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R & J Salina Bookkeeping News

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| *R & J Salina Tax Service, Inc.**Phone: 785-827-1304* | ***1/1/2017****Edition 1, Volume 1* | [***www.randjsalinatax.com***](http://www.randjsalinatax.com)*Email: rjtax@salina.kscoxmail.com* |

**Welcome!**

R & J Salina Tax Service, Inc welcomes you to our first Bookkeeping Newsletter. Once a year at the beginning of January we will mail out a newsletter. Our newsletter will provide you with new and up-to-date information regarding new laws and regulations, advice and resources to better help your business and keep you informed. Please contact our office with comments and suggestions on information you would like to see or any improvements that could be made.

**Inside this Issue**

New Overtime Rules
New requirements for W-9’s and 1099’s
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Mandatory Filing Date changes on W-2’s and I-9’s
Price Changes and due dates for Bookkeeping Services

# Employee Information

**\*New Overtime Rule:**

The new rule will raise the salary level for the first time since 2004 from $23,660 to $47,476 per year. Starting December 1st, 2016, if you pay an employee a set amount (salaried/fixed amount), and they work over 40 hours a week you will have to pay them overtime. If they make less than $913 a week, you will NOT need to pay overtime if they work over 40 hours a week. You will need to keep a record of all employees physical hours worked. The final rule will fix the threshold automatically by updating the salary threshold every 3 years beginning January 1, 2020. Employers can pay time-and-a-half for overtime work, raise workers’ salaries above the new threshold, and limit workers’ hours to 40 per week, or some combination of the above.
***\*The Overtime Rule is on hold pending the outcome of litigation.***

**W-9’s and 1099’s**

 If we are preparing 1099’s for you, we need to have a W-9 on file at our office for each individual or company needing the 1099. By having the W-9’s on file, it will help eliminate IRS correspondence for 1099 issues. If the 1099’s are not filled out correctly, you could be subject to a penalty for each return filed incorrectly.

**Tips**

Tips **must** be reported as part of wages. The minimum for a wait staff wage is $2.13 per hour plus tips must equal $7.25 per hour. If tips bring the employee’s wage over minimum wage ($7.25) that’s OK, but all tips must be reported. Tips can be distributed as the employer likes, i.e. tips split between all staff, only servers, etc., but we need to know what is reported as wages and what the tips are when you bring in your payroll. Tips are subject to Social Security and Medicare tax.

**I-9’s, W-4’s, K-4’s**

 On November 22nd, 2016 the I-9 form was updated and released. Starting January 22nd, 2017 it is mandatory that all newly hired employees must fill out the new version of the I-9. For employees with I-9’s already on file, they do not need to refile an I-9. If the Form I-9 is not filled out correctly, you could be subject to penalties. The penalties start at a minimum of $110 per form.

Under the Immigration Reform and Control Act of 1986 (IRCA) employers must keep an employee’s completed Form I-9 for as long as the individual works for the employer. If an employee has been terminated you must retain the Form I-9 for either three years after the date of hire, or one year after the date employment was terminated, whichever is later.

All employees must fill out new W-4’s and K-4’s every year. This is in case the employee wishes to change filing status and/or withholding amounts.

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**New Deadlines for W-2’s, 1099’s, 1065, and 1120-S**

It is now **mandatory** for W-2’s and 1099’s to be issued, mailed and e-filed by January 31st, 2017. If we are preparing W-2’s and/or 1099’s for your business, we are needing all information brought in by January 2nd, 2017. If the information is brought in before January 6nd, you will receive a 20% discount on the preparation fee. If your information is here by January 10th you will receive a 10% discount for the preparation fee. Information brought in after January 12th will result in a $50 late charge on top of the preparation fee. These price changes go in to effect January 1st, 2017.

1065 Partnership or 1120-S S-Corporation business tax returns are due by March 15th, 2017, instead of April 15th.

**Payroll Quarterly Report Due Dates-**

1st Quarter ~ January, February, March

 Ends March 31st, **941 reports need to be signed and mailed by this date.**

2nd Quarter ~ April, May, June

 Ends June 30th, **941 reports need to be signed and mailed by this date.**

3rd Quarter ~ July, August, September

 Ends September 30th, **941 reports need to be signed and mailed by this date.**

4th Quarter ~ October, November, December

 Ends December 31st, **941 reports need to be signed and mailed by this date.**

If the 15th falls on a Holiday or a weekend; it is due the next business day. Most clients opt to pay it on that Friday before the 15th. That way there is no way of a mix up on the Federal side of the due date; eliminating unnecessary IRS letters. We are hoping that this is helpful to our new clients and those that are “veterans” paying federal payroll taxes.

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**\*We are looking into providing basic HR Services to our client’s in the future that are wanting help with employee management. If this is a service you are interested in please let us know!**



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*Make your appointment now!*

To better assist you with filing your 2016 tax return, call and schedule an appointment. This way you can get in when it is convenient for you. Spots will fill up fast!