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Our goal
At Purtil & Company, we believe our best client is a well-informed client, one who welcomes ideas and challenges us with ideas. Our strengths are in planning, strategies and actions where we can put our knowhow to work as opposed to the book-and-forms work favored by many accounting firms.

This newsletter is part of that information effort, but it's not the only part. *In addition to this, we want you to feel free to ask us anything. If it's a quick email, and doesn't require extensive research or effort on part, our policy is to absorb the cost internally.* That will also let us identify bigger opportunities as they emerge.

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Your ACA obligations for 2014

Whether we like it or not, the Affordable Care Act (ACA) probably isn't going away. There are too many millions of people who have received some ACA benefit since 2010 and the politicians know to avoid riling people like that. So there's no point delaying acting on it. Here's our ACA-14 Cliff Notes version.

The law requires you to have an ACA-compliant health insurance policy for 2014. If you have health insurance, no problem. Read no further. All policies complies because insurance companies can't sell anything else.

But what if you missed the March 31, 2014 enrollment deadline? You have to pay a penalty - \$95 or 1% of your family income, whichever is higher - when you file your 2014 income tax return in 2015. However, you're not shut out for the year. You have two options:

1. Get a supplemental or short-term insurance to cover you until Jan. 1, 2015. These plans include accident policies, cancer or specified disease coverage, critical care and recovery, dental coverage, vision care, and some types of hospitalization. However, you must be sure the policy qualifies.
2. If you have a qualifying event, such as getting married, birth/ adoption, divorce, permanently moving to a new area that offers different health plan options, losing coverage due to a job loss or COBRA plan expiring, health plan being decertified, employer dropping coverage or becoming a citizen. In that case, you have 60 days to sign up for a policy.

Here's a surprise! You might be *completely* exempt from the penalty if:

1. Your 2014 income is too low for filing a tax return.
2. You have insurance for 9 months or more in 2014.
3. Coverage would be more than 8% of household income.
4. You qualify for a hardship exemption, including foreclosure, utility shut-off notice, family death, property disaster, caring family member, ineligibility for coverage and the biggest: "other hardship."

You get these exemptions when you file your 2014 income tax return. Get more info. [Click here](#).

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Employer ACA issues for 2014

We all know that some of the ACA requirements for businesses were postponed until 2015, and when we heard that, our ACA radar shut down. However, most of the business provisions remained in effect for 2014, including some potentially attractive tax credits. Let's simplify and summarize them.

- **Health premium credit.** If you pay more than 50% of your employees' health insurance premiums, you get a 50% tax credit. That's a big deal. However, this program *was written for low-wage companies* and has some convoluted rules. The rule of thumb is that if the *average* hourly wage is \$24 or less, you may qualify for the credit on the health insurance premiums paid for your employees. The owners and their relatives are excluded from the calculation. And, the credit is prorated when the average wage goes over \$12 and it disappears completely at \$24. If your average wage come close, give us a call.
- **Exchanges.** These become effective for 2014 and required for 2015. However, our experience is that your present provider will meet or beat anything you get on your state's exchange.
- **CO-OPs.** These will become more active in later 2014. Watch for them. We believe they will ramp up in the third quarter of 2014, attempting to gain market share from small companies that want to be ready for the requirement in 2015. If we're right, the market will become more competitive in favor of the employer. Contact us for referrals.
- **New hires.** You must provide a notice to any new hire about his or her obligation to obtain health insurance in 2014. For specifics, see our September 2013 newsletter at the [P&Co Website](#).

Other questions? Contact us. John@purtill.com

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Estimated payment reminder

If your situation calls for quarterly estimated tax payments, the second is due on or before Monday June 16th 2013. However, there are a few considerations:

- If we prepared your tax return - or submitted an extension request for you before April 15th, we either sent you payment vouchers or applied some of your 2013 refund into 2014. Still, you might want to check the amount we calculated. If it sounds too high or too low give us a call.
- If your 2014 year-to-date income isn't good, you can safely skip the June 16th payment and make it up later this year.
- However, if you're having a cash flow shortage, postponing the payment will just push the problem down the road. Better to make a small payment than none at all.
- Consider making monthly payments instead of quarterly. This reduces the pain. There's no rule prohibiting a monthly payment and the IRS and your state will be happy to receive the money
- If you pay a few days late, it's not a problem. Unlike other debts, such as credit cards, there is no large late fee for missing a deadline, but only a small interest adjustment.

The penalty for failing to make quarterly estimates is a form of late payment fee: a percentage of your tax bill but not as steep as the one charged by your credit card company. However, because you don't get any credit for paying early, there's no point in paying earlier than you have to. All you're doing is giving the government an interest-free loan. That's where we come in. We use our judgement in calculating the best payment - sometimes no payment at all - for the best deal for you. However, your situation may change during the year and affect your payment requirements. If it does, give us a call.

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Business startup boot camps

For over 20 years we've conducted an eight-hour series in three Adult Education centers in Central Connecticut. Thousands have taken it and always give it a top rating. We wrote the text book and created the course, and now other CPAs provide the same training in other parts of the state. Each session is two hours, runs from 6:30 to 8:30 and covers an important business topic. If you miss a class at one location, you can make it up at another - or even the following season - for free!

<u>Session</u>	<u>Topic</u>
1.	Business planning
2.	Finance your business
3.	Business records and financials
4.	Business taxes

Here's the Fall 2014 schedule:

Cheshire	Wednesday, September 10, 17, 24, October 1
Middletown	Thursday, October 23, 30, November 6, 13
Wallingford	Tuesday, October 14, 21, 28, November 4

Special offer! Free boot camp tuition to Purtil & Company clients. Email [John Purtil, CPA](#) for info.

[Click here for locations, driving directions, more information and to sign up.](#)

[Click here for other locations and schedules as they come up](#)

All the proceeds of the course, including book sales, go to support [Community Accounting Aid](#), which provides free financial education and assistance to low-income Connecticut residents.

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Contact list

You can contact any Purtil & Company employee by using the employee's first name and our company email location. So, for John, the email address would be john@purtil.com. Or, you can just click on the name below, which will open up your email editor.

[John Purtil, CPA](#)

Financial and tax planning, business software, business planning, IRS problems, family businesses, buying and selling businesses, AccountMate issues.

[Olga Bubnova, CPA](#)

Financial and tax planning, business software, tax returns, financial statements, client accounting, QuickBooks issues, law firms, not-for profit organizations.

[Gretchen Fredericks](#)

Work flow management, firm administration, client accounts, collections, AccountMate issues. Gretchen is the person to see if you've got a hot deadline or want to know where something is.

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Circular 230 disclosure

Under U.S. Treasury Department Regulations, we are required to inform you that, unless otherwise expressly indicated, any federal tax advice contained in this communication, including attachments, enclosures and links is not intended or written to be used, and may not be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

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