



Online Advisor – July 2015

Major Tax Deadlines For July 2015

* July 31 - Due date for filing retirement or employee benefit plan returns (5500 series) for plans on a calendar year.

Note: Businesses are required to make federal tax deposits on dates determined by various factors that differ from business to business.

Payroll tax deposits: Employers generally must deposit Form 941 payroll taxes (income tax withheld from employees' pay and both the employer's and employees' share of social security taxes) on either a monthly or semiweekly deposit schedule. There are exceptions if you owe \$100,000 or more on any day during a deposit period, if you owe \$2,500 or less for the calendar quarter, or if your estimated annual liability is \$1,000 or less.

* Monthly depositors are required to deposit payroll taxes accumulated within a calendar month by the fifteenth of the following month.

* Semiweekly depositors generally must deposit payroll taxes on Wednesdays or Fridays, depending on when wages are paid.

For more information on tax deadlines that apply to you or your business, contact our office.

What's New in Taxes

Form 5500 relief program made permanent

The IRS announced permanent procedures to replace an earlier pilot program that offered penalty relief to certain retirement plans. If you have forgotten to file Forms 5500 for a one-participant plan or a foreign plan, you may be able to avoid late-filing penalties.



One-participant plans cover you, as the business owner, and your spouse, or one or more partners and their spouses.

The rules for the permanent procedures are similar to the pilot program, though some differences exist, such as an administrative filing fee. Call us for details about how to comply with the new guidelines.

Tax Checklist: After the wedding

Don't wait too long after the wedding to spend a little time on tax matters. Here's a checklist of things to consider.

* If you've taken your spouse's last name or hyphenated your last name, you need to notify the Social Security Administration. The agency will link your new name to your social security number and issue a new social security card.

* Update your will and other estate planning documents. Don't forget to review the beneficiaries on your IRAs, 401(k) plan, and life insurance policies. You'll want to make sure your documents are updated and taxes are minimized in the event of your disability or death.

* If you move to a new home, send a change of address to the IRS, the financial institutions where you have accounts, and current-year employers. Then your W-2s and IRS notices will find their way to you.

* Your marital status for tax filing is determined by your status on the last day of the year. Determine if there is a marriage penalty. See whether you need to change your income tax withholding. File a new Form W-4 with your employer's payroll department to notify them of your name change and any withholding change.

Supreme Court rules on subsidies

On June 25 the Supreme Court issued its ruling in the King v. Burwell case, holding that federal subsidies for health insurance could be provided whether the insurance was purchased through a state exchange or a federal exchange.

Challengers to the ACA subsidies maintained that the law's language allowed for subsidies only when insurance was purchased through a state exchange and not through a federal exchange.



34 states had not set up an exchange, relying instead on the federal exchange.

Subsidies offset the cost of health insurance for low and moderate income people who aren't covered by an employer's plan, Medicaid, or Medicare.

New Business

Safeguard customer information

After the recent breach of an IRS application that exposed the personal information of taxpayers to hackers, you may be wondering how to secure the data your business collects from customers.

You're probably already changing passwords and using security software such as encryption, virus protection, and anti-malware and spyware programs on your computers. Additional steps include running scans to determine vulnerable operating system services and network connections.

What else can you do? Here are three tips

- * Determine what personal information you gather from customers and where and how you store that information. Then decide what information you actually need to ask for when interacting with customers. Streamlining the amount of data requested allows you to optimize risk management practices.
- * Implement off-line security techniques, such as locking file cabinets that contain paper documents with personal information and limiting who has access to those records. Secure physical devices too, including laptop computers, digital copy machines, and smart phones.
- * Examine how you dispose of sensitive information and establish a policy for shredding paper and digital files. Remember that information you obtain from or about health issues or children may require extra security measures to comply with privacy regulations.

Give us a call if we can assist you with this or other business issues.

Put the customer at the center of your website



On a fundamental level, every business succeeds or fails based on its ability to anticipate and satisfy the needs of its customers. Unfortunately, many companies stray from this maxim, and nowhere is this failing more apparent than in the proliferation of business-centered websites. Surf the Internet and you're sure to find business websites that flagrantly annoy the folks who pay the bills - customers and clients - all the while touting a company's industry awards, management staff, and plans for market domination.

A customer-centered website, on the other hand, engages visitors. It provides real solutions. It establishes rapport, holding the attention of potential clients by focusing text and graphics on their needs and wants. To ensure your website is geared toward customers, ask the following six questions:

- * Will customers benefit from visiting this website? It's great that you've won awards and sales are climbing, but how does that information help potential customers? Tie those awards to product quality. Link sales data to testimonials of satisfied purchasers. Present clear and concise product descriptions, photos and videos, and biographies of key personnel to encourage trust in your company and its products.
- * Is the site easy to navigate? The website should be clearly organized. If visitors become frustrated trying to journey from one page to another, they'll leave. Pages should be laid out with plainly named categories and every page should contain links to every other page.
- * Does it look professional? Nothing presents a bad impression more quickly than spelling and grammar mistakes. Did you use "their" when you really meant "they're"? Are your sentences awkwardly worded or confusing? If so, ask other writers to proofread your text before it's published on the Internet.
- * Can your products be purchased easily? Does it take a graduate degree in computer science and the patience of Job to download a file from your website? Or can customers, with a few clicks, order your products or get more information?
- * Do you provide online support? Be sure to offer clearly written answers to common questions (FAQs) and an email address or phone number for contacting your customer service team.
- * Can they give feedback? Don't avoid customer opinions - relish them. Give visitors a way to discuss your website and the products and services you're providing. Respond quickly and courteously and take their suggestions to heart.

Remember, customers are the engine of your business. Treat them well.



What's New in Finances

Check your credit score

If you haven't checked your credit report lately, this may be the time. Wrong or old information on your report can affect your credit score - and not in a good way.

Your credit score helps lenders determine your credit-worthiness and can impact the interest rate you pay on loans or even whether you can obtain a loan at all. The score reflects the information on your credit record.

Under a recent agreement, credit reporting agencies are required to make changes to policies for handling errors, disputes, and unpaid medical bills. The changes will take effect over the next three years.

You're entitled to receive a free credit report every twelve months from the major reporting agencies. Request a copy now so you can begin the process of clearing up discrepancies and perhaps improving your credit score.

How credit scores work

If you're applying for a car loan, a home mortgage, or a credit card to finance your next vacation, banks and other institutions will likely base their lending decision, at least in part, on your credit score. The higher the score (other things being equal), the more money lenders will offer and the lower the interest rate they'll charge.

Credit scores are a relatively new invention. As credit cards became popular in the 1960s, card issuers needed a way to determine whether an applicant was likely to pay his or her bill on time. Although lenders used various means to assess that risk, their methods tended to be inconsistent and sometimes inaccurate. Around the same time, Congress started cracking down on discriminatory lending practices by passing several pieces of legislation that reined in lenders and collection agents.

All this didn't go unnoticed by a firm called Fair Isaac and Company. They developed a risk scoring model in the 1980s, a score that was widely adopted by credit issuers and banks throughout the United States. The FICO score was born. That score, which ranges from 300 to 800, is based on five factors that are considered good predictors of risk.



- * Payment history (35%). This factor is given the greatest weight. Lenders want to know how many bills you've paid late and how many were sent to collection. The more recent the problems, the greater the negative impact on your score.
- * Outstanding debt (30%). Rule of thumb: Keep your credit card balances at 25% or less of their limits.
- * Length of time you've had credit (15%). In general, a longer credit history will generate a higher overall score.
- * New credit (10%). Opening several new accounts tends to impact your score negatively in the short term.
- * Types of credit (10%). Having experience with several types of credit - revolving credit, installment loans, mortgages - can push your score upward.

The FICO score isn't the only score used by lenders, nor is it the only factor they consider. In fact, some lenders may use a different scoring model altogether. Nevertheless, by keeping a watchful eye on the above five factors, you can certainly increase your odds of obtaining credit at reasonable interest rates. What's the best way to monitor your credit? Examine your credit report regularly and quickly resolve any inaccuracies.

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