible resources of our nation.

Simplicity and efficiency should be goals, but we should not sacrifice fairness. Americans, for the most part, understand "paying their fair share," but do not care for provisions that provide special rules to some for no apparent public good.