



INTERNAL REVENUE SERVICE

June 15, 2019 – Second Quarter Estimated Tax Payments Due. If you have not already, consider setting up EFTPS to make your estimated tax payments. <https://www.eftps.gov/eftps/direct/Help.page>.

Or you may go directly to www.irs.gov and make a payment there.

QUICKBOOKS

QuickBooks Pro 2019 is now available for purchase. Please update to QuickBooks 2019 if you are currently using 2017 or older. Or talk with us regarding switching to QuickBooks Online – it is also a great option!

IRS STANDARD AUTO MILEAGE RATE

The standard reimbursement rate for automobiles is 54.5 cents per mile for 2018 and 58 cents per mile for 2019.

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Key Practice Management and Accounting Updates

PAID FAMILY AND MEDICAL LEAVE

Premium collection for the new Paid Family and Medical Leave Act began January 1, 2019 and are 0.4% of gross pay up to the Social Security cap amount (\$128,400 in 2018). However, the state revised the timeline for the quarterly reporting. Employer reporting for Quarters 1 and 2 will be between July 1 and July 31. This is effective for the 2019 year only and you will file 2 separate reports for these two timeframes.

If you did not start collecting the premium from employees on January 1, there is no penalty and you can begin withholding at any time provided you give notice in advance. However, you cannot retroactively withhold premiums from employees and you will be responsible for paying any missed premiums on their behalf.

Details regarding the program can be found on the Employment Security Department website at <https://paidleave.wa.gov/>.

PAID FAMILY AND MEDICAL LEAVE – for S CORPORATIONS

If your practice is organized as an S Corporation, the corporate shareholder may or may not have to participate in this program.

- If the S corporation began as a corporation (usually a PS but not always) and the shareholder / corporate officer received compensation then he or she is required to participate as an employee of that organization.
- If the S corporation began as a Limited Liability Company (LLC or PLLC), members of the PLLC are exempt from the program even if they are taking a wage from their LLC. They can however elect coverage if desired.

Your payroll service provider should be aware of this new deduction so be sure to follow up with them accordingly.

REPORTING HOURS WORKED

Please be sure that you are reporting hours worked for all wages paid. This includes shareholders, spouse and children that might be on the payroll.

UPDATE PAYROLL AND BENEFITS FORMS

Best practice is to obtain a new W-4 as well as retirement plan deferral authorization form each year from each employee. Even if an eligible employee chooses to not defer into your retirement plan, we recommend you get a signed form from the employee to evidence that you in fact offered the benefit to them.

Make sure you have updated your payroll tax rates for 2019 with your payroll provider. Payroll taxes are the responsibility of the employer and it is wise to regularly verify that the required deposits have been made to your tax account. Call us if you have questions about how to do this.

Notify your payroll service provider if terminated employees are still listed on your timesheet forms provided by Paychex, ADP or any other payroll provider. If you do not know the exact termination date, just give an estimate.

RECORDS RETENTION

Ready to clear out some of that old paperwork or purge your electronic filing? Give us a call if you need our resource on how long to keep important legal, tax and financial data.

Be sure to maintain a copy of the digital tax return we placed in your secure client portal for the 2018 tax filing season. If you need assistance accessing your portal please give us a call!

UNCLAIMED PROPERTY AUDITS BY WASHINGTON STATE

For many years now, we have provided a resource to our clients regarding the Unclaimed Property Reporting Requirements within the State of Washington. Many of you have taken our advice and have created protocols for refunding credit balances and following up on uncashed patient refund checks. If you have not done so, we urge you to do so now. If you do have procedures in place, we suggest you review them and the guide provided by the state (link below) to be sure you are still in compliance.

The State is now actively auditing practices and the process is fairly onerous including requesting 10 years of past bank reconciliations. Please be sure the appropriate team members are familiar with the steps related to identifying unclaimed property, notifying the owners (due diligence), and reporting. More information is available with the state's guide - <https://dor.wa.gov/legacy/docs/pubs/ucp/ucpreport.pdf>.