

# Accu-Facts

What I learned at the seminar ....

+ 4 email attachments

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## Update to Privacy Policy

Back in 2000, the accounting profession was classified along with banks, credit card companies and other financial institutions with regard to notifying clients about the policies in place to safeguard your privacy.

I feel at this time that I need to update you on changes that I've made to these policies since 2000.

The most important is that we have improved our internet capabilities and no longer use a dial up service. The improvements in technology and system requirements has allowed me to make this change with greater confidence.

Per IRS requirements I have to list our policy so I'll restate it here:

1) As indicated in our Employee Handbook, discussing our client's private information with unauthorized third parties is grounds for immediate dismissal.

2) No information will be released without proper identification. If I don't recognize your voice, I'll ask for your Social Security Number before we fax or email you a copy of your information.

Further, your written authorization on our IRS approved request form will be required before any information will be released to a third party.

3) My computer remains the only one on which a permanent file remains active. We keep records on a physical backup located off-site at my home.

4) Online communication with IRS has been upgraded to a wireless network. The Verizon people assure me sufficient encryption has been done that the access can not be stolen.

5) All original materials we use to prepare the returns will be returned to you upon completion.

6) Draft copies or incorrect copies are shredded before they are discarded.

7) Our offices are locked when unattended. Access to keys is limited. I believe that I have taken prudent steps to safeguard your private information which is only good business practices, however, this must be balanced with practicality.

P.S. the DNA scanners are still on back order!

## Strategies to Minimize Med Surtax

I've been harping on this new Medicare Surtax for high wage earners but don't forget the same surtax will be levied on Investment Accounts too.

Speak to your Financial Advisor: Can we convert the investment account to a Roth IRA? Roth's are not subject to the surtax.

Consider a Like Kind Exchange for an asset rather than a straight sale.

Sell your asset on the Installment Method and pay taxes on only that money actually rec'd during the year.

Also look at your Trust documents. Be sure to review the documents to allow distributions of income. If the income is trapped at the fiduciary level it will cost you taxes.

## EmployERs Deadline Approaches 10/1

Let me say that at this point in time - NONE of my employER clients have enough employEEs that requires them to be subjected to the Affordable Care Act and Fair Labor Standards Act.

That being said: I'm going to suggest that you make the following part of your hire process as a matter of course even though the ER requirements have been postponed a year - - - .

You will remember that come 2014 if a person isn't covered by health insurance at work, then they must provide their own or suffer a penalty on their tax return. You will also remember hearing that "exchanges" will be set up to help people select an insurance plan and also see if that person is entitled to cost rebates or credits. Well, ERs are supposed to give out instructions to their EEs as to how to find these "exchanges". Even if you are not required to do so, I'd make it part of the Employee Handbook and make sure the new hire gets the information. Since you are going to the trouble of providing this instruction I would include a receipt of sorts that would remain in their personnel file to prove that such information was indeed disseminated to the EE.

The Dept. of Labor has supplied examples which I attach here. One for an ER that DOES have insurance and one for ERs that do NOT have insurance through work.

ALL EEs are supposed to get this form if your company is required to give them out, full, PT casual etc.. The new rule is give all staff a copy by October 1st and then any new hires from now on.

To recap new hire paperwork to be kept in their file: W4, I9, DOR-New Hire, (fax & keep) and now Hlth Ins Marketplace Coverage Instructions, (give instructions and keep the signed receipt)