TAX ISSUES
FOR THE CRNA –
INDIVIDUAL & BUSINESS
What happened?!?

Congress "simplified" the tax code again.
Definitions

- Locum Tenens
- Employee
- Independent Contractor
- Limited Liability Company LLC
- Partnership
- Corporation
- S Corporation
- W-2 Form
- 1099 Form
<p>| | | | | | |</p>
<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.</strong></td>
<td><strong>1 Rents</strong></td>
<td><strong>2 Royalties</strong></td>
<td><strong>3 Other income</strong></td>
<td><strong>4 Federal income tax withheld</strong></td>
<td><strong>5 Fishing boat proceeds</strong></td>
</tr>
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<td></td>
<td><strong>$</strong></td>
<td><strong>$</strong></td>
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<td><strong>$</strong></td>
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</tr>
<tr>
<td><strong>PAYER'S TIN</strong></td>
<td><strong>RECIPIENT'S TIN</strong></td>
<td><strong>5 Fishing boat proceeds</strong></td>
<td><strong>6 Medical and health care payments</strong></td>
<td><strong>7 Nonemployee compensation</strong></td>
<td><strong>8 Substitute payments in lieu of dividends or interest</strong></td>
</tr>
<tr>
<td><strong>RECIPIENT'S name</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Street address (including apt. no.)</strong></td>
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<tr>
<td><strong>City or town, state or province, country, and ZIP or foreign postal code</strong></td>
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<tr>
<td><strong>Account number (see instructions)</strong></td>
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<tr>
<td><strong>FATCA filing requirement</strong></td>
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<tr>
<td><strong>2nd TIN not</strong></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>13 Excess golden parachute payments</strong></td>
<td><strong>$</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>14 Gross proceeds paid to an attorney</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>15a Section 409A deferrals</strong></td>
<td><strong>$</strong></td>
<td><strong>15b Section 409A income</strong></td>
<td><strong>$</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>16 State tax withheld</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>17 State/Payer's state no.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>18 State income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Form 1099-MISC**

**Copy A**

For Internal Revenue Service Center

File with Form 1096.

For Privacy Act and Paperwork Reduction Act Notice, see the 2018 General Instructions for Certain Information Returns.

**Form 1099-MISC**

Cat. No. 14425J

www.irs.gov/Form1099MISC

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee's social security number</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Employer identification number (EIN)</td>
<td>Wages, tips, other compensation</td>
</tr>
<tr>
<td>c</td>
<td>Employer's name, address, and ZIP code</td>
<td>Social security wages</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medicare wages and tips</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social security tips</td>
</tr>
<tr>
<td>d</td>
<td>Control number</td>
<td>Verification code</td>
</tr>
<tr>
<td>e</td>
<td>Employee's first name and initial</td>
<td>Last name</td>
</tr>
<tr>
<td>f</td>
<td>Employee's address and ZIP code</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Statutory employee</td>
<td>Retirement plan</td>
</tr>
<tr>
<td>14</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>State</td>
<td>Employer's state ID number</td>
</tr>
<tr>
<td>16</td>
<td>State wages, tips, etc.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>State income tax</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Local wages, tips, etc.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Local income tax</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Locality name</td>
<td></td>
</tr>
</tbody>
</table>
Request for Taxpayer Identification Number and Certification

1. Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2. Business name/disregarded entity name, if different from above

3. Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.
   - Individual/sole proprietor or single-member LLC
   - C Corporation
   - S Corporation
   - Partnership
   - Trust/estate
   - Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership). Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.
   - Other (see instructions)

4. Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
   - Exempt payee code (if any)
   - Exemption from FATCA reporting code (if any)

5. Address (number, street, and apt. or suite no.) See instructions. Requester’s name and address (optional)

6. City, state, and ZIP code

7. List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a TIN, see "How to get a TIN," later.

Note: If the account is in more than one name, see the instructions for line 1. Also see What Name and Number To Give the Requester for guidelines on whose number to enter.

Social security number

OR

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and

3. I am a U.S. citizen or other U.S. person (defined below); and

4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.
Types of Business Structures

- Sole Proprietorship
- Partnership
- Corporation
- “S” Corporation
- Limited Liability Company (LLC)
LLC Information
A limited liability company (LLC) is a hybrid between a partnership and a corporation. It may be thought of as a limited partnership without a general partner. Owners of a limited liability company are called members and may include individuals, corporations or other LLCs. The limited liability company provides the liability protection of a corporation for owners, with the advantage of being treated as a partnership for taxation purposes. A limited liability company may have any lawful purpose other than acting as an insurer, regardless if the propose is for profit. Limited liability companies are generally presumed to be for profit. If an LLC has a purpose that is not for profit, its purpose must be stated in the certificate of organization.
A Pennsylvania limited liability company is formed by filing a Certificate of Organization [DSCB:15-8821], accompanied by a docketing statement [DSCB:15-134A], with the Bureau of Corporations and Charitable Organizations.

A Certificate of Organization is not required by law to be prepared by an attorney. However, because of complex legal issues involved when starting any business, including tax considerations, it is advisable to seek professional legal and tax counsel.

Several types of specialized limited liability companies may be organized under Pennsylvania law. These limited liability companies may be formed as such at the time of filing of the certificate of organization or may elect specialized status by amendment of existing certificate with the requisite vote of the members.

Limited liability companies rendering certain professional services must form as a restricted professional company. If a limited liability company is a restricted professional company, its certificate of organization or foreign registration statement must contain a statement to that effect, including a brief description of the restricted professional service or services to be rendered by the company. Restricted professional services are defined as the following professional services: chiropractic, dentistry, law, medicine and surgery, optometry, osteopathic medicine and surgery, podiatric medicine, public accounting, psychology or veterinary medicine.

Any domestic or foreign restricted professional company in existence on December 31 of any year is required to file a Certificate of Annual Registration [DSCB:15-8221/8998]. This form and the corresponding annual registration fee must be filed on or before April 15 of the following year.
Pros and Cons By Entity

- Ease of Creation
- Tax Implications
- Legal Matters
<table>
<thead>
<tr>
<th>Feature</th>
<th>C Corp</th>
<th>S Corp</th>
<th>LLC</th>
<th>General Partnership</th>
<th>Sole Proprietor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners have limited liability for business debts and obligations</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Created by a state-level registration that usually protects the company name</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Business duration can be perpetual</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>May have an unlimited number of owners</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Owners need not be U.S. citizens or residents</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>May be owned by another business, rather than individuals</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>May issue shares of stock to attract investors</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Owners can report business profit and loss on their personal tax returns</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Owners can split profit and loss with the business for a lower overall tax rate</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Permitted to distribute special allocations, under certain guidelines</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Not required to hold annual meetings or record meeting minutes</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>
W-2 OR 1099: A CASE STUDY
EMPLOYEE OR INDEPENDENT CONTRACTOR, NOW WHAT?
Employment Options

- Base Salary $150,000
- 30 Days Vacation (PTO)
- Life Insurance Coverage 1 Year Salary
- Health Insurance 75% Single Coverage
- Retirement 2% Annual Salary Match
- CME Allowance $1,500
- Malpractice Insurance

- Base Hourly $115.
- Benefits – Zero
Value of Employment

- Salary of $150,000 base = $132,691 Salary and $17,309 of Benefits
- Life Insurance – Term Policy $150,000 = $800
- Health Coverage – 75% single coverage = $10,800
- Retirement 2% match $150,000 = $3,000
- CME allowance of $1,500
- Malpractice Insurance $4,500
- Employment Taxes – FICA & Medicare $10,123

**TOTAL VALUE** $180,723
Value of Independent Contractor

- Base $115 at (40 hours @ 52 Weeks) = $239,200
- 30 days benefit = 240 hours @ $115 = $27,600
- Therefore, base = $211,600
- Less – Cost of Life Insurance, Health Insurance, Retirement, CME, Malpractice and the Self employment Taxes
- NET VALUE $180,877
Work Decision

- Employment Value $180,723 on base $150,000 with Benefits Package
- Independent Contractor Value $180,877 net of costs on $115 per hour rate
- Conclusion: Breakeven is $115 per hour for a similar employment of $150,000 with benefits
SELF EMPLOYED ENTITIES
Are you Self Employed?

- Carry on a business or trade as a sole proprietor or an independent contractor —
- Form 1099
- Activity carried on to make a profit — under facts and circumstances
- General rule — are you receiving compensation for work, but you have the right of control or direct the result of the work or how the work is to be completed
Schedule C

Sole Proprietor or LLC

- No Payroll
- Limited Health Insurance Deduction
- Retirement Benefits
- Business Expenses — Limited New Tax Law

Corporation — C or S

- Payroll Required — New 20 % Deduction
- Limited Health Insurance Deduction
- Retirement Benefits
- Business Expenses
- Additional Creation and Filing Costs
How Do I Pay My Taxes?

- Federal tax is a pay as you go system – self employed individuals must pay quarterly tax estimates to avoid underpayment tax penalty.
- Self employment income results in self employment tax which is a social security and Medicare tax for individuals not under a wage compensation.
- Self employment tax rate is 15.3 % (2.9 %) of which is unlimited Medicare tax.
Internal Revenue Service Publication 535 defines business expenses and deduction as:

“To be deductible, a business expense must be both ordinary and necessary.”

An ordinary expense is one that is common and accepted in your industry.

A necessary expense is one that is helpful and appropriate for your trade or business.
Business Expenses

- An expense does not have to be indispensable to be considered necessary.
- Even though an expense may be ordinary and necessary, you may not be allowed to deduct the expense at all – typical IRS regulations and rules.
- You must distinguish usual business expenses from expenses that are capital expenses or personal expenses.
"Even if your dog does do 'his business' in your basement, you still can't deduct it as office space."
Business Expenses

- Ordinary & Necessary
  - Supplies
  - Auto Expenses
  - Home Office
  - Insurance
  - Professional Fees
  - Licenses
  - Continuing Education
  - Memberships
  - Travel
  - Uniforms
  - Retirement Plans
You needed another deduction, so I billed you twice.
HOME OFFICE DEDUCTION
Home Office Test

- **Exclusive Use Test — No mixed use**
- **Regular Use Test — Not incidental or occasional**
- **Principal Place of business test:**
  - You have no other fixed location where you conduct substantial administrative or management activities of your trade or business
    - Setting up appointments, billing clients, keeping books and records.
Home Office for (CRNA) IRS case specific to Anesthesia Provider

- Publication 587 (2015) reissued 02/23/18
- Allowance for Home Office – example 3 page 4

Paul is a self employed anesthesiologist. Home office use for –

- Contacting patients, surgeons, and hospitals regarding scheduling.
- Preparing for presentations or treatments.
- Maintaining billing records and logs.
- Satisfying CPE requirements.
Home Office Deduction

- 1 of 10 rooms = 10%
- Mortgage interest, real estate taxes, utilities, cleaning, water/sewer, repairs, security system, cable = $30,000 = $3,000 tax deduction which saves $1,500 in taxes.
Figure A. Can You Deduct Business Use of the Home Expenses? Do not use this chart if you use your home for the storage of inventory or product samples, or to operate a daycare facility. See Exceptions to Exclusive Use, earlier, and Daycare Facility, later.

Start Here:

Is part of your home used in connection with a trade or business?

Yes

Are you an employee?

Yes

Do you work at home for the convenience of your employer?

Yes

Do you rent part of your home used for business to your employer?

No

Is the use regular and exclusive?

Yes

Is it your principal place of business?

No

Do you meet patients, clients, or customers in your home?

Yes

Is it a separate structure?

No

Deduction allowed

No deduction

No

Is it a separate structure?

Yes
### PART 1—Part of Your Home Used for Business:

1. Area of home used for business
2. Total area of home
3. Percentage of home used for business (divide line 1 by line 2 and show result as percentage)

### PART 2—Figure Your Allowable Deduction

4. Gross income from business (see instructions)

<table>
<thead>
<tr>
<th>(a) Direct Expenses</th>
<th>(b) Indirect Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Casualty losses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Deductible mortgage interest and qualified mortgage insurance premiums</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Real estate taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Total of lines 5 through 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Multiply line 8, column (b), by line 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Add line 8, column (a), and line 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Business expenses not from business use of home (see instructions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Add lines 10 and 11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Deduction limit. Subtract line 12 from line 4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14. Excess mortgage interest and qualified mortgage insurance premiums

15. Insurance

16. Rent

17. Repairs and maintenance

18. Utilities

19. Other expenses

20. Add lines 14 through 19

21. Multiply line 20, column (b), by line 3

22. Carryover of operating expenses from prior year (see instructions)

23. Add line 20, column (a), line 21, and line 22

24. Allowable operating expenses. Enter the smaller of line 13 or line 23

25. Limit on excess casualty losses and depreciation. Subtract line 24 from line 13

26. Excess casualty losses (see instructions)

27. Depreciation of your home from line 39 below

28. Carryover of excess casualty losses and depreciation from prior year (see instructions)

29. Add lines 26 through 28

30. Allowable excess casualty losses and depreciation. Enter the smaller of line 25 or line 29

31. Add lines 24, 25, and 30

32. Casualty losses included on lines 10 and 30 (see instructions)

33. Allowable expenses for business use of your home. (Subtract line 32 from line 31.) See instructions for where to enter on your return

### PART 3—Depreciation of Your Home

34. Smaller of adjusted basis or fair market value of home (see instructions)

35. Basis of land

36. Basis of building (subtract line 35 from line 34)

37. Business basis of building (multiply line 36 by line 3)

38. Depreciation percentage (from applicable table or method) %

39. Depreciation allowable (multiply line 37 by line 38)

### PART 4—Carryover of Unallowed Expenses to Next Year

40. Operating expenses. Subtract line 24 from line 23. If less than zero, enter -0-

41. Excess casualty losses and depreciation. Subtract line 30 from line 29. If less than zero, enter -0-
BENEFITS OF SELF EMPLOYED
Tax Deductions = Savings $$

- Federal rate = $150,000 approx 25% federal, + 2.9% Medicare tax, + 3.07% state, 1% local
- TOTAL 32% without social security tax which is another 15%
- So, every $100 of deductions saves you $47
Benefits of Self Employed

- **Deduct business expenses** – Under new tax law unreimbursed business expenses are denied. That trip to Mexico for CPE is now 47% less!

- You can **defer taxes** by creating additional retirement plan benefits. For a solo 401 K the maximum is $54,000 (over 60) not your employer limit of $24,500.
Benefits of Self Employed

- Your medical insurance, dental insurance and long term care insurance can reduce your taxable income — you do not lose these due to tax regulations and phase outs.

- You can have uncle Sam pay 20% of your child’s educational cost by creating wages at a lower tax cost.
Benefits of Self-Employed

- You can have the government help you pay for some of your business expenses – including that new car lease.
- You can protect individual assets from creditors in legal disputes – above your malpractice insurance coverage.
"It's relatively simple. We only want what's ours, plus 30% of what you think is yours."
RETIREMENT PLANNING
IRA TYPES

- Traditional
- Roth
- Spousal
- Rollover
Retirement Plans for Businesses

- SEP
- SIMPLE
- 401 K - Solo, Traditional, Safe Harbor
- Defined Benefit
## SEP, SIMPLE, and 401(k) Comparison Fact Sheet

<table>
<thead>
<tr>
<th></th>
<th>SEP IRA</th>
<th>SIMPLE IRA</th>
<th>Traditional 401(k)</th>
<th>Safe Harbor 401(k)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligible employers</strong></td>
<td>Businesses of any size and structure</td>
<td>Businesses with no more than 100 employees receiving at least $5,000 in compensation during the previous year</td>
<td>Businesses of any size and structure (excluding government entities)</td>
<td>Businesses of any size and structure (excluding government entities)</td>
</tr>
<tr>
<td><strong>When to establish plan</strong></td>
<td>Employer’s tax-filing deadline, including extensions</td>
<td>No later than Oct. 1 each calendar year, with accounts set up in time to receive the first contributions</td>
<td>No later than the plan year-end (including setup of accounts for receipt of first contributions)</td>
<td>No later than Oct. 1 each calendar year, with accounts set up in time to receive the first contributions</td>
</tr>
</tbody>
</table>
| **Eligibility requirements** | Exclusion options:  
• Employees under age 21  
• Employees earning less than $600  
• Employees not employed three out of the five preceding years | Maximum eligibility requirements:  
• Employees earning at least $5,000 in each of the two preceding calendar years  
• Reasonably expected to earn $5,000 for the current calendar year | Exclusion options:  
• Employees under age 21  
• Employees with less than one year of service for salary-deferral contributions | Exclusion options:  
• Employees under age 21  
• Employees with less than one year of service for salary-deferral contributions |
| **Compensation limit** | $275,000 (2018)                                                          | Applies to nonelective contribution formula only:  
• $275,000 (2018) | For employer contributions:  
• $275,000 (2018) | For employer contributions:  
• $275,000 (2018) |
<table>
<thead>
<tr>
<th></th>
<th>SEP IRA</th>
<th>SIMPLE IRA</th>
<th>Traditional 401(k)</th>
<th>Safe Harbor 401(k)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan year</strong></td>
<td>• Calendar year</td>
<td>Calendar year only</td>
<td>• Calendar year</td>
<td>• Calendar year</td>
</tr>
<tr>
<td></td>
<td>• Fiscal-year election available with prototype plan document</td>
<td>Any fiscal-year period</td>
<td>Any fiscal-year period</td>
<td></td>
</tr>
<tr>
<td><strong>Allowable contribution types</strong></td>
<td>Employer only</td>
<td>Employee salary deferrals</td>
<td>Employee salary deferrals</td>
<td>Employee salary deferrals</td>
</tr>
<tr>
<td></td>
<td>• Employer matching</td>
<td>Employer matching</td>
<td>Employer matching</td>
<td>Employer safe harbor matching</td>
</tr>
<tr>
<td></td>
<td>• Employer nonelective</td>
<td>Employer nonelective</td>
<td>Employer nonelective</td>
<td>Employer safe harbor non-elective</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employer profit-sharing</td>
<td>Employer profit-sharing</td>
<td>Employer matching</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Employer nonelective</td>
<td>Employer profit-sharing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Employer profit-sharing</td>
<td></td>
</tr>
<tr>
<td><strong>Employer contributions for 2018</strong></td>
<td>Annual discretion (0% to 25% of the total eligible participants’ compensation, not to exceed $55,000 for any one participant)</td>
<td>Employer matching (the lesser of 100% of the employee deferral, up to 3% of compensation)</td>
<td>Discretionary matching, nonelective and profit-sharing (total contributions, including salary deferrals, cannot exceed $55,000 for any one participant not including catch-up)</td>
<td>Discretionary matching, nonelective and profit-sharing (total contributions, including salary deferrals, cannot exceed $55,000 for any one participant not including catch-up)</td>
</tr>
<tr>
<td><strong>Salary deferral limit for 2018</strong></td>
<td>None (Exception: Employee salary deferrals do apply to existing SAR-SEPs, but the total aggregated contributions are not to exceed 25% of eligible compensation, or $55,000 for any one participant)</td>
<td>$12,500</td>
<td>$18,500</td>
<td>$18,500</td>
</tr>
<tr>
<td><strong>Catch-up contribution for 2018</strong> (for participants age 50 or older)</td>
<td>None (Exception: Catch-up contributions do apply to existing SAR-SEPs)</td>
<td>$3,000</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td></td>
<td>SEP IRA</td>
<td>SIMPLE IRA</td>
<td>Traditional 401(k)</td>
<td>Safe Harbor 401(k)</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------------------------------</td>
<td>------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td><strong>Contribution deadline</strong></td>
<td>Employer’s tax-filing deadline, including</td>
<td>• Employee salary deferrals (As soon as administratively</td>
<td>• Employee salary deferrals (As soon</td>
<td>• Employee salary deferrals (As soon</td>
</tr>
<tr>
<td></td>
<td>extensions</td>
<td>feasible, but no later than the 30th day after the end of</td>
<td>as administratively feasible, but no</td>
<td>as administratively feasible, but no</td>
</tr>
<tr>
<td></td>
<td></td>
<td>month withheld from payroll)</td>
<td>later than the 15th* day after the</td>
<td>later than the 15th* day after the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employer contributions (By employer’s tax-filing</td>
<td>end of month withheld from payroll)</td>
<td>end of month withheld from payroll)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>deadline, including extensions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Nondiscrimination testing</strong></td>
<td>Top-heavy (ADP testing applies to SAR-SEPs)</td>
<td>Not applicable</td>
<td>• Coverage and participation</td>
<td>• Coverage and participation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Actual deferral percentage (ADP)</td>
<td>• 415 annual-contribution limit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Actual contribution percentage (ACP)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 415 annual-contribution limit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Top-heavy (Exception: Safe Harbor</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>contribution satisfies Top Heavy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>requirement if no additional employer</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>employer contribution is funded)</td>
<td></td>
</tr>
</tbody>
</table>
Get Professional Help

I never practice anesthesia on myself, why would you practice tax preparation?

CPA’s = Creative Practical Advice

We are artists, we report income and report deductions, but mostly we help our clients paint a positive financial picture!
2018 Tax Law Changes For You

- 529 College Savings Plans
- Alimony
- Child Tax Credits
- Miscellaneous Tax Deductions
- Pass Through Entities
- Personal Exemptions & Standard Deductions
- State & Local Tax Deductions
- Tax Brackets
A turkey was chatting with a bull. “I would love to be able to get to the top of this tree to see the world, but I haven’t got the energy.” The bull replied, “why don’t you nibble on some of my droppings, they’re packed with nutrients for energy.

So, the turkey pecked at the dung, and found it actually did give him the energy he needed and he reached the lowest branch. He continued to peck and peck, eating more and finally with the new strength, he reached the highest branch.

He was promptly spotted by a hunter who shot him.
Moral of the Story

- Bull Sh*t might get you to the top, but it won’t keep you there.
- Stay educated, learn everyday, and keep up with your profession – the only constant is change.
Are you on track?  What's going on in your life?  Make an introduction

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Together we’ll go far
Ira N. Secouler CPA

Ira N. Secouler is a Certified Public Accountant and principal in the accounting firm of McCarthy & Company, PC located in Lafayette Hill, PA. Ira has more than thirty five years’ experience providing services to business owners and individuals in the areas of accounting, financial and tax. Ira grew up in the Upper Dublin area and graduated from Drexel University. He received his CPA license in 1982 from the Commonwealth of Pennsylvania. Ira has been a member of the American Institute of Certified Public Accountants since 1983. Ira has spoken at various educational seminars to groups on topics of educational tax credits, tax implications for the CRNA, and retirement planning. He is married to his wife Robin for thirty nine years and they have two married children and four grandchildren, all who reside in the Montgomery County area. Robin is a CRNA with a MS degree from St. Joseph’s University.

Ira has been an active member of Congregation Beth Or since 1989, and is only the second member of the Congregation who has held the titles of President of Brotherhood, Man of the Year, and President of the Congregation. Ira is an active board member and Treasurer of the nonprofit organization, Kind Quilts, which provides hand crafted quilts to children in hospitals. He helped distribute these “tangible gifts of love” to children in hospitals. Also, Ira is an active board member and Treasurer of the nonprofit organization, Philadelphia Hebrew Free Loan Society, which provides loans at zero interest to individuals and businesses requiring necessary working capital.

In his spare time, Ira is usually surrounded by one or more of his granddaughters or he can be found on a local golf course trying to improve his game.

Ira N. Secouler, CPA, Principal

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