

Mierendorf Monitor

West Michigan Tax News and Tips for May 2012

©2011 Mierendorf & Co. • 4639 West River Drive • Comstock Park, Michigan 49321 • (616) 784-4445 • cpas@miercpa.com

Special Interest Articles:

- Choosing a CPA for my Small Business Needs.....1
- News & Tips.....1
- Retirement Planning for Small Business Owners.....2
- What if I can't pay my Taxes on Time?.....3
- Inpayroll, LLC.....3
- Join our Social Networks.....3



Why should I choose a Certified Professional Accountant for my small business needs?

As a small business owner, you may have wondered what the differences between CPA's and accountants are. Most people think they are the same thing, but nothing could be farther from the truth! So, you may now wonder what sets CPAs apart from other financial professionals. There are significant differences. Certified Public Accountants typically begin their careers with years of college and graduate education. To become licensed, they must take the

demanding Uniform CPA Examination, which tests their knowledge on an array of business subjects over a total period of 14 hours. In addition, they have to meet an experience requirement and then be licensed by a State Board of Accountancy to practice.

Those are not the only differences. Once a person becomes a CPA, he or she also must meet continuing education requirements to update their knowledge of new business developments as well as commit to a strict

code of ethical standards. This is extremely beneficial for entrepreneurs in protecting their business assets. Equipped with this precise training, experience, and financial education, the Certified Public Accountants of Mierendorf & Co PC are working year round, ready to help small business owners and individuals address their own financial goals.

Contact us today and put us to work helping your small business grow.

Mierendorf News & Tips

Health Coverage for Older Children

Health coverage for an employee's children under 27 years of age is now generally tax-free to the employee. This expanded health care tax benefit applies to various work place and retiree health plans. These changes immediately allow employers with cafeteria plans — plans that allow employees to choose from a menu of tax-free benefit options and cash or taxable benefits — to permit employees to begin

making pre-tax contributions to pay for this expanded benefit.

Information Reporting on Health Insurance Coverage

On April 26, 2012, the Department of the Treasury and IRS issued Notices 2012-32 and 2012-33, which invite comments to help inform the development of guidance on annual information reporting related to health insurance coverage.

The information reporting is to be provided by health insurance issuers, certain employers that sponsor self-insured plans, government agencies and certain other parties that provide health insurance coverage. The notices provide instructions on how to submit comments.

Comments may be submitted in writing on or before June 11, 2012.

Be Heard!

Contact us for more info.



Retirement Planning for Small Business Owners

If you are an entrepreneur who is worried that you will not have a big enough “nest egg” to get through your golden years, you are not alone. Unfortunately, most small business owners do not think of the necessary steps to secure their financial future. Often, poor planning and unforeseen circumstances can diminish a business owner’s plan for retirement.

“Veteran business owners often recommend a 1-2 year cash reserve in case of a long recession.”

There are reasons that this happens. First, the capital it takes to start a business is usually a high sum and there is simply nothing left to put into savings. The startup costs can accrue quickly and it is easy to underestimate the amount of money needed to realize the American dream of business owning. A sound business plan with an amount set aside for “incidentals” can help limit this mistake.

Second, a down economy can hit small business owners hard. Recent recessions have business owners actually dipping into their savings to stay afloat. In these tough economic times it is advisable to have a cash reserve on hand to get you through. This requires saving a cash reserve when economic times are going well. Veteran business owners often recommend a 1-2 year cash reserve in case of a long recession. At the very least a 3-6 month money reserve is vital. Again, planning ahead is essential for business owners.

Third, poor planning right out of the gate is detrimental. Often, new business owners do not even think about retirement planning when starting their establishment. The mindset is “I’ll start saving for retirement when the money starts rolling in”. This is a huge mistake. Your startup business plan should include retirement, succession, and other exit strategies. This takes much work on the business owner’s end including prioritizing, pre-planning, and reaching out for sound financial advice. It is crucial for business owners to meet with a financial consultant such as a Certified Public Accountant. They have the skill and knowledge to guide you towards your goal of retiring on your time.

These are just some of the things to know when retirement planning for a small business owner. It is never too late to plan your retirement and there is no one-size-fits-all plan. Contact the Certified Public Accountants of Mierendorf & Co to discuss your retirement options. The worst thing you can do is put it off any longer. Call today and let’s get started. 616-784-4445



Mierendorf & Co PC

4639 West River Dr.
Comstock Park, MI 49321

PHONE:
(616) 784-4445

FAX:
(616) 784-4245

E-MAIL:
cpas@miercpa.com



Visit us on the Web!
www.miercpas.com

**We would be honored
to be a part of your
Social Network**

**What if I can't pay My Taxes on Time? 5 Tips**

If you owe tax with your federal tax return, but can't afford to pay it all when you file, the IRS wants you to know your options and help you keep interest and penalties to a minimum.

Here are five tips:

1. File your return on time and pay as much as you can with the return. These steps will eliminate the late filing penalty, reduce the late payment penalty and cut down on interest charges. For electronic and credit card options for paying see www.irs.gov. You may also mail a check payable to the United States Treasury.
2. Consider obtaining a loan or paying by credit card. The interest rate and fees charged by a bank or credit card company may be lower than interest and penalties imposed by the Internal Revenue Code.
3. Request an installment payment agreement. You do not need to wait for IRS to send you a bill before requesting a payment agreement. Options for requesting an agreement include:
 - Using the Online Payment Agreement application at www.irs.gov, and
 - Completing and submitting IRS Form 9465-FS, Installment Agreement Request, with your return.
 IRS charges a user fee to set up your payment agreement. See www.irs.gov or the installment agreement request form for fee amounts.
4. Request an extension of time to pay. Qualifying individuals may request an extension of time to pay and possibly have the late payment penalty waived.
5. If you receive a bill from the IRS, please contact us immediately to discuss these and other payment options. Ignoring the bill will only compound your problem and could lead to IRS collection action.

If you can't pay in full and on time, the key to minimizing your penalty and interest charges is to pay as much as possible by the tax deadline and the balance as soon as you can. If you find yourself in this situation call us today at 616-784-4445. We are here to help.

INPAYROLL, LLC is hitting its stride!

We are excited to have officially launched Inpayroll, LLC on January 1, 2012. As an experienced payroll provider, our commitment has always been to offer our clients the high-quality services they need to manage their payrolls. With our professional and relational payroll service, you will receive all the capabilities and services provided by the national payroll companies, but with the added benefit of prompt, personal service whenever you need it. Call us today and let us take the burden of payroll off your shoulders! 616-784-4445