



MUHLENKAMP & ASSOCIATES LLC
 MUHLENKAMP & GAGEL WEALTH ADVISORS LLC

SUMMER 2016 NEWSLETTER

Our firms value... *being a single trusted source for responsive tax, accounting and financial solutions by defining goals and designing a plan to achieve your unique dreams with integrity.*

SCAMS/IDENTITY THEFT

There has been a significant increase in scams by people pretending to be the IRS. They will send emails or make phone calls that appear legitimate. They typically indicate a problem and make threats. **THE I.R.S DOES NOT EMAIL OR CALL TAXPAYERS.** The IRS will not ask for personal information such as PINs, passwords, credit card or bank information or any financial information. If this happens, you can report this to the Treasury Inspection General for Tax Administration at 1-800-366-4484. You can file a complaint with the Federal Trade Commission. If you receive an email, **DON'T** open it. Forward the email to phishing@irs.gov. In the case of identity theft, obtain a credit report at www.equifax.com, www.experian.com or www.transunion.com. Review these reports and if necessary, consider placing a fraud alert and security freeze on your credit reports. It may also be necessary to file a police report and a report with the Federal Trade Commission at www.FTC.gov. **Because of the increase in identity theft, the deadline for providing W-2s to the IRS for 2016 will be 1/31/17.**

IMPORTANT BWC BILLING CHANGES

- ✓ First installment premium is due 7/1/16 (Policy year 7/1/16-6/30/17)
- ✓ "True Up" Report is due 8/15/16

Complete the "true up" report by giving BWC actual wage information by manual classification during the policy year of 7/1/15-6/30/16 online at www.bwc.ohio.gov. BWC will compare your bill using actual payroll to installment payments made this past year and issue a refund or a billing for additional premium owed which will be due within 30 days. BWC will NOT be mailing payroll reports! If you would like us to prepare the report for a fee, please contact our office.

RETIREMENT PLAN LIMITS

The 2016 contribution limits (subject to income limits) did not change from 2015.

Traditional & ROTH IRAs	\$5,500 plus a \$1,000 "catch up" if over age 50
SIMPLE IRAs	\$12,500 plus a \$3,000 "catch up" if over age 50
401k	\$18,000 plus a \$6,000 "catch up" if over age 50
SEP IRA	\$53,000 plus a \$6,000 "catch up" if over age 50

We can set up your business retirement plans (401k, Simple IRA, etc.) for employees and owners (partners, shareholders, and self-employed).

MILEAGE RATE/PER DIEM

The mileage rates for 2016 are 54 cents per mile for business, 19 cents per mile for medical and 14 cents for charitable miles. The current meal per diem is \$57 per day and for taxpayers in the transportation industry, it is \$63 per day.



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SERVICES

Individual
 Farm
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Tax & Estate Planning
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 Accounting
 Payroll
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CELINA OFFICE

215 North Main Street
 Celina, OH 45822
 Phone: 419-586-6405
 Fax: 419-586-6406

FT RECOVERY OFFICE

118 N Wayne Street
 Fort Recovery, OH 45846
 Phone: 419-375-1003
 Fax: 419-375-3333

VISIT US ON THE WEB TODAY!
MUHLCPA.COM

OUR TEAM

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Andrea Eilerman

PORTAL LOGIN

We now have portal capability to send and receive data more securely than e-mail. Please contact our office to set up your portal.

DEPRECIATION

The Section 179 expensing of new or used equipment (including HVAC equipment) was permanently set at \$500,000 with phase outs beginning when total cost of equipment purchased is \$2,500,000. The 50% bonus depreciation was extended through 2017 and will phase down to 40% in 2018 and 30% in 2019. Ohio & Indiana still limits first year expensing to \$25,000.

DEPARTMENT OF LABOR (DOL) OVERTIME CHANGES

The DOL recently announced changes to the overtime rules scheduled to be effective December 1. One exemption to overtime pay is for salaried employees meeting certain tests regarding their job duties who are paid at least \$455/week. The new rule increases the salaried pay for exemption to at least \$913/week. Please see our website www.muhlcpa.com for the link to the DOL website for additional information.

SOCIAL SECURITY WAGE BASE AND MINIMUM WAGE

The social security wage base remains at \$118,500 for 2016. In addition, the federal and Ohio minimum wage remains at \$7.25/\$8.10 per hour, respectively. In cases where an employee is subject to both the state and federal minimum wage laws, the employee is entitled to the higher of the two minimum wages.

OHIO SMALL BUSINESS TAX DEDUCTION

In 2016, Ohio small businesses will be entitled to take a 100% tax deduction on the first \$250,000 of business income. This deduction is available to all owners as well as partners of companies structured as pass-through entities and will be reflected on your individual tax return.

OHIO CAT (COMMERCIAL ACTIVITY TAX)

Taxpayers with business gross receipts greater than \$150,000 in Ohio are subject to this tax. All taxpayers with gross receipts over \$1 million must file their returns quarterly. If you are currently not registered for this tax, contact our office. All returns and payments need filed online via the Ohio Business Gateway.

MUNICIPAL CHANGES

Payroll withholding deadlines along with changes to city withholding requirements are a few of the changes in 2016. Please contact your city administrator or our office if you have questions about your business city tax obligations.

You plant a sapling one afternoon, and suddenly it's a tree. You bring home a new baby, and before you know it, it's time for pre-school. You start a business with a truck, and you end up buying a building. Funny how things grow so fast, isn't it? We have enjoyed seeing your family grow, along with hopes and dreams. Thank you for allowing us to advise you through the years and we look forward to advising you for many years to come.



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LET'S HAVE A LOOK IT'S TIME FOR YOUR ANNUAL REVIEW



HAVE YOU HAD YOUR ANNUAL FINANCIAL CHECKUP?

Most people understand the importance of periodic medical checkups. You value your health and are prepared to take steps to maintain it. You readily convey new issues to your medical professionals and help them monitor whether the prescribed plan of action is yielding the results you want. For many of us, scheduling a medical checkup is second nature.

But what about your financial health? Is your asset allocation appropriate or is it time to rebalance? Do you need help reducing your taxes? Are your investments keeping you up at night? Are your dependents protected in the event of illness or death? Much like taking care of your health, wealth management involves regular meetings with a trusted advisor whose expertise you can rely on.

Here are some questions that can help you get started thinking about the current state of your finances:

- ✓ When did you last review your retirement programs to see if you are on track?
- ✓ How well covered are your income and investment programs in case you become injured or ill?
- ✓ Have you created your business succession plan or strategy for unplanned events?
- ✓ Are your wills, living wills, and trusts current and drafted to distribute your estate efficiently?
- ✓ Is your asset allocation model for your investment portfolio designed for your objectives?
- ✓ How will you contribute to the education of your children and grandchildren?

We can help you start addressing the opportunities and challenges. We can analyze your current situation and help make sure your financial plan is working towards your goals, not against them. Call us to schedule your annual financial checkup today.



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Please call Marlene Gagel or Matt Muhlenkamp at 419-586-6405 or 419-375-1003 for an appointment.



**MUHLENKAMP
& ASSOCIATES, LLC**
CERTIFIED PUBLIC ACCOUNTANTS

215 North Main Street
Celina, OH 45822

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INDIVIDUAL TAX CONSIDERATIONS

Did you know:

- ✓ You can contribute and deduct up to \$3,350/\$6,750 for self/family coverage and a \$1,000 "catch up" contribution if over age 55 to a Health Savings Account if you have an eligible high deductible plan.
- ✓ An individual can gift up to \$14,000 per person per year without any reporting requirements.
- ✓ \$2,000 per beneficiary per year can be deducted on the Ohio return for contributions to 529 college savings plans.
- ✓ A portion or all of long term care premiums can be deductible.
- ✓ There is a limit a taxpayer may earn if receiving social security benefits before full retirement age.
- ✓ Medicare premiums can be increased if your income is too high.
- ✓ The penalty for not having health insurance in 2016 will be the greater of 2.5% of household income or \$2,085/family (\$695/adult and \$347.50/child).
- ✓ The residential energy property credit is available for 2016.

For a complete listing of our services, helpful links, and additional information visit our website (www.muhlcpa.com). Please provide us with your email address, if you have not done so already, by going to "Contact Us" on our website and we will update our file.



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