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GRAY ♦ PILGRIM

AND ASSOCIATES, LLC

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Quarterly Newsletter 2022

This quarter, our newsletter is covering great opportunities for business owners to maximize their understanding and inner workings of the IRS as well as increase their development in financial growth.

Understanding & Conceptualizing your Business

We are going to be highlighting some of the questions that have come to light with respect to your practice finances. With the IRS, Small Business Association, and other state specific agencies, our responsibility here at GPA is to ensure that this information is clear and to you within a timely manner.

We believe that very important topics are to adapt to inflation, as well as the growth and development of your practice. Our office is here to provide insight, problem solve, and breakdown financial concepts for the best possible outcome.

Services at GPA are never limited to just monthly financials. We pride ourselves on the array of skills at your disposal. Are you taking full advantage of our services? This month we dig deeper into a portion of our payroll processing perks. Capitalize on your business to gain maximum profits!



**KEEP
CALM
AND
SAVE
MONEY**

Reminder:
Beware of
companies
telling you
about ERTC
funds.



Coming soon: Dental Fee Surveys

Our Dental Fee Surveys are a free service that we provide to help dentists determine where their fees fall so they can make adjustments to balance their fees.

These surveys are a key element in understanding what the competitive market is for Patient Charges, versus what your office is charging. We have observed Startup practices often are charging 25% less than the market average. In reviewing your fees, we can provide insight to adjust for the year to come. This is critical, especially when inflation is on the rise.

Our office Administrative Assistant will be working to send these out. Expect them at the end of October.

If you have any questions, please contact Holly via email at Holly@gpallc.net.

Employee Retention Tax Credit

The IRS has not released the specifics on the timeframe as to when payments will begin to process.



If you have received your ERTC credits, please provide this information accordingly to update your financials .

We have written previously regarding the ERTC, which was created by the CARES Act to provide a tax credit on a per-employee basis if employers had a sufficient reduction of revenue or had a partial/ complete shutdown based on a Civil Authority Order.

The IRS explained the cause of the delays and the status of the backlog to these credits. Two main reasons are:

1. The changes in procedures at the IRS to address COVID-19 safety protocols; including working remotely and
2. The sheer volume of refund requests

The processing relates to Form 941, the Employers quarterly tax return and for 941-X, the adjusted employer's federal tax return or claim for the refund (after-the-fact claim).

The IRS released the following statement:

“Like Many businesses in the United States, the IRS has also been impacted by COVID-19, which has caused delays in its services. These delays have impacted the IRS processing mail, tax returns, payments, refunds and correspondence. This has caused many businesses that filed for the ERC to experience a longer than anticipated tax refund.”

There is no further action required by employers. The IRS is taking steps to speed up the process. We will provide updated information as it is released, but it could be up to 10 months before you receive notice.

If you wish to contact the IRS for further questions regarding the ERC, Please contact number is 877-777-4478. Please note that calls may experience extremely lengthy delays .

Pay.gov

Pay.gov makes it easy to make and manage online payments to many, but not all, United States Government agencies. Payments through Pay.gov are like making any online purchase, but first you must choose the agency paid and what you are paying for. Anyone, anywhere; individuals and businesses; can use Pay.gov.

You can:

- Make one-time or automatic recurring payments.
- Make donations, such as for disaster relief.
- Manage payments, including tracking payment history and status.
- Store information you use repeatedly when making payments, such as your name, address, and credit card number.

Understanding your I.R.S. Account

IRS.GOV

We are still encouraging clients to take the opportunity to set up your individual logins to review your personal federal IRS accounts. This will allow you to review each year's tax return, current/outstanding balances, any/all payments, and more. You must generate an account on your own, as the validation of personal security information is "specific to the individual". The IRS plans to develop an online account for business taxpayers in the future, enabling businesses to easily and securely manage their federal tax obligations.

To set up an account with the IRS please follow the steps below:

- Visit IRS.gov
- Select "Make New Payment"
- Under View your balance and payment Activity Select "View Your Account"
- Select "Log into your online account"
- Select "Create account" on left.

Online Account is an online system that allows you to securely access your individual account information.

You can view:

- The total amount you owe, including balance details by year
- Your payment history and any scheduled or pending payments
- Key information from your most recent tax return
- Payment plan details, if you have one
- Digital copies of select notices from the IRS
- Your Economic Impact Payments, if any
- Your address on file
- Authorization requests from tax professionals



You can also:

- Make a payment online
- See payment plan options and request a plan via Online Payment Agreement
- Access your tax records via Get Transcript
- Approve or reject authorization requests from tax professionals

Please note:

- Your balance will update no more than once every 24 hours, usually overnight.
- Check or money order payments may take up to 3 weeks to appear in your account.

Below we have included a YouTube link that provides further insight on how to set up your accounts on the IRS's webpage.

<https://www.irs.gov/payments/view-your-tax-account>



Submitting your PRF Report:

The PRF portal is now open for Period 3 reporting! Please be sure to register, and complete/submit your report. You must complete the registration on your own for liability purposes. Please visit prfreporting.hrsa.gov/s/ today.

Recipients who received one or more payments exceeding \$10,000 in the aggregate during the payment received period are required to report in each applicable reporting time period (Chart located below). Recipients of these funds agreed to the terms and conditions, which require compliance with reporting requirements specified by the secretary of Health & Human Services (HHS).

Please be sure to review which reporting period your business is required to complete reporting requirements. Our staff will be able to aid with providing of these reports during those specific dates accordingly. You must have your registration complete prior to this timeframe.

Reporting Dates

Recipients who received one or more payments exceeding \$10,000, in the aggregate, during a Payment Received Period are required to report in each applicable Reporting Period as outlined in the table below.

	Payment Received Period (Payments Exceeding \$10,000 in Aggregate Received)	Period of Availability	Reporting Time Period
Period 1	From April 10, 2020 to June 30, 2020	January 1, 2020 to June 30, 2021	July 1, 2021 to September 30, 2021*
Period 2	From July 1, 2020 to December 31, 2020	January 1, 2020 to December 31, 2021	January 1, 2022 to March 31, 2022
Period 3	From January 1, 2021 to June 30, 2021	January 1, 2020 to June 30, 2022	July 1, 2022 to September 30, 2022
Period 4	From July 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2022	January 1, 2023 to March 31, 2023
Period 5	From January 1, 2022 to June 30, 2022	January 1, 2020 to June 30, 2023	July 1, 2023 to September 30, 2023

Important Details:

- Providers who are able to, are strongly encouraged to complete their report in the PRF Reporting Portal by September 30, 2022.
- Providers should return unused funds as soon as possible after submitting their report. All unused funds must be returned no later than 30 days after the end of the grace period (October 30, 2022).

Pay \$5,250 Annually Towards Student Loans– TAX FREE!

Section 2206 of the CARES Act allowed an exclusion of up to \$5,250 from an employee's gross income, if an employer paid principal or interest on an employee's "Qualified Education Loan." Originally intended to end in 2020, the program was extended through December 2025 under the Consolidated Appropriations Act.

An employer can make up to \$5,250 in student loan payments for an employee within a year, either directly to the employee or to the student loan servicer. This money is considered tax-free, meaning that the employee doesn't have to pay income taxes on up to \$5,250. The employer also receives a payroll tax exclusion on that amount. **A Company policy for this benefit must be in place and it must be offered to all employees.**

The rules that define what will qualify as a "Qualified Education Loan" are somewhat complex. The IRS advises taxpayers to review Chapter 4 of IRS Publication 970. In general, the loan had to be incurred for the employee's costs of attendance (i) in pursuit of a degree, certificate, or other program that would lead to a "recognized educational credential", and (ii) while carrying a course load at least one-half (1/2) of the normal course load for that particular course of study.



Attendance at an "eligible education institution" is required. In general, this will include all colleges, universities, vocational schools and other post-secondary institutions that are eligible to participate in the federal student aid program. Eligible educational institution cost include tuition and fees, books, supplies, transportation, miscellaneous personal expenses, room and board and various other costs.



Newest Item:

Employer PayScale's:

This service is truly beneficial to employers upon staff reviews. Based on an employees pay, you as the employer can now see the breakdown of payable benefits.

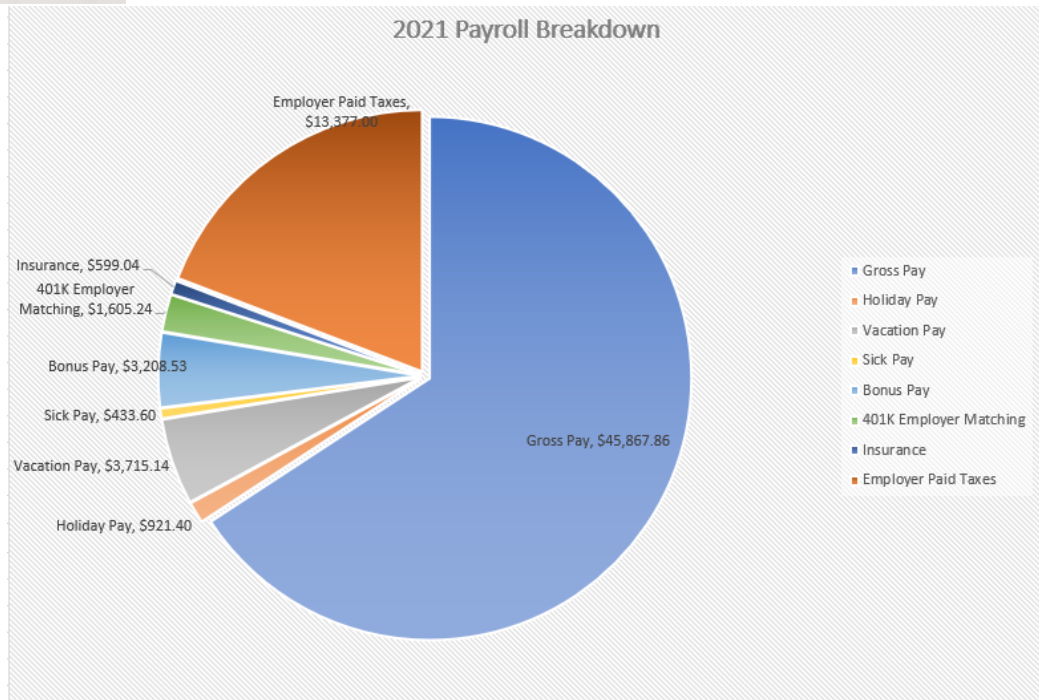
Examples: Joe Smith is hired at an hourly rate of \$25/ hour. He receives a generalized employee benefits packet which breaks down the contributions of the employer, such as 401k, vacation/sick, and insurance. With the Pay-Scale breakdown, you can now see that Joe Smith is, in actuality making more than the listed \$25/hour, and is closer to costing the employer a payout of \$32/ hour (the inclusion of the additional perks provided).

Taxes play a huge role in this PayScale breakdown. We all know you can't ever escape from paying taxes. The taxes in which you as the employer pay out includes: unemployment, federal and state withholding. As you can see in the chart provided below, the taxes paid out for Joe Smith are significantly a larger portion than that of the benefits of pay.



Taking advantage of this service will not only provide a better understanding of how much you as the employer are paying out, but allows you visually see what it will cost you prior to actually awarding pay increases to employees. PayScale can be extremely beneficial today, as you may be considering employee raises due to our current inflation rates.

This service can be provided through your biweekly payroll and tie into your quarterly tax review processing. We will not only be able to see the projected financial contributions from you, the employer, but can map out projections of how to process bonuses and pay increases for future cost.



401K State Mandates

What are the state –mandated retirement plans?

When states require employers to provide their employees with retirement savings opportunities, it's known as a state-mandated retirement. Businesses generally have two ways to comply with these laws – enroll their employees into a state-sponsored retirement program or sponsor a plan of their own through the private market, such as those offered by ADP.

Why are states mandating these plans?

Some states have begun mandating retirement plans as a way to address the retirement savings gap in this country. Their response is based on research that shows:

- The average working household has virtually no retirement savings
- Employees are more likely to save when they have access to a 401(k) or similar plan by their employer
- Only four in 10 businesses with less than 100 employees offer retirement benefits

State-mandated [retirement plans](#) are the result of legislation requiring small businesses to provide retirement benefits to their employees. These employers now have the added responsibility of choosing a plan that's right for their business and performing various administrative tasks to comply with the laws. Their employees must also find the plan beneficial – a critical aspect to retaining top [talent](#).

As of June 30, 2022, 16 states and 2 cities have enacted state-facilitated retirement savings programs for private sector workers. To date, these programs have adopted one or a combination of four models. The predominant model is an auto-IRA program, adopted by 11 states and 2 cities.

Individual Retirement Account (Auto-IRA)		Voluntary Open Multiple Employer Plan (MEP)	Voluntary Payroll Deduction IRA	Voluntary Marketplace
California	Maryland	Massachusetts	New Mexico	New Mexico
Colorado	New Jersey	Vermont		Washington
Connecticut	New York ⁴			
Delaware	New York City ⁵			
Hawaii ⁶	Oregon			
Illinois	Seattle, WA ⁷			
Maine	Virginia			

More information will be provided as this information is still being updated as each state is reviewing and editing their mandates.

Supportive Links:

- <https://www.hrsa.gov/provider-relief/reporting-auditing/important-dates>
- <https://www.irs.gov/>
- [IRS tax return backlog swells as Americans await refunds \(fox6now.com\)](https://www.fox6now.com/news/irs-tax-return-backlog-swells-as-americans-await-refunds)
- <https://www.pay.gov/public/home>
- <https://www.peppermint401k.com/state-mandated-retirement-as-of-april-2022/>



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