



Leading with tax planning: Simple strategies to tremendous ROI

Jackie Meyer, CPA, CTS



How to open the Poll in the QuickBooks Connect Mobile App

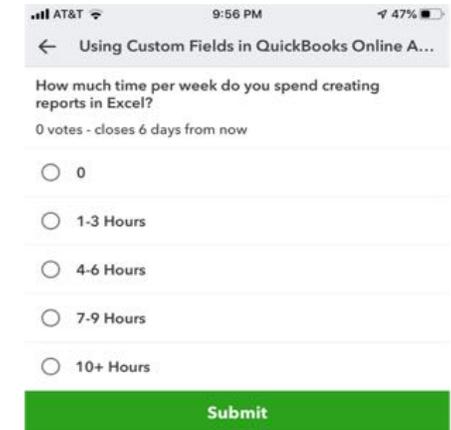
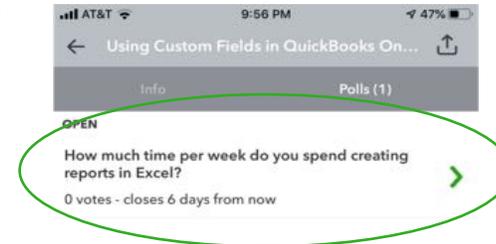
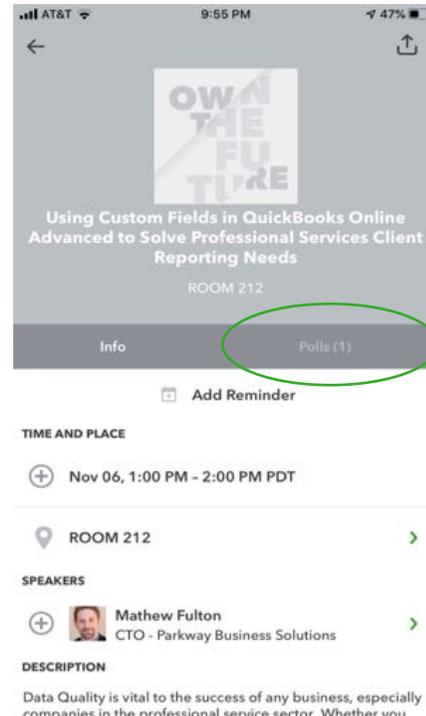
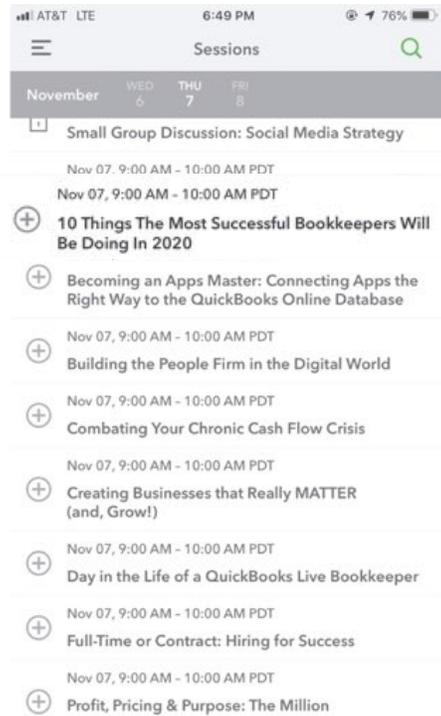
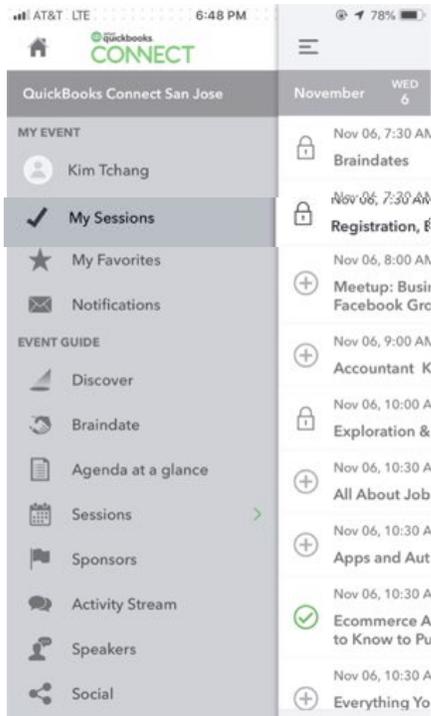
1. Select **Sessions**

2. Select **Session Title**

3. Select **Poll**

4. Select **Question**

5. Select **Your Response & Click Submit**



Audience Poll

What are you most looking forward to learning in this session?

- Technical Tax Strategies
- How to present value pricing to all clients
- How to sell a particular client
- How to actually implement the steps once sold

**Who loves tax strategies?
Who gets paid your value for them?**



CPE Process

In order to receive CPE credit

- This session is eligible for **1 hour of CPE**
- Be sure to sign in or scan your badge for this session
- You must stay in the session for the duration of the training
- CPE certificates are emailed directly to you within 4 weeks of the conference date to the same email address you used to register

Today's speaker



Jackie Meyer, CPA, CTS

Certified Tax Strategist, CPA Practice Advisor
40under40, and AICTC Member of the Year 2019

President, Founder of Meyer Tax, The Concierge CPA

www.jackiemeyercpa.com

@jackiemeyercpa

Agenda

Defining success

3 tax strategies - packaged

Application:

- Defining the ideal client
- Engage the clients
- Measure & communicate tax savings to clients

Additional resources



Disclaimer

This class is educational and should never be construed as tax advice, even when we use examples for illustration.

You are the practitioner and responsible for interpreting the tax laws and preparing returns for your clients.

What is your definition of success?

Sales Price (ie Gross sales x %)

Net Profit Margin

- The average in a small firm per the AICPA is 32%
- The ideal net profit margin is 50%

Hours Worked In a Year

Life Balance wheel

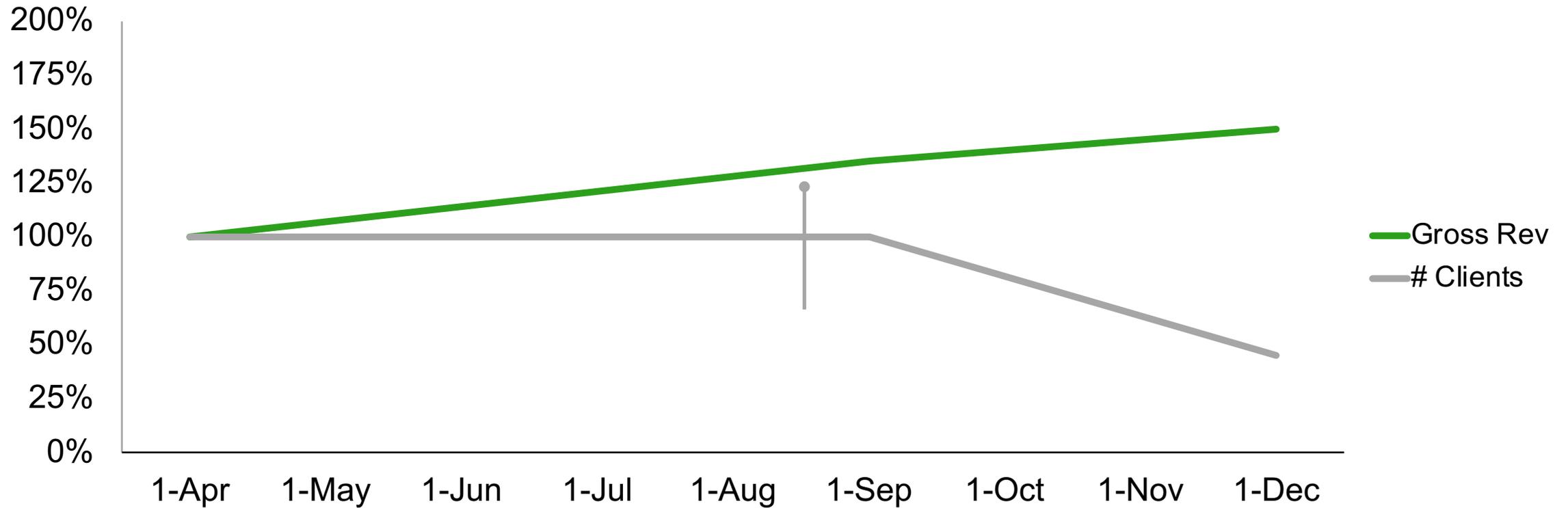
- Emotional, physical, social, spiritual, and financial health

Defining success



$$\text{SUCCESS} = \frac{[(\text{PURPOSE} \times \text{PASSION}) - \text{FAILURE} + \sqrt{\text{GRACE} \times \text{GRIT} \times \text{INNOVATION}} - (\text{NEGATIVITY} + \text{COMPARISON})^2]}{+ \text{COMMUNITY}^3 \times \text{INSPIRATION}}$$

My definition of success



Passion + Purpose = Success

3 Micro strategies to adopt & go



Employer benefit tax optimization package

Turning everyday expenses into tax savings

**A) Corp Unreimbursed
Employee Expenses***

Accountable Plan

**B) OOP Medical
Reimbursement***

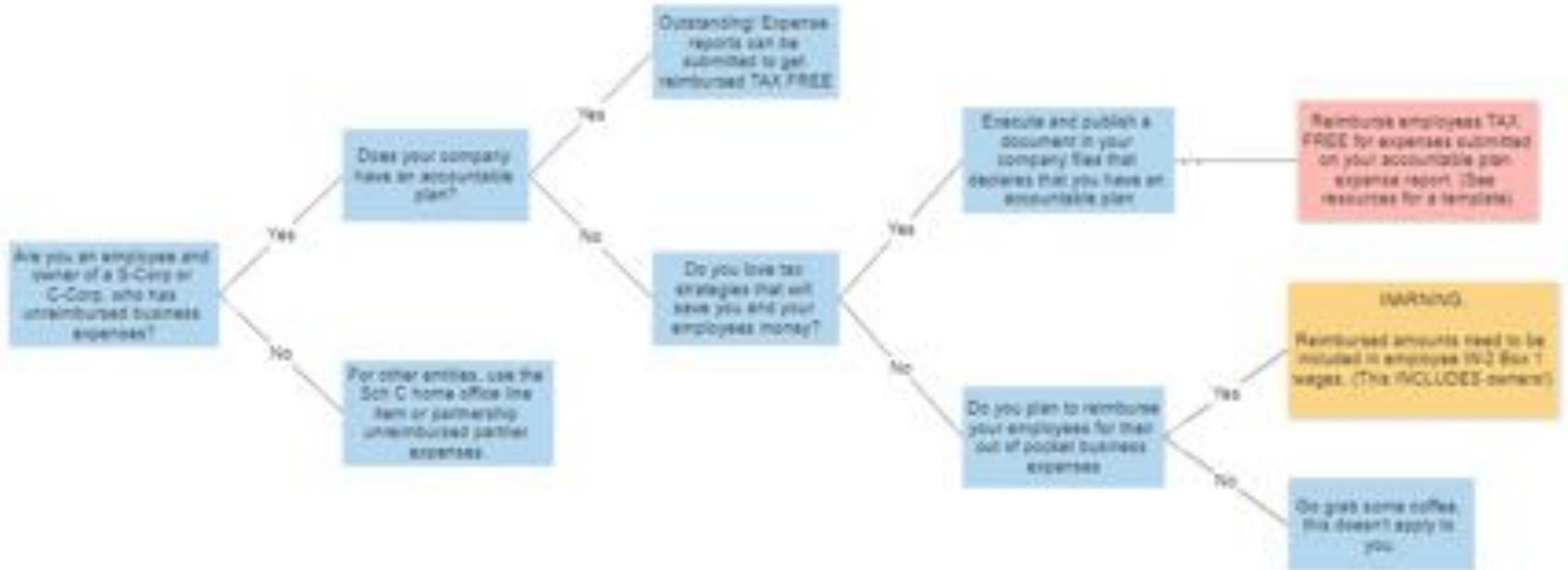
MERP/HRA

C) Hiring Family

Exemption for Kids

*Must cover ALL employees of company

Strategy A: Accountable plan



Disclaimer: I'm a tax professional and evaluate and use my own judgement in implementing your strategies and compliance

Move 1040 unreimbursed expenses to 100% deductible by business

Accountable plan

Steps for setup & compliance

- There is no IRS form used to adopt an accountable plan, and you are NOT required to have an accountable plan in writing.
- Watson CPA Group has the best excel template & instructions
- Perform quarterly journal entry against distributions, or reimbursement
- Annual home office reimbursement APPEARS to be OK

Move non-deductible 2% misc ded to be deductible by business, and tax free to employees

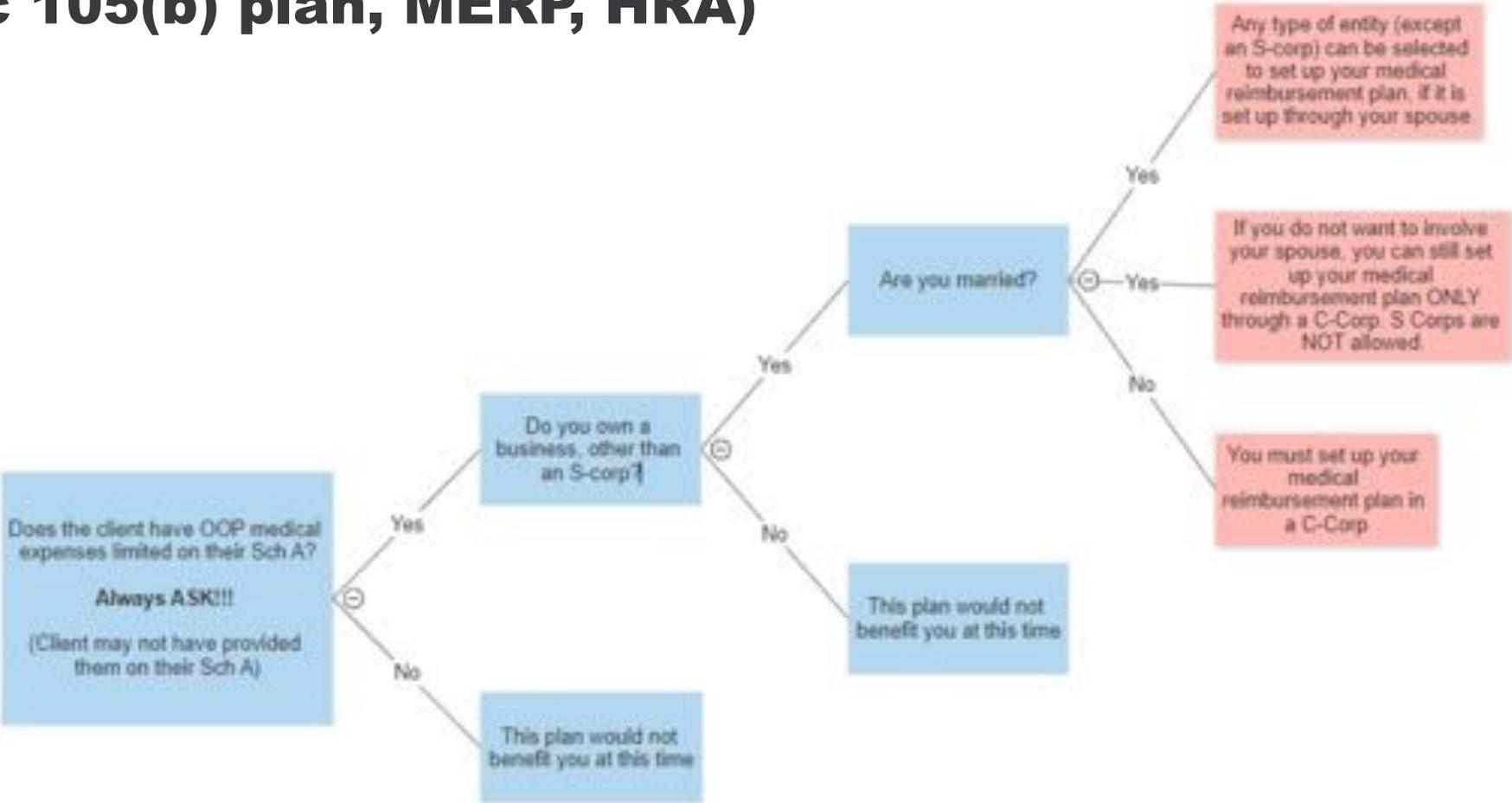
Accountable plan template

<i>Occupancy Expense (Home Office)</i>					
Office Square Footage	0				
Total Home Square Footage	0				
Biz Use %	0.0%				
Annual Home Expense	Annual	Sched A Reduction			
Mortgage Interest Only (see 1098)	0	0			
Rent	0	NA			
Property Taxes	0	0			
Other	0	0			
Non-Recurring Expense	Q1	Q2	Q3	Q4/EOY	Total
Repairs, Maintenance	0	0	0	0	0
Cleaning	0	0	0	0	0
<i>Cell Phone</i>					
<i>Internet</i>					
<i>Mileage</i>					
<i>Out of Pocket (Paid by Employee)</i>					
	Q1	Q2	Q3	Q4/EOY	Total

<https://wcginc.com/business-services/accountable-plan/>

Strategy B: Medical reimbursement plan

(Sec 105(b) plan, MERP, HRA)



Disclaimer: I'm a tax professional and evaluate and use my own judgement in implementing your strategies and compliance

Move OOP medical from Sch A limitation to 100% deductible by business

Medical reimbursement plan

- 1) Receive an estimate of the total premiums/OOP reimbursement for the year for the owner, and any other employees. Analyze for annual tax benefit.
- 2) Submit Online App to CoreDocs, making sure appropriate type of MERP is selected (and whether for current or prior yr) with \$150 fee
- 3) Send CoreDocs final plan document to client via RightSignature for signature/adoption
- 4) Set up excel HRA tracking sheet for client with instructions for use
- 5) Company reimburses employee within 90 days of year end, or Company pays expenses directly

The vendor we use for MERPs can be found at this link

https://www.flexaffiliates.com/plan/meyertax/index.php?page=105_1.php&active=4

Strategy C: Hiring kids

Admin duties/Social media:

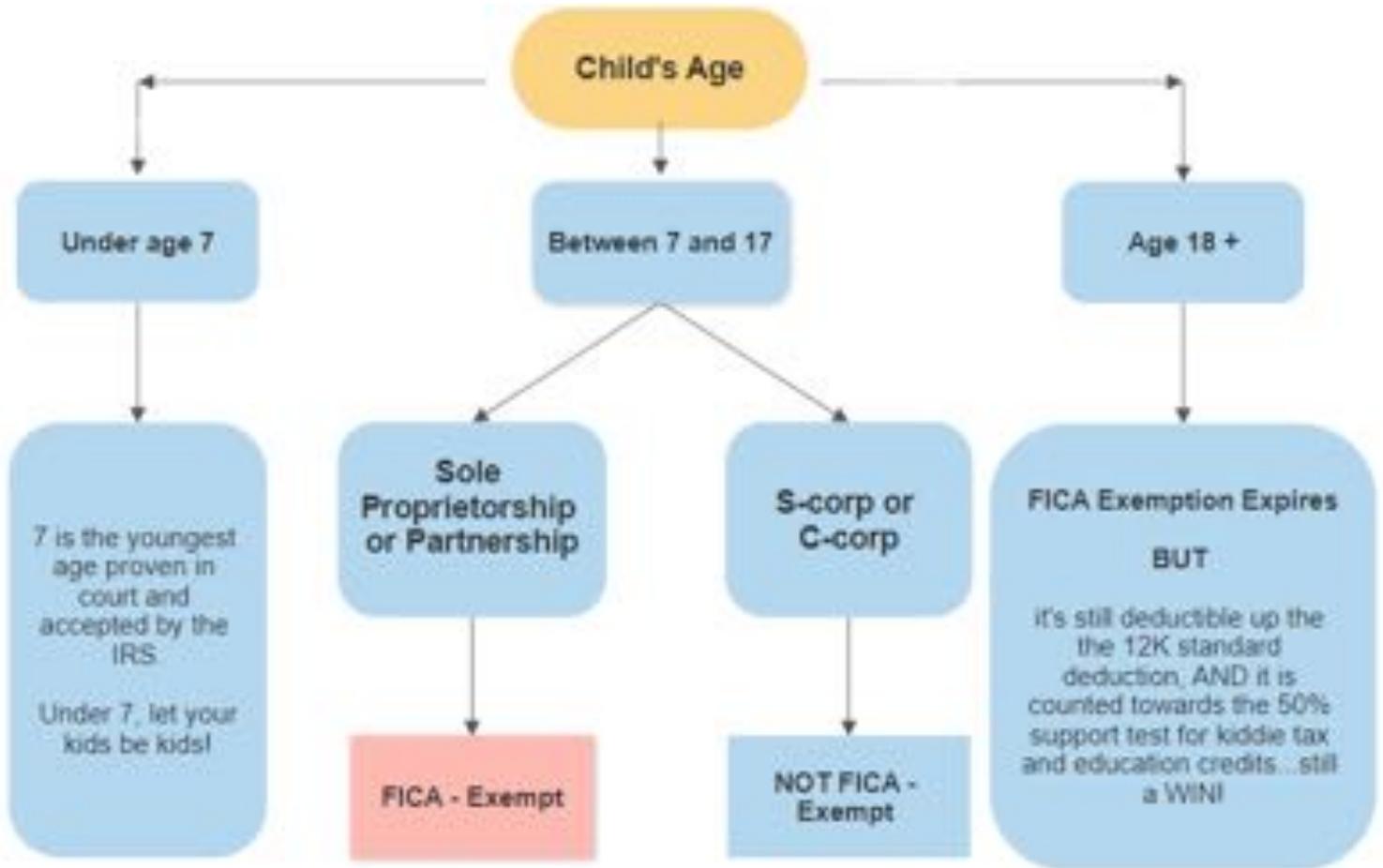
Pay them up to the standard deduction of \$12,000 free of FIT withholding.

FICA Exemption-IF parents are only owner of Sch C/1065.

FUTA Exemption applies to all children under 21

Contribute wages into a Roth (limit \$6,000)

Check state rules for SUTA



Hiring kids

Compliance steps

- 1) Make a written employment agreement
- 2) Obtain a Federal Employment Identification Number
- 3) Obtain a State Employer Identification Number, IF required in your state
- 4) Each child needs to file a Form W-4
- 5) At the end of the year, file forms W-2 and W-3 for your children/employees
- 6) File annual federal unemployment return on Form 940, for age 22+

Guidelines

- 1) The work must actually be done AND related to your business
- 2) Child must be capable of doing the work,
- 3) The amount paid must be reasonable
- 4) The amount must be distinguishable from an allowance
- 5) Keep written records/calendar of payments made and duties performed

Move after tax expenses for kiddos to 100% deductible by business, tax free to kid, & ROTH savings

Employer benefit tax optimization package

Per year savings

A) Accountable Plan

\$12,500 home office,
cell phone, mileage,
etc

X 32% marginal rate

= \$4,000 Tax Savings

B) MERP

\$15,625 expenses

X 32% marginal rate

= \$5,000 Tax Savings

C) Hiring Family

\$12,000 x 2 kids

X 32% marginal rate

= Approx \$6-7K

Audience Poll

How many clients can you apply these strategies to?

- 50+
- 25-50
- 10-25
- 1-10

Application



Step 1 - Identify client(s)

Small business owner who is easy to work with

Self employed, none/minimal W-2 employees

Higher tax brackets

More than a few thousand in OOP medical costs each year

Taking home office deductions on 1040, or not at all

Has kids and spouse who want to help with business



Not everybody is for everybody

Step 2 – Collect clients information to analyze

Please provide the following items for a complimentary employer benefit analysis:

What entity types do you own? Ie S corp, Sch C, C corp, etc

Your total out of pocket medical expenses (NOT including premiums)

Health insurance premiums paid

Whether on a high deductible plan or not

Do you have a home office?

How old are your kids?

Any other people you support?

Any other personally paid business expenses you are curious about expensing to the business?



Step 3 – Provide ROI analysis to client

Tax Savings Analysis: Small Employer Benefits

Based on 32% Personal Rate

The following potential opportunities have been identified to reduce your annual tax burden:

Medical Expense Reimbursement Plan	\$5,000
Hiring Family Members (ROTH is priceless)	\$6,000
Accountable Plan	\$4,000
Total Estimated Year 1 & Fwd Tax Savings Available to You (avg amounts used)	\$15,000



Substitute the Word
“Sales” With “Servitude”

Take it further

Request their employee handbook

- Cafeteria Plan – What is allowed?
- Dependent care plan?
- Education plan?
- Retirement plan?
- Company match amount/percent?
- Accountable plan available

Request the latest paystub

- Pension withholdings
- HSA withholdings
- Garnishments & child support
- Expensive Insurances

Request the most recent W-2

Box 12:

- D for 401-K deferrals
- E for 403-B deferrals
- F/H for other pension deferrals
- T-Adoption
- W- the all important HSA

Box 14: for any other items of note

- 457 plan gvt job CAN defer +401K
- Reasonable Comp/Entity Analysis

How many clients can you implement this year?



**A goal is a wish until a
plan is made**

Keith Cunningham, "The Road Less Stupid"

Avoiding the dumb mistakes that sabotage
growth, profits and business success

**THE
ROAD LESS
STUPID**

Advice from the Chairman of the Board

KEITH J. CUNNINGHAM



Audience Poll

What additional support do you need?

- Understanding the technical rules around the strategies
- Explaining value pricing to clients
- Pitching to a client
- Implementing the plan after sold



Questions?

What other tax
strategies do you use?





Please take time to rate
this session

Additional Resources

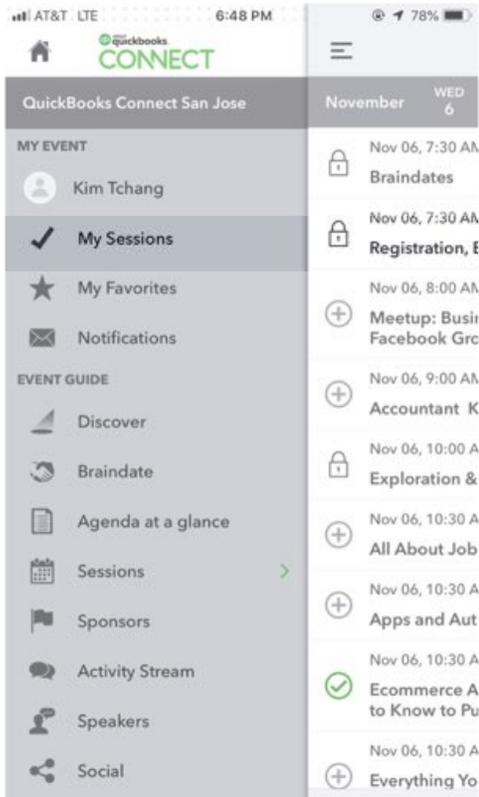


Join my Facebook Group! “Accounting Firm Influencers” or Request Coaching at JackieMeyerCPA.com

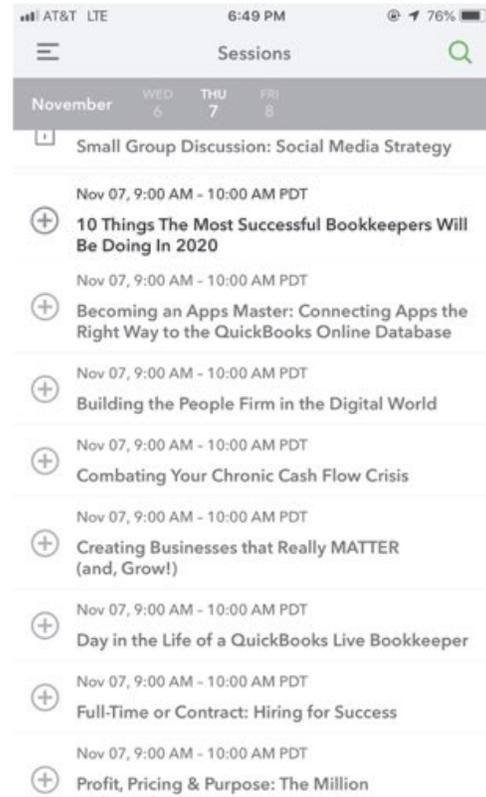
Rate this Session on the QuickBooks Connect Mobile App

Provide feedback to help us design content for future events

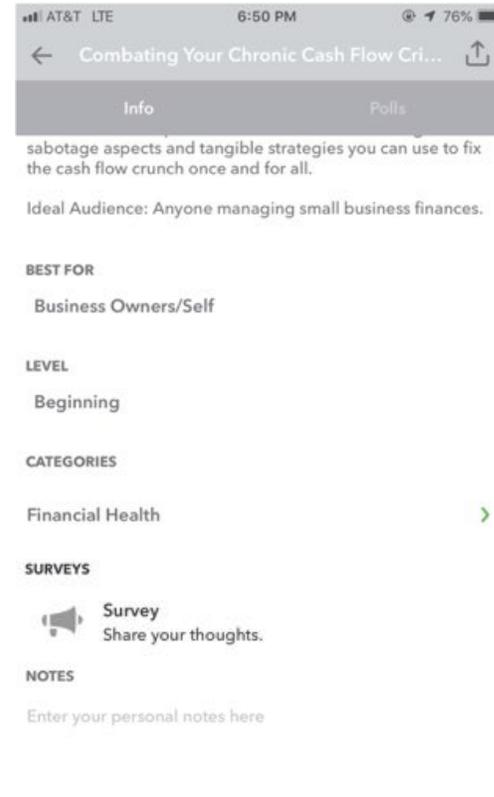
1. Select Sessions



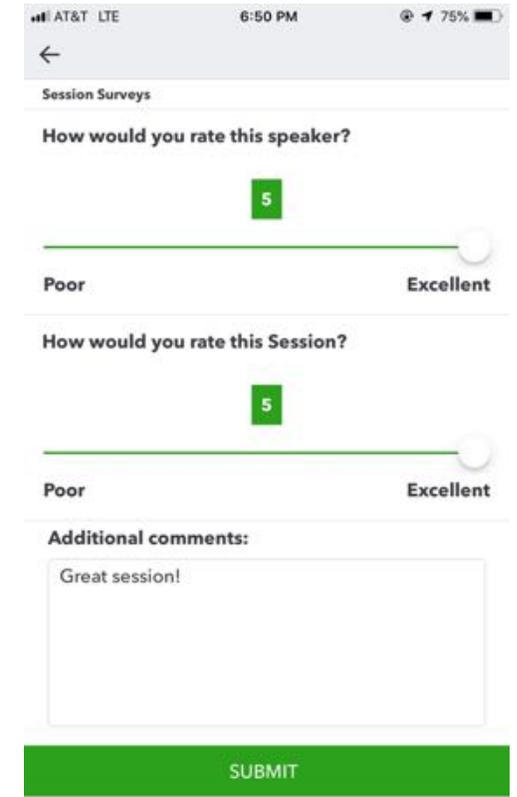
2. Select Session Title



3. Select Survey



4. Add Ratings



Material Download

1. Find the session on the agenda
2. Select + for more information
3. Download PDF of slides and/or supplemental material

<https://quickbooksconnect.com/agenda/>

The screenshot shows the QuickBooks CONNECT agenda page for November 7. The page features a navigation bar with links for 'Why Attend', 'Agenda', 'Speakers', 'Pricing', 'Sponsors', 'Travel', and 'FAQ'. A 'Register now' button is located in the top right corner. Below the navigation bar, there are tabs for 'November 6: Accountant Day', 'November 7' (which is selected and underlined), and 'November 8'. A 'Print Agenda' button is visible on the right side. The main content area includes a search bar labeled 'Search for sessions' and a set of filters: 'Business Growth', 'Life & Business Skills', 'Organizational Culture', 'Technology Training', 'Advisory', and 'Financial Health'. An 'Expand all +' button is located to the right of the filters. The agenda items for November 7 are listed below:

- 7:30-9:00 am: Registration, Breakfast & Exploration
- 7:30-10:30 am: **Braindates** (marked with an 'x'). Description: 'New this year, you can use Braindates to book time with fellow attendees, expert consultants and the QuickBooks support team. [Learn more](#)'. Best for: All Audiences. CPE Hours: not eligible.
- 8:00-8:30 am: Yoga (marked with a '+')
- 8:00-8:45 am: **Breakout Sessions**
- Small Business Meetup: Relationship Marketing and the Power of Human Connection (marked with a '+')
- Small Group Discussion: Social Media Strategy (marked with a '+')
- Small Group Discussion: Showing up - Why What You Wear Matters (marked with a '+')
- Small Group Discussion: Build Your Dream Bookkeeping firm (marked with a '+')

 **CONNECT**

OWN
THE
FUTURE
TURE